INDEPENDENT AUDITORS' REPORT

To the Members of AIA Engineering Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the Standalone Financial Statements of AIA Engineering Limited (the " Company"), which comprise the Standalone Balance Sheet as at 31 March, 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Refer Note 3(j) and Note 32 to the Standalone Financial Statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Company mainly comprises of sale of products (i.e. high chrome mill internals) to its customers. Significant portion of the Company's revenue from sale of products arises from transactions with related parties, mainly a wholly owned overseas subsidiary of the Company. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each customer contract regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards; • Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods; • Testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts and proof of dispatch/ delivery in accordance with the contractual terms agreed with the customers; • Testing of revenue recognized near the year- end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts;

INDEPENDENT AUDITORS' REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
	• Understanding the Company's process for identifying, recording and disclosing related parties and related party transactions; • Testing the underlying data for ascertaining arm's length pricing and sighting the approvals of the Audit Committee for related party transactions; • Evaluating the adequacy of the standalone financial statements disclosures

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due

INDEPENDENT AUDITORS' REPORT (Contd.)

to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITORS' REPORT (Contd.)

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March, 2022 on its financial position in its Standalone Financial Statements - Refer Note 43(a) to the Standalone Financial Statements.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 55 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 55 to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Rupen Shah
Partner
Membership No. 116240
ICAI UDIN: 22116240AJNYFZ5177

Place: Ahmedabad
Date: 25 May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the "Annexure A" referred to in the Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March, 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/ delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advance in the nature of loan to companies, firms, limited liability partnership or any other parties. The Company has made investments in and provided loans to other parties and provided guarantee to a company during the year, in respect of which the requisite information is as below. The Company has not made any investments in and provided loans to companies, firms, limited liability partnership and not provided any guarantee, to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

(₹ in lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
- Subsidiaries	749.99	-	-	-
- Others	-	-	135.80	-
Balance outstanding as at balance sheet date				
- Subsidiaries	1,745.70	-	-	-
- Others	-	-	257.61	-

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the guarantees given and investments made by the Company, the provisions of section 186 of the Companies Act, 2013, have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July, 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income-tax, Goods and Service tax, Duty of Customs, Duty of Excise, Sales Tax, Service Tax, Value Added Tax, Provident Fund, Employees' State Insurance, Cess or other statutory dues as at 31 March, 2022, which have not been deposited with the appropriate authorities on account of dispute, other than those mentioned in the Enclosure - I to this report.

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lenders.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c) In our opinion and according to the information and explanations given to us by the management, there were no term loans obtained during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under Companies Act, 2013).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a), (b) and (c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

(xvi) (a) & (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and (b) of the Order are not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) The company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Companies Act, 2013, has not elapsed till the date of our report.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Rupen Shah
Partner
Membership No. 116240
ICAI UDIN: 22116240AJNYFZ5177

Place: Ahmedabad
Date: 25 May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Enclosure – I

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount related	Amount involved (₹ in lakhs)	Amount unpaid (₹ In lakhs)
Income tax Act, 1961	Income tax	Hon'ble High Court of Gujarat	A.Y. 2006-07	407.44	407.44
			A.Y. 2007-08	1,100.66	1,100.66
			A.Y. 2008-09	893.05	893.05
			A.Y. 2009-10	1,728.35	1,728.35
			A.Y. 2010-11	1,830.28	1,830.28
			A.Y. 2011-12	1,729.92	1,729.92
			A.Y. 2012-13	1,610.63	1,610.63
			A.Y. 2013-14	2,173.48	2,173.48
		Commissioner of Income-tax, Ahmedabad	A.Y. 2014-15	3,657.95	1,908.84
			A.Y. 2016-17	1,554.18	1,420.23
			A.Y. 2017-18	3,049.52	3,049.52
			A.Y. 2018-19	3,649.05	3,649.05
Central Excise Act, 1944	Duty of Excise, including interest and penalty (as applicable)	CESTAT, Ahmedabad	F.Y. 2006-07 to 2007-08	31.39	31.39
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	VAT Tribunal, Madurai	F.Y. 2013-14	18.63	9.47
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of State Tax - Nagpur	F.Y. 2015-16	10.70	5.13
Central Sales tax Act, 1956	Central Sales Tax	Joint Commissioner of State Tax - Nagpur	F.Y. 2015-16	44.16	21.19
CGST Act, 2017	Goods service tax	Deputy Commissioner of GST & Central Excise, Tiruchirappalli	F.Y. 2017-18 to 2018-19	44.55	44.55
Finance Act, 1994	Service tax	Commissioner of CGST, Audit, Ahmedabad	F.Y. 2017-18	17.15	17.15
Integrated Goods and Services Tax Act, 2017	Goods service tax	Dy. Commissioner of State Tax, Nagpur	F.Y. 2018-19	41.22	41.22
Employees' State Insurance Act, 1948	Employee state Insurance scheme	Hon'ble High Court of Gujarat	F.Y. 2001-02 to 2004-05	9.80	4.90

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

Opinion

We have audited the internal financial controls with reference to financial statements of AIA Engineering Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Rupen Shah
Partner
Membership No. 116240
ICAI UDIN: 22116240AJNYFZ5177

Place: Ahmedabad
Date: 25 May, 2022

STANDALONE BALANCE SHEET
AS AT 31 MARCH, 2022

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	72,437.24	74,501.25
(b) Right of use assets	5	3,382.87	3,589.76
(c) Capital work-in-progress	6	21,023.40	16,094.87
(d) Goodwill	7	460.69	460.69
(e) Other intangible assets	7	282.60	299.66
(f) Financial assets			
(i) Investments	8	1,541.24	27,213.99
(ii) Trade receivables	9	541.34	250.30
(iii) Loans	10	161.57	96.88
(iii) Other financial assets	11	31,961.03	530.12
(g) Other tax assets (net)	12	2,779.24	2,560.46
(h) Other non-current assets	13	3,817.32	2,571.31
Total non-current assets		**1,38,388.54**	**1,28,169.29**
Current assets			
(a) Inventories	14	62,801.62	41,949.88
(b) Financial assets			
(i) Investments	15	1,01,208.75	52,026.08
(ii) Trade receivables	16	1,29,513.30	1,06,117.47
(iii) Cash and cash equivalents	17	17,690.98	21,708.67
(iv) Bank balances other than (iii) above	17	24,566.99	93,080.85
(v) Loans	18	96.04	95.04
(vi) Derivatives		-	313.18
(vii) Other financial assets	19	4,494.81	4,983.02
(c) Other current assets	20	7,721.46	4,890.07
Total current assets		**3,48,093.95**	**3,25,164.26**
Total assets		**4,86,482.49**	**4,53,333.55**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	1,886.41	1,886.41
(b) Other equity	22	4,57,602.12	4,07,555.76
Total equity		**4,59,488.53**	**4,09,442.17**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	308.12	575.02
(b) Provisions	24	534.30	769.51
(c) Deferred tax liabilities (net)	40 (b)	5,804.32	5,748.77
Total non-current liabilities		**6,646.74**	**7,093.30**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	-	18,100.00
(ii) Lease liabilities	26	317.31	257.78
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		3,846.20	3,600.54
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,210.03	11,096.44
(iv) Derivatives		115.98	-
(v) Other financial liabilities	28	2,348.73	2,186.54
(b) Other current liabilities	29	1,215.29	1,250.13
(c) Provisions	30	335.66	196.85
(d) Current tax liabilities (net)	31	958.02	109.80
Total current liabilities		**20,347.22**	**36,798.08**
Total liabilities		**26,993.96**	**43,891.38**
Total equity and liabilities		**4,86,482.49**	**4,53,333.55**

The accompanying notes are integral part of these standalone financial statements 2 - 56

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Lakhs)

Particulars	Note	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
INCOME			
Revenue from operations	32	3,08,157.03	2,47,299.38
Other income	33	26,968.81	14,480.71
Total income		**3,35,125.84**	**2,61,780.09**
Expenses			
Cost of materials consumed	34	1,72,861.67	1,08,078.03
Purchases of stock-in-trade		1,657.92	3,307.97
Changes in inventories of finished goods and work-in-progress	35	(10,975.24)	(1,243.11)
Employee benefits expense	36	10,302.79	9,805.91
Finance costs	37	363.24	398.52
Depreciation and amortisation expense	38	8,983.90	9,097.06
Other expenses	39	76,686.84	67,534.42
Total expenses		**2,59,881.12**	**1,96,978.80**
Profit before tax		**75,244.72**	**64,801.29**
Tax expense	40 (a)		
Current tax		16,808.26	18,628.27
Excess provision for current tax of earlier years written back		(150.40)	-
Deferred tax		136.33	(2,317.16)
Total tax expense		**16,794.19**	**16,311.11**
Profit for the year		**58,450.53**	**48,490.18**
Other Comprehensive Income			
A (i) Items that will not be reclassified to statement of profit and loss	42 (iv)	88.88	201.84
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(22.37)	(50.80)
B (i) Items that will be reclassified to statement of profit and loss	22	24.25	(566.88)
(ii) Income tax relating to items that will be reclassified to statement of profit and loss	22	(6.10)	142.67
Other comprehensive income/(loss) for the period (net of tax)		**84.66**	**(273.17)**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**58,535.19**	**48,217.01**
Earnings per equity share			
Equity share of par value ₹ 2 each			
Basic and diluted	41	61.97	51.41

The accompanying notes are integral part of these standalone financial statements 2 - 56

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

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Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the reporting year	**1,886.41**	1,886.41
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**1,886.41**	1,886.41

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Cash flow hedge reserve	Remeasurement of defined benefit plan	Fair Value Through Other OCI	
Balance as at 1 April, 2020	26,579.52	1,925.74	16,189.27	3,13,656.46	987.76	-	-	3,59,338.75
Profit for the year	-	-	-	48,490.18	-	-	-	48,490.18
Remeasurement of defined benefit plan	-	-	-	-	-	151.04	-	151.04
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	(424.21)	-	-	(424.21)
OCI that will not be reclassified to statement of Profit and Loss transferred to retained earnings	-	-	-	151.04	-	(151.04)	-	-
Balance as at 31 March, 2021	**26,579.52**	**1,925.74**	**16,189.27**	**3,62,297.68**	**563.55**	**-**	**-**	**4,07,555.76**
Profit for the year	-	-	-	58,450.53	-	-	-	58,450.53
Dividend paid on equity shares (Including TDS)	-	-	-	(8,488.83)	-	-	-	(8,488.83)
Remeasurement of defined benefit plan	-	-	-	-	-	66.51	-	66.51
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	(57.41)	-	-	(57.41)
OCI that will not be reclassified to statement of Profit and Loss transferred to retained earnings	-	-	-	66.51	-	(66.51)	-	-
Fair Value of Investment through OCI (net of tax)	-	-	-	-	-	-	75.56	75.56
Balance as at 31 March, 2022	**26,579.52**	**1,925.74**	**16,189.27**	**4,12,325.89**	**506.14**	**-**	**75.56**	**4,57,602.12**

Nature and purpose of reserves:

(a) Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium reserve.

(b) Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of Cumulative redeemable preference shares.

(c) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(d) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

(e) Cash flow hedge reserve: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the profit and loss.

The accompanying notes are integral part of these standalone financial statements 2 - 56

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

RUPEN SHAH
Partner
Membership No: 116240

VIREN K.THAKKAR
Chief Financial Officer

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

Place : Ahmedabad
Date : 25 May, 2022

Place : Ahmedabad
Date : 25 May, 2022

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Lakhs)

	Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
A.	**Cash flow from operating activities:**		
	Profit before tax	**75,244.72**	64,801.29
	Add/(less): adjustments		
	Interest income	(7,570.94)	(4,777.15)
	Dividend income	(8,429.91)	-
	Profit on sale of current investments	(152.23)	(3,677.24)
	Fair valuation of current investments	(1,588.96)	(1,228.20)
	Unrealised loss/(gain) on foreign exchange fluctuation (net)	(2,418.88)	1,048.93
	Loss on sale/disposal of Property, plant and equipment and right of use assets (net)	10.90	216.37
	Sundry balances (written back)/written off (net)	(51.89)	12.71
	Depreciation and amortisation	8,983.90	9,097.06
	Provision for doubtful receivables	(57.31)	3.26
	Finance costs	363.24	398.52
	Provision for product warranties	(128.61)	170.52
		64,204.03	66,066.07
	Changes in working capital:		
	Increase in trade receivable	(20,955.62)	(12,371.75)
	(Increase)/Decrease in loans	(65.69)	51.82
	(Increase)/Decrease in inventories	(20,851.74)	1,554.21
	(Increase)/Decrease in other financial assets	39.69	(32.83)
	(Increase)/Decrease in other non current and current assets	(2,828.11)	4,191.83
	Increase/(Decrease) in provisions	98.72	(423.65)
	Increase in trade payables	460.20	3,163.29
	Increase/(Decrease) in other financial liabilities	58.67	(36.38)
	(Decrease) in other current liabilities	(892.54)	(521.27)
	Cash generated from operations	**19,267.61**	61,641.34
	Income taxes paid (net of refunds)	**(16,115.30)**	(18,601.00)
	Net cash generated from operating activities (A)	**3,152.31**	43,040.34
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(12,665.90)	(12,357.24)
	Proceeds from sale of property, plant and equipment	19.34	102.01
	(Purchase of)/proceeds from sale of investments (net)	(21,019.13)	70,026.92
	(Investment in)/Redemption of fixed deposits with bank (net)	37,563.46	(92,503.46)
	Interest income	6,852.60	2,710.87
	Dividend income	8,429.91	-
	Net cash (used in)/generated from investing activities (B)	**19,180.28**	(32,020.90)
C.	**Cash flow from financing activities:**		
	Proceeds from/(Repayment) of current borrowings (net)	(18,100.00)	9,103.42
	Repayment non-current borrowings	-	(1,500.00)
	Dividends paid (Net of TDS applicable on payment of Dividend)	(7,631.13)	-
	Finance costs paid	(291.26)	(181.85)
	Repayment of lease liabilities	(376.21)	(613.54)
	Net cash (used in)/generated from financing activities (C)	**(26,398.60)**	6,808.03
D.	**Net Increase/(Decrease) in cash and cash equivalents (A+B+C)**	**(4,066.01)**	17,827.47
E.	**Add : Cash and cash equivalents at the beginning of the year**	**21,708.67**	3,881.10
F.	**Less: Foreign exchange gain on restatement of cash and cash equivalents**	**48.32**	0.10
G.	**Cash and cash equivalents at the end of the year (refer Note 1 below)**	**17,690.98**	21,708.67

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Notes :

1. Cash and cash equivalents include: (₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks	12,685.79	21,702.26
Balances with bank in fixed deposit accounts (original maturity of 0 - 3 months)	5,000.00	-
Cash on hand	5.19	6.41
	17,690.98	21,708.67

2. Movement in financial liabilities and financial assets arising from financing activities: (₹ in Lakhs)

Particulars	Non-current borrowings (including current maturities of long-term debt)	Current borrowings (Note 25)	Lease liabilities (Note 23 and 26)	Dividends paid (Note 22)	Finance Cost (Note - 37)
Balance as at 1 April, 2020	1,500.00	9,294.66	1,408.41	-	12.96
Proceeds from borrowings	-	49,928.04	-	-	-
Repayment of borrowings	(1,500.00)	(40,824.62)	-	-	-
Interest paid	-	-	-	-	(406.64)
Amount paid during the year	-	-	(432.46)	-	-
Net movement during the year	**(1,500.00)**	**9,103.42**	**(432.46)**	**-**	**(406.64)**
Interest accrued during the year	-	-	113.10	-	-
Remeasurement of lease liability (Addition)	-	-	(256.26)	-	-
Charge to statement of profit and loss	-	-	-	-	398.52
Foreign exchange fluctuation (gain)	-	(298.08)	-	-	-
Balance as at 31 March, 2021	**-**	**18,100.00**	**832.79**	**-**	**4.84**
Proceeds from borrowings	-	50,250.00	-	-	-
Repayment of borrowings	-	(68,350.00)	-	-	-
Dividends paid (Net of TDS applicable on payment of Dividend)	-	-	-	(7,631.13)	-
Interest paid	-	-	-	-	(335.39)
Amount paid during the year	-	-	(352.05)	-	-
Net movement during the year	**-**	**(18,100.00)**	**(352.05)**	**(7,631.13)**	**(335.39)**
Interest accrued during the year	-	-	76.82	-	-
Remeasurement of lease liability (Addition/Deletion)	-	-	67.87	-	-
Charge to statement of profit and loss	-	-	-	-	363.24
Balance as at 31 March, 2022	**-**	**-**	**625.43**	**-**	**32.69**

3. The standalone statement of cash flows has been prepared in accordance with the 'indirect method' as set out in the Indian Accounting Standard (Ind AS) - 7 - 'Statement of Cash Flows'.

The accompanying notes are integral part of these standalone financial statements 2 - 56

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022

NOTE - 1 BACKGROUND

AIA Engineering Limited. (the 'Company') is a public company incorporated and domiciled in India. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at 115, G.V.M.M. Estate, Odhav road, Odhav, Ahmedabad – 382410, Gujarat, India.

The Company is primarily involved in the manufacturing of High Chrome Mill Internals.

NOTE - 2 BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company comprises, the standalone balance sheet as at 31 March, 2022, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "standalone financial statements"). These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (the 'Act') and other relevant provisions of the Act.

The standalone financial statements are approved for issue by Board of Directors in their meeting held on 25 May, 2022.

Details of the Company's accounting policies are included in Note 3 of the standalone financial statements.

2.2 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Employee defined benefit asset/liability	Plan assets measured at fair value less present value of defined benefit obligations

2.3 Use of estimates and judgments

In preparing these standalone financial statements, management has made judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, based on historical experiences and other factors, including expectation of future events that may have an impact on the Company and that are reasonable under the circumstances.

As more fully explained in Note 46, the ongoing pandemic relating to COVID-19 may have an impact on the use of assumption and judgements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March, 2022 is included in the following notes:

- **Note 4, 5 and 7 –** estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and other intangible assets, impairment of goodwill;
- **Note 40 (c)** recognition of deferred tax;
- **Note 42** measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 24, 30 and 43** – recognition and measurement of provisions and contingencies such as warranty claims: key assumptions about the likelihood and magnitude of an outflow of resources;

2.4 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.5 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in the nearest rupee in Lakhs with two decimals.

NOTE - 3 SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and translation of monetary items are recognised in statement of profit and loss However, foreign currency differences pertaining to qualifying cash flow hedges are recognised in other comprehensive Income to the extent the hedges are effective.

b) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTOCI – debt investment;
- FVTOCI – equity investment; or.
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment by investment basis. At present there are no such investments.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes derivative instruments and investments. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and.
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at

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an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Company

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Financial assets at FVTOCI	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss above amortised cost is recognised in Other comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Derivative instruments and hedge accounting

The Company enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

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Recognition and measurement of cash flow hedge:

The Company strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains/losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains/losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains/losses recognised in hedge reserve is transferred to the statement of profit and loss.

d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

Company has adopted useful life mentioned in Schedule II as per Companies Act, 2013, to depreciate its assets using the straight-line method as per below:

Block of assets	Useful lives (years)
Buildings	30 – 60
Plant and equipments	15
Furniture and fixtures	10
Vehicles	8 – 10
Office equipments	5
Others – laboratory equipments	10
Others – computer hardware	3 – 6

Leasehold land is amortised over the lease period

Following low value assets have been depreciated fully during the year of purchase

- Plant and equipment and laboratory equipment with value up to ₹ 25,000 and
- Other assets with value up to ₹ 5,000

The Company believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of profit and loss.

e) Goodwill and Other intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in Statement of profit and loss.

The estimated useful lives of intangibles are as per below:

- Software - 6 years
- Patents - 20 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Impairment

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads absorbed based on the normal operating capacity, but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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

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g) **Impairment**

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit -impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or.
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability- weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss

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recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in statement of profit and loss in the period in which they arise.

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Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring in accordance with Ind AS 37 and involves payment of termination benefits.

i) Provisions (other than employee benefits), contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. A liability is recognised at the time the product is sold. The Company does not provide any extended warranties to its customers.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

j) Revenue

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Other operating revenue – export incentives

Export incentives are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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Dividend income is recognised when the Company's right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

l) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. The contract involves the use of an identified asset.
2. The Company has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of ROU assets is determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the standalone balance sheet and lease payments have been classified as cash flows from financing activities.

m) Income taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

n) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 48.

p) Cash and cash equivalents

Cash and Cash equivalents for the purpose of standalone statement of cash flows comprise cash and bank balances, demand deposits with banks where the original maturity is three months or less and other short-term highly liquid investments not held for investment purposes.

q) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

r) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

s) GST input credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input credit is reviewed at the end of each year and amount estimated to be un-utilisable is charged to the statement of profit and loss for the year.

t) Investments in subsidiaries

The Company has elected to recognise its investments in subsidiary at cost in accordance with the option available in Ind AS 27, *Separate Financial Statements.*

u) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

ii. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such

NOTES
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sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

v. Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendment removes the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others *	Total
Gross block:								
As at 1 April, 2020	3,736.18	35,646.29	73,783.03	1,453.46	225.78	354.91	1,198.76	1,16,398.41
Additions during the year	-	390.81	1,314.11	51.01	17.76	50.68	92.54	1,916.91
Disposals/adjustments during the year	-	(8.42)	(1,935.25)	(411.74)	(89.68)	(48.43)	(61.57)	(2,555.09)
As at 31 March, 2021	**3,736.18**	**36,028.68**	**73,161.89**	**1,092.73**	**153.86**	**357.16**	**1,229.73**	**1,15,760.23**
Additions during the year	-	858.33	5,407.41	44.08	28.68	24.79	193.41	6,556.70
Disposals/adjustments during the year	-	(10.09)	(104.77)	(13.55)	(21.11)	(1.48)	(29.08)	(180.08)
As at 31 March, 2022	**3,736.18**	**36,876.92**	**78,464.53**	**1,123.26**	**161.43**	**380.47**	**1,394.06**	**1,22,136.85**
Accumulated depreciation:								
As at 1 April, 2020	-	5,780.51	27,370.32	790.07	65.94	209.53	660.29	34,876.66
Charge for the year	-	1,348.66	6,901.60	115.46	29.75	52.37	171.23	8,619.07
Disposals/adjustments during the year	-	(2.27)	(1,760.22)	(325.74)	(46.11)	(45.99)	(56.42)	(2,236.75)
As at 31 March, 2021	**-**	**7,126.90**	**32,511.70**	**579.79**	**49.58**	**215.91**	**775.10**	**41,258.98**
Charge for the year	-	1,319.85	6,927.54	102.12	23.16	38.82	178.98	8,590.47
Disposals/adjustments during the year	-	(4.91)	(86.73)	(11.29)	(17.94)	(1.40)	(27.57)	(149.84)
As at 31 March, 2022	**-**	**8,441.84**	**39,352.51**	**670.62**	**54.80**	**253.33**	**926.51**	**49,699.61**
Net Block								
As at 31 March, 2021	3,736.18	28,901.78	40,650.19	512.94	104.28	141.25	454.63	74,501.25
As at 31 March, 2022	**3,736.18**	**28,435.08**	**39,112.02**	**452.64**	**106.63**	**127.14**	**467.55**	**72,437.24**

* Others include laboratory equipments and computer hardware.

Notes:

1. There have been no charge over immovable properties of the Company.
2. Refer Note 43 (b) for contractual commitments with respect to property, plant and equipments.
3. The title deeds of all the immovable properties are held in the name of the Company.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Gross block:			
As at 1 April, 2020	2,998.62	1,694.85	4,693.47
Additions during the year	27.92	108.81	136.73
Disposals/adjustments during the year	-	(604.60)	(604.60)
As at 31 March, 2021	**3,026.54**	**1,199.06**	**4,225.60**
Additions during the year	23.73	70.34	94.07
Disposals/adjustments during the year	-	(9.25)	(9.25)
As at 31 March, 2022	**3,050.27**	**1,260.15**	**4,310.42**
Accumulated depreciation:			
As at 1 April, 2020	126.84	395.18	522.02
Depreciation for the year	16.86	376.56	393.42
Disposals/adjustments during the year	-	(279.60)	(279.60)
As at 31 March, 2021	**143.70**	**492.14**	**635.84**
Depreciation for the year	16.86	282.05	298.91
Disposals/adjustments during the year	-	(7.20)	(7.20)
As at 31 March, 2022	**160.56**	**766.99**	**927.55**
Net block:			
As at 31 March, 2021	2,882.84	706.92	3,589.76
As at 31 March, 2022	**2,889.71**	**493.16**	**3,382.87**

1. Lease contracts entered by the Company are pertains for land and buildings taken on lease to conduct business activity in ordinary course of business.
2. Lease rent of ₹ 12.81 Lakhs (PY ₹ 2.44 Lakhs) is recognized in statement of profit and loss for the year towards short term lease, lease of low value assets (refer Note 39).
3. Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
4. Lease Obligation, interest expense on lease maturity profile of lease obligation and payment of lease obligation are disclosed respectively in lease liabilities (refer Note 23 & 26), Finance Costs (refer Note 37), Liquidity risk (refer Note 50) and Standalone statement of cash flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	16,094.87	3,234.93
Additions during the year	11,119.98	14,496.63
Capitalisation during the year	(6,191.45)	(1,636.69)
Balance at the end of the year	**21,023.40**	16,094.87

Note:

1. Refer Note 43 (b) for contractual commitments with respect to property, plant and equipments.

CWIP ageing schedule as at 31 March, 2022

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,546.63	12,667.37	2,795.06	14.34	**21,023.40**
Projects temporarily suspended	-	-	-	-	-

CWIP ageing schedule as at 31 March, 2021

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13,210.43	2,867.46	0.33	16.65	**16,094.87**
Projects temporarily suspended	-	-	-	-	**-**

CWIP - Completion Schedule of capital working in progress as at 31 March, 2022

(₹ in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue:					
Kerala Mining Liner Project	20,146.84	-	-	-	**20,146.84**
Completion is not overdue:					
Other Projects	876.56	-	-	-	**876.56**
	21,023.40	-	-	-	**21,023.40**

CWIP - Completion Schedule of capital working in progress as at 31 March, 2021

(₹ in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue:					
Kerala Mining Liner Project	1.30	14,811.77	-	-	**14,813.07**
Completion is not overdue:					
Other Projects	725.32	556.48	-	-	**1,281.80**
	726.62	15,368.25	-	-	**16,094.87**

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 7 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer Note (a)
	Software	Patents and Copyrights	Total	
Gross block:				
As at 1 April, 2020	902.96	72.87	975.83	460.69
Additions during the year	33.83	5.69	39.52	-
Disposals/adjustments during the year	(1.45)	-	(1.45)	-
As at 31 March, 2021	935.34	78.56	1,013.90	460.69
Additions during the year	67.82	9.64	77.46	-
Disposals/adjustments during the year	-	-	-	-
As at 31 March, 2022	**1,003.16**	**88.20**	**1,091.36**	**460.69**
Amortisation:				
As at 1 April, 2020	613.30	17.78	631.08	-
Charge for the year	80.60	3.97	84.57	-
Disposals/adjustments during the year	(1.41)	-	(1.41)	-
As at 31 March, 2021	692.49	21.75	714.24	-
Charge for the year	90.11	4.41	94.52	-
Disposals/adjustments during the year	-	-	-	-
As at 31 March, 2022	**782.60**	**26.16**	**808.76**	**-**
Net Block				
As at 31 March, 2021	242.85	56.81	299.66	460.69
As at 31 March, 2022	**220.56**	**62.04**	**282.60**	**460.69**

Note (a):

The Company tests goodwill for impairment annually and provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on “value in use” calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2021 (Contd.)

NOTE - 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current investments		
A. Investment in equity instruments		
Subsidiaries (measured at cost):		
(i) Fully paid equity shares (quoted)		
477,661 (previous year: 477,661) equity shares of Welcast Steels Limited of ₹10/- each fully paid up	1,341.05	1,341.05
(ii) Fully paid equity shares (Unquoted)		
(a) 32,500 (previous year: 32,500) equity shares of Vega Industries (Middle East) F.Z.C., U.A.E. of face value US$ 10/- each	149.39	149.39
(b) 2,000 (previous year: 2,000) equity shares of PT. Vega Industries Indonesia of face value IDR 13,116/- each	1.30	1.30
(c) 10,000 (previous year: 10,000) equity shares of AIA CSR Foundation of face value ₹10/- each	1.00	1.00
Others companies (unquoted) (measured at FVTPL) #		
(a) 25 (previous year: 25) equity shares of Koramangala Properties Limited of face value ₹ 100/- each, fully paid up	0.03	0.03
(b) 484,700 (previous year: 857,919) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up	48.47	85.79
B. Investment in Government Securities (unquoted) (measured at cost)		
National Savings Certificates (Unquoted)	-	0.06
C. Investments in bonds (quoted) (measured at amortised cost) *	-	25,635.37
	1,541.24	27,213.99
Aggregate amount of quoted investments	1,341.05	26,976.42
Aggregate market value of quoted investments	1,838.99	27,688.31
Aggregate amount of unquoted investments	200.19	237.57

The Company's investment upon sale is only going to fetch the principal amount invested and hence the Company considers cost and fair value to be the same.

* In the current year, the Company has reclassified certain bonds as FVOCI as against amortised cost/FVTPL till the previous year on account of change in their underlying business model.

NOTE - 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current trade receivables (unsecured)		
Considered good *	541.34	250.30
Significant increase in credit risk	-	-
Credit impaired	-	-
	541.34	250.30

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 25).

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 9 TRADE RECEIVABLES (CONTD.)

Non-current Trade Receivables ageing schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	1.82	147.15	77.29	126.90	155.70	32.48	541.34
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
	-	**1.82**	**147.15**	**77.29**	**126.90**	**155.70**	**32.48**	**541.34**

Non-current Trade Receivables ageing schedule as at 31 March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	0.22	26.30	137.64	30.87	55.27	250.30
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
	-	**-**	**0.22**	**26.30**	**137.64**	**30.87**	**55.27**	**250.30**

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current loans		
Loans to staff		
Secured, considered good	61.63	16.50
Unsecured, considered good	99.94	80.38
	161.57	96.88

NOTE - 11 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	31,000.00	50.00
Interest accrued on fixed deposits	490.28	-
Security deposits (unsecured, considered good)	470.75	480.12
	31,961.03	530.12

NOTE - 12 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax/tax deducted at source [net of provision for tax ₹ 1,28,911.31 Lakhs (previous year ₹ 1,42,943.17 Lakhs)]	2,779.24	2,560.46
	2,779.24	2,560.46

NOTE - 13 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	3,437.70	2,188.41
Others		
Balance with government authorities	53.13	56.41
Advance paid under protest	326.49	326.49
	3,817.32	2,571.31

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 14 INVENTORIES *
(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw materials	13,667.93	7,653.62
Raw materials in transit	3,853.16	444.15
Work-in-progress	17,822.53	14,674.00
Finished goods	18,362.72	10,536.01
Stores and spares	9,091.95	8,585.02
Stores and spares in transit	3.33	57.08
	62,801.62	41,949.88

* Inventories are hypothecated to secure working capital facilities from Banks (refer Note 25).

NOTE - 15 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current investments		
Mesured at FVTPL		
Investments in mutual funds (quoted)	13,275.62	23,805.82
Investments in bonds (quoted)	29,170.02	13,622.74
Measured at Amortised cost		
Investment in Treasury Bills (quoted)	-	984.92
Investment in bonds (quoted)	5,105.84	13,612.60
Measured at FVTOCI*		
Investment in bonds (quoted)	53,657.27	-
	1,01,208.75	52,026.08
Aggregate amount of quoted investments	1,01,208.75	52,026.08
Aggregate market value of quoted investments	1,01,275.19	52,346.63

* In the current year, the Company has reclassified certain bonds as FVOCI as against amortised cost/FVTPL till the previous year on account of change in their underlying business model.

NOTE - 16 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current trade receivables (unsecured)		
Considered good * #	1,29,513.30	1,06,117.47
Significant increase in credit risk	136.05	193.36
Credit impaired	-	-
	1,29,649.35	1,06,310.83
Less: Provision for doubtful receivables	(136.05)	(193.36)
	1,29,513.30	1,06,117.47
* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 25)		
# Includes trade receivable from related parties [refer Note 47 (D)].	1,14,108.53	92,808.80

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 16 TRADE RECEIVABLES (CONTD.)

Current Trade Receivables ageing schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars		Outstanding for following period from due date of payment							Total
		Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	-	56,547.12	67,411.91	5,279.93	147.91	126.43	-	1,29,513.30
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	1.49	1.73	3.89	20.68	18.59	89.67	136.05
(iii)	Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
		-	**56,548.61**	**67,413.64**	**5,283.82**	**168.59**	**145.02**	**89.67**	**1,29,649.35**

Current Trade Receivables ageing schedule as at 31 March, 2021

(₹ in Lakhs)

Particulars		Outstanding for following period from due date of payment							Total
		Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	-	38,868.60	58,767.27	7,470.65	951.32	59.63	-	1,06,117.47
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	3.00	5.04	3.68	126.97	19.16	35.51	193.36
(iii)	Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
		-	**38,871.60**	**58,772.31**	**7,474.33**	**1,078.29**	**78.79**	**35.51**	**1,06,310.83**

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 17 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
Balances with banks	12,685.79	21,702.26
Balances with bank in fixed deposits, (Original maturity of 0 - 3 months)	5,000.00	-
Cash on hand	5.19	6.41
	17,690.98	21,708.67
Other bank balances		
Balances with bank in fixed deposits, (Original maturity within 3 to 12 months)	24,048.00	92,568.73
Balances with bank in fixed deposits against margin money, (Original maturity within 3 to 12 months)	508.27	501.00
Earmarked balances with bank (unpaid dividend) *	10.72	11.12
	24,566.99	93,080.85
	42,257.97	1,14,789.52

* The Company can utilise these balances towards payment of unpaid dividend only.

NOTE - 18 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current loans		
Loans to staff		
Secured, considered good	10.62	19.24
Unsecured, considered good	85.42	75.80
	96.04	95.04

NOTE - 19 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Export incentives receivable	1,309.39	3,082.60
Interest accrued on fixed deposits and debentures	808.45	1,266.34
Security deposits (unsecured, considered good)	92.03	56.85
Contractually Reimbursable Expenses	2,284.94	577.23
	4,494.81	4,983.02

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances other than capital advances		
Advances to related parties [refer Note 47 (D)]	4.03	3.40
Other advances		
Advances to suppliers	2,943.47	2,342.15
Advances to staff	14.59	18.97
Others		
Balance with government authorities	4,412.20	2,280.46
Prepaid expenses	253.17	170.14
Prepaid leave encashment	94.00	74.95
	7,721.46	4,890.07

NOTE - 21 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorised share capital		
230,000,000 (previous year: 230,000,000) equity shares of face value ₹ 2/- each.	4,600.00	4,600.00
	4,600.00	4,600.00
Issued, subscribed and fully paid up share capital		
94,320,370 equity shares (previous year: 94,320,370) of face value ₹ 2/- each, fully paid up	1,886.41	1,886.41
	1,886.41	1,886.41

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	31 March, 2022		31 March, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares outstanding at the beginning of the year	9,43,20,370	1,886.41	9,43,20,370	1,886.41
Add: Changes during the year	-	-	-	-
Shares outstanding at the end of the year	9,43,20,370	1,886.41	9,43,20,370	1,886.41

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is approved by Board of Directors of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) The details of shareholders holding more than 5% shares

Name of the shareholders	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K. Shah	5,51,28,901	58.45%	5,51,28,901	58.45%
Nalanda India Equity Fund Limited	91,27,809	9.68%	91,27,809	9.68%

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 21 SHARE CAPITAL (CONTD.)

(d) Shareholding of Promoters

Shares held by promoters as at 31 March, 2022			% Change during the year
Name of the Promoter	**No. of Shares**	**% of total shares**	
Bhadresh Kantilal Shah	5,51,28,901	58.45%	-
Khushali Bhadreshbhai Shah	10,010	0.01%	-
Bhumika Shyamal Shodhan	10,005	0.01%	-
Gita Bhadresh Shah	5	0.00%	-
	5,51,48,921	**58.47%**	**-**

Shares held by promoters as at 31 March, 2021			% Change during the year
Name of the Promoter	**No. of Shares**	**% of total shares**	
Bhadresh Kantilal Shah	5,51,28,901	58.45%	-
Khushali Bhadreshbhai Shah	10,010	0.01%	-
Bhumika Shyamal Shodhan	10,005	0.01%	-
Gita Bhadresh Shah	5	0.00%	-
	5,51,48,921	**58.47%**	**-**

NOTE - 22 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reserves and surplus		
(a) Securities premium		
Balance at the beginning and at the end of the year	26,579.52	26,579.52
(b) Capital redemption reserve		
Balance at the beginning and at the end of the year	1,925.74	1,925.74
(c) General reserve		
Balance at the beginning and at the end of the year	16,189.27	16,189.27
(d) Retained earnings		
Balance at the beginning of the year	3,62,297.68	3,13,656.46
Add: Profit for the year	58,450.53	48,490.18
Less: Remeasurement of defined benefit plan transferred from OCI	66.51	151.04
Less: Dividend on equity shares #	(8,488.83)	-
Balance at the end of the year	**4,12,325.89**	3,62,297.68
Total reserves and surplus (A)	**4,57,020.42**	4,06,992.21

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 22 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Other comprehensive income (OCI)		
Items that will not be reclassified to statement of profit and loss		
(a) Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in statement of profit and loss	88.88	201.84
Tax impact on above	(22.37)	(50.80)
Less: Transferred to retained earnings	(66.51)	(151.04)
Balance at the end of the year	**-**	**-**
Items that will be reclassified to statement of profit and loss		
(b) Cash flow hedge reserve:		
Balance at the beginning of the year	563.55	987.76
Recognised in statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	(421.93)	1,179.63
Restatements of trade receivables to the extent of hedging	345.21	(1,746.51)
	(76.72)	(566.88)
Effect of tax on above		
Tax on Mark to market of hedging designated instruments and effective as hedges of future cash flow [refer Note 40(C)]	106.19	(296.89)
Tax on Restatements of trade receivables to the extent of hedging	(86.88)	439.56
Net tax in OCI	19.31	142.67
Balance at the end of the year	**506.14**	**563.55**
(c) Fair value through other comprehensive income		
Balance at the beginning of the year	-	-
Recognised in statement of profit and loss	100.97	-
Tax impact on above	(25.41)	-
Balance at the end of the year	**75.56**	**-**
Total other comprehensive income (B)	**581.70**	563.55
Total other equity (A+B)	**4,57,602.12**	4,07,555.76

Note: Refer standalone statement of changes in equity for nature and purpose of reserves.

(₹ in Lakhs)

# Dividend on equity shares paid during the year	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Final dividend for the financial year 2020-21 [₹ 9.00 (previous year: nil) per equity share of ₹ 2.00 each]	8,488.83	-

Note: Board of Directors of the Company have proposed final dividend of ₹ 9.00 per equity share for the financial year 2021-22. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognized as a liability as at 31 March, 2022. No interim dividend was declared and paid during the financial year 2021-22.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 23 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non current lease liabilities	308.12	575.02
	308.12	575.02

NOTE - 24 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current provisions		
Provision for warranties	534.30	769.51
	534.30	769.51
Movement in provision for warranties		
Balance at the beginning of the year	914.37	781.48
Utilisation during the year	(49.26)	(37.63)
Provision For the year #	151.46	200.79
Written back during the year	(280.07)	(30.27)
Balance at the end of the year	**736.50**	**914.37**
Non-current	534.30	769.51
Current (refer Note 30)	202.20	144.86
	736.50	914.37

The Company provides standard warranty to all its customers for any manufacturing defects in the products sold by the Company. Generally, the time year of warranty is linked to the hours which has been assured by the Company towards performance of the product under normal mill operation. Based on evaluation made by Company's technical team and the Company's historic experience of claims, the Company provides for warranty at the rate of 0.05% of sales for the year and is carried in the books for a year upto 4 years.

NOTE - 25 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current borrowings		
Loans repayable on demand		
Secured loans from bank	-	7,000.00
Unsecured loans from bank	-	11,100.00
	-	**18,100.00**

Borrowing based on security of current assets

1. The Company has obtained various borrowings from banks on basis of security of current assets wherein the quarterly returns/statements of current assets as filed with banks are in agreement with the books of accounts.
2. Secured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 0.80% to 3.80% during the year (Previous Year 1.00% to 3.50%)
3. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 0.77% to 4.03% during the year (Previous Year 1.00% to 3.50%)

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 26 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current lease liabilities	317.31	257.78
	317.31	257.78

NOTE - 27 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises #	3,846.20	3,600.54
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to related parties [refer Note 47 (d)]	381.37	987.50
Due to others	10,828.66	10,108.94
	11,210.03	11,096.44
	15,056.23	14,696.98

 # Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March, provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Principal amount due to micro and small enterprise (including capital creditors-refer Note 28)	4,050.78	3,860.59
Interest due on above	5.09	11.39
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the principal amount of the payment made to the supplier beyond the appointed day during the year.	11.22	5.26
Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	6.13
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note: The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as per provisions contained in amended notification which came into effect from 1 August, 2020. Dues to micro and small enterprises have been determined to the extent confirmations received by the Company from its vendors.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 27 TRADE PAYABLES (CONTD.)

Trade Payables ageing schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,688.92	1,155.33	1.95	-	-	3,846.20
(ii) Others	-	8,433.70	2,601.02	46.46	18.99	109.86	11,210.03
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables ageing schedule as at 31 March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2750.07	843.52	0.82	5.02	1.11	3,600.54
(ii) Others	-	7910.98	3101.85	45.89	28.84	8.88	11,096.44
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-

NOTE - 28 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Salary, wages and bonus payable	1,294.37	1,235.70
Unpaid dividends *	10.72	11.12
Interest accrued on borrowings	-	4.84
Capital creditors #	996.88	850.80
Other payables	46.76	84.08
	2,348.73	2,186.54

* There is no amount due to be transferred to Investor Education and Protection Fund.

The balance includes outstanding dues of micro enterprises and small enterprises of ₹ 209.67 Lakhs as at 31 March, 2022 (₹ 271.44 Lakhs as 31 March, 2021).

Refer Note 27 for Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE - 29 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Customer advances	814.65	900.15
Others		
Security deposits	13.39	5.83
Statutory dues and other payables	387.25	344.15
	1,215.29	1,250.13

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 30 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current provisions		
Provision for employee benefits (refer Note 42)		
Gratuity	133.46	51.99
Provision for warranties (refer Note 24)	202.20	144.86
	335.66	196.85

NOTE - 31 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for income tax [net of advance tax and tax deducted at source of ₹ 15,992.18 Lakhs (previous year ₹ 18,129.71 Lakhs)]	958.02	109.80
	958.02	109.80

NOTE - 32 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products		
Export sales	2,35,241.37	1,90,226.76
Domestic sales	67,707.68	50,804.91
	3,02,949.05	**2,41,031.67**
Other operating revenue		
Exports incentives	4,338.39	5,601.20
Other sales	869.59	666.51
	5,207.98	6,267.71
	3,08,157.03	2,47,299.38

Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 - Revenue from Contract with Customers (₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Reconciliation of revenue from operations with the contracted price:		
Contracted price	3,03,429.84	2,41,360.49
Adjustments :		
- Discounts	(41.86)	(57.34)
- Sales return	(438.93)	(271.48)
Sale of products	3,02,949.05	2,41,031.67
Other operating revenue	5,207.98	6,267.71
Revenue from operations	**3,08,157.03**	**2,47,299.38**

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 32 REVENUE FROM OPERATIONS (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue disaggregation by geography:		
India	72,915.66	57,072.62
Outside India:		
U.A.E.	2,34,208.63	1,88,077.22
Others	1,032.74	2,149.54
	3,08,157.03	2,47,299.38

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	1,30,054.64	1,06,367.77
Contract assets	-	-
Contract liabilities		
Advance from customers	814.65	900.15

NOTE - 33 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest income from financial assets	7,570.94	4,777.15
Dividend Income	8,429.91	-
Other non-operating income		
Profit on sale of mutual fund units	152.23	3,677.24
Gain on foreign exchange fluctuation (net)	8,929.35	4,723.31
Gain on fair value of current investments	1,588.96	1,228.20
Provision for doubtful trade receivables written back (net)	57.31	-
Provision for warranties written back (net)	128.61	-
Miscellaneous Income	111.50	74.81
	26,968.81	14,480.71

NOTE - 34 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock at the beginning of the year	8,097.77	11,564.78
Add: Purchases during the year	1,82,284.99	1,04,611.02
Less: Closing stock at the end of the year	17,521.09	8,097.77
	1,72,861.67	1,08,078.03

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 35 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock		
Work-in-progress	14,674.00	15,940.02
Finished goods	10,536.01	8,026.88
	25,210.01	23,966.90
Closing stock		
Work-in-progress	17,822.53	14,674.00
Finished goods	18,362.72	10,536.01
	36,185.25	25,210.01
	(10,975.24)	(1,243.11)

NOTE - 36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries, wages and bonus	9,436.67	8,925.78
Contribution to provident and other funds	581.37	587.05
Expenses related to post employment defined benefit plans [refer Note 42 (iv)]	222.33	253.82
Staff welfare expenses	62.42	39.26
	10,302.79	9,805.91

NOTE - 37 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on:		
Bank borrowings	239.88	284.27
Income Tax	32.69	-
Lease liabilities	76.82	113.10
Others	13.85	1.15
	363.24	398.52

NOTE - 38 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation of property, plant and equipment (refer Note 4)	8,590.47	8,619.07
Depreciation of Right of Use assets (refer Note 5)	298.91	393.42
Amortisation of intangible assets (refer Note 7)	94.52	84.57
	8,983.90	9,097.06

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 39 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Consumption of stores	24,938.46	21,124.36
Power and Fuel	31,679.30	26,941.01
Contract labour charges	6,805.25	6,685.11
Repairs and maintenance		
- Buildings	281.08	214.17
- Plant and machineries	1,013.11	825.79
- Others	733.95	824.84
Lease rent (refer Note 5)	12.81	2.44
Insurance	561.57	526.92
Rates and taxes	160.90	138.10
Security expenses	511.19	526.77
Printing, stationery and communication expenses	118.20	124.19
Travelling and conveyance expense	761.49	621.51
Advertisement and sales promotion	11.06	15.69
Freight outward expenses	5,416.42	4,731.12
Royalty expenses	388.74	289.16
Commission expenses	366.26	348.84
Warranty expenses	-	170.52
Directors' sitting fees	7.50	5.40
Payments to auditors		
- Statutory audit fees	19.50	17.50
- Quarterly Limited reviews	24.60	22.50
- Certification and other services	1.10	1.39
- Reimbursement of expenses	2.47	1.08
Legal and professional consultancy fees	1,153.28	1,599.63
Bank commission charges	128.73	99.46
Donation	0.28	1.61
Corporate social responsibility expenses (refer Note 52)	1,245.33	1,144.69
Loss on sale/disposal of Property, plant and equipment and right of use assets (net)	10.90	216.37
Provision for doubtful trade receivables (net)	-	3.26
Other miscellaneous expenses	333.36	310.99
	76,686.84	67,534.42

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 40 TAX EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Tax expense		
Current Tax		
Provision for current tax	16,808.26	18,628.27
Excess provision for current tax of earlier years written back	(150.40)	-
Net deferred tax [refer Note 40(c)]	136.33	(2,317.16)
Tax expense for the year	**16,794.19**	16,311.11
(b) Deferred tax		
Deferred tax liabilities		
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,111.61	5,053.01
Fair valuation of current investments	721.95	618.81
Hedge reserve balance	-	76.95
	5,833.56	5,748.77
Deferred tax assets		
Hedge reserve balance	29.24	-
	29.24	**-**
Deferred tax liabilities (net) [refer Note 40(c)]	**5,804.32**	5,748.77

(c) Movement in deferred tax

(₹ in Lakhs)

Particulars	Opening balance as at 1 April	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2021-22				
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,053.01	58.60	-	5,111.61
Fair valuation of current investments	618.81	77.73	25.41	721.95
Hedge reserve balance	76.95	-	(76.95)	-
	5,748.77	**136.33**	**(51.54)**	**5,833.56**
Deferred tax assets				
Hedge reserve balance	-	-	29.24	29.24
	-	**-**	**29.24**	**29.24**
Deferred tax liabilities (net)	**5,748.77**	**136.33**	**(80.78)**	**5,804.32**

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 40 TAX EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Opening balance as at 1 April	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2020-21				
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,103.14	(50.13)	-	5,053.01
Fair valuation of current investments	2,885.84	(2,267.03)	-	618.81
Hedge reserve balance	-	-	76.95	76.95
	7,988.98	**(2,317.16)**	**76.95**	**5,748.77**
Deferred tax assets				
Hedge reserve balance	219.94	-	(219.94)	-
	219.94	**-**	**(219.94)**	**-**
Deferred tax liabilities (net)	**7,769.04**	**(2,317.16)**	**296.89**	**5,748.77**

(d) Effective tax reconciliation

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted Income tax rate and effective Income tax rate of the Company is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Profit before tax for the year	75,244.72	64,801.29
Tax at statutory income tax rate of 25.168% in India	18,937.59	16,309.19
Adjustments:		
Tax on Foreign Dividend not charged to Profit & Loss	(2,121.64)	-
Income from long term investment taxed at lower rate	(196.36)	(288.04)
Non-deductible expenses for tax purposes	325.00	289.94
Tax of earlier years written back	(150.40)	-
Others	-	0.02
Tax expense reported in the statement of profit and loss	**16,794.19**	16,311.11

The Company has ongoing dispute with Income tax authorities relating to tax treatment of certain items. These amounts have been disclosed as contingent liabilities (refer Note 43).

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 41 EARNINGS PER SHARE

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Net profit attributable to the equity shareholders (₹ in Lakhs)	58,450.53	48,490.18
Weighted average number of equity shares outstanding during the year (nos.)	9,43,20,370	9,43,20,370
Nominal value of equity share (₹)	2.00	2.00
Basic and diluted earnings per share (₹)	61.97	51.41

NOTE - 42 EMPLOYEE BENEFITS

The Company has the following post-employment benefit plans

A. Defined contribution plan

Contribution to defined contribution plan recognised as expense for the year is as under:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Employer's contribution to provident fund	504.97	509.84

B. Defined benefit plans

Gratuity: The employees' gratuity fund scheme is funded with Life Insurance Corporation of India and managed by a Trust. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Benefits offered	15/26 x Salary x Duration of service
Salary definition	Basic salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death/disability)
Benefit eligibility	Upon death or resignation/withdrawal or retirement
Retirement age	58, 60, 62, 65 or 70 years

(i) Risks associated to the defined benefit plans:

a. Actuarial risk: Risks due to adverse salary growth/Variability in mortality and withdrawal rates.

b. Investment risk: Risks due to significant changes in discount rate during the inter-valuation year.

c. Liquidity risk: Risks on account of Employees resign/retire from the company and as result strain on the cash flow arises.

d. Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

e. Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

(ii) Reconciliation of opening and closing balances of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Defined benefit obligation at the beginning of the year	3,105.39	3,031.65
Recognised in statement of profit and loss:		
Current service cost	226.22	229.98
Interest cost	179.14	186.72
Actuarial (gain)/loss recognised in other comprehensive income:		
Due to change in financial assumptions	(182.68)	57.41
Due to change in demographic assumptions	-	-
Due to experience adjustments	105.42	(240.10)
Benefits paid	(220.69)	(160.27)
Defined benefit obligation at the end of the year	**3,212.80**	3,105.39

(iii) Reconciliation of opening and closing balances of fair value of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Fair value of plan assets at the beginning of the year	3,053.40	2,552.72
Interest income	183.02	162.89
Return on plan assets excluding amounts included in interest income	11.62	19.14
Contributions by the employer	51.99	478.92
Benefits paid	(220.69)	(160.27)
Fair value of plan assets at the end of the year	3,079.34	3,053.40
Actual return on plan assets	**194.64**	**182.03**

(iv) Expense recognised during the year:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current service cost	226.22	229.98
Net interest cost	(3.88)	23.84
Net value of remeasurement on the obligation and plan assets	-	-
Net cost recognised in statement of profit and loss	**222.34**	253.82
Components of actuarial gains/(losses):		
Due to change in financial assumptions	(182.68)	57.41
Due to experience adjustments	105.42	(240.11)
Due to change in demographic assumptions	-	-
Return on plan assets excluding amounts included in interest income	(11.62)	(19.14)
Net cost recognised in other comprehensive income	**(88.88)**	(201.84)

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

(v) Reconciliation of fair value of assets and obligations:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Present value of obligation	3,212.80	3,105.39
Fair value of plan assets	3,079.34	3,053.40
Net defined benefit liability at end of the year	133.46	51.99

(vi) Composition of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Debt instruments		
Investment funds		
Insurance policies	100%	100%
	100%	100%

(vii) Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Financial assumptions		
Discount rate	6.95%	6.35%
Expected rate of return on plan assets	6.95%	6.35%
Salary growth rate	8.50%	8.50%
Demographic assumptions		
Withdrawal rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2012-14)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

(viii) Sensitivity analysis:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Discount rate				
Change in assumption by 0.50%	-4.34%	-4.51%	4.70%	4.90%
Salary growth rate				
Change in assumption by 0.50%	4.59%	4.75%	-4.28%	-4.42%
Withdrawal rate				
Change in assumption by 0.10%	-0.22%	-0.33%	0.23%	0.33%

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

(ix) Maturity profile of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	4.03	4.00
25 to 35	279.03	324.43
35 to 45	911.46	834.05
45 to 55	1,088.32	1,086.65
above 55	929.96	846.34
Accrued gratuity for left employees	-	9.92
	3,212.80	3,105.39
Past service wise distribution of defined benefit obligation		
Service year in years		
0 to 4	74.59	61.45
4 to 10	236.46	287.26
10 to 15	914.63	987.29
15 and above	1,987.12	1,759.47
Accrued gratuity for left employees	-	9.92
	3,212.80	3,105.39

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

C. Other long-term employee benefits

Leave encashment: The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The benefits are governed by the Company's leave policy. The key features are as under :

Salary for encashment	Basic salary
Salary for availment	Cost to company
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	98
Benefit formula	(Leave days) x (Basic salary)/(Leave denominator)
Leave denominator	30
Leave credited annually	30
Retirement age	58, 60, 65 or 62 years

Key actuarial assumptions:

Particulars	Leave encashment (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Financial assumptions		
Discount rate	6.95%	6.35%
Expected rate of return on plan assets	6.95%	6.35%
Salary growth rate	8.50%	8.50%
Demographic assumptions		
Withdrawal rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2012-14)

Leave encashment expenses recognised during the year in the standalone statement of profit and loss amounts to ₹ 158.69 Lakhs (previous year ₹ 84.98 Lakhs)

D. Company's estimate of contributions expected to be paid during Financial Year 2022-23

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity	133.46
(iii) Other long-term employee benefits	
(a) Leave encashment	-

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Central Excise, Service tax and GST	190.11	87.18
Income tax		
In High Court (Decision is received in favour of company in ITAT and Income Tax Department has appealed decision of ITAT in High Court).	11,473.81	6,784.68
In Commissioner of Income-tax (CIT)	11,910.70	-
Total Income tax	**23,384.51**	6,784.68
Sales tax/VAT	57.23	89.62
Guarantees:		
Outstanding bank guarantees	15,014.05	15,998.39
Outstanding corporate guarantees given to customers	174.21	223.62
Letter of Credit	2,008.18	3,369.72
Others matters including claims related to ESIC, Electricity and Ex-employees	598.46	604.98
	41,426.75	27,158.19
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	3,270.61	8,703.94
	3,270.61	8,703.94

Notes:

(i) Most of the issues of litigation pertaining to Central Excise/Service tax/Income tax (including transfer pricing matters) are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. Further, in several matters, the management has successfully defended their case at lower forums of adjudication. Accordingly, the management do not envisage any material impact on the standalone financials statements of the Company.

(ii) Sales tax/VAT related litigation/demand primarily pertains to non submission of required declaration forms in time due to non-receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

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

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 44 ARBITRATION MATTER

On termination of Joint Venture and Shareholders' Agreement, a Settlement Deed dated 16 February, 2000 was executed between Mr. Bhadresh K. Shah, and Magotteaux International S.A. Belgium ("Magotteaux"). The Group and Magotteaux have amicably entered into an out of court settlement whereby both the parties have agreed to a full and final binding settlement of all claims made in, arising out of, or in connection, with the Arbitration Proceeding and Challenge proceedings, including claims as to cost, with no liberty to reinstate any such claims in any form and signed a settlement agreement on 7 October, 2020.

Consequent to this settlement, Magotteaux has withdrawn its appeal filed before Hon'ble Commercial Court of England (QBD) and ended the arbitration proceedings. Hon'ble Commercial Court of England (QBD) has passed an order dated 15 October, 2020 to this effect.

NOTE - 45 CANADA ANTI- DUMPING DUTY

After a full Anti Dumping Duty and Countervailing Duties review, Canada Border Services Agency has notified a schedule for duties for imports of high chrome grinding media (manufactured by AIA in India) into Canada. The way the protocol will apply is - no anti dumping duty is leviable if the FOB Value of the invoice is above prescribed prices for certain defined grades and it will be 15.70% for grades other than ones defined in the order. A separate Countervailing Duties of ₹ 3,874 per MT will be levied on all imports of Grinding Media.

NOTE - 46 COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these standalone financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

NOTE - 47 RELATED PARTY DISCLOSURES

A. List of related parties

(i) Subsidiaries:

Sr. no.	Name of entity	Country of incorporation	% of holding as at 31 March, 2022	% of holding as at 31 March, 2021
Direct subsidiaries				
1	Welcast Steels Limited	India	74.85%	74.85%
2	Vega Industries (Middle East) F.Z.C.	U.A.E.	100.00%	100.00%
3	AIA CSR Foundation	India	100.00%	100.00%
Indirect subsidiaries				
4	Vega Industries Limited *	U.K.	100.00%	100.00%
5	Vega Industries Limited **	U.S.A.	100.00%	100.00%
6	Vega Steel Industries (RSA) Proprietary Limited #	South Africa	74.63%	74.63%
7	Wuxi Vega Trade Co. Limited *	China	100.00%	100.00%
8	PT. Vega Industries Indonesia ***	Indonesia	100.00%	100.00%
9	Vega Industries Chile SpA *	Chile	100.00%	100.00%
10	AIA Ghana Limited *	Ghana	100.00%	100.00%
11	Vega Industries Australia Pty Limited.*	Australia	100.00%	100.00%

* Wholly owned subsidiaries of Vega Industries (Middle East) F.Z.C., U.A.E.

** Wholly owned subsidiary of Vega Industries Limited, U.K.

*** 99% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 1% is held by AIA Engineering Limited.

\# Subsidiary of Vega Industries (Middle East) F.Z.C., U.A.E.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 47 RELATED PARTY DISCLOSURES (CONTD.)

(ii) Key managerial personnel ('KMP'):

Sr. no.	Name	Designation
1	Mr. Rajendra S. Shah	Chairman
2	Mr. Bhadresh K. Shah #	Managing Director
3	Mr. Yashwant M. Patel	Whole-time Director
4	Mr. S. N. Jetheliya	Company Secretary
5	Mr. Viren K.Thakkar	Chief Financial Officer

Controlling party. Refer Note 21 for shareholding pattern.

(iii) Independent directors:

Sr. no.	Name
1	Mr. Rajendra S. Shah
2	Mr. Sanjay S. Majmudar
3	Mr. Dileep C. Choksi
4	Mr. Rajan Harivallabhdas
5	Mrs. Janaki Udayanbhai Shah

(iv) Others:

Sr. no.	Name	Relationship
1	AIA Employee's Gratuity Trust Fund, India	Post employment benefit plan of AIA Engineering Limited
2	Mrs. Giraben K. Shah	Relatives of key managerial personnel
3	Mrs. Gitaben B. Shah	
4	Mrs. Khushali Samip Solanki *	
5	Mrs. Bhumika Shyamal Shodhan *	
6	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
7	Vee Connect Travels Private Limited	
8	Discus IT Private Limited	
9	Harsha Engineers International Limited (formarly known as Harsha Engineering Limited)	
10	RNCA & Associates	

* Non-Executive director of the Company.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 47 RELATED PARTY DISCLOSURES (CONTD.)

B. Details of related party transactions for the year ended

(₹ in Lakhs)

Sr. no.	Nature of transaction	Subsidiaries		Key Managerial Personnel		Independent Directors		Enterprise over which key managerial personnel or close member of their family exercise control		Relatives of key managerial personnel		Post employment benefit plan of the Company	
		31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
1	Sale of products (inclusive of taxes)	2,34,283.69	1,88,136.73	-	-	-	-	-	-	-	-	-	-
2	Recovery of freight charges	27,057.76	7,173.08	-	-	-	-	-	-	-	-	-	-
3	Miscellaneous receipt of Income	37.01	60.36	-	-	-	-	-	-	-	-	-	-
4	Insurance Premium on ECGC	282.78	253.96										
5	Purchase of goods (inclusive of taxes)	2,370.49	3,947.07	-	-	-	-	3,744.86	2,925.96	-	-	-	-
6	Commission expense on sales	73.66	58.97	-	-	-	-	-	-	-	-	-	-
7	CSR expenses	656.00	600.00	-	-	-	-	-	-	-	-	-	-
8	Commission expense on purchases	-	-	-	-	-	-	107.08	121.53	-	-	-	-
9	Legal and professional consultancy fees	-	-	-	-	-	-	10.74	12.87	-	-	-	-
10	SAP ERP functional and technical support	-	-	-	-	-	-	90.64	86.44	-	-	-	-
11	Salary, bonus and perquisites	-	-	149.42	144.07	-	-	-	-	1.54	1.54	-	-
12	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	51.99	478.92
13	Rent, rates and taxes	-	-	-	-	-	-	-	-	3.84	3.84	-	-
14	Travelling expenses	-	-	-	-	-	-	83.14	54.63	-	-	-	-
15	Professional tax	-	0.03	-	-	-	-	-	-	-	-	-	-
16	Dividend received	8,429.91	-	-	-	-	-	-	-	-	-	-	-
17	Directors' remuneration and perquisites	-	-	126.21	96.16	-	-	-	-	-	-	-	-
18	Sitting fees paid	-	-	-	-	5.95	4.20	-	-	1.55	1.20	-	-
19	Commission to Directors	-	-	-	-	22.00	22.50	-	-	18.00	-	-	-
		2,73,191.30	2,00,230.20	**275.63**	240.23	**27.95**	26.70	**4,036.46**	3,201.43	**24.93**	6.58	**51.99**	478.92
	Outstanding balance receivable at year end	**1,16,393.47**	93,386.03	**-**	-	**-**	-	**4.03**	3.40	**-**	-	**-**	-
	Outstanding balance payable at year end	**164.83**	703.84	**13.09**	10.72	**19.80**	20.81	**196.36**	262.46	**0.38**	0.39	**133.46**	51.99

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 47 RELATED PARTY DISCLOSURES (CONTD.)

C. Disclosures in respect of transactions with related parties for the year ended

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2022	31 March, 2021
1	Sale of products (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	2,34,208.63	1,88,077.22
		Welcast Steels Limited	75.06	59.51
2	Recovery of freight charges	Vega Industries (Middle East) F.Z.C.	27,057.76	7,173.08
3	Miscellaneous receipt of Income	Vega Industries (Middle East) F.Z.C.	24.98	18.29
		Vega Industries Limited, U.K.	4.73	18.29
		Vega Industries Limited, U.S.A.	5.69	5.49
		Wuxi Vega Trade Co. Limited	1.61	18.29
4	Dividend received	Vega Industries (Middle East) F.Z.C.	8,429.91	-
5	Insurance Premium on ECGC	Vega Industries (Middle East) F.Z.C.	282.78	253.96
6	Purchase of goods (inclusive of taxes)	Welcast Steels Limited	2,370.49	3,947.07
		Harsha Engineers International Limited (formarly known as Harsha Engineering Limited)	3,744.86	2,925.96
7	Commission expense on sales	Vega Industries (Middle East) F.Z.C.	73.66	58.97
8	CSR expenses	AIA CSR Foundation	656.00	600.00
9	Commission expense on purchases	AB Tradelink Private Limited	107.08	121.53
10	Legal and professional consultancy fees	RNCA & Associates	10.74	12.87
11	SAP ERP functional and technical support	Discus IT Private Limited	90.64	86.44
12	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
		Mr. S. N. Jetheliya	66.98	65.26
		Mr. Viren K.Thakkar	82.44	78.81
13	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	51.99	478.92
14	Rent, rates and taxes	Mrs. Giraben K. Shah	3.84	3.84
15	Travelling expenses	Vee Connect Travel Private Limited	83.14	53.02
		AB Tradelink Private Limited	-	1.61
16	Professional tax	Welcast Steels Limited	-	0.03
17	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	95.89	81.44
		Mr. Yashwant M. Patel	30.32	14.72
18	Sitting fees paid	Mr. Rajendra S. Shah	1.20	1.00
		Mr. Sanjay S. Majmudar	1.60	1.00
		Mr. Dileep C. Choksi	0.65	0.60
		Mr. Rajan Harivallabhdas	1.60	1.00
		Mrs. Janaki Udayanbhai Shah	0.90	0.60
		Mrs. Khushali Samip Solanki	0.65	0.60
		Mrs. Bhumika Shyamal Shodhan	0.90	0.60
19	Commission to Directors	Mr. Sanjay S.Majmudar	22.00	22.50
		Mrs. Khushali Samip Solanki	18.00	-

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 47 RELATED PARTY DISCLOSURES (CONTD.)

D. The details of amounts due to or due from related parties as at

(₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March, 2022	31 March, 2021
1	**Trade receivables**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,14,096.50	92,766.15
		Wuxi Vega Trade Co., Limited	1.61	18.29
		Vega Industries Limited, U.K.	4.73	18.29
		Vega Industries Limited, U.S.A.	5.69	5.49
		Welcast Steels Limited	-	0.58
			1,14,108.53	92,808.80
2	**Contractually Reimbursable Expenses**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	2,284.94	577.23
			2,284.94	577.23
3	**Trade payables**			
	(a) Subsidiaries	Welcast Steels Limited	164.83	703.84
			164.83	703.84
	(b) Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	4.44	10.71
		RNCA & Associates	1.53	0.63
		Harsha Engineers International Limited (formarly known as Harsha Engineering Limited)	190.39	251.12
			196.36	262.46
	(c) Independent directors	Mr. Sanjay S. Majmudar	19.80	20.81
	(d) Relatives of key managerial personnel	Mrs. Giraben K. Shah	0.29	0.30
		Mrs. Gitaben B. Shah	0.09	0.09
			0.38	**0.39**
			381.37	987.50
4	**Provision for employee benefits (Current)**			
	Post employment benefit plan of the Company	AIA Employee's Gratuity Trust Fund, India	133.46	51.99
			133.46	51.99
5	**Advances**			
	(a) Enterprise over which key managerial personnel or close member of their family exercise control	Discus IT Private Limited	-	0.74
		Vee Connect Travels Private Limited	4.03	2.66
			4.03	3.40
6	**Bank guarantees**			
	(a) Subsidiaries	Vega Industries Limited, U.K.	-	731.66
		Vega Industries (Middle East) F.Z.C.	1,518.00	731.66
		Wuxi Vega Trade Co. Limited	-	731.66
		Vega Industries Limited, U.S.A.	227.70	219.50
			1,745.70	2,414.48
7	**Other current liabilities**			
	(a) Key managerial personnel	Mr. Bhadresh K. Shah	5.00	4.00
		Mr. Yashwant M. Patel	1.26	1.16
		Mr. S. N. Jetheliya	3.29	3.01
		Mr. Viren K.Thakkar	3.54	2.55
			13.09	10.72

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 47 RELATED PARTY DISCLOSURES (CONTD.)

E. Breakup of compensation paid to key managerial personnel for the year ended

(₹ in Lakhs)

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2022	31 March, 2021
1	**Short-term employee benefits**	Mr. Bhadresh K. Shah	95.89	81.44
		Mr. Yashwant M. Patel	30.32	14.72
		Mr. Viren K.Thakkar	82.44	78.81
		Mr. S. N. Jetheliya	66.98	65.26
			275.63	240.23
2	**Post-employment benefits**	Mr. Viren K.Thakkar	1.67	1.58
		Mr. S. N. Jetheliya	1.79	1.66
			3.46	3.24
			279.09	243.47

Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties. (Refer Note 49).

NOTE - 48 OPERATING SEGMENTS

(a) Information about reportable segment

The Company operates mainly in manufacturing of High Chrome Mill Internals (Castings) and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment.

(b) Information about geographical segment

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(1) Revenues from external customers including operating revenue:		
India	72,915.66	57,072.62
U.A.E. [revenue from Vega Industries (Middle East) F.Z.C.]	2,34,208.63	1,88,077.22
Others	1,032.74	2,149.54
(2) Non-current assets (excluding financial assets and tax assets).:		
India	1,01,404.12	97,517.54
Others	-	-

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 48 OPERATING SEGMENTS (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Breakup of revenues :		
Revenue from operations	3,02,949.05	2,41,031.67
Other operating revenue	5,207.98	6,267.71
(b) Non-current assets		
Non-current assets (excluding financial instruments and tax assets). All non-current assets of the Company are located in India	1,01,404.12	97,517.54

There are no transactions with a single external customer which amounts to 10% or more of the Company's revenue. The sales to Vega Industries (Middle East) F.Z.C. (a wholly owned subsidiary) is disclosed above.

NOTE - 49

The Company's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended 31 March, 2021. The management believes that the Company's international transactions with associated enterprises post 31 March, 2021 continue to be at arm's length and that transfer pricing legislations will not have any impact on the standalone financial statements, particularly on the amount of tax expenses for the financial year 2021-22 and the amount of provision for taxation as at 31 March, 2022.

NOTE - 50 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts who provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Company's financial investments while maximizing returns.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis Credit rating	Credit limit set and ageing analysis protect Company from potential losses due to excess credit to the customers. Further the Company has also obtained ECGC insurance cover for export sales.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - foreign exchange	Future commercial transactions recognized financial assets and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Commodity risk	Purchase of raw material	Fluctuation in imported metal scrap and ferro chrome prices and currency rates	Procurement and inventory strategy

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The Company considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting year. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

(iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The Company categorizes financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off only when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a loan or receivable for write off review when it pasts greater than one year from due date. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the standalone statement of profit and loss.

Provision for expected credit losses

<table>
<tr><th rowspan="2">Description of category</th><th rowspan="2">Category</th><th colspan="3">Basis for recognition of expected credit loss provision</th></tr>
<tr><th>Investments</th><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td>High-quality assets, negligible credit risk</td><td>12 month expected credit losses</td><td>12 month expected credit losses</td><td rowspan="5">Life time expected credit losses (simplified approach)</td></tr>
<tr><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.</td><td>Quality assets, low credit risk</td><td>12 month expected credit losses</td><td>12 month expected credit losses</td></tr>
<tr><td>Assets where the probability of default is moderate, counter-party where the capacity to meet the obligations is not strong.</td><td>Standard assets, moderate credit risk</td><td>12 month expected credit losses</td><td>12 month expected credit losses</td></tr>
<tr><td>Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due</td><td>Substandard assets, relatively high credit risk</td><td>Life time expected credit losses</td><td>Life time expected credit losses</td></tr>
<tr><td>Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.</td><td>Low quality assets, very high credit risk</td><td>Life time expected credit losses</td><td>Life time expected credit losses</td></tr>
<tr><td>Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.</td><td>Doubtful assets, credit impaired</td><td colspan="3">Asset is written off</td></tr>
</table>

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Expected credit loss for loans and deposits

(₹ in Lakhs)

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March, 2022					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	257.61	-	-	257.61
	Deposits	562.78	-	-	562.78
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
As at 31 March, 2021					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	191.92	-	-	191.92
	Deposits	536.97	-	-	536.97
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach

Ageing of trade receivables as at year end

(₹ in Lakhs)

From due date of invoice	As at 31 March, 2022	As at 31 March, 2021
Not due	56,548.94	38,868.60
0 - 3 months	43,169.70	37,481.91
3 - 6 months	24,389.36	21,285.58
6 - 12 months	5,357.22	7,496.95
Beyond 12 months	589.42	1,234.73
Gross carrying amount	**1,30,054.64**	1,06,367.77
Expected credit loss	(136.05)	(193.36)
Net carrying amount	**1,29,918.59**	1,06,174.41

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. Maturity groupings for Liquidity risk relating to lease liabilities (without discounting) is as under:

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
0-1 Year	362.60	352.05
2-5 Years	344.59	707.19
Above 5 Years	-	-
	707.19	1,059.24

Financing arrangements

The Company had access to following undrawn borrowing facilities as at year end:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Fund and non-fund based facilities	77,277.77	44,331.89

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining year from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

Particulars	0-1 years	1-5 years	Total
As at 31 March, 2022			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	-	-	-
Short term borrowings	-	-	-
Trade payables	15,056.23	-	15,056.23
Other financial liabilities	2,348.73	-	2,348.73
	17,404.96	**-**	**17,404.96**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	115.98	-	115.98
As at 31 March, 2021			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	-	-	-
Short term borrowings	18,100.00	-	18,100.00
Trade payables	14,696.98	-	14,696.98
Other financial liabilities	2,186.54	-	2,186.54
	34,983.52	**-**	**34,983.52**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	**-**	**-**	**-**

Note: Guarantees issued by the Company aggregating to ₹ 1,745.70 Lakhs (previous year: ₹ 2,414.48 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the Company does not have any present obligation to third parties in relation to such guarantees.

Market risk - interest rate

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Borrowings bearing fixed rate of interest	-	18,100.00
Borrowings bearing variable rate of interest	-	-

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Movement - effects on profit before tax		
50 bp increase-decrease in profits	-	-
50 bp decrease-increase in profits	-	-

Market risk - Foreign currency risk

The Company operates internationally and large portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the Company are significantly higher in comparison to its imports. As a policy the Company does not cover the foreign exchange requirements for its imports and the same is managed from the export earnings in foreign currency. Foreign currency exchange rate exposure for exports is managed by prudent hedging policy.

Foreign currency exposure

Particulars	USD	EURO	ZAR	CAD	AUD	RUB	GBP
As at 31 March, 2022:							
Trade receivables (net of hedge) (a)	8,25,80,712	1,02,45,994	2,20,15,686	3,96,480	3,75,52,763	-	-
Bank balances in EEFC accounts (b)	99,21,715	24,54,700	50	2,26,730	25,55,050	-	-
Exposure to foreign currency risk (assets) (a+b)	9,25,02,427	1,27,00,694	2,20,15,736	6,23,210	4,01,07,813	-	-
Trade payables (c)	8,48,879	5,02,018	-	-	-	-	13,863
Exposure to foreign currency risk (liabilities) (d = c)	8,48,879	5,02,018	-	-	-	-	13,863
As at 31 March, 2021:							
Trade receivables (net of hedge) (a)	2,33,79,555	88,71,924	9,33,96,505	11,40,392	79,11,431	1,14,110	-
Bank balances in EEFC accounts (b)	2,40,33,275	10,98,279	69,55,194	42	13,35,644	-	-
Exposure to foreign currency risk (assets) (a+b)	4,74,12,830	99,70,203	10,03,51,699	11,40,434	92,47,075	1,14,110	-
Trade payables (c)	-	5,47,621	-	-	-	-	5,068
Exposure to foreign currency risk (liabilities) (d = c)	-	5,47,621	-	-	-	-	5,068

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Foreign currency risk sensitivity

(₹ in Lakhs)

Particulars	Movement (%)		Effect on profit before tax		Effect on cost of assets	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
USD sensitivity						
INR/USD- increase by	1.00%	1.00%	695.66	346.90	-	-
INR/USD- decrease by	1.00%	1.00%	(695.66)	(346.90)	-	-
EURO sensitivity						
INR/EURO- increase by	1.00%	1.00%	102.73	80.96	-	-
INR/EURO- decrease by	1.00%	1.00%	(102.73)	(80.96)	-	-
ZAR sensitivity						
INR/ZAR- increase by	1.00%	1.00%	11.43	49.75	-	-
INR/ZAR- decrease by	1.00%	1.00%	(11.43)	(49.75)	-	-
CAD sensitivity						
INR/CAD- increase by	1.00%	1.00%	3.79	6.64	-	-
INR/CAD- decrease by	1.00%	1.00%	(3.79)	(6.64)	-	-
AUD sensitivity						
INR/AUD- increase by	1.00%	1.00%	228.24	51.51	-	-
INR/AUD- decrease by	1.00%	1.00%	(228.24)	(51.51)	-	-
RUB sensitivity						
INR/RUB- increase by	1.00%	1.00%	-	0.01	-	-
INR/RUB- decrease by	1.00%	1.00%	-	(0.01)	-	-
GBP sensitivity						
INR/GBP- increase by	1.00%	1.00%	0.14	0.05	-	-
INR/GBP- decrease by	1.00%	1.00%	(0.14)	(0.05)	-	-

The following significant exchange rates have been applied during the year

Rupees	Average rate		Year-end spot rate	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
USD	74.18	74.32	75.90	73.17
EUR	86.40	86.60	84.22	85.92
ZAR	4.97	4.52	5.19	4.96
CAD	59.22	55.86	60.80	58.20
GBP	101.72	96.13	99.83	100.96
AUD	54.75	52.65	56.91	55.70
AED	20.20	20.24	20.67	19.92
CNY	11.58	10.93	11.97	11.17
RUB	0.97	0.99	0.92	0.97
CLP	0.10	0.10	0.10	0.10
IDR	0.01	0.01	0.01	0.01
GHS	12.30	12.83	10.14	12.65

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forwards to mitigate the risk of changes in exchange rate on foreign currency exposures relating to the underlying transactions and firm commitments. The counterparty for these contracts are banks. These derivative financial instruments are generally with a maturity upto 1 year. The Company does not enter into any derivative instruments for trading or speculative purposes.

Cash flow hedge

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency - sold/bought	Exposure to buy/sell	No. of contracts	Net position		Fair value gain/(loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2022					
USD/INR	Sell	241	2,08,00,000	15,787.30	48.38
AUD/INR		178	1,15,00,000	6,544.24	(164.55)
					(116.17)
		Less : Deferred tax			(29.24)
		Balance in cash flow hedge reserve			**(86.93)**
31 March, 2021					
USD/INR	Sell	251	7,60,00,000	55,606.24	333.89
ZAR/INR		7	1,20,00,000	595.20	19.07
AUD/INR		20	50,00,000	2,785.00	(47.20)
					305.76
		Less : Deferred tax			76.95
		Balance in cash flow hedge reserve			**228.81**

The movement of cash flow hedges in other comprehensive income is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Balance at the beginning of the year (net of tax)	228.81	(653.94)
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(315.74)	882.75
Balance at the end of the year (net of tax)	**(86.93)**	228.81

Commodity Risk

Principal raw material for Company's products are metal scrap and ferro chrome. Company sources its raw material requirement from domestic and international markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of scrap and ferrous metal. Company effectively manages availability of material as well as price volatility through:

(i) widening its sourcing base;

(ii) appropriate contracts with vendors and customers and commitments;

(iii) well planned procurement and inventory strategy.

Risk committee of the Company has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Consumption details of Metal scrap and Ferro chrome

Particulars	(Quantity in MT)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Metal scrap	2,14,221	2,02,896
Ferro chrome	65,271	55,652

Commodity price sensitivity

Increase/(decrease) in prices of metal scrap/ferro chrome by ₹ 1.00 per kg would have following impact on profit before tax:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
₹ 1.00 increase in commodity price	(2,794.93)	(2,585.48)
₹ 1.00 decrease in commodity price	2,794.93	2,585.48

(B) Capital Management

A. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the following debt equity ratio:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Debt	-	18,100.00
Total equity	4,59,488.53	4,09,442.17
Debt to total equity (times)	-	0.04

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

B. The Company follows the policy of Dividend for every financial year as may be decided by the Board considering financial performance of the Company and other internal and external factors enumerated in the Company's dividend policy such as reinvestment of capital in business. Company's Dividend policy is to distribute 10-25% of its consolidated net profit as dividend.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 51 FAIR VALUE MEASUREMENTS

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable input).

A. Financial assets

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2022						
Non-current investments #	8	48.50	-	-	48.50	48.50
Current investments	15	42,445.64	53,657.27	5,105.84	1,01,208.75	42,445.64
Trade receivables	9,16	-	-	1,30,054.64	1,30,054.64	-
Loans	10,18	-	-	257.61	257.61	-
Cash and cash equivalents	17	-	-	17,690.98	17,690.98	-
Bank balances other than above	11,17	-	-	55,566.99	55,566.99	-
Other financial assets	19	-	-	5,455.84	5,455.84	-
		42,494.14	**53,657.27**	**2,14,131.90**	**3,10,283.31**	**42,494.14**
As at 31 March, 2021						
Non-current investments #	8	85.82	-	25,635.37	25,721.19	85.82
Current investments	15	37,428.56		14,597.52	52,026.08	37,428.56
Trade receivables	9,16	-	-	1,06,367.77	1,06,367.77	-
Loans	10,18	-	-	191.92	191.92	-
Cash and cash equivalents	17	-	-	21,708.67	21,708.67	-
Bank balances other than above	11,17	-	-	93,130.85	93,130.85	-
Derivatives		313.18	-	-	313.18	313.18
Other financial assets	19	-	-	5,463.14	5,463.14	-
		37,827.56	**-**	**2,67,095.24**	**3,04,922.80**	**37,827.56**

Investments in subsidiaries classified as equity investments and investment in government securities have been accounted at historical cost. Since these are scope of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the above table. Investments in unquoted equity shares of entities other than subsidiaries have been designated as FVTPL and such investment upon sale is only going to fetch the principle amount invested and hence the management considers cost and fair value to be the same.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 51 FAIR VALUE MEASUREMENTS (CONTD.)

B. Financial liabilities

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2022						
Borrowings	25	-	-	-	-	-
Trade payables	27	-	-	15,056.23	15,056.23	-
Derivatives		115.98	-	-	115.98	115.98
Other financial liabilities	28	-	-	2,348.73	2,348.73	-
		115.98	**-**	**17,404.96**	**17,520.94**	**115.98**
As at 31 March, 2021						
Borrowings	25	-	-	18,100.00	18,100.00	-
Trade payables	27	-	-	14,696.98	14,696.98	-
Derivatives		-	-	-	-	-
Other financial liabilities	28	-	-	2,186.54	2,186.54	-
		-	**-**	**34,983.52**	**34,983.52**	**-**

The following table provides the fair value measurement hierarchy of the company's financial assets and financial liabilities:

(₹ in Lakhs)

Particulars	Note	Fair value	Level 1	Level 2	Level 3
As at 31 March, 2022					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		13,275.62	13,275.62		
Investments in bonds (quoted)		82,827.29	82,827.29		
Derivatives		-		-	
Financial liabilities					
Derivatives		115.98	-	115.98	-
As at 31 March, 2021					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		23,805.82	23,805.82		
Investments in bonds (quoted)		13,622.74	13,622.74		
Derivatives		313.18	-	313.18	
Financial liabilities					
Derivatives		-		-	

Note: During the year, there has not been any transfer of any financial assets or financial liabilities between level 1 and level 2.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 52 CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Company has incurred the following expenditure on CSR activities

(₹ in Lakhs)

Sr. no.	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
1	Corporate Social Responsibility expenses for the year	1,245.33	1,144.69
2	Various Head of expenses included in above:		
	Eradicating hunger, poverty and malnutrition	31.00	31.25
	Promoting healthcare including preventing health care	362.41	317.14
	Promoting education	117.80	160.00
	Heritage, art and culture	29.00	31.00
	Promoting sports	-	4.80
	Protection of environment and Animal welfare	37.00	-
	Contribution to AIA CSR Foundation as per Schedule 7 of the Companies Act, 2013 (refer 3 below)	656.00	600.00
	Gross amount required to be spent by the company during the year.	**1,233.21**	1,144.19
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	1,233.21	1,144.19
3	Details of Related party transactions	656.00	600.00
4	Provision for CSR Expenses		
	Opening balance	0.50	-
	Add : Provision created during the year	12.12	0.50
	Less : Provision utilised during the year	0.50	-
	Closing balance	**12.12**	0.50
5	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	12.12	0.50
6	The total of previous years' shortfall amounts	-	
7	The reason for above shortfalls by way of a note	**Given in Directors' Report**	
8	The nature of CSR activities undertaken by the Company	**As per Schedule VII of the Companies Act, 2013**	

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 53 RATIOS

Particulars	31 March, 2022	31 March, 2021	Variance	Remarks
Liquidity Ratio				
(a) Current Ratio (times)	17.11	8.84	93.60%	Increased on account of Increase in Inventory, Trade Receivable and Cash and Bank Balances.
Solvency Ratio				
(a) Debt-Equity Ratio (times)	-	0.04	-100.00%	Reduction is on account of repayment of Short term Borrowings by ₹ 18,100 Lakhs
(b) Debt Service Coverage Ratio (times)	94.80	70.04	35.35%	
Profitability ratio				
(a) Net Profit Ratio (%)	19.29%	20.12%	-4.10%	
(b) Return on Equity Ratio (%)	12.72%	12.58%	1.09%	
(c) Return on Capital employed (%)	16.28%	15.07%	7.97%	
(d) Return on Investment (%)	5.72%	6.72%	-14.88%	
Utilization Ratio				
(a) Trade Receivables turnover ratio (times)	2.33	2.27	2.80%	
(b) Inventory turnover ratio (times)	5.78	5.64	2.53%	
(c) Trade payables turnover ratio (times)	17.15	11.67	46.98%	Better Payment Management led to improvement
(d) Net capital turnover ratio (times)	0.92	0.84	10.59%	

Details of numerator and denominator for computing the above ratios

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current Liability
Debt-equity ratio	Total Debt	Total Equity
Debt service coverage ratio	Earnings before Interest and Tax and Loss on sale of Fixed Assets	Interest & Lease Payments + Principal Repayments
Net profit ratio	Profit after Tax	Total Sales
Return on equity ratio	Profit after Tax	Average Equity
Return on capital employed	Earnings before Interest and Tax	Capital Employed = Tangible Networth + Total Debt + Deferred Tax Liability
Return on investment	Income generated from invested funds	Average invested funds in treasury investments
Trade receivables turnover ratio	Total Sales	Trade Receivables
Inventory turnover ratio	Total Sales	Total Inventory
Trade payables turnover ratio	Raw Material and Stores Purchase and Other Expenses (Excluding CSR, lease rent and Loss on sale of Fixed Assets)	Trade Payables
Net capital turnover ratio	Net Sales	Working Capital

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 54 RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Lakhs)

Sr. no.	Name of struct of companies	Nature of transaction	Gross Balance Outstanding	Relationship with struck off company
1	Century Cement Limited	Sales	-	None
2	Maharashtra Cement Industries Limited	Sales	-	None
3	Grippon Profiles & Engg Private Limited (Advance was given in March 2014 and legal case is filed against vendor)	Purchase	4.43	None
4	Shree Haribol Metal & Alloys Private Limited	Purchase	-	None

NOTE - 55

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE - 56

Previous year's figures have been regrouped/reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of AIA Engineering Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the Consolidated Financial Statements of AIA Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Refer Note 3(j) and Note 33 to the Consolidated Financial Statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Group mainly comprises of sale of products (i.e. high chrome mill internals) to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each customer contract regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the Group's accounting policies for revenue recognition by comparing with the applicable accounting standards; • Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods; • Testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts and proof of dispatch/ delivery in accordance with the contractual terms agreed with the customers;

INDEPENDENT AUDITORS' REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
	• Testing of revenue recognized near the year-end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts; • Evaluating the adequacy of the consolidated financial statement disclosures

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL

Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

INDEPENDENT AUDITORS' REPORT (Contd.)

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of 10 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of INR 245,144.48 lakhs as at 31 March, 2022, total revenues (before consolidation adjustments) of INR 426,579.65 lakhs and net cash outflows (before consolidation

INDEPENDENT AUDITORS' REPORT (Contd.)

adjustments) amounting to INR 16,796.57 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial information of 1 subsidiary, whose financial information reflects total assets (before consolidation adjustments) of INR 4,833.77 lakhs as at 31 March, 2022, total revenues (before consolidation adjustments) of INR 5,070.51 lakhs and net cash outflows (before consolidation adjustments) amounting to INR 163.39 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements, have not been audited either by us or by other auditors. This unaudited financial information has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:

a) The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March, 2022 on the consolidated financial position of the Group - Refer Note 44(a) to the Consolidated Financial Statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March, 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March, 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 54 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 54 to the Consolidated Financial Statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

INDEPENDENT AUDITORS' REPORT (Contd.)

e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Rupen Shah
Partner
Membership No. 116240
ICAI UDIN: 22116240AJNYMB1879

Place: Ahmedabad
Date: 25 May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the "Annexure A" referred to in the Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended 31 March, 2022, we report the following:

(i) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Rupen Shah
Partner
Membership No. 116240
ICAI UDIN: 22116240AJNYMB1879

Place: Ahmedabad
Date: 25 May, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of AIA Engineering Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March, 2022, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial

Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Rupen Shah
Partner

Place: Ahmedabad — Membership No. 116240
Date: 25 May, 2022 — ICAI UDIN: 22116240AJNYMB1879

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2022

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	73,087.28	75,249.24
(b) Right of use assets	5	3,639.37	3,602.90
(c) Capital work-in-progress	6	21,023.40	16,094.87
(d) Goodwill	7	460.69	460.69
(e) Goodwill on consolidation	7	1,528.79	1,528.79
(f) Other intangible assets	7	283.83	301.39
(g) Financial assets			
(i) Investments	8	48.50	25,721.25
(ii) Trade receivables	9	541.34	250.30
(iii) Loans	10	162.21	97.18
(iv) Other financial assets	11	32,175.00	992.85
(h) Deferred tax asset	41 (b)	25.99	21.36
(i) Other tax assets (net)	12	3,064.52	2,821.28
(j) Other non-current assets	13	3,846.00	2,759.71
Total non-current assets		**1,39,886.92**	**1,29,901.81**
Current assets			
(a) Inventories	14	1,22,600.94	75,477.62
(b) Financial assets			
(i) Investments	15	1,05,492.23	55,136.36
(ii) Trade receivables	16	80,014.56	63,847.10
(iii) Cash and cash equivalents	17	25,670.86	46,217.43
(iv) Bank balances other than (iii) above	17	24,938.64	93,327.43
(v) Loans	18	194.90	199.46
(vi) Derivatives		-	313.18
(vii) Other financial assets	19	2,388.01	4,536.58
(c) Other current assets	20	11,370.06	6,863.98
Total current assets		**3,72,670.20**	**3,45,919.14**
Total assets		**5,12,557.12**	**4,75,820.95**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	1,886.41	1,886.41
(b) Other equity	22	4,73,609.60	4,22,545.04
Equity attributable to owners of The Company		4,75,496.01	4,24,431.45
(c) Non-controlling interest		847.52	881.77
Total equity		**4,76,343.53**	**4,25,313.22**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	127.00	-
(ii) Lease liabilities	24	342.43	577.17
(b) Provisions	25	1,450.96	1,636.86
(c) Deferred tax liabilities (net)	41(b)	3,895.53	4,701.62
Total non-current liabilities		**5,815.92**	**6,915.65**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	157.00	18,447.30
(ii) Lease Liabilities	27	356.70	269.40
(iii) Trade payables	28		
Total outstanding dues of micro and small enterprises		3,854.13	3,601.33
Total outstanding dues of creditors other than micro and small enterprises		15,820.37	12,979.51
(iv) Other financial liabilities	29	2,430.73	2,273.05
(v) Derivatives		115.98	-
(b) Other current liabilities	30	5,863.60	5,193.67
(c) Provisions	31	647.24	649.73
(d) Current tax liabilities (net)	32	1,151.92	178.09
Total current liabilities		**30,397.67**	**43,592.08**
Total equity and liabilities		**5,12,557.12**	**4,75,820.95**

The accompanying notes are integral part of these consolidated financial statements 2-55

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Lakhs)

Particulars	Note	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
INCOME			
Revenue from operations	33	3,56,654.73	2,88,149.24
Other income	34	15,629.01	17,219.59
Total income		**3,72,283.74**	**3,05,368.83**
EXPENSES			
Cost of materials consumed	35	1,84,236.94	1,13,505.12
Changes in inventories of finished goods and work-in-progress	36	(37,127.57)	755.46
Employee benefits expense	37	13,936.66	13,350.47
Finance costs	38	385.04	429.31
Depreciation and amortisation expense	39	9,211.63	9,350.09
Other expenses	40	1,23,514.19	95,013.59
Total expenses		**2,94,156.89**	**2,32,404.04**
Profit before tax		**78,126.85**	**72,964.79**
Tax expense	41 (a)		
Current tax		17,036.41	18,683.22
Excess provision for current tax of earlier years written back		(150.40)	-
Deferred tax		(720.96)	(2,289.07)
Total tax expenses		**16,165.05**	**16,394.15**
Profit for the year		**61,961.80**	**56,570.64**
Other Comprehensive Income			
A (i) Items that will not be reclassified to consolidated statement of profit and loss	43 (iv)	114.22	223.38
(ii) Income tax relating to items that will not be reclassified to consolidated statement of profit and loss		(22.37)	(56.22)
B (i) Items that will be reclassified to consolidated statement of profit and loss	22	(2,502.60)	(2,607.95)
(ii) Income tax relating to items that will be reclassified to consolidated statement of profit and loss	22	(6.10)	142.67
Other comprehensive income for the year (net of taxes)		**(2,416.85)**	**(2,298.12)**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**59,544.95**	**54,272.52**
Profit for the year attributable to :			
- Owners of the Holding Company		61,968.09	56,612.19
- Non-controlling interests		(6.29)	(41.55)
Other comprehensive income for the year attributable to :			
- Owners of the Holding Company		(2,423.57)	(2,302.17)
- Non-controlling interests		6.72	4.05
Total comprehensive income for the year attributable to :			
- Owners of the Holding Company		59,544.52	54,310.02
- Non-controlling interests		0.43	(37.50)
Earnings per equity share of par value of ₹ 2 each:			
Basic and diluted	42	65.70	60.02

The accompanying notes are integral part of these consolidated financial statements 2-55

As per our report of even date attached

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

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Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
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Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the reporting year	**1,886.41**	1,886.41
Add: changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**1,886.41**	1,886.41

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income						Attributable to Non-controlling interests	Total
	Securities premium	Capital redemption reserve	General reserve	Statutory reserve	Retained earnings	Cash flow hedge reserve	Exchange differences on translation of foreign operations	Fair Value Through Other OCI	Remeasurement of defined benefit plan	Total attributable to owners of The Company		
Balance as at 1 April, 2020	26,852.64	1,925.74	16,467.61	9.22	3,24,503.90	987.76	(2,504.64)	-	-	3,68,242.23	925.23	3,69,167.46
Profit for the year	-	-	-	-	56,612.18	-	-	-	-	56,612.18	(41.55)	56,570.63
Remeasurement of defined benefit plan	-	-	-	-	-	-	-	-	163.11	163.11	4.05	167.16
Exchange differences on translation of foreign operations	(6.93)	-	-	(0.27)	-	-	(2,041.07)	-	-	(2,048.27)	(5.96)	(2,054.23)
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(424.21)	-	-	-	(424.21)	-	(424.21)
OCI balance transferred to retained earnings	-	-	-	-	163.11	-	-	-	(163.11)	-	-	-
Balance as at 31 March, 2021	**26,845.71**	**1,925.74**	**16,467.61**	**8.95**	**3,81,279.19**	**563.55**	**(4,545.71)**	**-**	**-**	**4,22,545.04**	**881.77**	**4,23,426.81**
Profit for the year	-	-	-	-	61,968.09	-	-	-	-	61,968.09	(6.29)	61,961.80
Dividends paid on equity shares (including TDS)	-	-	-	-	(8,488.83)	-	-	-	-	(8,488.83)	-	(8,488.83)
Remeasurement of defined benefit plan	-	-	-	-	-	-	-	-	85.13	85.13	6.72	91.85
Exchange differences on translation of foreign operations	8.61	-	-	0.26	-	-	(2,526.85)	-	-	(2,517.98)	(34.68)	(2,552.66)
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(57.41)	-	-	-	(57.41)	-	(57.41)
Fair Value of Investment through OCI (net of tax)	-	-	-	-	-	-	-	75.56	-	75.56	-	75.56
OCI balance transferred to retained earnings	-	-	-	-	85.13	-	-	-	(85.13)	-	-	-
Balance as at 31 March, 2022	**26,854.32**	**1,925.74**	**16,467.61**	**9.21**	**4,34,843.58**	**506.14**	**(7,072.56)**	**75.56**	**-**	**4,73,609.60**	**847.52**	**4,74,457.12**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

B. Other equity (Contd.)

Nature and purpose of reserves:

(a) Securities premium : The amount received in excess of face value of the equity shares are recognised in Securities premium reserve.

(b) Capital redemption reserve: The Group has recognised Capital Redemption Reserve on redemption of Cumulative Redeemable Preference Shares.

(c) Statutory reserve: This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of an overseas subsidiary.

(d) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(e) Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

(f) Cash flow hedge reserve: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to consolidated statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.

(g) Exchange differences on translation of foreign operations: This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

The accompanying notes are integral part of these consolidated financial statements 2-55

As per our report of even date attached

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Lakhs)

	Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
A.	**Cash flow from operating activities:**		
	Profit before tax	**78,126.85**	**72,964.79**
	Add/(less): Adjustments		
	Interest income	(7,863.48)	(5,004.28)
	Profit on sale of current investments	(152.23)	(3,677.24)
	Fair value of current investments	(1,324.32)	(1,291.19)
	Unrealised gain on foreign exchange fluctuation (net)	(3,175.87)	1,184.23
	(Profit)/loss on sale of assets (net)	15.01	216.37
	Sundry balances (written back)/written off (net)	(51.86)	(32.06)
	Bad debts	9.47	-
	Depreciation and amortisation	9,211.63	9,350.09
	Finance costs	385.04	429.31
	Provision for product warranties	(252.86)	234.82
	Provision for doubtful trade receivables	(57.31)	3.26
	Foreign currency fluctuation on translation of foreign operations	(2,444.95)	(2,043.09)
		72,425.12	**72,335.01**
	Changes in working capital:		
	(Increase) in trade receivables	(13,037.21)	(2,225.59)
	(Increase)/Decrease in loans	(60.47)	51.68
	Decrease in other non-current assets	3.28	-
	Decrease/(Increase) in inventories	(47,123.32)	2,334.60
	Decrease in other financial assets	1,453.99	552.05
	Decrease/(Increase) in other current assets	(4,506.08)	3,353.94
	Increase/(Decrease) in provisions	149.60	(1,313.92)
	Increase in trade payables	3,155.13	2,953.15
	Increase/(Decrease) in other financial liabilities	57.07	(82.87)
	Increase/(Decrease) in other current liabilities	(187.77)	329.81
	Cash generated from operations	**12,329.34**	**78,287.86**
	Income taxes paid (net of refunds)	(16,251.28)	(18,441.67)
	Net cash (used in)/generated from operating activities (A)	**(3,921.94)**	**59,846.19**
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(12,547.42)	(12,417.20)
	Proceeds from sale of property, plant and equipment	15.28	110.15
	(Purchase of)/proceeds from sale of current investments	(22,553.37)	66,981.34
	Interest income	7,616.64	2,894.75
	(Investment in)/Redemption of fixed deposits with bank (net)	37,454.23	(92,696.76)
	Net cash (used in)/generated from investing activities (B)	**9,985.36**	**(35,127.72)**
C.	**Cash flow from financing activities:**		
	Proceeds from/(Repayment) of current borrowings (net)	(18,290.30)	9,050.72
	Proceeds from/(Repayment) of Non-current borrowings	127.00	(1,500.00)
	Dividends paid (Net of TDS applicable on payment of Dividend)	(7,631.13)	-
	Finance costs paid	(308.84)	(306.75)
	Repayment of Lease Liabilities	(651.95)	(590.15)
	Net cash (used in)/generated from financing activities (C)	**(26,755.22)**	**6,653.82**
D.	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**	**(20,691.80)**	**31,372.29**
E.	**Add : Cash and cash equivalents at the beginning of the year**	**46,217.43**	**14,849.19**
F.	**Less: Foreign exchange (loss) on restatement of cash and cash equivalents**	**145.23**	**(4.05)**
G.	**Cash and cash equivalents at the end of the year (refer Note 1 below)**	**25,670.86**	**46,217.43**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Notes :

1. Cash and cash equivalents include:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents include:		
Balances with banks	20,390.59	46,208.07
Cash on hand	7.20	9.36
Balances with bank in fixed deposit accounts (original maturity of 0 - 3 months)	5,273.07	-
	25,670.86	**46,217.43**

2. Movement in financial liabilities and financial assets arising from financing activities as at 31 March, 2022:

(₹ in Lakhs)

Particulars	Non-current borrowings (Note 23)	Current borrowings (Note 26)	Lease liabilities (Note 24 and 27)	Dividends paid (Note 22)	Finance Cost (Note 38)
Balance as at 1 April, 2020	1,500.00	9,694.67	1,476.48	-	12.96
Proceeds from borrowings	-	52,168.04	-	-	-
Repayment of borrowings	(1,500.00)	(43,117.32)	-	-	-
Interest paid	-	-	-	-	(437.43)
Amount paid during the year	-	-	520.29	-	-
Net movement during the year	**(1,500.00)**	**9,050.72**	**(520.29)**	**-**	**(437.43)**
Interest accrued during the year	-	-	115.57	-	-
Remeasurement of lease liability (Addition)	-	-	(225.77)	-	-
Foreign exchange difference	-	-	0.58	-	-
Charge to consolidated statement of profit and loss	-	-	-	-	429.31
Balance as at 31 March, 2021	**-**	**18,447.30**	**846.57**	**-**	**4.84**
Proceeds from borrowings	-	51,634.00	-	-	-
Repayment of borrowings	-	(69,797.30)	-	-	-
Dividends paid (Net of TDS applicable on payment of Dividend)	-	-	-	(7,631.13)	-
Interest paid	-	-	-	-	(357.19)
Amount paid during the year	-	-	(451.11)	-	-
Net movement during the year	**-**	**(18,163.30)**	**(451.11)**	**(7,631.13)**	**(357.19)**
Interest accrued during the year	-	-	81.04	-	-
Remeasurement of lease liability (Addition)	-	-	216.96	-	-
Foreign exchange difference	-	-	(15.43)	-	-
Charge to consolidated statement of profit and loss	-	-	-	-	385.04
Balance as at 31 March, 2022	**-**	**284.00**	**678.03**	**-**	**32.69**

3. The consolidated statement of cash flows has been prepared in accordance with the 'indirect method' as set out in the Indian Accounting Standard (Ind AS) - 7 - 'Statement of Cash Flows'.

The accompanying notes are integral part of these consolidated financial statements 2 - 55

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

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Managing Director
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Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022

NOTE - 1 BACKGROUND

AIA Engineering Limited (the 'Company') is a public limited company incorporated and domiciled in India. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of The Company is located at 115, G.V.M.M. Estate, Odhav road, Odhav, Ahmedabad – 382410, Gujarat, India. These consolidated financial statements comprise financial statements of The Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March, 2022. The Group is primarily involved in the manufacturing of High Chrome Mill Internals.

NOTE - 2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013 ('the Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Act.

The consolidated Ind AS financial statements of the Group comprises, the consolidated balance sheet as at 31 March, 2022, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "consolidated financial statements").

The consolidated financial statements are approved for issue by the Board of Directors in their meeting held on 25 May, 2022.

Details of the Group's accounting policies are included in Note 3 of the consolidated financial statements.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Employee defined benefit asset/liability	Plan assets measured at fair value less present value of defined benefit obligations

2.3 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses based on historical experiences and other factors, including expectation of future events that may have an impact on the Group and that are reasonable under the circumstances As more fully explained in Note 46, the ongoing pandemic relating to COVID-19 may have an impact on the use of assumption and judgements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2022 is included in the following notes:

- **Note 4, 5 and 7** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and intangible assets, impairment of goodwill;
- **Note 41 (b) and (c)** recognition of deferred tax;
- **Note 43** measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 25, 31** and **44** – recognition and measurement of provisions and contingencies such as warranty claims: key assumptions about the likelihood and magnitude of an outflow of resources;

2.4 Measurement of fair values

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of The Company and its subsidiaries. Control is achieved when The Company has:

- Power over the investee.
- Is exposed or has rights to variable returns from its involvement with the investee, and.
- Has the ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when The Company obtains control over the subsidiary and ceases when The Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date The Company gains control until the date The Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of The Company, i.e., year ended on 31, March. When the end of the reporting period of The Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of The Company to enable The Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of The Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of The Company's investment in each subsidiary and The Company's portion of equity of each subsidiary.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of The Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of entities included in these consolidated financial statements along with its shareholding is summarised hereunder.

Name of entity	Country of Incorpo-ration	Ownership interest held by the Group		Proportion of ownership interests and voting rights held by non-controlling interests	
		31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Direct subsidiaries					
Welcast Steels Limited	India	74.85%	74.85%	25.15%	25.15%
AIA CSR Foundation	India	100%	100%	-	-
Vega Industries (Middle East) F.Z.C	U.A.E.	100%	100%	-	-
Indirect subsidiaries					
Vega Industries Limited (1)	U.K.	100%	100%	-	-
Vega Industries Limited (2)	U.S.A.	100%	100%	-	-
Vega Steel Industries (RSA) Proprietary Limited (3)	South Africa	74.63%	74.63%	25.37%	25.37%
Wuxi Vega Trade Co., Limited (1)	China	100%	100%	-	-
PT. Vega Industries Indonesia (4)	Indonesia	100%	100%	-	-
AIA Industries Chile SPA (1)	Chile	100%	100%	-	-
AIA Ghana Limited (1)	Ghana	100%	100%	-	-
Vega Industries Australia Pty Limited (1)	Australia	100%	100%	-	-

(1) Wholly owned subsidiaries of Vega Industries (Middle East) F.Z.C., U.A.E.

(2) Wholly owned subsidiary of Vega Industries Limited, U.K.

(3) Subsidiary of Vega Industries (Middle East) F.Z.C., U.A.E.

(4) 99% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 1% is held by AIA Engineering Limited.

2.6 Functional and presentation currency

The functional currency and the presentation currency of The Company/Group is Indian rupees. All the amounts are stated in the nearest rupee in Lakhs with two decimals.

NOTE - 3 SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and translation of monetary items are recognised in

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statement of profit and loss However, foreign currency differences pertaining to qualifying cash flow hedges are recognised in other comprehensive Income to the extent the hedges are effective.

b) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTOCI – debt investment;
- FVTOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment by investment basis. At present there are no such investments.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes derivative financial assets and investments. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and.
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Group

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.
Financial assets at FVTOCI	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss above amortised cost is recognised in Other comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Derivative financial instruments and hedge accounting

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Group strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The accumulated gains/losses on the derivatives accounted in hedge reserve are transferred to the consolidated statement of profit and loss in the same period in which gains/losses on the underlying item hedged are recognised in the consolidated statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the consolidated statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the consolidated statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains/losses recognised in hedge reserve is transferred to the consolidated statement of profit and loss.

d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in consolidated statement of profit and loss.

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Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

Estimated useful life adopted by the Group:

Block of assets	Useful lives (years)
Buildings	30 – 60
Plant and equipments	5 – 15
Furniture and fixtures	4 – 10
Vehicles	4 – 10
Office equipments	4 – 5
Others – laboratory equipments	10
Others – computer hardware	3 – 6

Depreciation method followed by respective companies is as under:

Name of entity	Method of depreciation
AIA Engineering Limited, India	Depreciation on fixed assets is charged on Straight line method over the useful life of assets as prescribed by Schedule II of Companies Act, 2013.
Welcast Steels Limited, India	Depreciation on fixed assets is charged on written down value method over the useful life of assets as prescribed by Schedule II of Companies Act, 2013, except for plant and equipments for which useful life determined as per technical estimate.
Vega Industries (Middle East) F.Z.C, U.A.E.	Straight-line method over estimated useful lives of the assets.
Vega Industries Limited, U.S.A.	Straight-line method over estimated useful lives of the assets.
Vega Industries Limited, U.K.	Written Down Value Method over estimated useful lives of the assets.
Wuxi Vega Trade Co. Limited., China	Straight-line method over estimated useful lives of the assets.
Vega Steel Industries (RSA) Proprietary Limited, South Africa	Straight-line method over estimated useful lives of the assets.
PT. Vega Industries Indonesia	Straight-line method over estimated useful lives of the assets.
Vega Industries Chile SPA - Chile	Straight-line method over estimated useful lives of the assets.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Leasehold land is amortised over the lease period

Following low value assets have been depreciated fully during the year of purchase

Plant and equipment and laboratory equipment with value up to ₹. 25,000 and other assets with value up to ₹ 5,000.

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as other non-current assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured

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as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss.

e) Goodwill and Other intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in consolidated statement of profit and loss.

The estimated useful lives of intangibles are as per below:

- Software - 6 years
- Patents - 20 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads absorbed based on the normal operating capacity but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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

g) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit -impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or.
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected

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credit losses. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the Group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability- weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from

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the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in consolidated statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in Consolidated statement of profit and loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring in accordance with Ind AS 37 and involves payment of termination benefits.

i) Provisions (other than employee benefits), contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

Provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. A liability is recognised at the time the product is sold. The Group does not provide any extended warranties to its customers.

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Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

j) Revenue

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Other operating revenue – export incentives

Export incentives are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

l) Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

1. The contract involves the use of an identified asset.
2. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated

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depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of ROU assets are determined on the same basis as those of property, plant and equipment.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the consolidated balance sheet and lease payments have been classified as cash flows from financing activities.

m) Income taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Tax on income of foreign subsidiaries

Foreign companies recognise tax liabilities and assets in accordance with the local laws.

n) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. For the disclosure on reportable segments see Note 49.

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p) Cash and cash equivalents

Cash and cash equivalents for the purpose of Consolidated statement of cash flows comprise cash and bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments not held for investment purposes.

q) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years presented.

r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

s) GST input credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input credit is reviewed at the end of each year and amount estimated to be un-utilisable is charged to the statement of profit and loss for the year.

t) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

ii. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while The Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and The Company does not expect the amendment to have any significant impact in its financial statements.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

v. Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendment removes the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Others *	Total
Gross block:								
Balance as at 01 April, 2020	3,739.43	36,295.16	77,416.63	1,586.32	383.53	608.44	1,441.37	1,21,470.88
Exchange differences on translation of foreign operations	-	-	-	2.60	(3.80)	(1.60)	0.49	(2.31)
Additions during the year	-	390.81	1,316.55	51.01	17.76	77.28	113.17	1,966.58
Disposal/adjustments during the year	-	(8.42)	(1,935.25)	(411.74)	(94.21)	(48.43)	(62.61)	(2,560.66)
Balance as at 31 March, 2021	3,739.43	36,677.55	76,797.93	1,228.19	303.28	635.69	1,492.42	1,20,874.49
Exchange differences on translation of foreign operations	-	-	-	1.70	4.72	5.77	4.23	16.42
Additions during the year	-	858.33	5,407.41	44.08	28.68	46.22	210.28	6,595.00
Disposal/adjustments during the year	-	(10.09)	(104.77)	(13.55)	(21.11)	(1.54)	(29.67)	(180.73)
Balance as at 31 March, 2022	**3,739.43**	**37,525.79**	**82,100.57**	**1,260.42**	**315.57**	**686.14**	**1,677.26**	**1,27,305.18**
Accumulated depreciation/amortisation:								
Balance as at 01 April, 2020	-	6,291.82	30,387.85	905.73	197.20	449.88	854.55	39,087.03
Exchange differences on translation of foreign operations	-	-	-	(2.05)	(3.19)	(4.27)	(2.64)	(12.15)
Charge for the year	-	1,361.71	7,019.99	118.20	36.62	60.52	187.51	8,784.55
Disposal/adjustments during the year	-	(2.27)	(1,760.22)	(321.83)	(50.58)	(43.90)	(55.38)	(2,234.18)
Balance as at 31 March, 2021	-	7,651.26	35,647.62	700.05	180.05	462.23	984.04	45,625.25
Exchange differences on translation of foreign operations	-	-	-	1.67	4.20	5.20	3.34	14.41
Charge for the year	-	1,331.60	7,016.50	104.96	29.81	49.54	196.27	8,728.68
Disposal/adjustments during the year	-	(4.91)	(86.73)	(11.29)	(17.94)	(1.44)	(28.13)	(150.44)
Balance as at 31 March, 2022	**-**	**8,977.95**	**42,577.39**	**795.39**	**196.12**	**515.53**	**1,155.52**	**54,217.90**
Net block:								
As at 31 March, 2021	3,739.43	29,026.29	41,150.31	528.14	123.23	173.46	508.38	75,249.24
As at 31 March, 2022	**3,739.43**	**28,547.84**	**39,523.18**	**465.03**	**119.45**	**170.61**	**521.74**	**73,087.28**

* Others include laboratory equipments and computer hardware.

Notes:

1. Out of total assets, identified assets comprising factory land, buildings and plant and machineries having net block worth ₹ 712.18 Lakhs for one of the subsidairies are mortgaged/hypothecated to Canara Bank for availing various working capital facilities.
2. Refer Note 44 (b) for contractual commitments with respect to property, plant and equipment.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Gross block:			
As at 1 April, 2020	2,998.62	1,840.38	4,839.00
Exchange differences on translation of foreign operations	-	2.44	2.44
Additions during the year	27.92	139.31	167.23
Disposals/adjustments during the year	-	(604.60)	(604.60)
As at 31 March, 2021	3,026.54	1,377.53	4,404.07
Exchange differences on translation of foreign operations	-	(2.64)	(2.64)
Additions during the year	208.73	219.43	428.16
Disposals/adjustments during the year	-	(9.25)	(9.25)
As at 31 March, 2022	**3,235.27**	**1,585.07**	**4,820.34**
Accumulated depreciation:			
As at 1 April, 2020	126.84	475.27	602.11
Depreciation for the year	16.86	461.80	478.66
Disposals/adjustments during the year	-	(279.60)	(279.60)
As at 31 March, 2021	143.70	657.47	801.17
Depreciation for the year	16.86	370.14	387.00
Disposals/adjustments during the year	-	(7.20)	(7.20)
As at 31 March, 2022	**160.56**	**1,020.41**	**1,180.97**
Net block:			
As at 31 March, 2021	2,882.84	720.06	3,602.90
As at 31 March, 2022	**3,074.71**	**564.66**	**3,639.37**

1. Lease contracts entered by the Group for land and buildings taken on lease to conduct business activity in ordinary course of business with tenure of leases upto 99 years.
2. Lease rent of ₹ 48.74 Lakhs (previous year: ₹ 55.85 Lakhs) is recognised in consolidated statement of profit and loss towards short-term lease and lease of low value assets. (refer Note 40)
3. Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
4. Lease Obligation, interest expense on lease maturity profile of lease obligation and payment of lease obligation are disclosed respectively in lease liabilities (refer Note 24 & 27), Finance Costs (refer Note 38), Liquidity risk (refer Note 50) and Consolidated statement of cash flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	16,094.87	3,234.93
Additions during the year	11,119.98	14,496.63
Capitalisation during the year	(6,191.45)	(1,636.69)
Balance at the end of the year	**21,023.40**	16,094.87

Note:

1. Refer Note 44 (b) for contractual commitments with respect to property, plant and equipment.

CWIP aging schedule as at 31 March, 2022

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,546.63	12,667.37	2,795.06	14.34	**21,023.40**
Projects temporarily suspended	-	-	-	-	-

CWIP aging schedule as at 31 March, 2021

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13,210.43	2,867.46	0.33	16.65	**16,094.87**
Projects temporarily suspended	-	-	-	-	**-**

CWIP - Completion Schedule of capital working in progress as at 31 March, 2022

(₹ in Lakhs)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
	Projects in Progress			
Completion is overdue:				
Kerala Mining Liner Project	20,146.84	-	-	-
Completion is not overdue:				
Other Projects	876.56	-	-	-
	21,023.40	**-**	**-**	**-**

CWIP - Completion Schedule of capital working in progress as at 31 March, 2021

(₹ in Lakhs)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
	Projects in Progress			
Completion is overdue:				
Kerala Mining Liner Project	1.30	14,811.77	-	-
Completion is not overdue:				
Other Projects	725.32	556.48	-	-
	726.62	**15,368.25**	**-**	**-**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 7 GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note a)	Goodwill on consolidation
	Software	Patents and Copyrights	Total		
Gross block:					
Balance as at 01 April, 2020	915.02	72.87	987.89	460.69	1,535.88
Exchange differences on translation of foreign operations	-	-	-	-	(7.09)
Additions during the year	34.29	5.69	39.98	-	-
Disposal/adjustments during the year	(1.45)	-	(1.45)	-	-
Balance as at 31 March, 2021	947.86	78.56	1,026.42	460.69	1,528.79
Exchange differences on translation of foreign operations	-	-	-	-	
Additions during the year	68.75	9.64	78.39	-	-
Disposal/adjustments during the year	-	-	-	-	-
Balance as at 31 March, 2022	**1,016.61**	**88.20**	**1,104.81**	**460.69**	**1,528.79**
Amortisation:					
Balance as at 01 April, 2020	621.77	17.78	639.55	-	-
Charge for the year	82.92	3.97	86.89	-	-
Disposal/adjustments during the year	(1.41)	-	(1.41)	-	-
Balance as at 31 March, 2021	703.28	21.75	725.03	-	-
Charge for the year	91.54	4.41	95.95	-	-
Disposal/adjustments during the year	-	-	-	-	-
Balance as at 31 March, 2022	**794.82**	**26.16**	**820.98**	**-**	**-**
Net block:					
As at 31 March, 2021	244.58	56.81	301.39	460.69	1,528.79
As at 31 March, 2022	**221.79**	**62.04**	**283.83**	**460.69**	**1,528.79**

Note (a):

The Group tests goodwill for impairment annually and provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2021 (Contd.)

NOTE - 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current investments (unquoted)		
A. Investment in equity instruments		
Others companies (measured at FVTPL) #		
(a) 25 (Previous year: 25) equity shares of Koramangala Properties Limited of face value ₹ 100/- each, fully paid up	0.03	0.03
(b) 484,700 (Previous year: 857,919) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up	48.47	85.79
B. Investment in Government Securities (measured at cost)		
National Savings Certificate	-	0.06
C. Investment in Bonds (quoted) (measured at amortised cost) *	**-**	25,635.37
	48.50	25,721.25
Aggregate amount of quoted investments	-	25,635.37
Aggregate market value of quoted investments	-	25,969.93
Aggregate amount of unquoted investments	48.50	85.88

The Holding Company's investment upon sale is only going to fetch the principal amount invested and hence The Company considers cost and fair value to be the same.

* In the current year, the Holding company has reclassified certain bonds as FVOCI as against amortised cost/FVTPL till the previous year on account of change in their underlying business model.

NOTE - 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current trade receivables		
Considered good *	541.34	250.30
Significant increase in credit risk	-	-
Credit impaired	-	-
	541.34	250.30

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 9 TRADE RECEIVABLES (CONTD.)

Trade Receivables ageing schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	1.82	147.15	77.29	126.90	155.70	32.48	541.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	**1.82**	**147.15**	**77.29**	**126.90**	**155.70**	**32.48**	**541.34**

Trade Receivables ageing schedule as at 31 March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	0.22	26.30	137.64	30.87	55.27	250.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	**-**	**0.22**	**26.30**	**137.64**	**30.87**	**55.27**	**250.30**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current loans		
Loans to staff		
Secured, considered good	61.63	16.50
Unsecured, considered good	100.58	80.68
	162.21	97.18

NOTE - 11 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	31,012.22	79.26
Security deposits (unsecured, considered good)	672.50	913.59
Interest accrued on fixed deposit	490.28	-
	32,175.00	992.85

NOTE - 12 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax/tax deducted at source [net of provision for tax ₹ 1,28,911.31 Lakhs (previous year ₹ 1,42,943.17 Lakhs)]	3,064.52	2,821.28
	3,064.52	2,821.28

NOTE - 13 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	3,466.38	2,376.81
Others		
Balance with government authorities	53.13	56.41
Advance paid under protest	326.49	326.49
	3,846.00	2,759.71

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 14 INVENTORIES *

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw materials	14,168.02	7,768.84
Raw materials in transit	3,916.35	444.15
Work-in-progress	18,056.58	14,790.86
Finished goods	76,874.38	43,355.14
Stores and spares	9,582.28	9,061.55
Stores and spares in transit	3.33	57.08
	1,22,600.94	75,477.62

* Inventories are hypothecated to secure working capital facilities from Banks (refer Note 26)..

NOTE - 15 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current investments		
Measured at FVTPL		
Investment in mutual funds (quoted)	13,275.62	23,805.82
Investments in bonds (quoted)	33,453.50	16,733.02
Measured at amortised cost		
Investments in Treasury Bills (quoted)	-	984.92
Investment in bonds (quoted)	5,105.84	13,612.60
Measured at FVTOCI*		
Investment in bonds (quoted)	53,657.27	-
	1,05,492.23	55,136.36
Aggregate amount of quoted investments	1,05,492.23	55,136.36
Aggregate market value of quoted investments	1,05,558.67	55,456.91
Aggregate amount of unquoted investments	-	

* In the current year, the Holding company has reclassified certain bonds as FVOCI as against amortised cost/FVTPL till the previous year on account of change in their underlying business model

NOTE - 16 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current trade receivables (unsecured)		
Considered good *	80,014.56	63,847.10
Significant increase in credit risk	145.08	296.56
	80,159.64	64,143.66
Less: Provision for doubtful receivables	(145.08)	(296.56)
	80,014.56	63,847.10

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 16 TRADE RECEIVABLES (CONTD.)

Trade Receivables ageing schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	57,861.81	21,329.20	630.91	67.00	125.64	-	80,014.56
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	1.49	1.73	3.89	20.68	18.59	98.70	145.08
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk								
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
	-	**57,863.30**	**21,330.93**	**634.80**	**87.68**	**144.23**	**98.70**	**80,159.64**

Trade Receivables ageing schedule as at 31 March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	44,969.53	18,463.79	156.40	198.68	37.46	21.23	63,847.09
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	3.00	5.04	3.69	230.16	19.16	35.51	296.56
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk								
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
	-	**44,972.53**	**18,468.83**	**160.09**	**428.84**	**56.62**	**56.74**	**64,143.65**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 17 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
Balances with banks	20,390.59	46,208.07
Cash on hand	7.20	9.36
Balances with banks in fixed deposit (Original maturity of 0 - 3 months)	5,273.07	-
	25,670.86	46,217.43
Other bank balances		
Balances with bank in fixed deposit (Original maturity within 3 to 12 months)	24,417.84	92,812.30
Balances with bank in fixed deposit as a Margin Money Original maturity within 3 to 12 months)	508.27	501.00
Earmarked balances with banks (unpaid dividend) *	12.53	14.13
	24,938.64	93,327.43
	50,609.50	1,39,544.86

* The group can utilise these balances towards payment of unpaid dividend only.

NOTE - 18 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current loans		
Loan to a minority shareholder (unsecured, considered good)	93.45	99.21
Loans to staff		
Secured, considered good	10.62	19.24
Unsecured, considered good	90.83	81.01
	194.90	199.46

NOTE - 19 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Export incentives receivable	1,309.39	3,082.60
Interest accrued on fixed deposit and debentures	892.14	1,337.53
Security deposits (unsecured, considered good)	186.48	116.45
	2,388.01	4,536.58

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances other than capital advances		
Advance to a related party	4.03	3.40
Other Advances		
Advances to suppliers	4,063.58	2,635.02
Advances to staff	129.56	199.73
Others		
Balance with government authorities	6,691.93	3,683.55
Prepaid expenses	352.83	252.41
Prepaid leave encashment	94.00	74.95
Prepaid Gratuity	34.13	14.92
	11,370.06	6,863.98

NOTE - 21 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorised share capital		
230,000,000 (previous year: 230,000,000) equity shares of face value ₹ 2/- each	4,600.00	4,600.00
	4,600.00	4,600.00
Issued, subscribed & fully paid up share capital		
94,320,370 equity shares (previous year: 94,320,370) of face value ₹ 2/- each, fully paid up	1,886.41	1,886.41
	1,886.41	1,886.41

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

	31 March, 2022		31 March, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares outstanding at the beginning of the year	9,43,20,370	1,886.41	9,43,20,370	1,886.41
Add: Changes during the year	-	-	-	-
Shares outstanding at the end of the year	9,43,20,370	1,886.41	9,43,20,370	1,886.41

(b) Rights, preferences and restrictions attached to equity shares:

The Group has only one class of equity share having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is approved by Board of Directors of the Group. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

(c) The details of shareholders holding more than 5% shares

Name of the shareholders	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K. Shah	5,51,28,901	58.45%	5,51,28,901	58.45%
Nalanda India Equity Fund Limited	91,27,809	9.68%	91,27,809	9.68%

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 21 EQUITY SHARE CAPITAL (CONTD.)

(d) Shareholding of Promoters

Shares held by promoters as at 31 March, 2022			% Change during the year
Name of the Promoter	**No. of Shares**	**% of total shares**	
Bhadresh Kantilal Shah	5,51,28,901	58.45%	-
Khushali Bhadreshbhai Shah	10,010	0.01%	-
Bhumika Shyamal Shodhan	10,005	0.01%	-
Gita Bhadresh Shah	5	0%	-
	5,51,48,921	**58.47%**	**-**

Shares held by promoters as at 31 March, 2021			% Change during the year
Name of the Promoter	**No. of Shares**	**% of total shares**	
Bhadresh Kantilal Shah	5,51,28,901	58.45%	-
Khushali Bhadreshbhai Shah	10,010	0.01%	-
Bhumika Shyamal Shodhan	10,005	0.01%	-
Gita Bhadresh Shah	5	0%	-
	5,51,48,921	**58.47%**	**-**

NOTE - 22 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reserves and surplus		
(a) Securities premium		
Balance at the beginning of the year	26,845.71	26,852.64
Additions during the year	-	-
Adjustment on account of translating the financial statements of foreign operations	8.61	(6.93)
Balance at the end of the year	**26,854.32**	26,845.71
(b) Capital redemption reserve		
Balance at the beginning and at end of the year	**1,925.74**	1,925.74
(c) Statutory reserve		
Balance at the beginning of the year	8.95	9.22
Adjustment on account of translating the financial statements of foreign operations	0.26	(0.27)
Additions during the year	-	-
Balance at the end of the year	**9.21**	8.95
(d) General reserve		
Balance at the beginning and at end of the year	**16,467.61**	16,467.61
(e) Retained earnings		
Balance at the beginning of the year	3,81,279.19	3,24,503.90
Add: Profit for the year	61,968.09	56,612.18
Less: Remeasurement of defined benefit obligations transferred from OCI	85.13	163.11
Less: Transfer to statutory reserve	-	-
Less: Dividend on equity shares #	(8,488.83)	-
Balance at the end of the year	**4,34,843.58**	3,81,279.19
Total reserves and surplus (A)	**4,80,100.46**	4,26,527.20

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 22 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Other comprehensive income ('OCI')		
Items that will not be reclassified to statement of profit and loss		
(a) Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in consolidated statement of profit and loss	114.22	223.38
Tax impact on above [refer Note 41 (c)]	(22.37)	(56.22)
Less: Transferred to minority interest	(6.72)	(4.05)
Less: Transfer to retained earnings	(85.13)	(163.11)
Balance at the end of the year	**-**	-
Items that will be reclassified to statement of profit and loss		
(b) Cash flow hedge reserve:		
Balance at the beginning of the year	563.55	987.76
Recognised in consolidated statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	(421.93)	1,179.63
Restatements of trade receivables to the extent of hedging	345.21	(1,746.51)
	(76.72)	(566.88)
Effect of tax on above		
Tax on Mark to market of hedging designated instruments and effective as hedges of future cash flow [refer Note 41(c)]	106.19	(296.89)
Tax on Restatements of trade receivables to the extent of hedging	(86.88)	439.56
Net tax in OCI	19.31	142.67
Balance at the end of the year	**506.14**	563.55
(c) Gain and losses on account of translating the financial statements of foreign operations		
Balance at the beginning of the year	(4,545.71)	(2,504.64)
Recognised in consolidated statement of profit and loss	(2,526.85)	(2,041.07)
Balance at the end of the year	**(7,072.56)**	(4,545.71)
(d) Fair value through other comprehensive income		
Balance at the beginning of the year	-	-
Recognised in statement of profit and loss	100.97	-
Tax impact on above	(25.41)	-
Balance at the end of the year	75.56	-
Total other comprehensive income (B)	**(6,490.86)**	(3,982.16)
Total other equity (A + B)	**4,73,609.60**	4,22,545.04

Note: Refer consolidated statement of changes in equity for nature and purpose of reserves.

(₹ in Lakhs)

# Dividend on equity shares paid during the year	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Final dividend for the financial year 2020-21 [₹ 9.00 (previous year: nil) per equity share of ₹ 2.00 each]	8,488.83	-

Note: Board of Directors of the Holding Company have proposed final dividend of ₹ 9.00 per equity share for the financial year 2021-22. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognized as a liability as at 31 March, 2022. No interim dividend was declared and paid during the financial year 2021-22.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 23 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current borrowings (secured)		
Borrowings from bank	127.00	-
	127.00	-

Borrowing based on security of current assets:

The Group has obtained various borrowings from banks on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books of accounts.

Borrowing is from Canara Bank carrying interest rate of 7.50% per annum (Previous Year Nil) and secured by second charge with the existing credit facilities with the same bank against

- Hypothecation of both present and future stocks , book debts and plant and machinery stored/installed at one of subsidiary in India.
- Terms of repayment : 36 Equated monthly instalments starting from 12 December, 2023.

NOTE - 24 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non current lease liabilities	342.43	577.17
	342.43	577.17

NOTE - 25 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current provisions		
Provision for warranties	1,261.43	1,514.46
Provision for employee benefits (refer Note 43)		
Gratuity	143.36	122.40
Leave encashment	46.17	-
	1,450.96	1,636.86
Movement in provision for warranties		
Balance at the beginning of the year	2,019.28	2,509.88
Utilisation during the year	(77.90)	(673.60)
Provision for the year #(net of provision written back)	415.14	616.82
Exchange differences on translation of foreign operations	(33.03)	(51.82)
Written back during the period	(595.99)	(382.00)
Balance at the end of the year	**1,727.50**	2,019.28
Non-current	1,261.43	1,514.46
Current (refer Note 31)	466.07	504.82
	1,727.50	2,019.28

The group provides standard warranty to all its customers for any manufacturing defects in the products sold by the group. Generally, the time period of warranty is linked to the hours which have been assured by the group towards performance of the product under normal mill operation. Based on evaluation made by group's technical team and the historic experience of claims, the group provides for warranty at the rate of 0.05% to 0.10% of sales and is carried in the books for a period upto 4 years.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 26 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current borrowings		
Loans repayable on demand		
Secured loans from banks	**157.00**	7,347.30
Unsecured from banks	**-**	11,100.00
	157.00	18,447.30

Borrowing based on security of current assets:

1. Group has obtained various borrowings from banks on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books of accounts.
2. Secured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 0.80% to 3.80% during the year (Previous Year 1.00% to 3.50%)
3. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 0.77% to 4.03% during the year (Previous Year 1.00% to 3.50%)
4. Bill discounting facility is availed from bank against letter of credit backed by supply bills at interest rate of 5.00% per annum. Terms of repayment is 150 days from the date of funding.(Previous Year : N.A.)
5. EPC facility from Canara Bank carrying interest rate around from 8.30% during previous year is secured by hypothecation of identified plant and equipments, accessories, book debts and inventories of subsidiary company and further secured by mortgage of land and buildings acquired out of subsidiary company's own funds.

NOTE - 27 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current lease liabilities	356.70	269.40
	356.70	269.40

NOTE - 28 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises #	3,854.13	3,601.33
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to related parties [refer Note 48 (d)]	216.54	284.28
Due to others	15,603.83	12,695.23
	15,820.37	12,979.51
	19,674.50	16,580.84

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March is provided as under to the extent the group has received intimation from the "Suppliers" regarding their status under the Act.

Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 28 TRADE PAYABLES (CONTD.)

Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Principal amount due to micro and small enterprise	4,058.71	3,861.38
Interest due on above	5.09	11.39
Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	11.22	5.26
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	6.13
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note: The Group had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as per provisions contained in amended notification which came into effect from 1st July, 2020. Dues to micro and small enterprises have been determined to the extent confirmations received by the Group from its vendors. This has been relied upon by the auditors.

Trade Payables ageing schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,696.85	1,155.33	1.95	-	-	3,854.13
(ii) Others	-	9,563.78	5,031.18	705.72	241.13	278.56	15,820.37
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
	-	**12,260.63**	**6,186.51**	**707.67**	**241.13**	**278.56**	**19,674.50**

Trade Payables ageing schedule as at 31 March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2750.86	843.52	0.82	5.02	1.11	3,601.33
(ii) Others	-	8,549.64	3,980.53	236.44	130.84	82.06	12,979.51
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
	-	**11,300.50**	**4,824.05**	**237.26**	**135.86**	**83.17**	**16,580.84**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2022 (Contd.)

NOTE - 29 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Salary, wages and bonus payable	1,374.56	1,317.49
Unpaid dividends *	12.53	14.13
Interest accrued on borrowings	-	4.84
Capital creditors#	996.88	850.80
Other payables	46.76	85.79
	2,430.73	2,273.05

* There is no amount due to be transferred to Investor Education and Protection Fund.
# The balance includes outstanding dues of micro enterprises and small enterprises of ₹ 209.67 Lakhs as at 31 March, 2022 (₹ 271.44 Lakhs as 31 March, 2021)
# Refer Note 28 for Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

NOTE - 30 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract liabilities		
Customer advances	4,185.67	4,154.47
Others		
Fund held in corpus donation	146.27	138.38
Security deposits	13.39	5.83
Statutory dues and other payables	1,518.27	894.99
	5,863.60	5,193.67

NOTE - 31 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current provisions		
Provision for warranties (refer Note 25)	466.07	504.82
Provision for employee benefits (refer Note 43)		
Gratuity	158.76	73.59
Leave encashment	22.41	71.32
	647.24	649.73

NOTE - 32 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for income tax [net of advance tax and tax deducted at source of ₹ 15,992.18 Lakhs (previous year ₹ 18,129.71 Lakhs)]	1,151.92	178.09
	1,151.92	178.09

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 33 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products		
Export sales	2,77,215.81	2,24,676.60
Domestic sales	74,230.94	57,201.27
	3,51,446.75	2,81,877.87
Other operating revenue		
Export incentives	4,338.39	5,601.20
Other sales	869.59	670.17
	5,207.98	6,271.37
	3,56,654.73	2,88,149.24

Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 - Revenue from Contract with Customers

Reconciliation of revenue from operations with the contracted price:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Contracted price	3,51,962.69	2,82,458.81
Adjustments :		
- Discounts	(156.74)	(283.18)
- Sales return	(359.20)	(297.76)
Sale of products	3,51,446.75	2,81,877.87
Other operating revenue	5,207.98	6,271.37
Revenue from operations	3,56,654.73	2,88,149.24
Revenue disaggregation by geography:		
India	79,438.92	63,472.64
Outside India	2,77,215.81	2,24,676.60
	3,56,654.73	2,88,149.24

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	80,555.90	64,097.40
Contract assets	-	-
Contract liabilities		
Advance from customers	4,185.67	4,154.47

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 34 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest income from financial assets	7,863.48	5,004.28
Other non-operating income		
Profit on sale of mutual fund units	152.23	3,677.24
Gain on foreign exchange fluctuation (net)	5,893.18	7,149.97
Gain on fair value of current investments	1,324.32	1,291.19
Provision for doubtful trade receivables written back (net)	57.31	-
Provision for warranties written back (net)	252.86	-
Miscellaneous income	85.63	96.91
	15,629.01	17,219.59

NOTE - 35 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock at the beginning of the year	8,212.99	12,065.82
Add: Purchases during the year	1,94,108.32	1,09,652.29
Less: Closing stock at the end of the year	(18,084.37)	(8,212.99)
	1,84,236.94	1,13,505.12

NOTE - 36 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock:		
Work-in-progress	14,790.86	16,137.35
Finished goods	43,355.14	41,044.34
	58,146.00	57,181.69
Closing stock:		
Work-in-progress	18,056.58	14,790.86
Finished goods	76,874.38	43,355.14
	94,930.96	58,146.00
Exchange differences on translation of foreign operations	342.61	(1,719.77)
	(37,127.57)	755.46

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 37 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries, wages and bonus	12,741.27	12,099.39
Contribution to provident and other funds	619.27	651.51
Expenses related to post employment defined benefit plans [refer Note 43 (iv)]	263.48	284.23
Staff welfare expenses	312.64	315.34
	13,936.66	13,350.47

NOTE - 38 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on:		
Bank borrowings	257.41	312.21
Income-tax	32.69	-
Lease liabilities	81.04	115.57
Others	13.90	1.53
	385.04	429.31

NOTE - 39 DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation of property, plant and equipment (refer Note 4)	8,728.68	8,784.54
Depreciation of Right of Use asset (refer Note 5)	387.00	478.66
Amortisation of intangible assets (refer Note 7)	95.95	86.89
	9,211.63	9,350.09

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 40 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Consumption of stores	25,310.08	21,682.89
Power and fuel	32,852.18	28,669.96
Contract labour charges	6,996.40	6,994.48
Repairs and maintenance		
- Buildings	286.19	219.74
- Plant and machineries	1,035.60	866.51
- Others	782.67	859.41
Lease rent	48.74	55.85
Insurance	1,000.32	942.68
Rates and taxes	236.70	184.79
Security expenses	540.75	562.55
Printing, stationery and communication expenses	274.87	289.94
Travelling and conveyance	1,455.10	937.30
Advertisement and sales promotion	34.09	114.05
Bad debts written off	9.47	-
Freight outward expenses	42,174.33	22,946.08
Royalty expenses	388.74	289.16
Commission expenses	4,392.04	3,645.05
Warranty expenses	-	234.82
Directors' sitting fees	13.90	13.15
Payments to auditors		
- Statutory audit fees	106.57	100.92
- Quarterly Limited reviews	24.60	22.50
- Certification and other services	1.10	1.39
- Reimbursement of expenses	2.47	1.08
Legal and professional consultancy fees	3,309.99	3,178.84
Bank commission charges	465.04	389.21
Donation	0.28	1.61
Corporate social responsibility expenses	1,245.33	1,144.19
Loss on sale/disposal of Property, plant and equipment and right of use assets (net)	15.01	216.37
Provision for doubtful trade receivables (net)	-	3.26
Other miscellaneous expenses	511.63	445.81
	1,23,514.19	95,013.59

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 41 TAX EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Tax expense		
Current tax		
Provision for current tax	17,036.41	18,683.22
Excess provision for current tax of earlier years written back	(150.40)	-
Net deferred tax [refer Note 41(c)]	(720.96)	(2,289.07)
Tax expense for the year	**16,165.05**	16,394.15
(b) Deferred tax		
Deferred tax liabilities		
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,116.82	5,058.55
Fair valuation of current investments	721.95	618.81
Hedge reserve balance	-	76.95
	5,838.77	5,754.31
Deferred tax assets		
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	8.73	7.16
Hedge reserve balance	29.24	-
Unrealised profit on intra group inventories	1,903.53	1,050.87
Others	27.73	16.02
	1,969.23	1,074.05
Deferred tax liabilities (net) [refer Note 41(c)]	**3,869.54**	4,680.26

(c) Movement in deferred tax

(₹ in Lakhs)

Particulars	Opening balance as at 1 April	Consolidated statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2021-22				
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,058.55	58.60	(0.33)	5,116.82
Fair valuation of current investments	618.81	77.73	25.41	721.95
Hedge reserve balance	76.95	-	(76.95)	-
Others	-	-		-
	5,754.31	**136.33**	**(51.87)**	**5,838.77**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 41 TAX EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Opening balance as at 1 April	Consolidated statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
Deferred tax assets				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	7.16	1.57	-	8.73
Unrealised profit on intra group inventories	1,050.87	852.66	-	1,903.53
Hedge reserve balance	-	-	29.24	29.24
Others	16.02	3.06	8.65	27.73
	1,074.05	**857.29**	**37.89**	**1,969.23**
Deferred tax liabilities (net)	**4,680.26**	**(720.96)**	**(89.76)**	**3,869.54**

(₹ in Lakhs)

Particulars	Opening balance as at 1 April	Consolidated statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2020-21				
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,108.20	(49.65)	-	5,058.55
Fair valuation of current investments	2,885.84	(2,267.03)	-	618.81
Hedge reserve balance	-	-	76.95	76.95
	7,994.04	**(2,316.68)**	**76.95**	**5,754.31**
Deferred tax assets				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	7.00	0.16	-	7.16
Unrealised profit on intra-group inventory	1,035.30	15.57	-	1,050.87
Foreign currency translation reserve	-	-	-	-
Hedge reserve balance	219.94	-	(219.94)	-
Others	61.61	(43.34)	(2.25)	16.02
	1,323.85	**(27.61)**	**(222.19)**	**1,074.05**
Deferred tax liabilities (net)	**6,670.19**	**(2,289.07)**	**299.14**	**4,680.26**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 41 TAX EXPENSES (CONTD.)

(d) Effective tax reconciliation

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted Income tax rate and effective Income tax rate of the Group is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Profit before tax for the year	78,126.85	72,964.79
Tax at statutory income tax rate of 25.168% (previous year: 25.168%) in India	19,662.97	18,363.78
Adjustments:		
Income from long term investment taxed at lower rate	(196.36)	(288.04)
Non-deductible expenses for tax purposes	333.90	331.77
Difference in tax rate of subsidiary companies	(2,632.40)	(2,033.10)
Tax impact on intra-group stock reserve	(852.66)	(15.57)
Tax of earlier years written back	(150.40)	-
Others	-	35.31
Tax expense reported in the consolidated statement of profit and loss	**16,165.05**	16,394.15

The Group has ongoing dispute with Income tax authorities relating to tax treatment of certain items. These amounts have been disclosed as contingent liabilities (refer Note 44).

NOTE - 42 EARNINGS PER SHARE

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Net profit attributable to the equity shareholders (₹ in Lakhs)	61,968.09	56,612.19
Weighted average number of equity shares outstanding during the period (nos.)	9,43,20,370	9,43,20,370
Nominal value of equity share (₹)	2.00	2.00
Basic and diluted earnings per share (₹)	65.70	60.02

NOTE - 43 EMPLOYEE BENEFITS

The group has the following post-employment benefit plans

A. Defined contribution plan

Contribution to defined contribution plan, recognised as expense for the year is as under:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Employer's contribution to provident and other funds	581.98	591.50

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

B. Defined benefit plans

Gratuity: The employees' gratuity fund scheme of the Holding Company is funded with Life Insurance Corporation of India and managed by a Trust, for subsidiary company incorporated in India, it is funded with Life Insurance Corporation of India and for one wholly owned overseas subsidiary company it is unfunded. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity

The benefits in India are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Benefits offered	15/26 x salary x duration of service
Salary definition	Basic salary including Dearness Allowance (If any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death/disability)
Benefit eligibility	Upon death or resignation/withdrawal or retirement
Retirement age	58, 60, 62, 65 or 70 years

(i) Risks associated to the defined benefit plans:

a. Actuarial risk: Risks due to adverse salary growth/Variability in mortality and withdrawal rates.

b. Investment risk: Risks due to significant changes in discounting rate during the inter-valuation period.

c. Liquidity risk: Risks on account of Employees resign/retire from the Group and as result strain on the cash flow arises.

d. Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

e. Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

(ii) Reconciliation of opening and closing balances of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Defined benefit obligation at the beginning of the year	3,409.48	3,412.19	144.00	185.06
Recognised in consolidated statement of profit and loss:				
Current service cost	244.27	250.89	24.66	-
Interest cost	196.41	206.51	-	-
Actuarial (gain)/loss recognised in other comprehensive income:				
Due to change in financial assumptions	(189.83)	56.31	-	-
Due to change in demographic assumptions	-	-		
Due to experience adjustments	89.79	(253.77)	-	-
Benefits paid from Plan asset	(220.69)	(262.65)	-	(41.06)
Benefits directly paid by group	(10.06)	-	-	-
Defined benefit obligation at the end of the year	**3,519.37**	3,409.48	**168.66**	144.00

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

(iii) Reconciliation of opening and closing balances of fair value of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Fair value of plan assets at the beginning of the year	3,372.41	2,774.09	-	-
Transfer in\(out) plan assets	-	(123.35)		
Interest income	201.86	173.17	-	-
Return on plan assets excluding amounts included in interest income	14.18	25.92	-	-
Contributions by the employer	52.29	785.23	-	-
Benefits paid	(220.69)	(262.65)	-	-
Fair value of plan assets at the end of the year	3,420.05	3,372.41	-	-
Actual return on plan assets	216.04	199.09	-	-

(iv) Expense recognised during the year:

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current service cost	244.27	250.89	24.66	-
Net interest cost	(5.45)	33.34	-	-
Net value of remeasurements on the obligation and plan assets	-	-	-	-
Net cost recognised in consolidated statement of profit and loss	**238.82**	284.23	**24.66**	-
Components of actuarial gains/(losses):				
Due to change in financial assumptions	(189.83)	56.31	-	-
Due to change in demographic assumptions	-	-	-	-
Due to experience adjustments	89.79	(253.77)	-	-
Return on plan assets excluding amounts included in interest income	(14.18)	(25.92)	-	-
Net cost recognised in other comprehensive income	**(114.22)**	(223.38)	**-**	-

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

(v) Reconciliation of fair value of assets and obligations:

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Present value of obligation	3,519.37	3,409.48	168.66	144.00
Fair value of plan assets	3,420.05	3,372.41	-	-
Net defined benefit liability at end of the year*	99.32	37.07	168.66	144.00

*Net defined benefit liability as at 31 March, 2022 is net of Liability of ₹ 133.46 (previous year - ₹ 52 Lakhs) and advance paid of ₹ 34.13 (previous year - ₹ 14.93 Lakhs)

(vi) Composition of plan assets:

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
Bank balances	0%	0% - 2%
Investment funds		
Insurance policies	**100%**	98% - 100%

(vii) Key actuarial assumptions:

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Financial assumptions		
Discount rate	6.85% - 6.95%	6.35% - 6.50%
Expected rate of return on plan assets	6.85% - 6.95%	6.35% - 6.50%
Salary growth rate	7.00% - 8.50%	7.00% - 8.50%
Demographic assumptions		
Withdrawal rate	5% - 10% at younger ages reducing to 1% at older ages	5% - 10% at younger ages reducing to 1% at older ages
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2012-14)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and respective Group's policy for plan assets management.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

(viii) Sensitivity analysis:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Discount rate				
Change in assumption by 0.50%	(4.23%)	(4.41%)	4.58%	4.79%
Salary growth rate				
Change in assumption by 0.50%	4.48%	4.64%	(4.18%)	(4.33%)
Withdrawal rate				
Change in assumption by 0.10%	(0.20%)	(0.31%)	0.21%	0.31%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.
Gratuity (unfunded) represents defined benefit plan in a wholly owned overseas subsidiary.

(ix) Maturity profile of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	4.35	4.21
25 to 35	281.52	330.73
35 to 45	1,001.53	930.90
45 to 55	1,213.01	1,214.99
above 55	1,018.96	918.73
Accrued gratuity for left employees	-	9.92
	3,519.37	3,409.48
Past service wise distribution of defined benefit obligation		
Service period in years		
0 to 4	75.76	62.71
4 to 10	245.98	302.24
10 to 15	953.21	1,047.40
15 and above	2,244.42	1,987.21
Accrued gratuity for left employees	-	9.92
	3,519.37	3,409.48

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

C. Other long-term employee benefits*

Leave encashment: The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The benefits are governed by the Group's leave policy. The key features are as under :

Salary for encashment	Basic salary
Salary for availment	Cost to Group
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	98
Benefit Formula	(Leave days) x (Basic salary)/(Leave denominator)
Leave denominator	30
Leave credited annually	30
Retirement age	58, 60, 62 or 65 years

Key actuarial assumptions:

Particulars	Leave encashment (funded)	
	As at 31 March, 2022	As at 31 March, 2021
Financial assumptions		
Discount rate	6.85% - 6.95%	6.45% - 6.55%
Expected rate of return on plan assets	6.85% - 6.95%	6.45% - 6.55%
Salary growth rate	7.00% - 8.50%	7.00% - 8.50%
Demographic assumptions		
Withdrawal rate	5% - 10% at younger ages reducing to 1% at older ages	5% - 10% at younger ages reducing to 1% at older ages
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2012-14)

Leave encashment expenses recognised during the year in the consolidated statement of profit and loss amounts to ₹ 162.67 Lakhs (previous year ₹ 90.63 Lakhs).

D. Estimate of contributions expected to be paid during Financial Year 2022-23

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity (funded)	133.46
(b) Gratuity (Unfunded)	25.30
	158.76
(iii) Other long-term employee benefits	
(a) Leave encashment	22.41

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 44 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Contingent liabilities		
Claims against the group not acknowledged as debts:		
Central excise, Service tax and GST	387.72	275.96
Custom duty related dispute (Decision is received in favor of Group in high court and Department has appealed decision of high court in Supreme Court).	1,012.33	-
Income tax		
In High Court (Decision is received in favor of Group in ITAT and Income Tax Department has appealed decision of ITAT in High Court).	11,473.81	6,784.68
In Commissioner of Income tax (CIT)	11,910.70	-
Total Income tax	**23,384.51**	6,784.68
Sales tax/VAT	57.23	89.62
Guarantees:		
Outstanding bank guarantees	16,328.29	16,848.94
Outstanding corporate guarantees given to customers	174.21	223.62
Letter of Credit	2,008.18	3,369.72
Others matters including claims related to ESIC, Electricity and Ex-employees	813.70	795.86
Charter of demands made by one of the labour union, pending for disposal at Industrial Tribunal (labour court), Bangalore.	no reliable estimate can be made	no reliable estimate can be made
	43,153.84	**35,173.08**
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	3,270.61	8,703.94
	3,270.61	8,703.94

Notes:

(i) Most of the issues of litigation pertaining to Central Excise/Service tax/Income tax (including transfer pricing matters) are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. Further, in several matters, the management has successfully defended their case at lower forums of adjudication. Accordingly, the management do not envisage any material impact on the consolidated financial statements of the Group.

(ii) Sales tax/VAT related litigation/demand primarily pertains to non submission of required declaration forms in time due to non-receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

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

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 45 ARBITRATION MATTER

On termination of Joint Venture and Shareholders' Agreement, a Settlement Deed dated 16 February, 2000 was executed between Mr. Bhadresh K. Shah, and Magotteaux International S.A. Belgium ("Magotteaux"). The Group and Magotteaux have amicably entered into an out of court settlement whereby both the parties have agreed to a full and final binding settlement of all claims made in, arising out of, or in connection, with the Arbitration Proceeding and Challenge proceedings, including claims as to cost, with no liberty to reinstate any such claims in any form and signed a settlement agreement on 7 October, 2020.

Consequent to this settlement, Magotteaux has withdrawn its appeal filed before Hon'ble Commercial Court of England (QBD) and ended the arbitration proceedings. Hon'ble Commercial Court of England (QBD) has passed an order dated 15 October, 2020 to this effect.

NOTE - 46 CANADA ANTI-DUMPING

After a full Anti Dumping Duty and Countervailing Duties review, Canada Border Services Agency has notified a schedule for duties for imports of high chrome grinding media (manufactured by AIA in India) into Canada. The way the protocol will apply is - no anti dumping duty is leviable if the FOB Value of the invoice is above prescribed prices for certain defined grades and it will be 15.70% for grades other than ones defined in the order. A separate Countervailing Duties of ₹ 3,874 per MT will be levied on all imports of Grinding Media.

NOTE - 47 COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, The Group has, at the date of approval of these consolidated financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

NOTE - 48 RELATED PARTY DISCLOSURES

A. List of related parties

(i) Key managerial personnel ('KMP'):

Sr. no.	Name	Designation
KMP of Holding company:		
1	Mr. Rajendra S. Shah	Chairman
2	Mr. Bhadresh K. Shah	Managing Director
3	Mr. Yashwant M. Patel	Whole-time Director
4	Mr. S. N. Jetheliya *	Company Secretary
5	Mr. Viren K.Thakkar	Chief Financial Officer
KMP of subsidiary companies:		
1	Mr. Vinod Narain (Upto 12 February, 2022)	Chairman, Welcast Steels Limited
2	Mr. Mohona Rao VVR	Chief Executive Officer, Welcast Steels Limited
3	Mr. Yashraj	Chief Financial Officer, Welcast Steels Limited
4	Mr. Jerry Andersson (w.e.f. 24 Jan, 2022)	Chief Executive Officer and Director, Vega Industries (Middle East) F.Z.C.
5	Mr. Paryank R. Shah	Director, Vega Industries (Middle East) F.Z.C.
6	Mr. R. A. Gilani	
7	Mr. Himanshu K. Patel	
8	Mr. Vivek S. Rathaur	

* Also a key managerial personnel in Welcast Steels Limited

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

(ii) Independent directors:

Sr. no.	Name	Company
1	Mr. Rajendra S. Shah	AIA Engineering Limited
2	Mr. Sanjay S. Majmudar	
3	Mr. Dileep C. Choksi	
4	Mr. Rajan Harivallabhdas	
5	Mrs. Janaki Udayanbhai Shah	
6	Mr. D. P. Dhanuka	Welcast Steels Limited
7	Mr. Pradip R. Shah	
8	Mr. Sanjay S. Majmudar	
9	Mr. Rajendra S. Shah	
10	Mr. Ashok A. Nichani	

(iii) Others:

Sr. no.	Name	Relationship
1	AIA Employee's Gratuity Trust Fund, India	Post employment benefit plan of AIA Engineering Limited
2	Mrs. Giraben K. Shah	Relatives of key managerial personnel
3	Mrs. Gitaben B. Shah	
4	Mrs. Khushali Samip Solanki *	
5	Mrs. Bhumika Shyamal Shodhan *	
6	Mrs. Tayaramma	
7	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
8	Vee Connect Travels Private Limited	
9	Discus IT Private Limited	
10	Harsha Engineers International Limited (Formarly known as Harsha Engineering Limited)	
11	RNCA & Associates	

* Non-executive director of The Company.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

B. Details of related party transactions for the year ended

(₹ in Lakhs)

Sr. no.	Nature of transaction	Key Managerial Personnel		Independent Directors		Enterprise over which key managerial personnel have significant influence/ entity controlled by key managerial personnel		Relatives of key managerial personnel		Post employment benefit plan of the Holding company	
		31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
1	Purchase of goods (inclusive of taxes)	-	-	-	-	3,744.86	2,925.96	-	-	-	-
2	Commission expense on purchases	-	-	-	-	107.08	121.53	-	-	-	-
3	Legal and professional consultancy fees	0.90	1.20	-	-	10.74	14.99	-	-	-	-
4	SAP ERP functional and technical support	-	-	-	-	90.64	90.99	-	-	-	-
5	Salary, bonus and perquisites	210.18	200.63	-	-	-	-	1.54	1.54	-	-
6	Contribution to gratuity fund	-	-	-	-	-	-	-	-	51.99	478.92
7	Rent	-	-	-	-	-	-	5.45	5.39	-	-
8	Commission to Director	-	-	22.00	22.50			18.00	-	-	-
9	Travelling expenses	-	-	-	-	83.31	54.63	-	-	-	-
10	Directors' remuneration and perquisites	554.91	401.27	-	-	-	-	-	-	-	-
11	Sitting fees paid	1.30	1.90	10.45	9.30	-	-	2.15	1.95	-	-
		767.29	605.00	**32.45**	31.80	**4,036.63**	3,208.10	**27.14**	8.88	**51.99**	478.92
Outstanding balance receivable at year end		**-**	-	**-**	-	**4.03**	3.40	**-**	-	**-**	-
Outstanding balance payable at year end		**15.80**	13.20	**19.80**	20.81	**196.36**	262.46	**0.38**	0.52	**133.46**	51.99

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

C. Disclosures in respect of transactions with related parties for the year ended (₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2022	31 March, 2021
1	Purchase of goods (inclusive of taxes)	Harsha Engineers International Limited (Formarly known as Harsha Engineering Limited)	3,744.86	2,925.96
2	Commission expense on purchases	AB Tradelink Private Limited	107.08	121.53
3	Legal and professional consultancy fees	RNCA & Associates	10.74	12.87
		Mr. Vinod Narain	0.90	1.20
4	SAP ERP functional and technical support	Discus IT Private Limited	90.64	90.99
5	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
		Mr. S. N. Jetheliya	66.98	65.26
		Mr. Viren K.Thakkar	82.44	78.81
		Mr. Mohona Rao VVRM	31.46	29.36
		Mr. Yashraj	29.30	27.20
6	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	51.99	478.92
7	Rent	Mrs. Giraben K. Shah	3.84	3.84
		Mrs. Tayaramma	1.61	1.55
8	Travelling expenses	Vee Connect Travel Private Limited	83.31	53.02
		AB Tradelink Private Limited	-	1.61
9	Directors’ remuneration and perquisites	Mr. Bhadresh K. Shah	95.89	81.44
		Mr. Yashwant M. Patel	30.32	14.72
		Mr. Paryank R. Shah	157.96	77.72
		Mr. R. A. Gilani	101.31	100.76
		Mr. Himanshu K. Patel	92.22	92.82
		Mr. Jerry Andersson	39.40	-
		Mr. Vivek S. Rathaur	37.81	33.81
10	Sitting fees paid	Mr. Rajendra S. Shah	2.20	1.75
		Mr. Bhadresh K. Shah	1.00	1.15
		Mr. Sanjay S. Majmudar	2.60	1.90
		Mr. Dileep C. Choksi	0.65	0.60
		Mr. Rajan Harivallabhdas	1.60	1.00
		Mrs. Janaki Udayanbhai Shah	0.90	0.60
		Mrs. Khushali Samip Solanki	1.25	1.35
		Mrs. Bhumika Shyamal Shodhan	0.90	0.60
		Mr. D.P Dhanuka	0.50	1.15
		Mr. Pradip R.Shah	1.00	1.15
		Mr. Vinod Narain	0.30	0.75
		Mr. Ashok Nichani	1.00	1.15
11	Commission to Director	Mr.Sanjay S.Majmudar	22.00	22.50
		Mrs. Khushali Samip Solanki	18.00	-

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

D. The details of amounts due to or due from related parties as at

(₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March, 2022	31 March, 2021
1	**Other current liabilities**			
	Key managerial personnel	Mr. Bhadresh K. Shah	5.00	4.00
		Mr. Yashwant M. Patel	1.26	1.16
		Mr. S. N. Jetheliya	3.29	3.01
		Mr. Viren K.Thakkar	3.54	2.55
		Mr. Vinod Narain	-	0.28
		Mr. Mohona Rao VVRM	1.71	1.44
		Mr. Yashraj	1.00	0.76
			15.80	**13.20**
2	**Trade payables**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	4.44	10.71
		RNCA & Associates	1.53	0.63
		Harsha Engineers International Limited (Formarly known as Harsha Engineering Limited)	190.39	251.12
	Relative of Key managerial personnel	Mrs. Tayaramma	-	0.13
		Mrs. Giraben K. Shah	0.29	0.30
		Mrs. Gitaben B. Shah	0.09	0.09
	Independent director	Mr. Sanjay S. Majmudar	19.80	20.81
			216.54	**283.79**
3	**Provision for employee benefits (Current)**			
	Post employment benefit plan of The Company	AIA Employee's Gratuity Trust Fund, India	133.46	51.99
			133.46	**51.99**
4	**Advances given**			
	Enterprise over which key managerial personnel or close member of their family exercise control	Discus IT Private Limited	-	0.74
		Vee Connect Travels Private Limited	4.03	2.66
			4.03	**3.40**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

E. Breakup of compensation paid to key managerial personnel for the year ended

(₹ in Lakhs)

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2022	31 March, 2021
1	**Short-term employee benefits**	Mr. Bhadresh K. Shah	95.89	81.44
		Mr. Yashwant M. Patel	30.32	14.72
		Mr. Viren K.Thakkar	82.44	78.81
		Mr. S. N. Jetheliya	66.98	65.26
		Mr. Mohona Rao VVRM	31.46	29.36
		Mr. Yashraj	29.30	27.20
		Mr. Paryank R. Shah	157.96	77.72
		Mr. R. A .Gilani	101.31	100.76
		Mr. Himanshu K. Patel	92.22	92.82
		Mr. Vivek S. Rathaur	37.81	33.81
			725.69	601.90
2	**Post-employment benefits**	Mr. Viren K.Thakkar	1.67	1.58
		Mr. S. N. Jetheliya	1.79	1.66
			3.46	3.24
			729.15	605.14

Key Managerial Personnel and their relatives who are under the employment of The Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Consolidated financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 49 OPERATING SEGMENTS

(a) Information about reportable segment

The group operates mainly in manufacturing of High Chrome Mill Internals (Castings) and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment.

(b) Information about geographical segment

The geographical information analyses the group's revenues and non-current assets by The Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(1) Revenues from external customers including operating revenue		
India	79,438.92	63,472.64
Australia	47,957.19	33,393.00
United States of America	40,891.25	27,874.00
Others	1,88,367.37	1,63,409.60
(2) Non-current assets (excluding financial assets and tax assets)		
India	1,03,695.92	99,889.04
Outside India	173.44	108.55

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Breakup of revenues :		
Revenue from operations	3,51,446.75	2,81,877.87
Other operating revenue	5,207.98	6,271.37
(b) Non-current assets		
Non-current assets (excluding financial assets and tax assets)	1,03,869.36	99,997.59

There are sales with single country which amounts to more than 10% of the group's total revenue and same is disclosed above. There are no transactions with a single external customer which amounts to 10% or more of the group's total revenue.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT

The group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The group's senior management has overall responsibility for the establishment and oversight of the group's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the group's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of The Company. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Risk Management Committee of The Company is supported by the Finance team and experts who provide assurance that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The activities are designed to protect the group's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimising returns and protect the group's financial investments while maximising returns.

This note explains the sources of risk which the group is exposed to and how the group manages the risk in the financial statements.

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis, Credit rating	Credit limit set and aging analysis protect group from potential losses due to excess credit to the customers. Further the group has also obtained ECGC insurance cover for export sales.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in INR	Cash flow forecasting, Sensitivity analysis	Forward foreign exchange contracts.
Commodity risk	Purchase of raw material	Fluctuation in imported metal scrap and ferro chrome prices and currency rates	Procurement and inventory strategy

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The group considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

(i) Actual or expected significant adverse changes in business;

(ii) Actual or expected significant changes in the operating results of the counterparty;

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

(iv) Significant increase in credit risk on other financial instruments of the same counterparty.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

The group categorises financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. The group consideres a loan or receivable for write off review when contractual payments pasts greater than one year from due date. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement of profit and loss.

Provision for expected credit losses:

<table>
<tr><th rowspan="2">Description of category</th><th rowspan="2">Category</th><th colspan="3">Basis for recognition of expected credit loss provision</th></tr>
<tr><th>Investments</th><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td>High-quality assets, negligible credit risk</td><td>12 month expected credit losses</td><td>12 month expected credit losses</td><td rowspan="5">Life time expected credit losses (simplified approach)</td></tr>
<tr><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.</td><td>Quality assets, low credit risk</td><td>12 month expected credit losses</td><td>12 month expected credit losses</td></tr>
<tr><td>Assets where the probability of default is moderate, counter-party where the capacity to meet the obligations is not strong.</td><td>Standard assets, moderate credit risk</td><td>12 month expected credit losses</td><td>12 month expected credit losses</td></tr>
<tr><td>Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due</td><td>Substandard assets, relatively high credit risk</td><td>Life time expected credit losses</td><td>Life time expected credit losses</td></tr>
<tr><td>Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.</td><td>Low quality assets, very high credit risk</td><td>Life time expected credit losses</td><td>Life time expected credit losses</td></tr>
<tr><td>Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the group.</td><td>Doubtful assets, credit impaired</td><td colspan="3">Asset is written off</td></tr>
</table>

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Expected credit loss for loans and deposits:

(₹ in Lakhs)

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March, 2022					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	357.11	-	-	357.11
	Deposits	858.98	-	-	858.98
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
As at 31 March, 2021					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	296.64	-	-	296.64
	Deposits	1,030.04	-	-	1,030.04
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach

Ageing of trade receivables as at year end:

(₹ in Lakhs)

Due from date of invoice	As at 31 March, 2022	As at 31 March, 2021
Not Due	57,865.12	44,972.53
0 - 3 months	20,268.40	17,865.35
3 - 6 months	1,209.68	627.70
6 - 12 months	712.09	162.40
Beyond 12 months	645.69	765.98
Gross carrying amount	**80,700.98**	64,393.96
Expected credit loss	(145.08)	(296.56)
Net carrying amount	**80,555.90**	64,097.40

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows. Maturity for Liquidity risk relating to lease liabilities (without discounting) is as under:

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
0-1 Year	405.55	442.82
2-5 Years	378.65	784.20
Above 5 Years	-	-
	784.20	1,227.02

Financing arrangements

The group had access to following undrawn borrowing facilities as at year end:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Fund and non-fund based facilities	80,092.59	48,767.93

The table below analyses derivative and non-derivative financial liabilities of the group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

Particulars	0-1 years	1-5 years	Total
As at 31 March, 2022			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	-	127.00	127.00
Short term borrowings	157.00	-	157.00
Trade payables	19,674.50	-	19,674.50
Other financial liabilities	2,430.73		2,430.73
	22,262.23	**127.00**	**22,389.23**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	115.98	-	115.98
As at 31 March, 2021			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	-	-	-
Short term borrowings	18,447.30	-	18,447.30
Trade payables	16,580.84	-	16,580.84
Other financial liabilities	2,273.05		2,273.05
	37,301.19	**-**	**37,301.19**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	**-**	**-**	**-**

Note: Guarantees issued by the Group aggregating to ₹ 1,745.70 Lakhs (previous year: ₹ 2,414.48 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the group does not have any present obligation to third parties in relation to such guarantees.

Market risk - interest rate

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimise the group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Interest rate sensitivity

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Borrowings bearing fixed rate of interest	284.00	18,447.30
Borrowings bearing variable rate of interest	-	-

Exposure to interest rate risk

A change of 50 bps in interest rates would have following impact on profit before tax:

(₹ in Lakhs)

Movement - effects on profit before tax	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Movement - effects on profit before tax		
50 bp increase-decrease in profits	-	-
50 bp decrease-increase in profits	-	-

The Group has no significant long-term debt.

Market risk - Foreign currency risk

The group operates internationally and large portion of the business is transacted in several currencies. Consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the group are significantly higher in comparison to its imports. As a policy the group does not cover the foreign exchange requirements for its imports and the same is managed from the export earnings in foreign currency. Foreign currency exchange rate exposure for exports is managed by prudent hedging policy.

Foreign currency exposure

Particulars	Assets				Liabilities		
	Trade receivables (net of hedge)	Bank balances in EEFC accounts	Investments	Total exposure to foreign currency risk	Trade payables	Foreign currency loans	Total exposure to foreign currency risk
As at 31 March, 2022:							
USD	6,27,30,569	1,45,19,766	56,43,550	8,28,93,885	41,33,922	-	41,33,922
EURO	56,39,655	36,26,273	-	92,65,928	6,30,577	-	6,30,577
ZAR	42,21,186	1,02,42,225	-	1,44,63,411	54,28,372	-	54,28,372
GBP	1,34,019	15,407	-	1,49,426	16,815	-	16,815
CAD	1,85,718	11,12,765	-	12,98,483	3,320	-	3,320
AUD	1,47,93,687	39,42,493	-	1,87,36,180	5,96,446	-	5,96,446
AED	26,452	3,26,376	-	3,52,828	-	-	-
CNY	22,79,657	5,36,541	-	28,16,198	-	-	-
RUB	-	20,124	-	20,124	-	-	-
CLP	70,04,00,234	10,18,89,869	-	80,22,90,103	24,76,06,545	-	24,76,06,545
IDR	34,33,90,25,747	8,64,29,60,218	-	42,98,19,85,965	3,09,12,44,493	-	3,09,12,44,493
GHC	-	39,70,281	-	39,70,281	-	-	-

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	Assets				Liabilities		
	Trade receivables (net of hedge)	Bank balances in EEFC accounts	Investments	Total exposure to foreign currency risk	Trade payables	Foreign currency loans	Total exposure to foreign currency risk
As at 31 March, 2021:							
USD	4,96,01,618	5,22,46,355	42,50,988	10,60,98,961	20,22,436	-	20,22,436
EURO	45,94,512	19,91,388	-	65,85,899	6,13,965	-	6,13,965
ZAR	3,94,87,901	1,77,88,557	-	5,72,76,458	5,77,249	-	5,77,249
GBP	-	34,398	-	34,398	1,26,181	-	1,26,181
CAD	2,94,885	6,43,795	-	9,38,680	30,204	-	30,204
AUD	86,46,623	22,36,737	-	1,08,83,359	4,42,848	-	4,42,848
AED	-	1,87,320	-	1,87,320	1,06,147	-	1,06,147
CNY	37,63,375	10,58,450	-	48,21,825	-	-	-
RUB	-	2,09,565	-	2,09,565	-	-	-
CLP	31,50,42,636	26,39,45,451	-	57,89,88,087	1,06,98,662	-	1,06,98,662
IDR	12,61,41,40,000	1,75,04,04,071	-	14,36,45,44,071	3,09,12,44,493	-	3,09,12,44,493
GHC	1,463	43,90,775	-	43,92,238	-	-	-

Foreign currency risk sensitivity

(₹ in Lakhs)

Particulars	Movement (%)		Effect on profit before tax		Effect on cost of assets	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
USD sensitivity						
INR/USD- increase by	1.00%	1.00%	597.79	761.49	-	-
INR/USD- decrease by	1.00%	1.00%	(597.79)	(761.49)	-	-
EURO sensitivity						
INR/Euro- increase by	1.00%	1.00%	72.72	51.31	-	-
INR/Euro- decrease by	1.00%	1.00%	(72.72)	(51.31)	-	-
ZAR sensitivity						
INR/ZAR- increase by	1.00%	1.00%	4.69	28.11	-	-
INR/ZAR- decrease by	1.00%	1.00%	(4.69)	(28.11)	-	-
GBP sensitivity						
INR/GBP- increase by	1.00%	1.00%	1.33	(0.93)	-	-
INR/GBP- decrease by	1.00%	1.00%	(1.33)	0.93	-	-
CAD sensitivity						
INR/CAD- increase by	1.00%	1.00%	7.87	5.28	-	-
INR/CAD- decrease by	1.00%	1.00%	(7.87)	(5.28)	-	-
AUD sensitivity						
INR/AUD- increase by	1.00%	1.00%	103.23	58.16	-	-
INR/AUD- decrease by	1.00%	1.00%	(103.23)	(58.16)	-	-

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	Movement (%)		Effect on profit before tax		Effect on cost of assets	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
AED sensitivity						
INR/AED- increase by	1.00%	1.00%	0.73	0.16	-	-
INR/AED- decrease by	1.00%	1.00%	(0.73)	(0.16)	-	-
CNY sensitivity						
INR/CNY- increase by	1.00%	1.00%	3.37	5.38	-	-
INR/CNY- decrease by	1.00%	1.00%	(3.37)	(5.38)	-	-
RUB sensitivity						
INR/RUB- increase by	1.00%	1.00%	0.00	0.02	-	-
INR/RUB- decrease by	1.00%	1.00%	(0.00)	(0.02)	-	-
CLP sensitivity						
INR/CLP- increase by	1.00%	1.00%	5.55	5.77	-	-
INR/CLP- decrease by	1.00%	1.00%	(5.55)	(5.77)	-	-
IDR sensitivity						
INR/IDR- increase by	1.00%	1.00%	39.89	5.64	-	-
INR/IDR- decrease by	1.00%	1.00%	(39.89)	(5.64)	-	-
GHS sensitivity						
INR/GHS- increase by	1.00%	1.00%	4.03	5.56	-	-
INR/GHS- decrease by	1.00%	1.00%	(4.03)	(5.56)	-	-

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
USD	74.18	74.32	75.90	73.17
EUR	86.40	86.60	84.22	85.92
ZAR	4.97	4.52	5.19	4.96
CAD	59.22	55.86	60.80	58.20
GBP	101.72	96.13	99.83	100.96
AUD	54.75	52.65	56.91	55.70
AED	20.20	20.24	20.67	19.92
CNY	11.58	10.93	11.97	11.17
RUB	0.97	0.99	0.92	0.97
CLP	0.10	0.10	0.10	0.10
IDR	0.01	0.01	0.01	0.01
GHC	12.30	12.83	10.14	12.65

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forwards to mitigate the risk of changes in exchange rate on foreign currency exposures relating to the underlying transactions and firm commitments. The counterparty for these contracts are banks. These derivative financial instruments are generally with a maturity upto 1 year. The Group does not enter into any derivative instruments for trading or speculative purposes.

Cash flow hedge

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency - sold/bought	Exposure to buy/sell	No. of contracts	Net position		Fair value gain/(loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2022					
USD/INR	Sell	241	2,08,00,000	15,787.30	48.38
AUD/INR		178	1,15,00,000	6,544.24	(164.55)
					(116.17)
		Less : Deferred tax			(29.24)
		Balance in cash flow hedge reserve			**(86.93)**
31 March, 2021					
USD/INR	Sell	251	7,60,00,000	55,606.24	333.89
ZAR/INR		7	1,20,00,000	595.20	19.07
AUD/INR		20	50,00,000	2,785.00	(47.20)
					305.76
		Less : Deferred tax			76.95
		Balance in cash flow hedge reserve			**228.81**

The movement of cash flow hedges in other comprehensive income is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Balance at the beginning of the year (net of tax)	228.81	(653.94)
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(315.74)	882.75
Balance at the end of the year (net of tax)	**(86.93)**	228.81

Commodity Risk

Principal raw materials for Group's products are metal scrap and ferro chrome. Group sources its raw material requirement from domestic and international markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of metal scrap and ferrous metal. The group effectively manages availability of material as well as price volatility through:

(i) widening its sourcing base;

(ii) appropriate contracts with vendors and customers and commitments;

(iii) well planned procurement and inventory strategy.

Risk committee has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Consumption details of metal scrap and ferro chrome

Particulars	(Quantity in MT)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Metal scrap	2,21,891	2,13,756
Ferro chrome	67,578	58,801

Commodity price sensitivity

Increase/(decrease) in prices of metal scrap/ferro chrome by ₹ 1.00 per kg would have following impact on profit before tax:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
₹ 1.00 increase in commodity price	(2,894.69)	(2,725.57)
₹ 1.00 decrease in commodity price	2,894.69	2,725.57

(B) Capital Management

A. The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the following debt equity ratio:

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Debt	157.00	18,447.30
Total equity	4,75,496.01	4,24,431.45
Debt to total equity (times)	0.00	0.04

Group believes in conservative leverage policy. Group's capital expenditure plan over the medium term shall be largely funded through internal accruals and suppliers' credit.

B. The Company follows the policy of Dividend for every financial year as may be decided by the Board considering financial performance of The Company and other internal and external factors enumerated in The Company's dividend policy such as reinvestment of capital in business. Company's Dividend policy is to distribute 10-25% of its consolidated net profit as dividend.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 51 FAIR VALUE MEASUREMENTS

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable input).

A. Financial assets

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2022						
Non-current investments #	8	48.50	-	-	48.50	48.50
Current investments	15	46,729.12	53,657.27	5,105.84	1,05,492.23	46,729.12
Trade receivables	9,16	-	-	80,555.90	80,555.90	-
Loans	10,18	-	-	357.11	357.11	-
Derivatives		-		-	-	-
Cash and cash equivalents	17	-	-	25,670.86	25,670.86	-
Bank balances other than above	11,17	-	-	55,950.86	55,950.86	-
Other financial assets	19	-	-	3,550.79	3,550.79	-
		46,777.62	**53,657.27**	**1,71,191.36**	**2,71,626.25**	**46,777.62**
As at 31 March, 2021						
Non-current investments #	8	85.88	-	25,635.37	25,721.25	85.88
Current investments	15	40,538.84	-	14,597.52	55,136.36	40,538.84
Trade receivables	9,16	-	-	64,097.40	64,097.40	-
Loans	10,18	-	-	296.64	296.64	-
Derivatives	-	313.18			313.18	313.18
Cash and cash equivalents	17	-	-	46,217.43	46,217.43	-
Bank balances other than above	11,17	-	-	93,406.69	93,406.69	-
Other financial assets	19	-	-	5,450.17	5,450.17	-
		40,937.90	**-**	**2,49,701.22**	**2,90,639.12**	**40,937.90**

Investments in subsidiaries classified as equity investments and investment in government securities have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the above table. Investments in unquoted equity shares of entities other than subsidiaries have been designated as FVTPL and such investment upon sale is only going to fetch the principle amount invested and hence The Company considers cost and fair value to be the same.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 51 FAIR VALUE MEASUREMENTS (CONTD.)

B. Financial liabilities

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2022						
Borrowings	23,26	-	-	284.00	284.00	-
Trade payables	28	-	-	19,674.50	19,674.50	-
Derivatives	-	115.98	-	-	115.98	115.98
Other financial liabilities	29	-	-	2,430.73	2,430.73	-
		115.98	**-**	**22,389.23**	**22,505.21**	**115.98**
As at 31 March, 2021						
Borrowings	23,26	-	-	18,447.30	18,447.30	-
Trade payables	28	-	-	16,580.84	16,580.84	-
Derivatives	-	-	-	-	-	-
Other financial liabilities	29	-	-	2,273.05	2,273.05	-
		-	**-**	**37,301.19**	**37,301.19**	**-**

The following table provides the fair value measurement hierarchy of the group's financial assets and financial liabilities:

(₹ in Lakhs)

Particulars	Note	Fair value	Level 1	Level 2	Level 3
As at 31 March, 2022					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		13,275.62	13,275.62	-	-
Investments in bonds (quoted)		87,110.77	87,110.77	-	-
Financial liabilities					
Derivatives		115.98	-	115.98	
As at 31 March, 2021					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		23,805.82	23,805.82	-	-
Investments in bonds (quoted)		16,733.02	16,733.02	-	-
Financial assets					
Derivatives		313.18	-	313.18	-

Note: During the year, there has not been transfer of any financial assets or financial liabilities between level 1 and level 2.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 51 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY AND ITS SUBSIDIARIES AS PER SCHEDULE III OF COMPANIES ACT, 2013

(₹ in Lakhs)

Name of the Company	Country of incorporation	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		Net assets	As % of consolidated net assets	Profit/ (loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI
31 March, 2022									
Holding Company									
AIA Engineering Limited	India	4,59,488.53	96.63%	58,450.53	94.32%	84.66	(3.49%)	58,535.19	98.30%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	3,252.23	0.68%	(49.14)	(0.08%)	25.69	(1.06%)	(23.45)	(0.04%)
AIA CSR Foundation	India	1.00	0.00%	-	-	-	-	-	-
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	21,171.73	4.45%	12,592.13	20.32%	-	-	12,592.13	21.15%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	1,222.05	0.26%	32.15	0.05%	-	-	32.15	0.05%
Vega Industries Limited	U. S. A.	1,456.02	0.31%	359.25	0.58%	-	-	359.25	0.60%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	144.66	0.03%	23.93	0.04%	-	-	23.93	0.04%
Wuxi Vega Trade Co. Limited	China	263.17	0.06%	(22.73)	(0.04%)	-	-	(22.73)	(0.04%)
PT. Vega Industries Indonesia	Indonesia	16.25	0.00%	42.27	0.07%	-	-	42.27	0.07%
Vega Industries Chile SpA	Chile	(49.15)	(0.01%)	171.78	0.28%	-	-	171.78	0.29%
AIA Ghana Limited	Ghana	(1,632.78)	(0.34%)	(2,620.12)	(4.23%)	-	-	(2,620.12)	(4.40%)
Vega Industries Australia PTY Limited	Australia	254.81	0.05%	235.91	0.38%	-	-	235.91	0.40%
Add/(less):									
Adjustment arising out of consolidation		(9,244.97)	(1.94%)	(7,254.16)	(11.71%)	-	-	(7,254.16)	(12.18%)
Exchange differences on translation of foreign operations		-	-	-	-	(2,527.20)	104.28%	(2,527.20)	(4.24%)
Non-controlling interests in:									
Welcast Steels Limited		(817.96)	(0.17%)	12.36	0.02%	(6.72)	0.28%	5.64	0.01%
Vega Steel Industries (RSA) Proprietary Limited		(29.56)	(0.01%)	(6.07)	(0.01%)	-	-	(6.07)	(0.01%)
		4,75,496.01	**100.00%**	**61,968.09**	**100.00%**	**(2,423.57)**	**100.00%**	**59,544.52**	**100.00%**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 51 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY AND ITS SUBSIDIARIES AS PER SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.)

(₹ in Lakhs)

Name of the Company	Country of incorporation	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		Net assets	As % of consolidated net assets	Profit/ (loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI
31 March, 2021									
Holding Company									
AIA Engineering Limited	India	4,09,442.17	96.47%	48,490.18	85.65%	(273.17)	11.87%	48,217.01	88.78%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	3,276.04	0.77%	(182.03)	(0.32%)	16.12	(0.70%)	(165.91)	(0.31%)
AIA CSR Foundation	India	1.00	0.00%	-	-	-	-	-	-
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	16,253.79	3.83%	6,534.70	11.54%	-	-	6,534.70	12.03%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	1,192.32	0.28%	17.43	0.03%	-	-	17.43	0.03%
Vega Industries Limited	U. S. A.	1,051.21	0.25%	32.92	0.06%	-	-	32.92	0.06%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	204.07	0.05%	16.67	0.03%	-	-	16.67	0.03%
Wuxi Vega Trade Co. Limited	China	267.41	0.06%	58.06	0.10%	-	-	58.06	0.11%
PT. Vega Industries Indonesia	Indonesia	(25.57)	(0.01%)	(45.23)	(0.08%)	-	-	(45.23)	(0.08%)
Vega Industries Chile SpA	Chile	(233.45)	(0.06%)	100.84	0.18%	-	-	100.84	0.19%
AIA Ghana Limited	Ghana	645.87	0.15%	69.73	0.12%	-	-	69.73	0.13%
Vega Industries Australia PTY Limited	Australia	9.39	0.00%	9.11	0.02%		-	9.11	0.02%
Add/(less):									
Adjustment arising out of consolidation		(6,771.03)	(1.60%)	1,468.26	2.59%	-	-	1,468.26	2.70%
Exchange differences on translation of foreign operations		-	-	-	-	(2,041.07)	88.66%	(2,041.07)	(3.76%)
Non-controlling interests in:									
Welcast Steels Limited		(823.94)	(0.19%)	45.78	0.08%	(4.05)	0.18%	41.73	0.08%
Vega Steel Industries (RSA) Proprietary Limited		(57.83)	(0.01%)	(4.23)	(0.01%)	-	-	(4.23)	(0.01%)
		4,24,431.45	**100.00%**	**56,612.19**	**100.00%**	**(2,302.17)**	**100.00%**	**54,310.02**	**100.00%**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

NOTE - 53 RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Lakhs)

Sr. no.	Name of struct of companies	Nature of transaction	Gross Balance Outstanding	Relationship with struck off company
1	Century Cement Limited	Sales	-	None
2	Maharashtra Cement Industries Limited	Sales	-	None
3	Grippon Profiles & Engg Private Limited (Advance was given in Mar - 2014 and legal case is filed against vendor)	Purchase	4.43	None
4	Shree Haribol Metal & Alloys Private Limited	Purchase	-	None

NOTE - 54

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and it's subsidiaries incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company and it's subsidiaries incorporated in India (Ultimate Beneficiaries). The Holding Company and it's subsidiaries incorporated in India has not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company and it's subsidiaries incorporated in India shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Holding Company and it's subsidiaries incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE - 55

Previous Year's figures have been regrouped/reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 25 May, 2022

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2022

YASHWANT M. PATEL
Whole-Time Director
(DIN : 02103312)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2022

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