PRUDENCE IN ACTION.
CONSISTENCY IN EXECUTION.

AIA Engineering Limited | 33rd Annual Report 2022-23

01-22

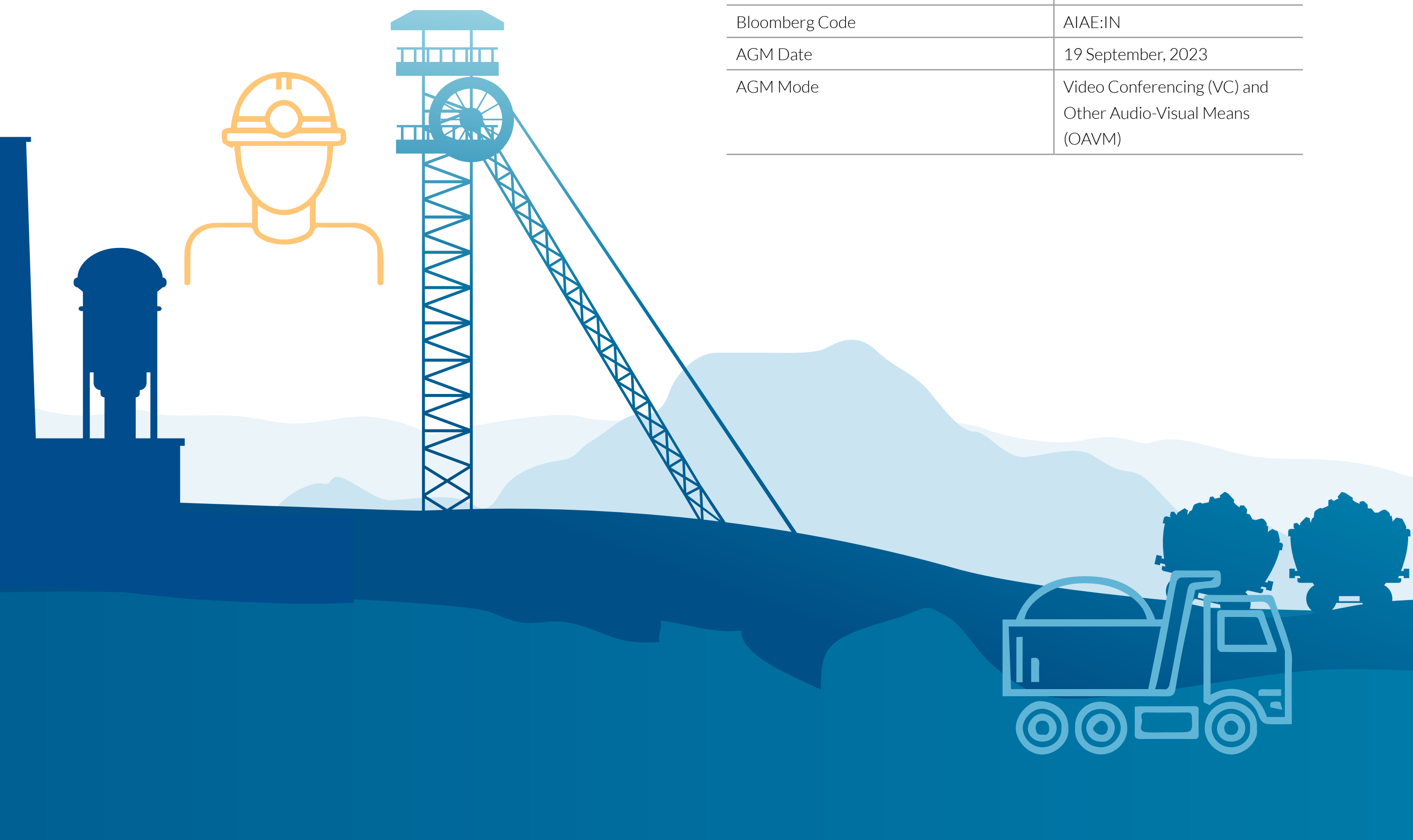
CORPORATE OVERVIEW

23-118

STATUTORY REPORTS

INVESTOR INFORMATIONA

Market Capitalisation as at 31 March, 2023	₹ 27,375.07 Crores
CIN	L29259GJ1991PLC015182
BSE Code	532683
NSE Symbol	AIAENG
Bloomberg Code	AIAE:IN
AGM Date	19 September, 2023
AGM Mode	Video Conferencing (VC) and Other Audio-Visual Means (OAVM)



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FINANCIAL STATEMENTS

Please find our online version at http://www.aiaengineering.com/investor/

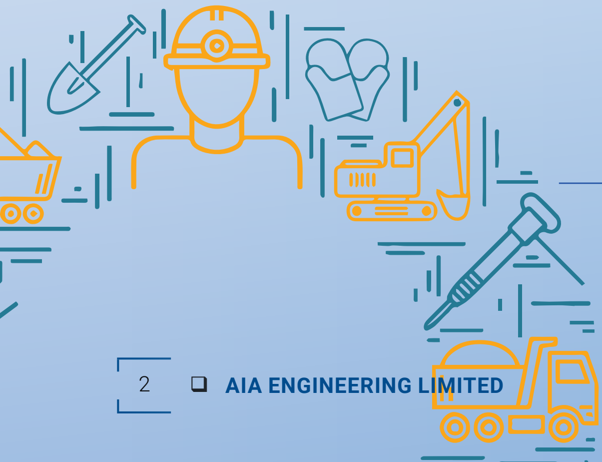
Disclaimer: This document contains statements about expected future events of AIA Engineering Limited ('AIA' or 'the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. The numbers presented in this report pertain to financial year 2021-22 unless specifically mentioned otherwise. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

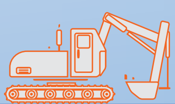
PRUDENCE IN ACTION.

CONSISTENCY IN EXECUTION.

AIA Engineering's actions are guided by a resolute commitment to prudence, backed by its expertise and experience. From product development to final delivery, AIA Engineering's unwavering focus on precision and efficiency ensures that every task is executed seamlessly, aligned to its pursuit of consistent growth. Thus, strengthening its reputation as a reliable partner in the engineering industry.

With over five decades of expertise in providing engineering solutions, AIA Engineering has consistently demonstrated prudence in its action whether it be decision-making processes, risk assessment or any other internal controls. This has been led by a keen focus on integrating sustainability and ethical practices to build and preserve the trust of its stakeholders. Simultaneously, it leverages the strength for AIA to be at the forefront of innovation, while continuously adapting to industry trends and customer needs. AIA firmly believes that consistency is the key to success. With this belief, it pursues growth such that its present acts as a strong foundation for the future. Going ahead, AIA remains optimistic about the unlimited possibilities ahead and through the strength of its rich industry insight, technology and adaptation to market dynamics, it is poised to tap into the untapped potential and create value for all its stakeholders.





₹ **51,433** million
Total Income

₹ **14,752** million
EBITDA

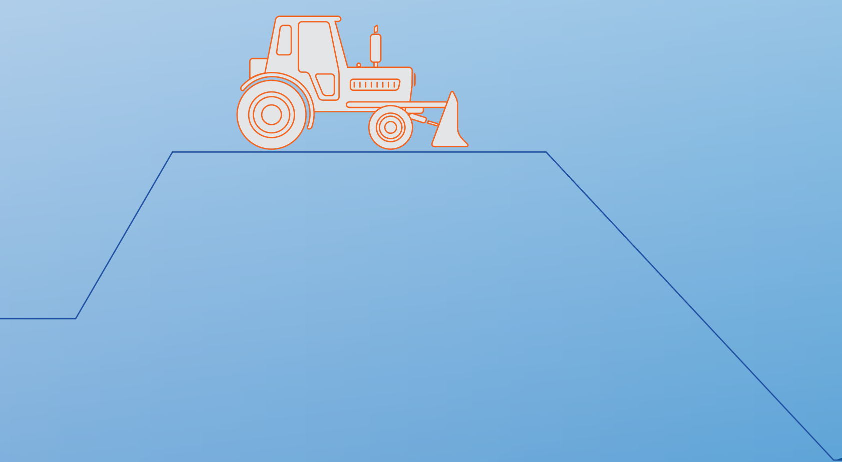
₹ **10,565** million
Profit After Tax

₹ **16** (800%)
Dividend Per Share

58.47%
Promoters' Holding

1,326
Workforce Strength

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation
PAT: Profit After Taxes



Message from the Managing Director

> Our growth is a testament to our favourable conversion cycle, which presents ample room for the penetration of ferrochrome in the current market

Dear Shareholders,

As we conclude the fiscal year 2022-23, we reflect upon a period that tested our resilience and adaptability in the face of global challenges. At AIA Engineering, our unwavering commitment to excellence and reliability ensured a robust performance.

In the face of external headwinds, we remained optimistic about the resurgence of the mining and cement industries, which fuelled the demand for our products. I am delighted to share that AIA Engineering Limited experienced a favourable product mix, resulting in a notable increase in margins. Furthermore, we successfully managed raw material costs. Our contracts include a price pass-through mechanism, which reflects previous raw material/freight costs in pricing, thus maintaining stability. Financially, we achieved impressive growth compared to the previous year:

- Our annual sales volume soared to 2,91,342 MT, a substantial leap from the previous year's 2,60,469 MT
- Our total revenue witnessed a healthy growth, reaching ₹ 5,143.31 Crores, compared to ₹ 3,722.84 Crores in the previous year
- Our EBITDA stood at a robust ₹ 1,475.18 Crores, marking a significant increase from ₹ 877.24 Crores last year
- PAT experienced remarkable growth, reaching ₹ 1,056.50 Crores, compared to ₹ 619.62 Crores in the previous fiscal year

We are pleased to announce that our dedicated Mill Lining facility for Mining Liners has already gone on stream with an installed capacity of 50,000 TPA. Further we have resumed our Brownfield expansion for Grinding Media involving an additional investment of around ₹ 200 crores to further augment our capacity by 80,000 MTPA, which will increase our total capacity to around 5,20,000 MTPA by March 2025. We remain extremely bullish on the long term growth prospects in the mining industry given the huge conversion opportunity available to us for converting the mines from the conventional Forged Products into our High Chrome Solutions. Our unwavering focus on core industries like Cement and Mining and our commitment to customer satisfaction positions us well for continued success.

We remain committed to broadening our customer base and enhancing existing relationships. Our primary focus is on key markets such as North America, LATAM, Australia, and CIS, as well as critical countries like Chile, Peru, Brazil, and Canada. Market dynamics remain unchanged, and we forge ahead with an unwavering focus on gold, copper, and iron.

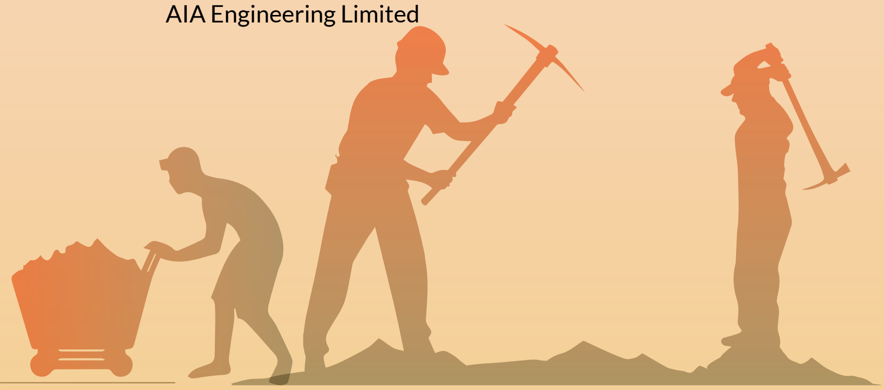
As a responsible corporate citizen, we strive to contribute to the socio-economic development of our communities while preserving the environment. Initiatives such as providing quality education, ensuring digital literacy, offering healthcare services, and protecting biodiversity empower the underprivileged and foster self-reliance.

We extend our deepest gratitude to all stakeholders who have stood by us. Improving productivity and employee morale remain key priorities for us. Looking ahead, our large and well-equipped R&D team will continue to develop comprehensive solutions to meet evolving market demands.

As we step into the next fiscal year, we pledge to deliver value to all those associated with us through ethical, sustainable, and profitable means. Our mission remains steadfast, and we are excited about the opportunities that lie ahead.

Best Wishes,

Bhadresh K. Shah
Managing Director
AIA Engineering Limited



About AIA Engineering

A leading provider of cutting-edge wear components and innovative solutions

Incorporated in 1991, AIA Engineering Limited (hereinafter referred to as 'the Company', 'AIA' or 'it') is a distinguished entity in the design, development, production, installation, and servicing of high chromium wear, corrosion, and abrasion-resistant castings. These superior products specifically serve the cement, mining, and thermal power-generating industries, highlighting the Company's capacity to cater to diverse market demands.

INDUSTRIES SERVED

- Mining
- Cement
- Quarry
- Tharmal

Committed to delivering customised solutions, the Company excels in crafting metallurgically optimised products to flawlessly align with each application's unique requirements. Beyond mere product delivery, it provides process optimisation services. These services hinge upon a thorough technical evaluation of the customers' distinctive needs, ensuring an integrated approach that elevates the overall customer experience.

Such a comprehensive methodology has propelled the Company to the forefront of the industry, acclaimed for its dedication to quality, exceptional service delivery, and cutting-edge innovation. As a result, it is globally recognised and trusted as a solution provider. This well-deserved reputation mirrors the Company's steadfast dedication to excellence, and it continues to position itself as a paragon of innovation and quality in the industry.

~45 Years'
Rich Industry Experience

Global
Presence

4,40,000 TPA
Total Manufacturing Capacity

ISO 9001:2015
Certified

Milestones of AIA's Journey

With a relentless pursuit of excellence and a commitment to delivering innovative solutions, AIA has established itself as a leading force in providing innovative products and services. From humble beginnings, AIA has evolved into a trusted partner, catering to the diverse needs of its esteemed clients worldwide.

2019

Installed capacity enhancement by 50,000 MTPA at Kerala's GIDC plant

Installed 8 Wind Turbines of 2.1 MW each

2020

Obtained ISO 14001 certification for environmental management system and OHSAS 18001 certification for health and safety management system at its Moraiya and Kerala Plants

2018

Developed mill lining solutions for mine

2017

Commissioned the Phase 1 of the Kerala GIDC, a greenfield facility near Ahmedabad for grinding media production

1991

Amalgamated Ahmedabad Induction Alloys Private Limited with the Company, AIA

1996

Received ISO 9001 certification of Quality Management Systems

1989

Began producing high chromium liners, level control diaphragms, and other diaphragms

1985

Started production of high chrome grinding media

2022

Installed 2 Wind Turbines of total 5.4 MW

2023

Added two Hybrid Projects (2.1 MW Windmill + 1.89 MWp Solar) at Village Dedan, Gujarat, taking total Renewable Energy Capacity to 32.28 MW.

Expanded capacity of 50,000 MT in Castings at Kerala GIDC Facility

2014

Expanded capacity to 2,60,000 MTPA at Moraiya facility

2011

Commissioned a new plant for mining liners and vertical mill parts

2003

AIA incorporated Vega ME as a Wholly-Owned Subsidiary

2005

Listed on the Indian Stock Exchanges

1979

Commenced operations and started producing wear parts for cement and power plants

1978

Incorporated by Mr. Bhadresh K Shah as Ahmedabad Induction Alloys Private Limited

Industry Presence

With a long-standing history of delivering effective solutions, AIA has established itself as a trusted provider of wear components and innovative technologies. The Company's expertise in metallurgy, grinding applications, and component design enables it to manufacture high-quality parts for tube mills, vertical mills, pulverisers, and more.

120+
Countries Served

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection concerning its accuracy or completeness.

ENGINEERING SOLUTIONS

CEMENT

- Strong foundation in the cement production industry, with a history of success
- Specialised in providing effective solutions for worn-out parts in the cement sector as well as manufacturing parts for tube mills and vertical mills
- Backed by extensive experience in metallurgy, grinding applications, and component design
- Led by a unique manufacturing approach that significantly enhances the working life of components
- Pioneer in innovative solutions that reduce maintenance costs and improve cost effectiveness for customers

Application

- Grinding of limestone and cement

MINING

- Focussed on minimising downtime in mining operations for achieving success
- Specialised in producing durable wear components with extended lifespan, which reduce operating costs
- Led by expertise in developing specialised alloys and advanced manufacturing techniques for various minerals
- Producing modified components for specific mineral types. Thus, increasing efficiency of machinery while extracting
- Pioneer in mill lining solutions to optimise throughput and reduce operational expenses

Application

- Mineral ore grinding prior to processing for separation of different materials

THERMAL

- Crafting long-lasting wear components with extended durability for reduced operational costs
- Innovating alloys and employing cutting-edge manufacturing techniques customised for diverse minerals
- Producing improvised shell liners & grinders that has a highly positive impact on the efficiency
- Optimum utilisation of resources by the pulverisers which grind the coal and avoid any wastage before feeding them to the boiler

Application

- Coal grinding prior to entering the boiler

QUARRY

- Created specialised alloys and manufacturing methods suitable for a range of mineral varieties
- Producing enhanced wear machinery components for extraction purposes for increased productivity and profitability
- Specialising in extraction of minerals like iron, gold, lead/zinc, bauxite copper and phosphorus

Application

- Crushing of aggregates

Strategic Imperatives

Through a careful analysis of market dynamics, customer needs, and technological advancements, the Company has formulated a set of strategic imperatives that guide its decision-making and shape its future trajectory. These imperatives encompass various aspects, including product innovation, customer engagement, operational efficiency, and sustainable practices.

At the heart of the Company's mission lies a relentless pursuit of customer satisfaction. AIA Engineering has strategically embedded a meticulous series of quality checks throughout every operational process, leaving no room for compromise. These checks are reinforced by vigilant supervision and regular mill audits, ensuring that the engineering solutions are nothing short of excellence.

The unwavering commitment to customer satisfaction drives the Company to go above and beyond. AIA Engineering understands that each customer is unique, with distinct requirements and expectations. That's why the Company has established a purpose-driven approach, tailoring the engineering solutions to address their specific needs. By consistently delivering results that align perfectly with the customers' demands, the Company forges enduring partnerships based on trust and mutual success.

Quality Checks

for increased customer satisfaction

Supervision

to closely monitor installation of each wear part

Regular Mill Audits

to ensure higher efficiencies and better adaptability

KEY FOCUS AREAS

- Adapting renewable power on a large scale to strengthen sustainable energy practices
- Strategically positioned in the market by leveraging a deep understanding of various mill lining options
- Expanding the offerings beyond grinding media and tapping into the growth potential of each type of mill lining
- Constantly investing to enhance capabilities and product portfolio to maintain a competitive edge and meet evolving customer needs
- Prioritising optimal performance by introducing automation and streamlining production processes to drive efficiency

CAPEX PLANS

AIA continues to focus on capacity expansion to provide tailored solutions and fulfil global demand. During the year, the Company commissioned mill liners plant with a capacity of 50,000 TPA. Through its innovative solutions, the Company expects to reduce customer expenses and increase in throughput significantly.

₹195 Crores
Capex incurred during F.Y. 2022-23

KERALA GIDC PROJECT

The Company continues to proceed with its brownfield capacity expansion of grinding media capacity. With an ongoing capex of ₹ 250 Crores, it is estimated to be commissioned by the end of F.Y. 2024-25

₹ 250 Crores
Capex to be incurred by F.Y. 2024-25

RESTRUCTURING OF MANUFACTURING OPERATIONS

The restructuring of the Company's manufacturing operations encompasses a range of strategic initiatives aimed at optimising operational efficiency. These initiatives include some capacity de-bottlenecking and restructuring, creation of warehouse space, pattern storage facilities and related infrastructure investment at an estimated cost of ₹ 200 Crores. While the primary objective of this restructuring is not to directly augment production capacity, it undoubtedly enhances their capability to manufacture specialised parts with precision and reliability. Company will also see 20,000 MT of capacity addition in castings because of de-bottlenecking.

₹ 200 Crores
Capex planned for reorganisation

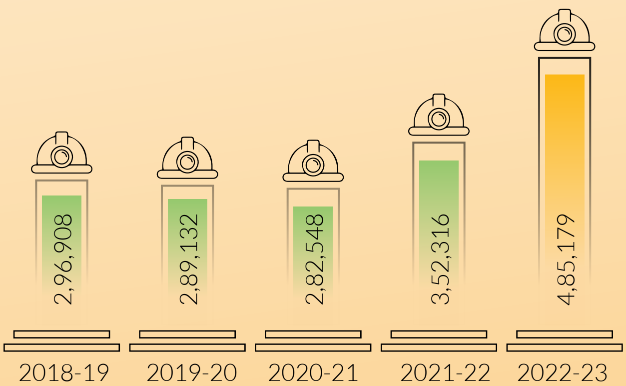
Moreover, there is a significant emphasis placed on power consumption and its environmental impact. Aligned with the commitment to sustainability, The Company is dedicated to intensifying its utilisation of captive and renewable energy sources. By prioritising the adoption of environmentally-friendly practices, AIA Engineering endeavours to reduce the carbon footprint while ensuring long-term operational sustainability.

₹ 60 Crores
Investment in renewable energy resources

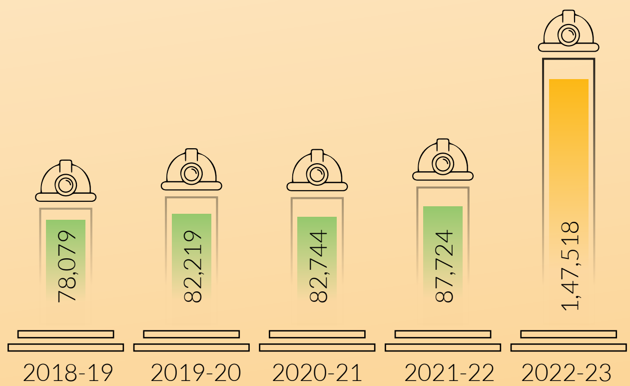
Financial Performance

The Company's steadfast business model has consistently yielded impressive financial results, exemplifying its adeptness in managing risks and generating sustainable profits. AIA's prudent investment strategies and rigorous risk management practices bolster its financial stability, enabling it to meet its obligations and deliver long-term value to its stakeholders in the engineering sector.

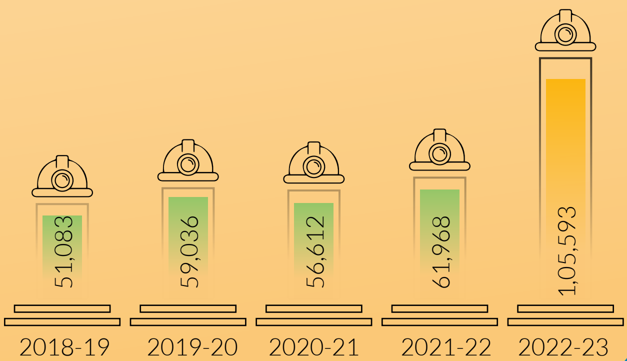
NET SALES (₹ in Lakhs)



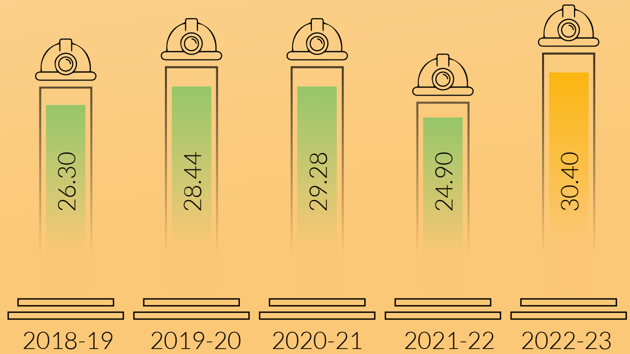
EBITDA (₹ in Lakhs)



PROFIT AFTER TAX (AFTER MINORITY INTEREST) (₹ in Lakhs)

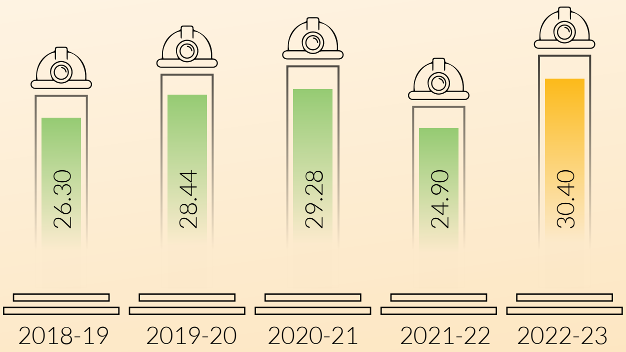


EBITDA MARGIN (%)



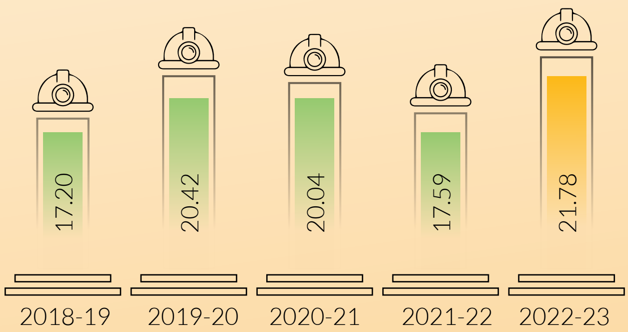
OPERATING PROFIT MARGIN

(%)



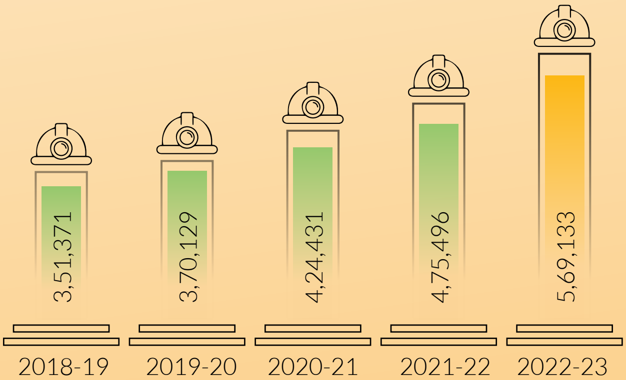
PROFIT MARGIN

(%)



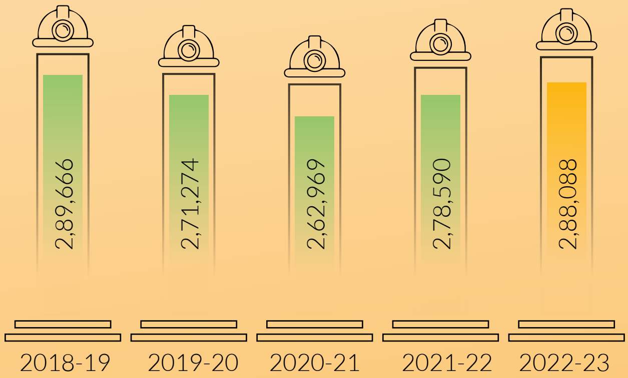
NET WORTH

(₹ in Lakhs)



PRODUCTION VOLUME

(in MT)



CSR COMMITMENTS

Our commitment to CSR is not only driven by our responsibility as a corporate citizen, but also by the recognition that sustainable practices are key to our long-term growth. We strive to ensure a resilient future for AIA and the broader communities in which we operate.

CSR CONTRIBUTION OF ₹ 1,289.32 LAKHS IN THE FIELDS OF :

Education - ₹ 603.12 Lakhs
- Gyan Deep Programme
- Scholarship Programme
- LXS Foundation
- Jan Jagrati Sevarth Sansthan
- IIT, Kanpur

Healthcare - ₹ 364.06 Lakhs
- Care Institute of Medical Sciences Foundation (CIMS)
- Dr. Jivraj Mehta Smarak Health Foundation
- Gujarat Cancer Society
- Nihar Charitable Trust

Environment - ₹ 167.36 Lakhs
- ARC Foundation

Promotion of Sports - ₹ 64.53 Lakhs

National Heritage/Art/Culture - ₹ 55.25 Lakhs
- Karmakshetra Educational Foundation (DARPANA)

Eradicating Hunger - ₹ 35.00 Lakhs
- Tulsi Vallabh Nidhi
- Akshay Patra Foundation

EDUCATION INITIATIVES

GYAN DEEP PROGRAMME

11
Schools Covered

AIA has continued to expand the Company's educational initiative called as Gyan Deep Programme through:

(i) Yuva Unstoppable

It establishes an environment that promotes the utilisation of Information and Communications Technology (ICT) in Government Schools. This includes ensuring widespread access to ICT devices, internet connectivity, and fostering ICT literacy among students. The objective is to empower every student with digital literacy while equipping teachers with the necessary skills to effectively deliver education using IT resources and contemporary techniques. By fostering self-learning and shifting the learning paradigm from teacher-centred to student-centred, this initiative encourages critical thinking, analytical skills, and overall academic growth.

(ii) Jeevantirth VaaGaLe Utsav

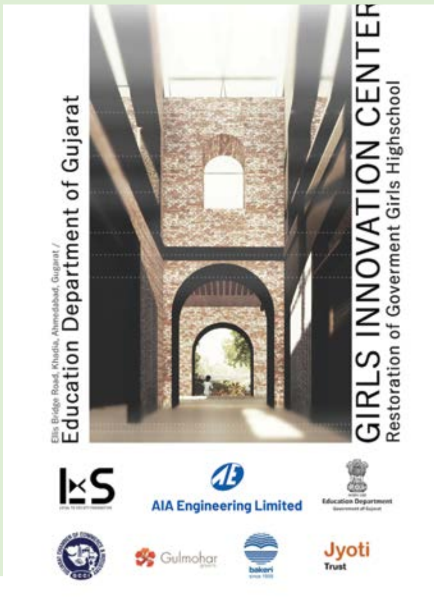
Jeevantirth is implementing the 'VaaGaLe Utsav' project and is focussed on Joyful Learning & Meaningful Education. This project aims to benefit government schools in Ahmedabad. Its objective is to prepare these schools for child-centred education by facilitating knowledge construction, fostering relationships, and providing essential materials such as Activity Sheets, Working Materials, and Stationery for Students. Additionally, the project encourages active participation in workshops like scientific fairs to rekindle interest in education through interactive and experiential learning methods.

AIA Scholarship Programme

AIA CSR Foundation addresses the challenges of education among marginalised communities and fosters employment opportunities through its innovative education scholarship management system, Vidyasaarathi. By providing educational support, this system empowers deserving students to overcome financial barriers and pursue higher education. Through its initiatives, the Foundation not only contributes to the growth of education but also creates pathways for socio-economic development, benefiting both individuals and the nation at large.

LXS Campaign

LXS Foundation is aiming to develop an Innovation Centre for underprivileged girls of Ahmedabad and Gujarat. It is restoring old school building located at Raikhad-Khadia, Old City, Ahmedabad. (Gujarat).



Jan Jagrati Sevarth Sansthan

Jan Jagrati Sevarth Sansthan, an Indian non-profit organisation, uplifts marginalised communities through education, skill development, and health initiatives. Founded by dedicated individuals, it employs participatory methodology for sustainable impact. The organisation is also establishing an English Medium Co-Education School in Rajasthan for holistic student growth. It strives to combat illiteracy and improve hygiene among rural populations, enhancing their quality of life.

IIT Kanpur

Contribution was provided to augment Solar Energy Capacity by 200 KW at IIT, Kanpur (UP).

HEALTHCARE INITIATIVE

AIA has been committed to enhancing healthcare services through collaborations with renowned institutions like Care Institute of Medical Sciences Foundation, Dr. Jivraj Mehta Smarak Health Foundation, Nihar Charitable Trust and Gujarat Cancer Society etc. These partnerships reflect AIA's dedication to fostering a positive well-being of Society.

PLANTATION INITIATIVE

AIA, in collaboration with ARC foundation, planted approximately 1,00,000 trees at Chiloda Air-Force Colony, Air Force Recruitment Board, Gandhinagar, Military Cantonment Board, Ahmedabad, Air Force Military Cantonment, Baroda, Ahmedabad Municipal East Zone Park and Nikol Ward Garden, Ahmedabad.

ART & CULTURE INITIATIVE

AIA , through Darpana, proposes to teach Indian folk dance to children between the ages of 8 to 14 studying in under-privileged schools. Darpana works with the school administration, teachers, parents and School Management Committees, convincing them of the value of the holistic development that would take place in their students with the inclusion of performing arts pedagogy in their schooling.

ERADICATING HUNGER INITIATIVE

The Akshay Patra Foundation serves mid-day meals to School Children in Government and Government aided Schools.

ANNEXURE-"C" TO BOARD'S REPORT

Business Responsibility & Sustainability Report

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

I-1. Corporate Identity Number (CIN) of the listed entity- L29259GJ1991PLC015182

I-2. Name of the listed entity- AIA ENGINEERING LIMITED

I-3. Year of Incorporation- 1991

I-4. Registered office address- 115, G.V.M.M. ESTATE, ODHAV ROAD, ODHAV, AHMEDABAD - 382415

I-5. Corporate address - 11/12, SIGMA COPRORATES, B/H. HOF SHOWROOM, OFF. S.G. HIGHWAY, SINDHU BHAVAN ROAD, BODAKDEV, AHMEDABAD - 380054

I-6. E-mail - info@aiaengineering.com

I-7. Telephone - +91-79-66047800

I-8. Website - www.aiaengineering.com

I-9. Financial year for which reporting is being done - 2022-2023

I-10. Name of the Stock Exchange(s) where shares are listed - BSE LIMITED (BSE) and NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

I-11. Paid-up Capital - ₹ 188,640,740

I-12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report - Mr. Paresh Shukla, E-MAIL : paresh.shukla@aiaengineering.com, Phone : +91-79-66047800

I-13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). - Standalone Basis

II. Products/services

II-14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	100

II-15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of other Iron and Steel Casting and Products thereof	24319	100

III. Operations

III-16. Number of locations where plants and/or operations/offices of the entity are situated:

	National	International
Number of plants	6	0
Number of offices	2	9
Total	8	9

III-17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	PAN INDIA
International (No. of Countries)	More than 120 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

75%-80%

c. A brief on types of customers

The customers of the company range from varied industries. The finished product of AIA is used as a spare part for multiple industries including Cement Industry, Power Industry and Mining Industry.

IV. Employees

IV-18. Details as at the end of Financial Year. a. Employees and workers (including differently abled):

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
	Employees					
1	Permanent (D)	1297	1291	99.54%	6	0.46%
2	Other than Permanent (E)	64	63	98.44%	1	1.56%
3	Total employees (D + E)	1361	1354	99.49%	7	0.51%
	Workers					
1	Permanent (F)	177	177	100.00%	0	0.00%
2	Other than Permanent (G)	2753	2725	98.98%	28	1.02%
3	Total Workers (F + G)	2930	2902	99.04%	28	0.96%

IV-18. Details as at the end of Financial Year. b. Differently abled Employees and workers:

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
	Differently Abled Employees					
1	Permanent (D)	4	4	100.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total differently abled employees (D + E)	4	4	100.00%	0	0.00%
	Differently Abled Workers					
1	Permanent (F)	1	1	100.00%	0	0.00%
2	Other than Permanent (G)	16	16	100.00%	0	0.00%
3	Total Workers (F + G)	17	17	100.00%	0	0.00%

IV-19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No (B)	% (B/A)
Board of Directors	9	3	33.33%
Key Management Personnel	4	0	0.00%

IV-20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.46	0	9.46	6.56	0	6.56	7.38	0.33	7.71
Permanent Workers	1.93	0.32	2.25	3.47	0.30	3.76	6.12	0.27	6.38

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V-21. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Welcast Steels Limited	Subsidiary	74.85%	No
2	AIA CSR Foundation	Wholly-Owned Subsidiary	100%	No
3	Vega Industries(Middle East) FZC (Vega ME)	Wholly-Owned Subsidiary	100%	No
4	Vega Industries Limited – UK	Wholly-Owned Subsidiary	100% by Vega ME	No
5	Vega Industries Limited – USA	Wholly-Owned Subsidiary	100% by Vega UK	No
6	Vega Steel Industries (RSA) (Pty) Limited	Subsidiary	74.63% by Vega ME	No
7	Wuxi Vega Trade Co. Limited	Wholly-Owned Subsidiary	100% by Vega ME	No
8	PT Vega Industries Indonesia	Wholly-Owned Subsidiary	99% by Vega ME & 1% by AIA	No
9	VEGA Industries Chile SPA	Wholly-Owned Subsidiary	100% by Vega ME	No
10	AIA Ghana Limited	Wholly-Owned Subsidiary	100% by Vega ME	No
11	VEGA Industries Australia Pty Limited	Wholly-Owned Subsidiary	100% by Vega ME	No
12	Clean Max Meridius Private Limited	Associate Company	26%	No

VI. CSR Details

VI-22. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

VI-22. (ii). Turnover (₹ in Lakhs) - 4,04,476.35

VI-22. (iii). Net worth (₹ in Lakhs)- 5,47,300.92

VII. Transparency and Disclosures Compliances

VII-23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	Yes. https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Whistle-Blower-Vigil-Mechanism.pdf	Nil	Nil		Nil	Nil	
Shareholders	Yes. https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Whistle-Blower-Vigil-Mechanism.pdf	Nil	Nil		Nil	Nil	
Employees and workers	Yes. https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf	Nil	Nil		Nil	Nil	
Customers	Yes. The SOP is communicated and maintained internally	25	5		26	0	
Value Chain partners	Yes. The SOP is communicated and maintained internally	Nil	Nil		Nil	Nil	
Other (please specify)	No	Nil	Nil		Nil	Nil	

VII-24. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Employee Productivity due to Climate Change	Risk	There has been a systemic increase in temperatures during the summer months of April – July, causing a drop in employee productivity due to melting and heat treatment	Improved working conditions and initiatives to enhance air circulation at the plants.	Negative
2	Economic Impact due to supply chain soothing/ improving from disruptions	Opportunity	Because of soothing/improve from disruptions in the global supply chain, the import of scrap has been regularised, leading to availability of scrap -Normalisation again restores that decrease in shipping cost leads to a decrease in inventory. -Normalise global shipping disruptions because of release of restriction which was imposed country wide due to Covid 19 pandemic, supply improvement can lead to delivery of the product timely. No Need for holding of the inventory at the distribution centres.	over all supply of import of scrap improve, No need to occupy extra material. Delivery happens on time	Positive
3	Climate-related disclosure requirements driven by customer demand	Opportunity	•Our customers are in energy-intensive sectors – mining, cement, and aggregate. They have climate-related disclosure mandates imposed on them by their governments and other stakeholders. Climate action is passed on to AIA as a supplier. •Institutional investors are also asking for information on the AIA's impact on climate change by way of feedback and questionnaires.	•We have developed a Climate Strategy which includes a reduction in GHG emissions of our activities as well as the category of grinding media and castings that we manufacture. •We have also participated in the CDP disclosure since 2020-21 and will do so annually.	Positive
4	Net Zero Ambition of Customers	Risk / Opportunity	Some of our global customers have taken targets to be Net Zero Carbon as per the National Commitments of their home countries. As a critical supplier to our customers, AIA is required to have a climate strategy with a defined roadmap and GHG emission reduction targets.	We see an opportunity in terms of reducing the energy consumption of our products which will allow us to support the customers in meeting their commitments.	Positive

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. c. Web Link of the Policies, if available	https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Sustainability-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Environment-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf Sexual Harassment Policy https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Environment-Policy.pdf https://aiaengineering.com/wp-content/uploads/2023/06/Waste-Management-Circular-Economy-Policy.pdf https://aiaengineering.com/wp-content/uploads/2023/06/Climate-Change-and-Energy-Management-Policy.pdf https://aiaengineering.com/wp-content/uploads/2023/06/Water-Management-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Whistle-Blower-Vigil-Mechanism.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/CSR-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2023/06/Environment-Policy.pdf https://aiaengineering.com/wp-content/uploads/2023/06/Sustainability-Policy.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015	0	ISO 45001:2018	0	0	ISO 14001:2015	0	0	ISO 9001:2015
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Commitment:** Yes, committed, **Goal:** To understand the current status of employee wellbeing, **Specific Target:** Zero Theft w.r.t. truck drivers, **Defined Timeline:** By March 2027	**Commitment:** Yes, committed **Goal:** To make our production process more sustainable so that all our products are 100% recyclable **Specific Target:** To increase usage of renewable energy from 17% to 20% of our total power requirement To increase usage of sand generated by glass manufacturing companies (it's their by-product) from 7.1% to 15% of our total sand requirement **Defined Timeline:** By 2027	**Commitment:** Yes, committed **Goal:** To understand the current status of employee wellbeing **Specific Target:** To carry out Employee Satisfaction Survey (Target: at least 80%) **Define Timeline:** By 2027 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. The objective is ongoing. Multiple feedbacks will be taken from employees.	**Commitment:** Yes, committed **Goal:** To ensure that all the concerns or interests of stakeholders are addressed and resolved **Specific Target:** To enhance customer satisfaction index from 97% to 98.5%. To reduce vendor complaints from 26/ year to 10/ year To reduce employee grievances from 14/ year to 4/ year. **Defined Timeline:** By 2027	**Commitment:** Yes, committed **Goal:** To ensure protection of human rights at critical MSME vendors **Specific Target:** To ensure no child labour / forced labour or inhuman working is found in atleast top 50 MSME vendors **Defined Timeline:** By 2027	**Commitment:** Yes, **Goal:** To contribute and make efforts towards protecting and restoring the environment committed, **Specific Target:** Zero single use plastic in our packaging and drinking water bottles To increase usage of renewable energy from 17% to 20% of our total power requirement To increase production of bricks and paver blocks from our discard sand, dust and plastic (Target : 100000 Nos bricks / blocks to be produced up to year 2030) To gradually convert our i.e. 2 motors to i.e. 4 motors (more energy efficient motors) To change our employee transportation buses from diesel to electric / hybrid buses (by 2030)	**Commitment:** Yes, committed **Goal:** To increase engagement with associations and contribute in influencing public and regulatory policy **Specific Target:** To become more participative in CII, FICCI and IIF To become the lead representative in these forums for alloy steel castings **Defined Timeline:** By 2030	**Commitment:** Yes, committed **Goal:** **Specific Target:** To support start-ups and entrepreneurs to manufacture recyclable material in an environmentally friendly manner in order to develop economical and viable glass drinking water bottle To support selective MSME vendors to adopt sustainable initiatives in their business. **Define Timeline:** By 2030	**Commitment:** Yes, committed **Goal:** To enhance customer delight as part of AIA ethos **Specific Target:** To increase the customer satisfaction score to 98% **Defined Timeline:** By 2030
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The objective is ongoing and is monitored on yearly basis. No. of awareness programmes will be increased for truck drivers.	The objective is ongoing and is monitored on yearly basis.	The objective is ongoing. Multiple feedbacks will be taken from employees.	The objective is ongoing with monitoring on annual basis.	The objective is ongoing. The same is monitored through audits and educating critical MSME vendors.	The objective is ongoing and is monitored continuously.	The objective is ongoing and continued monitoring of the participation of our nominees in various bodies is done.	The objective is under progress and shall be mapped every year based on a firm action plan	The objective is ongoing with performance monitoring.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Our philosophy is to provide customers with optimised solutions through technical evaluation of their requirements, thereby providing specifically designed solutions in ideal metallurgy for the application, plus offering process optimisation services worldwide. As a result of this approach, today, the Group is a leading Company for its Quality, Services and Innovation in its field with an enviable reputation providing Global Solutions. A truly global solution to your local requirements. ESG is no longer an option but a business necessity. In the reporting year, we established a robust ESG governance framework with specific policies and systems to help in the implementation of our ESG strategy. AIA has also started its Climate Reporting as per CDP. Our customers and Investors are expecting high standards of ESG performance. We are embedding ESG principles across our business functions to enable long term sustainable growth. We are designing and developing innovative, high-quality and energy efficient products and services to meet specific customer needs.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors 1. Mr. Rajendra S. Shah (DIN 00061922) Category: (Chairman / NED / ID) 2. Mr. Bhadresh K. Shah (DIN 00058177) Category: (ED) 3. Mr. Rajan Ramkrishna Harivallabhdas (DIN 00014265) Category: (NED / ID) 4. Mr. Yashwant M. Patel (DIN 02103312) Category: (ED) 5. Mrs. Khushali S. Solanki (DIN 07008918) Category: (NED) 6. Mrs. Bhumika S. Shodhan (DIN 02099400) Category: (NED) 7. Mr. Sanjay S. Majmudar (DIN 00091305) Category: (NED / ID) 8. Mr. Dileep C. Choksi (DIN 00016322) Category: (NED / ID) 9. Mrs. Janaki U. Shah (DIN 00343343) Category: (NED / ID)
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, as mentioned above in Point 8 of Section B.

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No	No	Yes. ISO 9001 – Lloyd's Register, / BUREAU VERITAS, INDIA (BVQI) ISO 45001 & ISO 14001 – BUREAU VERITAS, INDIA (BVQI)	Yes. ISO 9001 – Lloyd's Register, /BUREAU VERITAS, INDIA (BVQI) ISO 45001 & ISO 14001 – BUREAU VERITAS, INDIA (BVQI)	No	Yes. ISO 9001 – Lloyd's Register, /BUREAU VERITAS, INDIA (BVQI)ISO 45001 & ISO 14001 – BUREAU VERITAS, INDIA (BVQI)	No	No	Yes. ISO 9001 – Lloyd's Register, /BUREAU VERITAS, INDIA (BVQI)ISO 45001 & ISO 14001 – BUREAU VERITAS, INDIA (BVQI)

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
It is planned to be done in the next financial year (Yes/No)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Any other reason (please specify)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

EI-1. Percentage covered by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	2	1. Financial Performance, Budgeting and Planning 2. Orientation on Statutory Compliances as a Board Member	60
Key Managerial personnel	4	All principles	100
Employees other than BoD and KMPs	10	Principle 1, 3, 5, 6 & 8	20
Workers	Nil	Nil	Nil

EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	0	NA	NA
Settlement	NA	NA	0	NA	NA
Compounding fee	NA	NA	0	NA	NA

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
1	NA	NA

EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.- Yes. Whistle Blower and Vigil Mechanism Policy covers Anti Corruption / Anti Bribery mechanism. https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Whistle-Blower-Vigil-Mechanism.pdf

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

(Current Financial Year)

Directors	KMPs	Employees	Workers
0	0	0	0

(Previous Financial Year)

Directors	KMPs	Employees	Workers
0	0	0	0

EI-6. Details of complaints with regard to conflict of interest:

Category	Number (CY)	Remarks (CY)	Number (PY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NOT APPLICABLE	NIL	NOT APPLICABLE
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NOT APPLICABLE	NIL	NOT APPLICABLE

EI-7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.- NOT APPLICABLE

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	1	Principle -04 Stakeholder engangement	2

LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.- Yes, the Company has devised a Related Party Transactions (RPT) Policy as per the Companies Act, 2013 and SEBI LODR, which keeps a check on conflicts of interest involving Board Members https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Related-Party-Transaction.pdf (Link to RPT Policy)

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

EI-1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Not Applicable	Not Applicable	We don't classify any expenses in R & D
Capex	27.23%	5.05%	1. LPG in HTF (capex-0.88%): PNG is being used in heat treatment furnaces, but due to Ukraine & Russia war & geopolitical conditions , availability of PNG is hampered leading to high rate /cost. Thus, rather than selecting LDO/FO, we chose LPG as a clean fuel because, harmful emission such as oxides of sulphur, carbon dioxide, suspended particulate matter and nitrogen are significantly lower. Hence, we installed LPG Manifold Project for the Heat Treatment Furnace. 2. RENEWABLE ENERGY (capex-25.79%): Hybrid Project (4.2 MW Windmill + 3.78 MWp solar at Village Dedan Gujarat. AIA has developed a long-term strategy to address emissions by investing in a systemic increase in the percentage of renewable energy out of the total energy consumed by the Company. Company already has installed wind energy turbine at Gujarat with installed capacity 24.3 MW of Renewable Energy upto F.Y. 2021-22. Further company increased share by installing two set of Hybrid project (4.2 MW Windmill+ 3.78 MWp Solar) in Gujarat in F.Y. 2022-23. Hybrid solar wind systems are the best choice to invest in renewable energy sources to ensure sustainability. 3. LED Lighting (capex- 0.03)Replacing conventional sodium vapour light with LED light, LED lights are energy-efficient, long-lasting, emit less heat and offer high-quality light output. 4. Social & Wellbeing (capex-0.63):Capital expenditure (capex) investments to improve the social impacts like Other capital expenditure investments for improving social impacts like, AC, Water cooler, water dispenser, and Ceiling –Pedestal –wall mounted man cooling fans and specific Health & Safety related projects.

EI-2a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)- Yes

EI-2b. If yes, what percentage of inputs were sourced sustainably?- the Company has purchased 10% of its silica sand from sustainable sources like glass manufacturers and has also purchased 71% of recyclable material like scrap.

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.- There is no process to reclaim the products for re-use, re-cycling and disposal. However, the products can be reused and their packaging materials can be recycled as below:

- Our product as alloy steel castings (Grinding Media and Casting) is itself 100% recyclable by melting at the end of life.
- Our product packaging material i.e., HDPE bag and M S Drum, both are recyclable at the end of the life.
- Our supporting packaging materials wooden pallets and metal are safe to dispose/recycle.

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.- EPR is not applicable even though our client can manage waste collection and disposal as per below. Our product as alloy steel castings (Grinding Media and Casting) is itself 100% recyclable by melting at the end of life. Our product packaging material is either HDPE bag or M S Drum. Both the packaging material is recyclable at the end of the life. Our supporting packaging materials, wooden pallets and metal pallets, are safe to dispose/recycle. Above mentioned product/packaging materials are to be sold out to registered recycler/reuse in captive as per the applicable law of the user end country by the client.

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
1	24319	Mfg. of High Chrome Mill Internals -"Grinding Media	100	Raw material procurement to Waste disposal for Mfg. of High Chrome Mill Internals -"Grinding Media".	No. It's conducted by internal ISO Core team. AIA conducts Life Cycle Assessment (Aspects Impacts Register) as part of its ISO 14001:2015, for its product – Alloy Steel Castings -'Grinding Media' from procurement of raw material to disposal by end user. A full-fledged Life Cycle Assessment (LCA) is yet to be conducted.	No. Since its part of ISO 14001: 2015, Results are used for internal improvement only.

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1	Use Transportation for: In-coming material, Finished Goods, Employee movement, Waste movement for Alloy steel castings manufacturing	Emissions from transport vehicles - Air Pollution	Vehicle fitness verification as and when there is a purchase of new vehicle, ensures energy efficient and less emission vehicle procurement. - Company preferred clean fuel for its vehicle like CNG, EV. - To change our employee transportation buses from diesel to Electric or hybrid by 2030
2	Operation	RM consumption - Depletion natural resources	Rejected Raw material is returned to the supplier for reuse, recyling or proper disposal. It is a business requirement to try to minimise the quantity of such material purchased to avoid additional waste generation.
3	Operation	Emissions from processing activity - Air Pollution Waste Generation during operation - Depletion of natural resource and Land Pollution	Trained to concern persons for proper operation of equipment including pollution control equipment, APCM is working efficiently. Regular monitoring is done and external analysis is done as per defined frequency. EHS Personel ensure compliance with legal requirements. EHS Personel ensure disposal as per legal requirements. Hazardous and Non-hazardous waste handling as per defined guidelines. Recycling of Moulding Sand upto 80%. Currently, 11% of waste sand generated (fines and waste/ slag residue) is reused for: • Co-processing in the cement industry • Re-use at industrial construction sites (roads and pavements)

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
4	Maintenance	Emissions from maintenance activity - Air Pollution	Preventive Maintenance, Training provided to concerned persons for proper maintenance of equipment and utensils including control and improvement. EHS Personel ensure compliance with legal requirements
5	Maintenance	Waste generation from maintenance activity - Land Pollution	Hazardous and Non-hazardous waste is handled as per defined guidelines, EHS Personnel ensure disposal as per legal requirements

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2022-23	2021-22
Scrap (recycled or reused material)	75.57	77
Runner raiser (recycled or reused material)	2.29	0.37
Alloys (Fresh)	22.14	22.63

LI-4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

	2022-23			2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	100%	0	0	100%	0
E-waste	0	100%	0	0	100%	0
Hazardous waste	0	0	100%	0	0	100%
Other waste	0	0	0	0	0	0

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as% of total products sold in respective category
Products - alloy steel castings	0

Remarks: AIA Engineering ships its products to clients worldwide and ensures that the packaging material used for the same can be recycled, reused, or repurposed. As we don't have direct data from our end clients, we have left the table blank, but we understand that most, if not all, of our clients recycle/reuse/repurpose the packaging material. In case the customer requests it, we have a buyback policy to reclaim the products we sold.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

EI-1. a. Details of measures for the well-being of employees (Permanent Employees).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	1291	1291	100.00%	1291	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	6	6	100.00%	6	100.00%	6	100.00%	0	0.00%	0	0.00%
Total	1297	1297	100.00%	1297	100.00%	6	0.46%	0	0.00%	0	0.00%
Other than Permanent Employees											
Male	63	63	100.00%	63	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	1	1	100.00%	1	100.00%	0	0.00%	0	0.00%	0	0.00%
Total	64	64	100.00%	64	100.00%	0	0.00%	0	0.00%	0	0.00%

EI-1. b. Details of measures for the well-being of workers. (Permanent Workers).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	177	0	0.00%	177	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	177	0	0.00%	177	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent Workers											
Male	2725	2725	100.00%	2725	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	28	28	100.00%	28	100.00%	28	100.00%	0	0.00%	0	0.00%
Total	2753	2753	100.00%	2753	100.00%	28	1.02%	0	0.00%	0	0.00%

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	12.62	22.21	Yes	12.44	22.96	Yes
Others – please specify	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

EI-3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.- Yes, ramps at a few plants, man lift, accessible restroom and an occupational health centre.

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.- Yes, AIA is an equal opportunity employer and has an equal opportunity policy covered under its HR Manual. The HR Manual is an internal document and is communicated to the relevant parties at the time of induction and at the time of the Orientation Programme.

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Female	100%	100%	Not Applicable	Not Applicable
Total	0.46%	0.46%	0	0

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has a grievance redressal & works committee at every unit, this calls for the participation of both contract and permanent workers, unit head, function heads, factory manager and HR manager. The grievance redressal mechanism is deployed as follows: a. Workers are empowered to approach the factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis. b. The worker submits a complaint (written / verbal) to shift / department supervisor, who in turn reports it to his functional head, this is reported to the factory manager and HR. c. Complaints are addressed and resolved on priority within a month. d. However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee meeting, which meets quarterly. e. For sexual harassment, the Company has in place the said policy and required procedures and a committee has been constituted to address any such issues.
Other than Permanent Workers	Yes, the Company has a grievance redressal & works committee at every unit, this calls for participation of both contract and permanent workers, unit head, function heads, factory manager and HR manager. The grievance redressal mechanism is deployed as follows: a. Workers are empowered to approach factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis. b. The worker submits a complaint (written / verbal) to shift / department supervisor, who in turn reports it to his functional head, this is reported to the factory manager and HR. c. Complaints are addressed and resolved on priority within a month. d. However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee meeting, which meets quarterly. e. For sexual harassment, the Company has in place the said policy and required procedures and a committee at the Company's Moraiya and Kerala units has been constituted to address any such issues.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, the Company has a grievance redressal & works committee at every unit, this calls for participation of both contract and permanent workers, unit head, function heads, factory manager and HR manager. The grievance redressal mechanism is deployed as follows: a. Workers are empowered to approach factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis. b. The worker submits a complaint (written / verbal) to shift / department supervisor, who in turn reports it to his functional head, this is reported to the factory manager and HR. c. Complaints are addressed and resolved on priority within a month. d. However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee meeting, which meets quarterly. e. For sexual harassment, the Company has in place the said policy and required procedures and a committee at the Company's Moraiya and Kerala units has been constituted to address any such issues..
Other than Permanent Employees	Yes, the Company has a grievance redressal & works committee at every unit, this calls for participation of both contract and permanent workers, unit head, function heads, factory manager and HR manager. The grievance redressal mechanism is deployed as follows: a. Workers are empowered to approach factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis. b. The worker submits a complaint (written / verbal) to shift / department supervisor, who in turn reports it to his functional head, this is reported to the factory manager and HR. c. Complaints are addressed and resolved on priority within a month. d. However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee meeting, which meets quarterly. e. For sexual harassment, the Company has in place the said policy and required procedures and a committee at the Company's Moraiya and Kerala units has been constituted to address any such issues.

EI-7. Membership of employees and worker in Association(s) or Unions recognised by the listed entity:

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s)or Union(D)	% (D/C)
Total Permanent Employees	1297	0	0.00%	1239	0	0.00%
- Male	1291	0	0.00%	1233	0	0.00%
- Female	6	0	0.00%	6	0	0.00%
Total Permanent Workers	177	84	47.46%	190	88	46.32%
- Male	177	84	47.46%	190	88	46.32%
- Female	0	0	0	0	0	0.0%

EI-8. Details of training given to employees and workers:

Category	2022-23					2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1354	461	34.05%	481	35.52%	1233	508	41.20%	497	40.31%
Female	7	0	0.00%	0	0.00%	7	0	0.00%	0	0.00%
Total	1361	461	33.87%	481	35.34%	1240	508	40.97%	497	40.08%
Workers										
Male	2902	815	28.08%	663	22.85%	3128	773	24.71%	629	20.11%
Female	28	0	0.00%	0	0.00%	24	0	0.00%	0	0.00%
Total	2930	815	27.82%	663	22.63%	3152	773	24.52%	629	19.96%

EI-9. Details of performance and career development reviews of employees and workers

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1354	1291	95.35%	1233	1233	100.00%
Female	7	6	85.71%	7	6	85.71%
Total	1361	1297	95.30%	1240	1239	99.92%
Workers						
Male	2902	177	6.10%	3128	190	6.07%
Female	28	0	0.00%	24	0	0.00%
Total	2930	177	6.04%	3152	190	6.03%

EI-10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?- Yes, the organisation is ISO 45001:2018 (Occupational Health & Safety Management System) certified. Two major plants for grinding media manufacturing located at Moraiya Village and Kerala GIDC unit at Bavla Dist. Ahmedabad are covered by ISO 45001:2018 (Occupational Health & Safety Management System). Other units without an ISO 45001:2018 certificate also follow OHS protocols.

EI-10. b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?- The Company uses HIRA process i.e., Hazard Identification and Risk Assessment, to identify work-related hazards and assess risk on a routine and non-routine basis, as per ISO 45001.

EI-10. c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)- Yes.

EI-10. d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)- Yes, The Company has Tie ups with hospitals for employees and workers get benefits under ESIC.

EI-11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1.12	1.19
Total recordable work-related injuries	Employees	0	0
	Workers	12	13
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy workplace. -

- Implementing Occupational health and safety policy, ISO 45001:2018 Occupational health and safety management systems.
- Established clear roles, responsibilities and accountabilities for individuals and teams at all levels of the organisation.
- Training: We are giving Safety Induction training to every workforce at the time of joining and periodically reorientation.
- Staff and workers participation in safety committee meetings.
- Conducting safety reviews of the units / plants.
- To identify work-related hazards and assess risk on activity wise HIRA i.e., Hazard Identification and Risk Assessment, as per ISO 45001 (OH&SMS).
- Legal register maintained and complying with other Obligations.
- Reviewing and updating Operational Controls and Procedures.
- Work Permit System and Logout-Tagout energy isolation system are being fallowed.
- Proactively identifying and eliminating hazards.
- Emergency Preparedness: Personnel are trained on evacuation plan, emergency response plans, including conducting periodical mock drills.
- Use labels and signs in shop floor.
- Contractor management procedures.
- Entire premises and plant periphery, walkway and zebra crosses are well-defined for men's movement traffic.
- Established process of Incident Investigation and corrective actions.
- Adopting Good Housekeeping Practices including 5S
- Internal and external Safety audits are conducted periodically.

- First aid boxes are provided at prominent places in shop floor and Occupational Health Centres are established.
- Fall prevention – fix lifeline systems are installed on roof accesses.
- Entire premises are covered with fire hydrant system and numbers of fire extinguishers are placed. Smoke and heat detectors and manual call points are installed. CO2 Gas flooding system are installed in electrical panels.
- PPE's – Personal Protective Equipment's are provided to all.

EI-13. Number of complaints on the following made by employees and workers

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100
Working Conditions	100

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.- 1

1. Cooling Water Circulation System Water Complex area is just behind the IT induction furnace at M1 Following Issue: - Humidified Air leading to discomfort Cooling tower location shifted outside at M1.
2. Grinding Media handling - Noise Generation Dust Generation Grinding media is stuffed through Telescopic conveyor belts into direct containers based on customer requirements.
3. 66 KV Control Room Better Fire Protection Installation of a CO2 Flooding system at the 66 KV Control room in all panels.

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).- (A) Employees Yes - Benefits under ESIC and PF as applicable, are also covered under term life insurance policy & group personal accident benefit as applicable (B) Workers Yes - Covered under ESIC and PF.

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.- Regularly monitoring and clearing GST dues on a monthly basis.

LI-3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23	2021-22	2022-23	2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

LI-4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)- Yes- depending on the organisation's need. Retiring employees are offered to continue their services as consultants.

LI-5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.- As no assessment has been carried out for value chain, hence no details of corrective actions undertaken.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity.- Key Stakeholders have been identified on the basis of shareholding, manufacturing activities, industries it caters to and locality in which manufacturing units are established. The five steps followed to identify AIA's key stakeholders are:

1. Review of all stakeholders
2. Understanding the purpose of identification
3. Determining their long-term and short-term impact on operations
4. Their needs in relation to business

5. Prioritisation E.g. The customers were assessed on the basis of business (monetary) provided and relationship terms (Long term / Short term). As employees are asset to the organisation, hence employees were selected the key stakeholders. Also, Suppliers on the basis of dependency, type and quantity of material supplied were prioritised.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	Yes	Email, SMS, Notice Board	As and when required	Well-being and Occupational health & safety, trainings, employee satisfaction, grievances, communication on Policies and SOPs and many more
2	Investors	Yes	Email, Newspaper Advertisements, SMS, Meetings	Quarterly, Annually and Event based	To collect information, to provide the Company's overall status, to encourage them give their assent or dissent, to provide them information about the corporate benefits available/ given to them.
3	Customers	No	Through field engineer, sales order, E-mails, SMS	As and when required	Technical specification and Quality Information on products
4	Regulators	No	By filing Web-based forms, XBRL forms, etc.	As and when required	Submission of required details to govt. agencies, understanding new regulations and laws.
5	Communities	No	Engagement by Unit HR directly area/community representative.	As and when required	Impacts on the community, community grievances, benefits to be provided
6	Suppliers	No	Email, SMS, Purchase Order & Con call	As and when required	Negotiation, Quality, Technical discussion, Sustainability, Product information & specification

Leadership Indicators

LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.- The process for consultation between stakeholders and the Board is the Annual General Meeting of Shareholders and Board Meeting, where feedback from stakeholders is presented to the Board. Also, information from the Board to Stakeholders is communicated through the Annual Report.

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.- Yes. We have done a detailed digital materiality assessment where both internal and external stack holders were polled through the double materiality approach and incorporated the responses in the ESG strategy.

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.- Not Applicable

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

EI-1 .Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2022-23			2021-22		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Permanent	1297	180	13.88%	1239	135	10.90%
Other than permanent	64	0	0.00%	1	0	0.00%
Total Employees	1361	180	13.23%	1240	135	10.89%
Workers						
Permanent	177	0	0.00%	190	0	0.00%
Other than permanent	2753	0	0.00%	2962	0	0.00%
Total Workers	2930	0	0.00%	3152	0	0.00%

EI-2. Details of minimum wages paid to employees, in the following format:

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent	1297	0	0.00%	1297	100.00%	1239	0	0.00%	1239	100.00%
Male	1291	0	0.00%	1291	100.00%	1233	0	0.00%	1233	100.00%
Female	6	0	0.00%	6	100.00%	6	0	0.00%	6	100.00%
Other than Permanent	64	0	0.00%	64	100.00%	1	0	0.00%	1	100.00%
Male	63	0	0.00%	63	100.00%	0	0	0.0%	0	0.0%
Female	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
Workers										
Permanent	177	0	0.00%	177	100.00%	190	0	0.00%	190	100.00%
Male	177	0	0.00%	177	100.00%	190	0	0.00%	190	100.00%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Other than Permanent	2753	1070	38.87%	1683	61.13%	2962	1163	39.26%	1799	60.74%
Male	2725	1045	38.35%	1680	61.65%	2938	1142	38.87%	1796	61.13%
Female	28	25	89.29%	3	10.71%	24	21	87.50%	3	12.50%

EI-3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	169.08 Lakhs	3	20.50 Lakhs
Key Managerial Personnel	2	157.08 Lakhs	0	0
Employees other than BoD and KMP	1311	Median Remuneration ₹ 4,66,721	6	Median Remuneration ₹ 7,18,968
Workers	177	Median Remuneration ₹ 2,91,372	0	0

EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)- Yes

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.- Yes, the Company has a grievance redressal & works committee at every unit, this calls for the participation of both contract and permanent workers, unit head, function heads, factory manager and HR manager. The grievance redressal mechanism is deployed as follows: a. Workers are empowered to approach the factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis. b. The worker submits a complaint (written / verbal) to shift / department supervisor, who in turn reports it to his functional head, this is reported to the factory manager and HR. c. Complaints are addressed and resolved on priority within a month. d. However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee meeting, which meets quarterly. e. For sexual harassment, the Company has in place the said policy and required procedures, and a committee at the Company's Moraiya and Kerala units has been constituted to address any such issues.

EI-6. Number of Complaints on the following made by employees and workers:

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

EI-7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.- AIA has an Internal Complaints Committee (ICC) to address complaints of Sexual Harassment. The Company is committed to creating a healthy & conducive working environment that enables women at the Workplace to function without fear of prejudice, gender bias and Sexual Harassment and / or any such orientation in implicit or explicit form. It is ensured that there are no adverse consequences to the complainant and that his / her issue is resolved in a justified and fair manner. The details and inquiry are kept confidential. Where the aggrieved person is unable to make a complaint on account of his / her physical incapacity, his / her relative / friend / co-worker / an officer of the National Commission for Women or State Women's Commission / any person who has knowledge of the incident may file a complaint on his / her behalf, with the written consent of the aggrieved person.

EI-8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)- Yes

EI-9. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	0

EI-10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.- NA

Leadership Indicators

LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.- No business process was modified / introduced as a result of addressing Human Rights Grievances.

LI-2. Details of the scope and coverage of any Human rights due-diligence conducted.- The Human Rights due diligence covers only the internal employees currently. In the future, the coverage will be expanded to the supply chain (upstream).

LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?- Yes. Ramps at a few plants, man lift, accessible restroom, and an occupational health centre.

LI-4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour/ Involuntary Labour	0
Wages	0
Others – please specify	0

LI-5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.- As no assessment has been done on human rights for value chain, there have been no corrective actions.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

EI-1 Details of total energy consumption (in Joules or multiples) and energy intensity.

Parameter	2022-23	2021-22
Total electricity consumption (A)	1278330	1306953
Total fuel consumption (B)	475655	304079
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	1753985	1611032
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	4.34 GJ / Lakh	5.23 GJ / Lakh
Energy intensity (optional) – the relevant metric may be selected by the entity	6.28	6.04

EI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- NO

EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.- Not Applicable

EI-3. Provide details of the following disclosures related to water, in the following format: Water withdrawal by source (in kilolitres)

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	211312	225379
(iii) Third party water	58752	47667
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	270064	273046
Total volume of water consumption (in kilolitres)	270064	273046
Water intensity per rupee of turnover (Water consumed / turnover)	0.6677 KL / Lakh	0.8861 KL / Lakh
Water intensity (optional) – the relevant metric may be selected by the entity. KL / MT of Production	0.97	1.02

EI-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Yes, assessment has been carried out for two units by NPC-Gandhinagar.

EI-4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.- Yes, AIA is utilising its entire wastewater after treatment, and domestic wastewater after treatment is reused in the cooling tower for gardening / toilet flushing and cooling tower blow down is reused in slag/sand cooling. For reduction of cooling tower blow down, Kerala GIDC unit set up an air-type dry cooling tower for water cooling.

EI- 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	ppm	4.64	2.04
SOx	ppm	5.77	7.11
Particulate matter (PM)	mg/nm3	36.19	39.64
Persistent organic pollutants (POP)	0	Not Applicable	Not Applicable
Volatile organic compounds (VOC)	0	Not Applicable	Not Applicable
Hazardous air pollutants (HAP)	0	Not Applicable	Not Applicable
Others – please specify	0	Not Applicable	Not Applicable

Remarks : We have taken an average of all the readings from monitoring conducted quarterly.

EI-5. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- Yes, third party environmental monitoring has been conducted by an external agency named M/s. Akshar Consultants (SPCB approved - environmental auditor and NABL approved lab.) for the Ahmedabad region unit.

EI-6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MTCO2e	28474.83	17244.09
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MTCO2e	287624.15	238819.72
Total Scope 1 and Scope 2 emissions per rupee of turnover	MTCO2e / rupee of turnover	0.7815 MTCO2e / Lakh	0.8310 MTCO2e / Lakh
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	MTCO2e / MT of Production	1.13	0.96

Remark : We have invested in wind energy generation projects, which resulted in the generation of 60,501 MWh of energy through renewable sources, which has been supplied to GETCO and UGVCL and transmitted by them.

EI-6. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- Yes, Confederation of Indian Industries (CII)

EI-7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- Yes, AIA in collaboration with ARC foundation Gandhinagar has initiated massive tree plantations to reduce GHG emission. We planted approximately 1,00,000 trees at the following sites : Chiloda Air-Force Colony, Air Force Recruitment Board, Gandhinagar, Military Cantonment Board, Ahmedabad, Air Force Military Cantonment, Baroda, Ahmedabad Municipal East Zone Park & Garden Dept., Nikol Ward Garden, Ahmedabad. The assessment for this initiative is carried out quarterly. Furthermore, Tree Plantation is going on, and it is a continuous programme for AIA.

AIA has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites, which have an installed capacity of 24.3 MW of renewable energy. In F.Y. 2022-23, AIA was able to generate 61,501 MWhs of electricity by renewable sources and supply it to the grid. In addition, AIA has recently added two Hybrid Projects (4.2 MW Windmill + 3.78 MWp Solar) at Village Dedan, Gujarat. Estimated unit generation for this project will be 1,60,00,000 KWH per annum. i.e. Total installed capacity of 28.5 MW Windmill & 3.78 MWp Solar of renewable energy.

EI-8. Provide details related to waste management by the entity, in the following format:

Parameter	2022-23	2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	274.243	215.267
E-waste(B)	1.26	1.12
Bio-medical waste (C)	0.006	0.006
Construction and demolition waste (D)	0	0
Battery waste (E)	2.74	9.73
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	90.52	47.48
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	136144	95961
Total (A + B + C + D + E + F + G + H)	**136512.769**	**96234.603**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	274.243	215.267
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**274.243**	**215.267**
Category of waste - E-Waste		
(i) Recycled	1.26	1.12
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**1.26**	**1.12**
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Construction and demolition waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Battery waste		
(i) Recycled	2.74	9.73
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**2.74**	**9.73**
Category of waste - Radioactive waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Other Hazardous waste		
(i) Recycled	67.33	26.89
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**67.33**	**26.89**
Category of waste - Other Non-Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	7863	11731
Total	**7863**	**11731**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0

Parameter	2022-23	2021-22
Total	**0**	**0**
Category of waste - E-Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - Bio-medical Waste		
(i) Incineration	0.006	0.006
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0.006**	**0.006**
Category of waste - Construction and demolition waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - Battery		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - Radioactive		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	23.19	20.59
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**23.19**	**20.59**
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	0	0
(ii) Landfilling	113824	68547
(iii) Other disposal operations	14457	15683
Total	**128281**	**84230**

EI-8. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- NO

EI-9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.- Our goal is to reduce the amount of waste we produce and make sure that it is reused or recycled for the same or a different purpose. A 'waste hierarchical approach' is applied, to reduce, reuse, recycle and recover waste products in preference to disposal of waste in alignment with the circular economy. Where possible, we explore opportunities for the use of recycled materials and reuse of waste by us or other companies through co-processing of foundry waste and other waste as alternative raw material or fuel. It presents opportunities for environmental stewardship and helps us manage raw material price-related risks. The Company takes waste management seriously and works towards reducing, reusing, and recycling its waste wherever possible. We optimise the use of key resources including minerals and ensure waste minimisation at sources and facilitate recovery, and recycling. We follow waste management standards that meet or exceed applicable legal requirements and we incorporate industry best practices into our operations and services. We recognise the negative impact of improper waste disposal on the environment and as a result, put in place strong mechanisms to treat and dispose of the generated waste. We ensure that all waste we generate from our activities is re-melted into the furnace or recycled through authorised recyclers and vendors applying the Principles of Circular Economy.

1. Eco-friendly Bricks/Paver blocks making –Reusing of Foundry – Sand & Plastic. AIA has invested ₹ 0.5 Crores to erect a captive brick-making plant that can produce 200 Bricks/Paver blocks per day by using in-house waste material. Paver blocks and bricks are manufactured by using foundry dust, sand, and plastic waste. This is a good way to use industrial waste like sand waste (80%), shredded plastic waste (20%) from pp. bags), to make 'Eco-friendly - Silica Plastic Blocks/ Bricks' - a sustainable building material. For F.Y. 2022-23, Estimated 150 MT waste materials (sand & plastic bags) were used, and more than 50000 bricks & paver blocks were produced. These bricks have more strength than the conventional red bricks and can be used to construct footpath/pedestal ways, compound walls, sanitary facilities like toilets & washrooms, and decorative structures in schools, penchant, and personal buildings. The paver blocks have a strength equivalent to M 35 of cement paver blocks and can be used for road construction for heavy commercial vehicle usage.
2. Co-processing - Reuse of Foundry Sand in Cement Kiln Waste generation is an inadvertent outcome of foundry operations, so it becomes necessary to deal with its repercussions. The Company has signed an MOU with Ambuja Cement Limited (Adani Group Co.) to provide a sustainable business solution for the waste sand generated by moulding process in the foundries is a solid waste. The waste discarded sand is used in cement kiln technology (co-processing) in a manner that ensures regulatory compliance, clubbed with the highest standards in OH&S. Ambuja cement is consuming waste generated by AIA safely in its cement kilns at the plant located at Kodinar, Dist. Gir Somnath, Gujarat. For F.Y. 2022-23 Total : 14457 tonnes of waste silica sand were used in Co- Processing at Ambuja Cement Limited Sustainable waste Disposal & Certificate: For each consignment of waste co-processed at Ambuja Cement Limited (Now Adani group co.), they provide a certificate of disposal, mentioning the quantity of waste consumed by them.
3. Effective utilisation of Kitchen /Canteen waste Unit has processed 6.179 MT Canteen –Kitchen – scraped food and waste into Organic manure through in house bioneer – organic waste converter machine and generated finished organic manure estimated 2.665 MT used as soil admixture. Similarly 64.260 MT wet waste generated at the premise is composted through start up agency M/s. Duro Green Waste Management Private Limited. These ways effective utilisation of Kitchen /Canteen waste estimated in total: 70 MT. Hazardous Waste Hazardous waste is being disposed of by following the hierarchy of disposal to create wealth from waste to promote a circular economy. To ensure material conservation, the top priority is given to Co-processing and/or recycling facility rather than TSDF/INC for hazardous waste disposal.
   - We have a MoU with a SPCB approved decontamination facility for the reuse of waste containers and recycling of liners and plastics bags.
   - Used/waste oil generated is sold only to registered recyclers.
   - E-Waste is being disposed of through a registered e-waste recycler.
   - Battery waste is being sold to registered battery/lead recyclers only
   - Biomedical waste from OHC is being disposed of through a registered biomedical waste Incineration facility.
   - The waste residues containing oil i.e., oily sludge generated at our plants are disposed of in SPCB approved CHWIF (Incineration) and transportation, storage, and disposal facility.

Non-hazardous Waste Sand - The Company has integrated mechanical and thermal reclaimer to recycle its moulding sand. This has helped reduce the requirement for silica sand by 80%. The waste sand generated is used in co-processing in the cement kiln / Bricks & Paver block making. For F.Y. 2022-23 Total : 14457 tonnes of waste silica sand were used in Co- Processing at Ambuja Cement Limited For Year: 2022-23 Estimated 150 MT waste materials (sand & plastic bags) were used, and more than 50000 bricks & paver blocks were produced. Slag - Slag is reprocessed in our captive slag processing plant for metal recovery and recovered metal is reused as raw material in foundry operations. Year 2022-23: Total 7863 Ton slag is processed in Slag Processing Plant and Total 900 tonnes of metal is recovered which is reused in our plant for casting production. Runner and raiser - generated in the manufacturing of grinding media are being reused as raw material in foundry operation. The fine sand dust - Used in back filling of low-lying areas, at construction sites, for bricks & Paver block making, etc. We have our brick-making plant where dust and PP. bags from packaging are reused. Canteen waste/organic waste: Converted into compost manure by an organic waste composting machine or disposed of through a mobile kitchen waste management facility. Organic compost is being used in the green belt and nursery. STP sludge: Used for gardening as compost Manure HT Refractory materials including refractory bricks etc. are sold to designated vendors. Commercial waste likes paper: wood, waste rubber (conveyor belts, tyres), etc. are also sold to the vendors. The strategy is laid out in below policy: https://aiaengineering.com/wp-content/uploads/2023/06/Waste-Management-Circular-Economy-Policy.pdf.

EI-10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable	0	0

Remarks: Not Applicable

EI-11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable	0	0	0	0	0

Remarks: Not Applicable

EI-12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
YES , FULL COMPLIANT	NOT APPLICABLE	NOT APPLICABLE	-

Remarks: Not Applicable

Leadership Indicators

LI-1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable sources, in the following format:

Parameter	2022-23	2021-22
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	1056924.331	1088292.377
Total fuel consumption (E)	475655	304079
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1532579.331	1392371.377

Remarks: Figures shown in Gigajoules

LI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- NO

LI-2. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	2022-23	2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
Total water discharged (in kilolitres)	**0**	**0**

LI-2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- Not applicable

LI-3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (i) Name of the area- Not applicable

LI-3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (ii) Nature of operations- Not applicable

LI-3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	NaN KL / Lakh	0.0000 KL / Lakh
Water intensity (optional) – the relevant metric may be selected by the entity.KL / MT of Production	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment CY:0 PY:0	0	0
Total water discharged (in kilolitres)	**0**	**0**

LI-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- Not applicable

LI-4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2022-23	2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	1,87,457.31	1,51,913
Total Scope 3 emissions per rupee of turnover	/ rupee of turnover	0.4635 MTCO2E / Lakh	0.6083 MTCO2E / Lakh
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	/ MT of Production	0.67	0.57

LI-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- Not applicable

LI-5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.- No, not applicable

LI-6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	We use medium frequency induction furnace for all our melting operations. They rely on electricity. The closed-loop process ensures that the minimum loss of energy and heat is minimal, helping reduce GHG emissions.	----	minimum loss of energy and heat is minimal, helping reduce GHG emissions.
2	Direct Energy is used in the heat treatment process at all our foundry units. We have switched to Piped Natural Gas (PNG) & Liquid petroleum Gas (LPG) from Light Diesel Oil and C9 to reduce our Scope 1 emissions. We have also installed flue gas recuperates on all the gas (PNG) fired Heat Treatment Furnaces. It helps to improve furnace efficiency and recover heat from the flue gases. The waste heat recovered is used in preheating the combustion air supply to the burners.	---	helping reduce GHG emissions. scope 1
3	AIA has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites which has installed capacity 24.3 MW of renewable energy. In F.Y. 2022-23, AIA was able to generate 61,501 MWh of electricity by renewable sources and supply it to the grids. In addition, AIA has recently added two Hybrid Projects (4.2 MW Windmill + 3.78 MWp Solar) at Village Dedan, Gujarat. Estimated unit generation for this project will be 1,60,00,000 KWH per annum. i.e. Total installed capacity of 28.5 MW Windmill & 3.78 MWp Solar of renewable energy.	---	221405.2128 GJ renewal energy use
4	Rainwater Harvesting: The Company has installed a rainwater harvesting system to recharge groundwater. Rooftop and run-off rainwater is being recharged through four recharge wells at Kerala GIDC Plant and two recharge wells at Moraiya plant along with a pre-filtration system within the plant premises. In addition, three recharge wells are constructed outside the premises - one at Chiloda Village and One at Moraiya Village to recharge groundwater. These recharge wells replenish the groundwater in the area where we operate. For F.Y. 2022-23: Total Roof top recharged water calculated and estimated value 82708 KL.	---	estimated 82708 kl water recharge
5	Zero Liquid Discharge: Complete Zero Liquid Discharge (ZLD) is maintained at all the plants. Some initiatives taken to reduce water consumption are • A dry-type cooling tower is installed at Kerala GIDC Plant, which reduces blow down drastically. • The cooling tower blow down is being reused for sand moulding preparation, and sand/slag cooling purpose. • Greywater /sewage are treated in the STP plant. Treated water is reused in gardening, toilet flushing, and cooling towers. • Automatic/spring-operated water taps are being used to reduce the wastage of potable water. • At some plants, waterless urinals are installed.	---	30644 KL STP treated water reuse at two major GM plant

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
6	Eco friendly Bricks: Bricks & Paver block making Capacity of m/c: 200 per /day Operational Days: 22 days/month, thus 22x12= 264 working/ operational days Weight of product: Estimated weight of a bricks &/ or a paver block is 2.8 kg Waste material Ratio: Uses of material in ratio: 30:35:35 as Plastic: Sand: Dust i.e., 2.8 Kg of product composed of 840 gm. Plastic, 980 gm. Sand and 980gm Dust. (Else ratio: 20: 40:40) Annual production: 200 x 264= 52800 numbers of Bricks/Paver Annual uses of waste material For, Plastic – 45 tons of waste HDPE Bags For, Sand – 52 tons of waste silica sands For, Dust -52 tons of waste dust Total waste material recycled: 150 tons used in Bricks & Pavers Revenue generated: ₹ 264000 a s waste to wealth (₹ 5x 52800 = ₹ 264000 saved.)	---	approx. 150 tonnes of waste reused, 50000 bricks & block made, amounting to ₹ 250000
7	Reuse of Foundry Sand in Cement Kiln - Co-processing Waste generation is an inadvertent outcome of foundry operations, so it becomes necessary to deal with its repercussions. Discarded moulding sand from the foundries is a solid waste and a by-product of the production process. We have signed an MOU with Ambuja Cement Limited (Adani Group Co.) to provide a sustainable business solution for the sand waste generated. The waste discarded sand is used in cement kiln technology (co-processing) in a manner that ensures regulatory compliance, clubbed with the highest standards in OH&S. Ambuja cement is consuming waste generated by AIA's safely in its cement kilns at the plant located at Kodinar, Dist. Gir Somnath, Gujarat. Sustainable waste Disposal & Certificate: For each consignment of waste co-processed at Ambuja Cement /Geocycle, they provide a certificate of disposal mentioning the quantity of waste consumed by them. Total: 14457 Ton waste sand from foundry was used for Co- Processing at Ambuja Cement Limited	---	Total: 14457 tonnes of waste sand from foundry was used for Co- Processing at Ambuja Cement Limited
8	Slag Processing Unit - Slag is reprocessed in our captive slag processing plant for metal recovery and recovered metal is reused as raw material in foundry operations. Total 7863 tonnes of slag were processed in Slag Processing Plant and total 900 tonnes of metal was recovered, which was reused in our plant for casting production.	---	Total 7863 tonnes of slag were processed in Slag Processing Plant and total 900 tonnes of metal was recovered, which was reused in our plant for casting production.
9	Energy Reduction Initiatives in F.Y. 2022-23 1. Effective usages of machine leading to energy savings : 116820 Unit saved (KWh/Annum), 2. Technology up gradation leading to energy savings : 971672 Total unit saved (KWh) 3. Improved temperature & pressures settings in coil cooling pump & compressor : 176400	---	Total unit saved per annum (KWh) 1264892
10	Carbon reduction: Initiative in carbon reduction by using the innovative heater less Vaporiser in LPG installation	---	Estimated accumulated carbon offset is 221 MT of CO_2 per year.

LI-7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.- Yes, an onsite emergency plan is prepared with the primary aim to protect all employees, persons in the vicinity and Company property, against fire, explosion or other major accidents that might occur due to natural or man-made disaster. The success of this plan depends largely on each individual carrying out his designated duties effectively and promptly. Considering the number of employees, material, process, and availability of resources, location of the site, and the plan is prepared. Objectives of the emergency planning are as follows:

(a) To define and to assess emergencies, including risk and environmental impact assessment.

(b) To prevent the emergency turning into a disaster.

(c) To safeguard employees and people in vicinity.

(d) To minimise damage to property or/and the environment.

(e) To inform employees, the general public and the authority about the hazards/risks assessed, safeguards provided, residual risk if any and the role to be played by them in the event of emergency.

(f) To be ready for 'Mutual Aid' if need arises to help neighbouring unit.

(g) To inform authorities and mutual-aid centre to come for help.

(h) Effective rescue and treatment of casualties.

(i) To identify and list any dead injury.

(j) To inform and help relatives.

(k) To secure the safe rehabilitation of affected areas and to restore normalcy.

(l) To provide authoritative information to the new media.

(m) To preserve records, equipment etc. and to organise investigation into the cause of the emergency and preventive measures to stop its reoccurrence.

(n) To ensure safety of the works before personnel re-enter and resume work.

(o) To work out a plan with all provisions to handle emergencies and to provide for emergency preparedness and the periodical rehearsal of the plan. For Example: Disaster Management Plan for Information Technology (IT): Current global environment is having severe threat to cyber security in different nature like Ransomware, Hacking, Malware, Spoofin etc. The Company has carried out various mitigation programmes but development of various other techniques of threat to cyber security would always be a concern. However, it would not be possible to fully secure the system with limitation of knowledge about new viruses and techniques of breach of cyber security. The Company mitigates the risk to possible extent. The Company has set up disaster recovery mechanism so it is possible to divert the traffic on disaster recovery server (Secondary server) and our operation will not be disturbed. Every quarter, the IT team conducts a DR drill, and the results are satisfactory.

LI-8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.- No significant adverse effect was observed.

LI-9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.- Value chain partners are yet to be assessed.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/ associations.- 5

EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	FICCI	National
2	CII	National
3	GCCI	State
4	EEPC	National
5	MIDC	State
6	0	0
7	0	0
8	0	0
9	0	0
10	0	0

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No issues related to anti-competitive conduct by the entity	Not Applicable	Not Applicable

Leadership Indicators

LI-1. Details of public policy positions advocated by the entity:

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
No	No	No	No	No

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Remarks: NIL

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In `)
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Remarks: NOT APPLICABLE

EI-3. Describe the mechanisms to receive and redress grievances of the community.- Grievances are addressed by Unit HR representative in consultation with the Cluster Head and any other concerned Head.

EI-4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	23	25
Sourced directly from within the district and neighbouring districts	54	56

Leadership Indicators

LI-1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

S. No.	Details of negative social impact identified	Corrective action taken
1	Not Applicable	Not Applicable

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (₹ In)
1	Not Applicable	Not Applicable	Not Applicable

Remarks: NO CSR PROJECTS

LI-3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)- No

LI-3. b. From which marginalised /vulnerable groups do you procure?- Not Applicable

LI-3. c. What percentage of total procurement (by value) does it constitute?- Not Applicable

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	Not Applicable	Not Applicable	Not Applicable

LI-6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Eradicating hunger, poverty and malnutrition	Not Ascertainable	100
2	Promoting healthcare including preventing health care	Not Ascertainable	100
3	Promoting education	Not Ascertainable	100
4	Protection of Heritage, art and culture	Not Ascertainable	Not Ascertainable - As everyone can take benefit from the activities
5	Protection of environment and Animal Welfare	Not Ascertainable	For all, so not ascertainable
6	Contributions to Indian Institute of Technology (IITs)	Not Ascertainable	Not ascertainable

Remarks: Company is carrying out only CSR activities. There is no CSR Project of the Company.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.- Customer Feedback Management Continuous and ongoing feedback from customers is used to align with the requirements of the customers. We have a process in place for handling customer complaints related to products and services. A complaint is normally received by the concerned field engineer, who forwards it to Controller QA for further investigation. Wherever practicable, samples are collected and analysed to understand the reasons for failure. For all serious and not serious complaints, a root cause analysis is carried out and appropriate corrective actions are taken. All complaints are resolved to the satisfaction of customers and the same is communicated to the customer through field engineers. Measuring Customer Satisfaction, We have a system for monitoring information relating to customer perceptions of the products. Feedback is obtained from customers to represent the spectrum of activities. The attributes assessed are delivery, performance of the product, and after-sales service. The performance is graded on a scale of 1 to 4. Based on feedback received, the Customer Satisfaction Index (CSI) is worked out every year based on the weighted average method. In the reporting year, the CSI score was 97%.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

EI-3. Number of consumer complaints in respect of the following:

	2022-23			2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.- Yes, separate copies of a framework/ policy on cyber security and risks is titled as AIAIT_Network_Management_Policy_01.pdf

EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.- Not Applicable

Leadership Indicators

LI-1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).- Information is available on our website - https://aiaengineering.com/

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.- The products are not harmful. However, if required, the SDS (Safety Data Sheet) is shared with consumers along with the consignment.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.- Through E-Mail and communication by field engineers.

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)- Our product packaging displays basic customer requisite information like dimension, weight etc., Since our product is a mechanical component like grinding media in ball form and other alloy mill casting are metallic articles, they do not present a hazard in their original form, thus, it does not require special handling and storage requirements. Although we provide SDS (Safety Data Sheet) with consignment to the customers. Yes. We conduct customer satisfaction surveys.

LI-5. Provide the following information relating to data breaches: a. Number of instances of data breaches along-with impact- Nil.

LI-5. Provide the following information relating to data breaches: b. Percentage of data breaches involving personally identifiable information of customers- Nil.

Board of Directors

Mr. Rajendra S. Shah (Chairman)

- Mechanical engineer and industrialist with experience in finance and administration
- Chairman and Whole Time Director of Harsha Engineers International Limited

Committees Associated with:

Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee

Mr. Bhadresh K. Shah (Managing Director & Promoter)

- B. Tech Graduate in Metallurgy from the Indian Institute of Technology, Kanpur
- Over 52 years of experience in manufacturing and design of high chrome castings
- Focus on manufacturing process improvements, new product development, and adherence to international manufacturing standards

Committees Associated with:

Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee

Mr. Rajan Ramkrishna Harivallabhdas (Independent Director)

- Bachelor's degree in Commerce and Master of Business Administration
- Experienced in textile, engineering, and chemical sectors
- Former Chairman and Managing Director of HK Finechem Limited

Committees Associated with:

Audit Committee

Mr. Yashwant M. Patel (Whole Time Director)

- Bachelors of Science in Chemistry
- Extensive experience in production, administration, human resources, and accounting

Committees Associated with:

Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship Committee

Mrs. Khushali S. Solanki (Non-Executive, Non-Independent Director)

- Diploma in Hotel Management
- Wide range of experience in administration, marketing, and accounting

Committees Associated with:

Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee

Mrs. Bhumika S. Shodhan (Non-Executive, Non-Independent Director)

- Bachelor's degree in Fashion Designing
- Diverse background in production, management, and administration

Committees Associated with:

Corporate Social Responsibility Committee, Risk Management Committee

Mr. Sanjay S. Majmudar (Independent Director)

- Bachelor's in Commerce, FCA & ACS
- Expertise in corporate law, tax law, financial advisory services, and mergers and acquisitions

Committees Associated with:

Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee

Mr. Dileep C. Choksi (Independent Director)

- B. Com, LLB, FCA and Grad. CWA
- Over 42 years of expertise as a leading Chartered Accountant and trained Lawyer
- Specialisation in tax planning, corporate restructuring, and start-ups

Mrs. Janaki U. Shah (Additional Director, Independent)

- Bachelor of Arts in Economics
- Over 24 years of expertise in textile manufacturing and computer education

BOARD'S REPORT

The Members,
AIA Engineering Limited
Ahmedabad

Your Directors take pleasure in submitting the 33rd Annual Report and the Audited Annual Accounts of the Company for the year ended 31 March, 2023.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from Operations	3,97,430.88	3,02,949.05	4,83,802.48	3,51,446.75
Other Operating Income	7,045.47	5,207.98	7,074.39	5,207.98
Total Revenue from Operations	**4,04,476.35**	**3,08,157.03**	**4,90,876.87**	**3,56,654.73**
Other Income	**32,273.96**	**26,968.81**	**23,453.94**	**15,629.01**
Total Income	**4,36,750.31**	**3,35,125.84**	**5,14,330.81**	**3,72,283.74**
Profit before Finance Cost, Depreciation & Amortisation and Tax Expenses	1,37,669.05	84,591.86	1,47,518.02	87,723.52
Finance Cost	1,845.36	363.24	2,010.39	385.04
Depreciation & Amortisation	9,115.33	8,983.90	9,304.01	9,211.63
Profit Before Tax	**1,26,708.36**	**75,244.72**	**1,36,203.62**	**78,126.85**
(i) Provision for Taxation (Current)	29,319.93	16,657.86	30,412.63	16,886.01
(ii) Deferred Tax	505.87	136.33	140.96	(720.96)
Total Tax (i+ii)	**29,825.80**	**16,794.19**	**30,553.59**	**16,165.05**
Profit After Tax	**96,882.56**	**58,450.53**	**1,05,650.03**	**61,961.80**
Non-Controlling Interest	-	-	57.14	(6.29)
Net Profit after Non-Controlling Interest	**96,882.56**	**58,450.53**	**1,05,592.89**	**61,968.09**
Other Comprehensive Income/(Loss)(Net of Tax) (After Minority Interest)	(581.34)	84.66	(3,487.78)	(2,423.57)
Total Comprehensive Income after Non-Controlling Interest	**96,301.22**	**58,535.19**	**1,02,105.11**	**59,544.52**

Standalone Operating Results:

During the year under review, the Revenue from Operations of the Company is ₹ 4,04,476.35 Lakhs as compared to ₹ 3,08,157.03 Lakhs in the previous Financial Year. Exports Turnover registered in the same period is ₹ 2,75,384.06 Lakhs as against the Export Turnover of ₹ 2,35,241.37 Lakhs in the previous Financial Year.

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹ 1,26,708.36 Lakhs and Profit After Tax (PAT) of ₹ 96,882.56 Lakhs as compared to PBT of ₹ 75,244.72 Lakhs and PAT of ₹ 58,450.53 Lakhs respectively in the previous Financial Year.

Consolidated Operating Results:

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries) has earned Revenue from Operations of ₹ 4,90,876.87 Lakhs as compared to ₹ 3,56,654.73 Lakhs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 1,05,592.89 Lakhs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹ 61,968.09 Lakhs in the previous Financial Year.

2. DIVIDEND:

The Board of Directors is pleased to recommend a Dividend of ₹ 16/- (800%) per Equity Share of the face value of ₹ 2/- each amounting to ₹ 15,091.26 Lakhs for the Financial Year 2022-23.

The Dividend, if declared/approved by the Shareholders at the ensuing Annual General Meeting, will be paid to those Shareholders, whose names stand registered in the Register of Members as on 12 September, 2023. In respect of shares held in dematerialised form, it will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners.

3. SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on 31 March, 2023 is ₹ 1,886.41 Lakhs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock option or sweat equity.

4. FINANCE:

Cash and cash equivalents as at 31 March, 2023 were ₹ 30,747.67 Lakhs. The Company continues to focus on judicious management of its Working Capital, Receivables, Inventories, while other Working Capital parameters were kept under strict check through continuous monitoring.

Capital Expenditure Outlay:

During the year under review, the Company has incurred Capex of ₹ 19,478.41 Lakhs (including work-in-progress).

Deposits:

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments:

During the year under review, Company has provided secured Inter Corporate Deposit of ₹ 125.00 Crores to SAL Steel Limted. The Company has not provided any Guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The details of Investments made by the Company are given in the Notes to the Financial Statements.

Internal Financial Control and Audit:

The Company has in place adequate Internal Financial Controls (IFC) with reference to the Financial Statements. The Statutory Auditors of the Company have audited such controls with reference to the Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under the Standalone Financial Statements and the Consolidated Financial Statements which forms part of the Integrated Annual Report.

The Board reviews the effectiveness of controls documented as part of IFC Framework and take necessary corrective actions wherever weaknesses are identified as a result of such review. This review covers entity level controls, process level controls, fraud risk controls and information technology environment.

Based on this evaluation, no significant events had come to notice during the year that have materially affected or are reasonably likely to materiality affect our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

Related Party Transactions:

All the Related Party Transactions entered during the financial year were on an Arm's Length basis and were in the Ordinary Course of Business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel (KMP) which may have a potential conflict with the interest of the Company at large.

Prior Omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were placed before the Audit Committee and the Board of Directors for their approval on quarterly basis. The details of Related Party Transactions entered by the Company are disclosed in Form AOC-2 – as per Annexure **"A"**.

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz. https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Related-Party-Transaction.pdf.

Credit Rating:

CRISIL has reaffirmed both the Long Term and Short Term rating of the Company as CRISIL AA+/Stable and CRISIL A1+ respectively.

Dun & Bradstreet Information India Private Limited (D&B) has evaluated the Company during September, 2022 and reassigned a Dun Bradstreet Rating of 5A I, which indicates that overall status of the Company is "Strong".

5. HUMAN RESOURCES:

Human capital is the backbone of any organisation, and it is no different for our company. We understand and acknowledge that the success and growth of our organisation depend on the proper utilisation of the skills and capabilities of our human resources. Therefore, we believe in creating an environment that fosters active employee participation and encourages the team to share their ideas and thoughts.

We also recognise that managing and maintaining our human asset is as important as any other asset. That is why we are always looking for the most updated tools and techniques for human resource management. We collaborate with the best agencies and consultants in this field, who help us in getting the best talent as well as in designing our approach towards employee development.

Continuous improvement and skill enhancement have always been integral to our company's philosophy. We consistently encourage our team to pursue professional development opportunities. Whether it is technical training, managerial training, or behavioral training, we organise regular workshops and programmes to provide a well-rounded learning experience. With a view to give this more impetus, we have created a dedicated training and development cell which continuously organises various types of training across the organisation at all levels. Our focus on continuous learning has enabled us to achieve significant skill enhancements in our team members over a period of time.

Health and safety of our employees has always been of paramount importance. Mental health is as important as physical health, and hence, for the overall well-being of our team members, we regularly organise yoga and meditation sessions conducted by experts in the field.

We also believe in managing the employee lifecycle in a very scientific manner. Right from the on-boarding process to induction to training, further skill development, offering career roadmaps and succession planning – all of this is very meticulously designed and structured. Our appraisal system is also entirely based on the assessment of performance and potential of the individual and hence is highly objective and result oriented.

We continuously seek to improve our HR practices and work with the best global consultants and agencies for talent acquisition, creating organisation structure, and for other HR activities. While maintaining the basic fabric and deep-rooted philosophy of the organisation, we have continuously embraced new innovative ways to bring in more efficiency and effectiveness in the system. We have a great blend of youth and experience in our talent pool which is well equipped to facilitate and accelerate our growth trajectory.

6. MATERIAL CHANGES, TRANSACTIONS AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of Financial Year on March 31, 2023 to which the Financial Statements relates and the date of this Report.

7. BUSINESS PROSPECTS:

Company's prospects are linked to activity in basic industries of Mining, Cement and Thermal Power generation.

Company's focus is to provide comprehensive solutions which are aimed at not only reducing the cost of consumable wear parts which are used in the process of grinding and crushing in the above industries through reduced wear rates but also to focus on reducing the overall cost of ownership in the hands of the customer by increasing the grinding efficiency, increasing the throughputs and reducing other operating expenses by customising tailor made solutions to suit the requirement of a given customer.

In Cement Industry, since the entire Cement Industry has largely converted into High Chrome Mill Internals use, Company's growth is linked mainly to the overall growth of the Industry and also to gaining higher market share. Further, the cost of consumable wear parts in Cement Industry is in the region of around 1% to 2% of the total cement production cost and the size of the industry is also relatively smaller at around 3 Lakhs MT (around 1.80 Lakhs MT ex-China). Ex-China (where the grinding media requirements are largely serviced by local Chinese players who are operating on different business dynamics) the Company today enjoys around 35% market share having presence in more than 125 countries. In India, Company continues to enjoy a dominant market share of over 95% consistently since it became an independent entity. Company continues to enjoy a dominant position in this industry and is confident of maintaining this position going forward.

Major growth driver for Company continues to be the huge conversion opportunity available in the Mining Industry space. As elaborated under the Industry Section of Management Discussion and Analysis, the addressable market opportunity is around 2 – 2.5 million tons for the three ores on which the Company is focused upon viz. Gold, Copper and Iron Ore. The level of penetration of High Chrome Grinding Media is limited in the range of 20%-25%, which offers a significant opportunity for growth through conversion of the Mines from Forged Grinding Media to High Chrome Grinding Media.

Further, in addition to Grinding Media as the main product supplied to the Mining Industry, Company is also very bullish on the prospects for growth in the Mill Liner Segment where the Company is manufacturing and supplying Metal Liners based on unique patented Mill Liner design licensed by the Company, which helps the Company in offering multiple advantages including improved throughputs and reduced power costs.

Company is addressing the mining opportunity of conversion through a combination of solutions based on the requirement of a mining customer. This includes cost savings through lower wear rates and lower consumptions owing to the High Chrome advantage; Down process related benefits in the form of reduction in the cost of other expensive reagents/improvement of recoveries by use of High Chrome Grinding Media; and lastly unique Mill Lining solutions having the effect of increasing the throughput and reduction in the power cost. Company is also offering unique Mill Liners to the mining market and widening its wallet share and value addition with customers. Company's dedicated greenfield Mining Liner plant has been commissioned in Quarter 2 of F.Y. 2022-23 is helping the Company in taking incremental market share in this segment, as well as offer higher cross selling opportunities for Grinding Media.

While the Company was fully geared to address the huge opportunity available for growth in Mining Segment, the progress was stifled during F.Y. 2020-21 and also for a large part of the F.Y. 2021-22 predominantly owing to the fact that our sales and business development teams could not travel due to Covid related restrictions and further there were also multiple headwinds in the form of highly volatile and continuously increasing shipping rates and supply chain challenges. However, in spite of all these challenges the Company was in a position to maintain its supplies to all its key customers and also show a respectable growth in F.Y. 2021-22 considering the fact that there was in fact a volume de-growth in F.Y. 2021-22 due to loss of sales in Canada and South Africa due to anti-dumping/trade barriers imposed in these geographies, which were compensated by new business conversions.

However, in F.Y. 2022-23 with normalcy having returned in major relevant markets, Company has once again resumed the process of new customer acquisitions, resulting into an increase in the sales volumes in F.Y. 2022-23. Further, the Company is quite confident to deliver an incremental volume growth of at least 25,000 tons to 30,000 tons year over year, which would be largely coming from the Mining Segment.

Going forward, Company continues to build on its competencies to offer material value addition to its customers in form of increase in throughput, increase in yield of Gold and Copper Ores and reduction in operating costs in terms of wear costs, power costs and reagent consumption. This value addition is offered by continuous and direct engagement with operations personnel at plants in different countries and ensuring that a custom designed solution is offered to meet their specific objectives and engage with them on a continuous improvement journey to measure and ensure the benefits accrue over the lifetime of our solution.

A continued volatility in the prices of major raw materials viz. Scrap and Ferro Chromium is now becoming a rule rather than exception. Thus, in F.Y. 2022-23 at least for first half the Ferro Chromium prices continued to rise whereas in the third quarter there was a dip while again in the fourth quarter the prices started rising. However, the Company has demonstrated its ability of passing over this increase cost of raw materials consistently year over year over a lag of anywhere between 3 and 6 months. Again in the past we have also demonstrated our ability to pass over the increase in the freight rates. This also demonstrates the resilience of our business model.

The Company is extremely confident of the long term prospects of sustained growth through new customer acquisitions in the Mining Segment. Further, while the Company continues to face competition from one dominant global player in High Chrome Segment and also a few more players in the Mill Lining Segment, it believes that it has certain distinct competitive advantages given its unique product offerings coupled with highly efficient plants in India, duly supported by a strong global sales force and support infrastructure in the form of Company's global offices and warehouse infrastructure and continued developmental efforts aimed at making its solutions very potent – all these factors are giving the Company the confidence that it should emerge as a dominant supplier of Mill Internals in the Mining space as well.

Company continues to maintain its position of dominance as a supplier of large castings to the Thermal Power Plant Industry in India. Although this is relatively a smaller business, it is still an important business for it and the Company is also confident of maintaining a dominant position in this industry which is largely confined to the domestic market only.

8. FUTURE EXPANSION:

The Company's current capacity stands at 4,40,000 MT Per Annum, after considering the implementation of the recently commissioned Greenfield facility at Kerala GIDC near Ahmedabad to manufacture 50,000 MT of Mill Linings.

The Company is also in the process of implementing the second phase of Grinding Media Greenfield expansion project with a capacity of 80,000 MT at Kerala GIDC near Ahmedabad and expected to come in production by December 2024, at an estimated Capex of ₹ 250 Crores.

The Company has a plant cluster in Odhav in Ahmedabad primarily for production of parts other than grinding media. For this cluster, Company has now undertaken a one-time upgradation project which will include some capacity de-bottlenecking and restructuring, creation of warehouse space, pattern storage facilities and related infrastructure investment at an estimated cost of ₹ 200 Crores. While the project will continue in phases over next 2 years but will see capacity addition of 20,000 MT of castings by December 2024.

The Company further plans to invest in Renewable Energy Projects (including Solar and Wind) by investing ₹ 60.00 Crores in the F.Y. 2023-24.

The Company plans to fund all the above Capex from its internal cash accruals.

9. SUBSIDIARY COMPANIES/ASSOCIATE COMPANY:

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a Statement containing salient features of Financial Statement of Subsidiary Companies in Form AOC 1 is given as Annexure "**B**".

The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary Companies.

The separate Audited Financial statements in respect of each of the Subsidiary Companies are also available on the website of your Company at https://aiaengineering.com/investor/.

During the year under review, Company has acquired 26% of Paid-up Equity Share Capital i.e. 24,478 Equity Shares of ₹ 10 each of Clean Max Meridius Private Limited under Captive Power Purchase Policy and because of that the later became an Associate Company of the Company with effect from 21 December, 2022.

10. INSURANCE:

The Company has taken adequate insurance coverage of all its Assets and Inventories against various types of risks viz. fire, floods, earthquake, cyclone, etc.

11. INDUSTRIAL RELATIONS (IR):

The Company continues to maintain harmonious industrial relations. Company periodically reviews its HR policies and procedures to aid and improve the living standards of its employees, and to keep them motivated and involved with the larger interests of the organisation. The Company has systems and procedures in place to hear and resolve employees' grievances in a timely manner, and provides avenues to its employees for their all-round development on professional and personal levels. All these measures aid employee satisfaction and involvement, resulting in good Industrial Relations.

12. CORPORATE GOVERNANCE:

In line with the Company's commitment to good Corporate Governance Practices, your Company has complied with all the mandatory provisions of Corporate Governance as prescribed in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations").

A separate Report on Corporate Governance and Practicing Company Secretary's Report thereon is included as a part of the Annual Report.

13. MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

MDA covering details of Operations, International Markets, Research and Development, Opportunities and Threats etc. for the year under review is given as a separate Statement, which forms part of this Annual Report.

14. RISK MANAGEMENT:

In compliance with the provisions of Regulation 21 of SEBI LODR Regulations, the Board of Directors has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. Corporate Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a well-defined Risk Management framework to identify, monitor and minimising/mitigating risks.

The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy.

The key elements of the framework include:

- Risk Structure;
- Risk Portfolio;
- Risk Measuring & Monitoring and
- Risk Optimising.

The implementation of the framework is supported through criteria for Risk assessment, Risk forms & MIS.

15. POLICES:

(a) Vigil Mechanism / Whistle Blower Policy:

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy through which the Company encourages employees to bring to the attention of Senior Management including Audit and Risk Management Committee, any unethical behavior and improper practice and wrongful conduct taking place in the Company. The brief details of such vigil mechanism forms part of the Corporate Governance Report.

(b) Policy on protection of Women against Sexual Harassment at Workplace:

In line with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a policy for the same. The brief details of the said policy form part of the Corporate Governance Report of this Annual Report. The Company has not received any complaint during the F.Y. 2022-23 in this regard.

(c) Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

In Compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has revised Model Code of Conduct of Insider Trading Regulations from time to time. The Company adopted the Code of Conduct to regulate, monitor and report trading by Designated Person(s) in order to protect the Investor's Interest. The details of the said Code of Conduct forms part of the Corporate Governance Report.

(d) Policy for Business Responsibility and Sustainability Report:

In pursuance of Regulation 34 of SEBI LODR Regulations, top 1000 companies based on market capitalisation (calculated as on March 31 of every financial year) are required to prepare and enclose with its Annual Report, a Business Responsibility and Sustainability Report describing the initiatives taken by them from an environmental, social and governance perspectives. A separate report on Business Responsibility and Sustainability Report is annexed herewith as Annexure "**C**".

(e) Dividend Distribution Policy:

The Board of Directors had approved the Dividend Distribution Policy in line with SEBI LODR Regulations. The Policy is hosted on website of the Company at https://aiaengineering.com/wp-content/uploads/2023/06/Dividend-Distribution-Policy.pdf.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

(a) Board of Directors and KMP :

The Board of Directors of the Company is led by the Independent – Non Executive Chairman and comprises eight other Directors as on 31 March, 2023, including one Managing Director, one Whole-Time Director, four Independent Directors (including one Woman Independent Director) and two Non-Executive Directors (other than Independent Directors).

All the Independent Directors of the Company have furnished declarations that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

Considering the integrity, expertise and experience (including the proficiency), the Board of Directors recommends the reappointment of Mr. Yashwant M. Patel (DIN: 02103312), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

As required under SEBI LODR Regulations amended from time to time, the information on the particulars of the Director proposed for re-appointment has been given in the Notice of the Annual General Meeting.

(b) Meetings:

During the year under review, Four Board Meetings and Five Audit Committee Meetings were convened and held. The detail of composition of Audit Committee is as under:-

Mr. Sanjay S. Majmudar, Chairman
Mr. Rajendra S. Shah, Member
Mr. Bhadresh K. Shah, Member
Mr. Rajan R. Harivallabhdas, Member

All recommendations made by the Audit Committee during the year were accepted by the Board.

The details of Composition of all the Committees and dates of the meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

(c) Committees of the Board of Directors:

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31 March, 2023.

(i) Audit Committee
(ii) Stakeholders Relationship Committee
(iii) Nomination and Remuneration Committee
(iv) Corporate Social Responsibility Committee
(v) Risk Management Committee

The details with respect to the aforesaid Committees are given in the Corporate Governance Report.

(d) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

(e) Familiarisation Programme for Independent Directors:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their Appointment Letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarisation programmes for Independent Directors is posted on the website of the Company and can be accessed at https://aiaengineering.com/wp-content/uploads/2023/05/Independent-Director-Familiarization-Program-2022-23.pdf .

(f) Nomination and Remuneration Policy:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report which is a Part of the Board's Report. The detailed Policy is placed on the website of the Company at https://aiaengineering.com/wp-content/uploads/2023/06/Nomination-Remuneration-Policy.pdf.

(g) Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, which states that—

i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the Annual Accounts on a going concern basis;

v. the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. AUDITORS:

Statutory Auditors:

BSR & Co. LLP, Chartered Accountants (Firm Registration 101248W/W-100022) were re-appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 07 May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the Financial Statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Internal Auditors:

The Board of Directors at the recommendations of the Audit Committee appointed Talati & Talati LLP, Chartered Accountants as Internal Auditors of the Company and ADCS & Associates, Chartered Accountants as Internal Auditors for its Nagpur Unit for the Financial Year 2023-24.

Cost Auditors:

The Cost Auditors has filed with Ministry of Corporate Affairs the Cost Audit Report for the Financial Year ended 31 March, 2022 on 24 August, 2022.

The Board of Directors on the recommendation of the Audit Committee has re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the Financial Year 2023-24. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly, a resolution seeking member's ratification to the remuneration payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 33rd Annual General Meeting.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed, Mr. Tushar M. Vora, Practicing Company Secretary (FCS-3459, C.P. No. 1745), Ahmedabad to conduct a Secretarial Audit of the Company's Secretarial and related records for the year ended 31 March, 2023.

The Report on the Secretarial Audit for the year ended 31 March, 2023 is annexed herewith as Annexure "**D**" to this Board's Report. There were no qualification/ observations in the report.

18. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The additional information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith to this report.

19. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with relevant Indian Accounting Standards (Ind AS) viz. Ind AS-27, Ind AS-28 and Ind AS-110 issued by the Ministry of Corporate Affairs, form part of this Annual Report.

20. ANNUAL RETURN:

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company as on 31 March, 2023 is hosted on website of the Company at https://aiaengineering.com/wp-content/uploads/2023/08/Annual-Return.pdf.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the amount required to be spent on CSR activities during the year under review, is ₹ 1,289.32 Lakhs and the Company has spent ₹ 1,289.32 Lakhs during the Financial Year ended 31 March, 2023. The requisite details of CSR activities carried by the Company pursuant to Section 135 of the Companies Act, 2013 is annexed as Annexure **"E"**.

The composition and other details of the CSR Committee is included in the Corporate Governance Report which form part of the Board's Report.

22. PARTICULAURS OF EMPLOYEES:

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as Annexure **"F"**. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable as there was no employee falling under the criteria specified in aforesaid Rule 5(2) and 5(3).

23. ENVIRONMENT, HEALTH AND SAFETY:

Sustainability vision of Company is to create long-term value for all its stakeholders. Company has an ambition to create a zero-harm culture. It protects the safety and health of its workforce. Company's approach to Environment, Health and Safety is set out in standard policy guidelines, operating procedures and systems which are regularly reviewed and assured.

Wherever feasible, the Company is committed to conserve resources and to take advantage of opportunities for recycling. The holistic approach of the Company is applied to all environmental management including climate, renewable energy, water, waste management and biodiversity. Internally, the Company uses use the best available technology for occupational safety and environmental protection when making new investment in manufacturing facilities. Company contributes to the social and economic development of communities. Company recognizes its responsibility to respect human rights.

Manufacturing division of the Company have instituted internationally accepted Quality Management Systems based on ISO 9001: 2015. Grinding Media Foundries located at Moraiya and Kerala GIDC, Ahmedabad are certified with ISO 14001: 2015 Environmental Management System and ISO 45001 : 2018 Occupational Health and Safety (OH&S) management system.

Vision of your Company is to create shared value for all stakeholders. Priority of the Company is to maintain its commitment to operational excellence, social responsibility and environmental stewardship.

24. SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

25. ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's customers, vendors, bankers, auditors, investors and Government bodies during the year under review. Your Directors place on record their appreciation of the contributions made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board,

RAJENDRA S. SHAH
Chairman
(DIN: 00061922)

Place: Ahmedabad
Date: 25 May, 2023

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY:

1. Effective usages of Machines leading to energy savings of 1,16,820 Units.
2. Replace with the following :

   Technology up gradation as mentioned below leading to energy savings of 9,71,672 Units :-

   - Use of medium frequency Induction furnace for all our melting operations and closed-loop process ensures minimum loss of energy.
   - Direct Energy like Piped Natural Gas (PNG) & Liquid petroleum Gas (LPG) is used in the heat treatment process at all our foundry units. Company has also installed flue gas recuperates on all the gas (PNG) fired Heat Treatment Furnaces to improve furnace efficiency and recover heat from the flue gases, which is further used in preheating the combustion air supply to the burners.
3. Reduction of 20 units / ton of Liquid Metal in grinding media plant by efficient usage of furnaces was resulted in saving of 23,31,687 Units.
4. By improved temperature & pressures settings in coil cooling pump & compressor, Company saved 1,76,400 Units.

Renewable Energy:

The Company has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites which generated 24.3 MW of renewable energy. In F.Y. 2022-23, the Company was able to meet 17% of its total (group's all plants) electricity requirement through renewable energy sources. In addition, Company has recently added two Hybrid Projects (4.2 MW Windmill + 3.78 MWp Solar) at Village Dedan, Gujarat. Total installed capacity 28.8 MW Windmill & 3.78 MWp Solar of renewable energy.

(I) POWER & FUEL CONSUMPTION:

Particulars		For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Electricity			
a)	Purchased Units (In Lakhs)	3,550.92	3,522.12
	Total Amount (₹ Lakhs)	27,017.82	24,447.90
	Rate/Unit (₹)	7.61	6.94
b)	Own Generation		
	Through Diesel Generator Unit	1,82,945	1,77,254
	Unit per Litre of Diesel Oil	1.90	1.91
	Cost/Unit (₹)	49.33	46.76
c)	Through Steam Turbine/Generator Units		
	Units per Ltr. Of Fuel/Oil/Gas	NA	NA
	Cost/Unit (₹)	NA	NA
d)	Coal (Specify Quantity and where used)		
	Quantity (in Tons)	NA	NA
	Total Cost (₹)	NA	NA
	Average Rate(₹)	NA	NA
e)	Light Diesel Oil/c9		
	Quantity (in Ltrs)	5,11,143	5,64,013
	Total Amount (₹ Lakhs)	325.75	265.04
	Average Rate (₹)	63.73	46.99
f)	PNG Consumption		
	Quantity Unit (SCM)(In Lakhs)	98.87	121.60
	Total Cost (₹ Lakhs)	7,973.13	7,231.40
	Rate/Unit (₹)	80.64	59.47
g)	LPG Consumption		
	Quantity in Tons	2,095.73	--
	Total Amount (₹ Lakhs)	1,439.35	--
	Rate/Unit (₹)	68.80	--

(II) **CONSUMPTION PER UNIT OF PRODUCTION:**

(₹ in Lakhs)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Product:		
Casting Unit (Tonnes)	2,79,259.00	2,68,870.37
Electricity per Ton of Castings (Units)	1,272.20	1,310.63

B) TECHNOLOGY ABSORPTION:

RESEARCH & DEVELOPMENT (R. & D.)

a) Specific areas in which R & D carried out by the Company

- Development of new alloys for Grinding Media used in mining industry.
- Effect of using High Chrome Media in place of Steel Forged Balls on improvement in mineral recoveries.

b) Benefits derived as a result of the above R. & D.

- New alloys of Grinding Media are expected to be more cost effective at customer's end.
- Improvement in mineral recovery by replacing Forged Balls by High Chrome Media will add value at customer's end.

c) Future plans of action

Continue to introduce solutions which are cost effective and add value at customer's end.

d) Expenditure on R. & D.

1. Capital - Nil
2. Recurring - Nil
3. Total - Nil
4. Total R & D expenditure as percentage of total turnover - Nil

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation
   - Development of liners and other components used in mining industry in composite material of metal and rubber.
2. Benefits derived as a result of the above efforts
   - Liners and other components made in composite construction are much lesser in weight as compared to metal and offer many operational advantages to the customer like ease of installation, lesser noise, no weight restriction in modifying liner profile etc.
3. Imported technology

   Nil

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
i) Total Foreign Exchange used	42,528.10	47,799.09
ii) Total Foreign Exchange earned	2,75,419.99	2,35,278.39

For and on behalf of the Board,

RAJENDRA S. SHAH
Chairman
(DIN: 00061922)

Place: Ahmedabad
Date: 25 May, 2023

ANNEXURE-"A" TO BOARD'S REPORT

FORM NO.AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rules 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with the Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length transactions under third proviso thereto:

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

i)	Name (s) of the Related Party and nature of Relationship	None
ii)	Nature of contract/arrangement/transactions	
iii)	Duration of contract/arrangements/transactions	
iv)	Salient Terms of contract/arrangements/transactions including the value if any	
v)	Justification for entering into such contracts or arrangements or transactions	
vi)	Date(s) of approval by the Board	
vii)	Amount paid as Advances, if any	
viii)	Date on which the special resolution was passed in general meeting under first proviso to Section 188 of Companies Act, 2013	

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

i)	Name (s) of the Related Party and nature of Relationship	Vega Industries (Middle East) FZC, a Wholly-Owned Subsidiary of the Company	Welcast Steels Limited, a Subsidiary Company of the Company.
ii)	Nature of contract/ arrangement/ transactions	Distribution Agreement	Contract Manufacturing Agreement
iii)	Duration of contract / arrangements / transactions	Till the Agreement is mutually terminated	5 Years from 01 January, 2019
iv)	Salient Terms of contract/ arrangements/ transactions including the value if any	Vega Industries (Middle East) FZC is a Global Distributor for the operations of the Company in the international market including helping in developing and formulating the global market strategy, identifying and tracking the customers leads and converting the same into offers and firm orders, co-ordinating with the Company to ensure timely delivery of orders and also providing the support in relation to inventory and debtors management.	Welcast Steels Limited manufactures Grinding Media of different grades for AIA Engineering Limited ("AIA") according to the Purchase Orders placed by AIA from time to time as per the technical specifications and using the technical knowhow provided by the AIA.
v)	Justification for entering into such contracts or arrangements or transactions	In order to optimise the Company's sales outside India, Vega Industries (Middle East) FZC acts as Global Distributor of the Company.	The Contract Manufacturing Arrangement was entered to fully utilise the installed capacity of Welcast Steels Limited.
vi)	Date(s) of approval by the Board	Approval of the Board is not required under Section 188(1) of the Companies Act, 2013.	27 May, 2019
vii)	Amount paid as Advances, if any	NIL	NIL

For and on behalf of the Board,

RAJENDRA S. SHAH
Chairman
(DIN: 00061922)

Place: Ahmedabad
Date: 25 May, 2023

ANNEXURE-“B” TO BOARD'S REPORT

FORM NO.AOC-1

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013 and Rules 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / joint ventures

Part – “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

Name of the Subsidiary	Welcast Steels Limited - Ahmedabad	AIA CSR Foundation- Ahmedabad	Vega Industries (Middle East) FZC - UAE	Vega Industries Limited – UK	Vega Industries Limited – USA	Vega Steel Industries (RSA) (Pty) Limited - South Africa	Wuxi Vega Trade Co. Limited - China	PT Vega Industries Indonesia - Indonesia	VEGA Industries Chile SPA - Chile	AIA Ghana Limited- Ghana	VEGA Industries Australia Pty Limited - Australia
The date since when subsidiary was acquired	28 September, 2005	23 October, 2015	20 December, 2003	31 October, 2004	31 October, 2004	25 March, 2009	28 August, 2010	31 July, 2015	22 May, 2017	01 March, 2018	12 June, 2018
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of the Foreign Subsidiary.	INR	INR	USD	GBP	USD	ZAR	CNY	IDR	CLP	USD	AUD
			BS 82.1128	BS 101.5590	BS 82.1128	BS 4.6295	BS 11.9556	BS 0.0055	BS 0.1036	BS 82.1128	BS 55.0391
			PL 80.3072	PL 99.9427	PL 80.3072	PL 4.8834	PL 11.7251	PL 0.0054	PL 0.0916	PL 80.3072	PL 55.1695
Share Capital	63.84	1.00	266.84	10.25	41.05	0.014	246.31	164.21	87.03	821.05	0.06
Reserves & Surplus	3,467.26	-	27,750.04	1,239.50	2,000.92	21.74	(91.78)	(1,274.12)	(213.17)	(2,884.37)	627.04
Total Assets	4,620.57	610.80	1,45,259.98	1,429.89	36,991.97	1,372.15	1,375.11	9,021.01	6,567.14	15,491.87	22,715.17
Total Liabilities	1,089.47	609.80	1,23,262.41	221.08	34,949.80	1,350.40	1,220.56	10,131.03	6,693.29	17,555.39	22,088.01
Investments	1,705.24	-	6,022.01	41.05	-	-	-	-	-	-	-
Turnover	9,362.87	-	3,27,788.89	745.53	69,173.36	2,842.94	2,302.45	9,563.07	6,783.06	31,939.80	41,227.87
Profit Before Taxation	239.58	-	13,298.98	33.04	604.59	(34.51)	(106.22)	(1,109.65)	(64.90)	458.26	545.09
Provision for Taxation	(24.44)	-	-	7.38	148.10	2.00	0.05	-	-	748.57	163.53
Profit After Taxation	264.02	-	13,298.98	25.66	456.48	(36.51)	(106.26)	(1,109.65)	(64.90)	(290.31)	381.56
Proposed Dividend	15.95	-	-	-	-	-	-	-	-	-	-
% of Shareholding	74.85%	100%	100%	100% by Vega ME	100% by Vega UK	74.63% by Vega ME	100% by Vega ME	99% by Vega ME & 1% by AIA	100% by Vega ME	100% by Vega ME	100% by Vega ME

(a) Names of Subsidiaries which are yet to commence operations: NIL

(b) Names of Subsidiaries which have been liquidated or sold during the year: NIL

Part – "B": Associates & joint ventures

Name of Associates / Joint Ventures	Clean Max Meidius Private Limited
Latest Audited Balance Sheet Date	Not available as incorporated on 24 August, 2022
Shares of Associates / Joint Ventures held by the Company on the year end	
I. No.	24,478 Equity Shares
II. Amount of Investment in Associate / Joint Venture	₹ 396.25 Lakhs
III. Extend of holding %	26%
Description of how there is significant influence	As per Companies Act, 2013
Reason why the Associate / Joint Venture is not consolidated	AIA does not have any control in management
Net Worth attributable to Shareholding as per latest audited Balance Sheet	-
Profit / Loss for the year	
I. Considered in Consolidation	NA
II. Not considered in Consolidation	NA

(a) Names of Associates or Joint Ventures which are yet to commence operations : NIL

(b) Names of Associates or Joint Ventures which have been liquidated or sold during the year: NIL

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

BHADRESH K. SHAH
Managing Director
(DIN: 00058177)

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

VIREN K.THAKKAR
Chief Financial Officer

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

Place: Ahmedabad
Date: 25 May, 2023

Place: Ahmedabad
Date: 25 May, 2023

Annexure "C" - Business Responsibility and Sustainability Report (BRSR) (Refer to page number 23-67)

ANNEXURE-"D" TO BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

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

To,
The Members,
AIA Engineering Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AIA ENGINEERING LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion read with Annexure A forming part of this report, the Company has, during the audit period covering the financial year ended on 31 March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

  (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of

1. Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that having regard to the compliance system and process prevailing in the Company and on examination of the relevant documents and records thereof on test-check basis, the Company has complied with the provision of (1) Water (Prevention & Control of Pollution) Act 1974, (2) The Air (Prevention & Control of Pollution) Act 1981, (3) The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008, (4) Noise Pollution (Regulation & Control) Rules 2000 as are specifically applicable to the Company.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

b) Adequate notice is given at least seven days in advance to all directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through while the dissenting members' views are captured and recorded, wherever applicable, as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period**,** the following major events took place having bearing on the Company's affairs:

1. Shareholders' approval by way of Ordinary Resolution has been obtained for re-appointment of M/s. B S R & Co. LLP, Chartered Accountants, Ahmedabad having ICAI Firm Registration No. 101248W/W-100022 as Statutory Auditors of the Company to hold office from the conclusion of 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company.
2. Shareholders' approval by way of Special Resolution has been obtained for re-appointment of Mr. Yashwant M. Patel (DIN - 02103312) as the Whole-Time Director of the Company for a period of 5 years with effect from 01 April, 2022.
3. Shareholders' approval by way of Ordinary Resolution has been obtained for material related party transactions with Welcast Steels Limited (WSL), a Subsidiary of the Company pursuant to the provisions of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations for the financial year 2022-23.

For **TUSHAR VORA & ASSOCIATES**
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459; C P No.: 1745
P R No.: 1200/2021
UDIN: F003459E000376370

Place: Ahmedabad
Date: 25 May, 2023

"Annexure A to Secretarial Audit Report"

To
The Members
AIA Engineering Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification as done on test basis is to reasonably ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. In respect of Laws, Rules and Regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards and its proper and adequate presentation and submission in prescribed formats is the responsibility of management. Our examination was limited to the verification of procedures on test basis and not its one to one contents.
6. The Secretarial Audit report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **TUSHAR VORA & ASSOCIATES**
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459; C P No.: 1745
P R No.: 1200/2021
UDIN: F003459E000376370

Place: Ahmedabad
Date: 25 May, 2023

ANNEXURE-"E" TO BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:
   Company's vision on CSR is to enhance the quality of life and the economic wellbeing of communities around our operations.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Bhadresh K. Shah - Chairman	Managing Director	4	4
2.	Mr. Yashwant M. Patel	Whole-Time Director	4	4
3.	Mr. Sanjay S. Majmudar	Independent Director	4	4
4.	Mr. Rajendra S. Shah	Independent Director	4	4
5.	Mrs. Khushali S. Solanki	Non – Independent Director	4	2
6.	Mrs. Bhumika S. Shodhan	Non – Independent Director	4	4

3. Web-link where the composition of CSR Committee, CSR Policy approved by the Board are disclosed on website of the Company

Web-link where the composition of CSR Committee on the website of the Company	https://aiaengineering.com/board-of-directors/
Web-link where the CSR Policy on the website of the Company	https://aiaengineering.com/wp-content/uploads/2023/06/CSR-Policy.pdf

4. Provide the executive summary alongwith web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule (8) , if applicable : NOT APPLICABLE

5. a. Average Net Profit of the Company as per Section 135(5) : ₹ 64,465.76 Lakhs
   b. Two percent of average Net Profit of the Company as per Section 135 (5) : ₹ 1,289.32 Lakhs
   c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
   d. Amount required to be set off for the Financial Year, if any : NIL
   e. Total CSR obligation for the Financial Year: ₹ 1,289.32 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project): ₹ 1,289.32 Lakhs.
   (b) Amount spent in Administrative Overheads: NIL
   (c) Amount spent on Impact Assessment, if applicable: Not Appliable
   (d) Total amount spent for the Financial Year (a+b+c): ₹ 1,289.32 Lakhs
   (e) CSR amount spent or unspent for the Financial Year

Total amount spent for the F. Y. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
1,289.32	NOT APPLICABLE		NOT APPLICABLE		

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

Sr. No.	Particulars	Amount ₹ in Lakhs
i.	Two percent of average net profit of the Company as per Section 135(5)	₹ 1,289.32 Lakhs
ii.	Total amount spent for the Financial Year	₹ 1,289.32 Lakhs
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under Sub-Section (6) of Section 135 (in₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (In ₹)	Date of Transfer		
1.	2019-20	NOT APPLICABLE						
2	2020-21	-	-	-	0.50	14.09.2021	-	-
3	2021-22	-	-	-	12.12	28.05.2022	-	-

8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount in the Financial Year

☐ Yes ☑ No

If yes, enter the number of capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number if Applicable	Name	Registered Address
NOT APPLICABLE							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Sub-Section (5) of Section 135: Not Applicable

For and on behalf of the Board

BHADRESH K. SHAH
Managing Director and
Chairman – CSR Committee
(DIN: 00058177)

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

Place: Ahmedabad
Date: 25 May, 2023

ANNEXURE-“F” TO BOARD'S REPORT

Particulars of Remuneration as per Section 197 (12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

1) The ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year;

Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees
Mr. Bhadresh K. Shah	23.80
Mr. Yashwant M. Patel	6.49
Mr. Rajendra S. Shah	0.37
Mr. Sanjay S. Majmudar	5.09
Mr. Rajan Harivallabhdas	0.37
Mr. Dileep C. Choksi	0.21
Mrs. Khushali S. Solanki	3.96
Mrs. Bhumika S. Shodhan	0.21
Mrs. Janaki Udayan Shah	0.21

2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year;

Name of the Director, CFO and Company Secretary	% increase in remuneration in the Financial Year
Mr. Bhadresh K. Shah	15.88
Mr. Yashwant M. Patel	--
Mr. Rajendra S. Shah	--
Mr. Sanjay S. Majmudar	--
Mr. Rajan Harivallabhdas	--
Mr. Dileep C. Choksi	--
Mrs. Khushali S. Solanki	--
Mrs. Bhumika S. Shodhan	--
Mrs. Janaki Udayan Shah	--
Mr. Viren K. Thakkar – Chief Financial Officer	6.07
Mr. S. N. Jetheliya, Company Secretary	3.81

3) The percentage increase in the median remuneration of employees in the Financial Year 2022-23 was 8.98%.

4) There were 1,326 permanent employees on the rolls of the Company as on 31 March, 2023.

5) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 7.38% whereas the average increase in the managerial remuneration was 12.06%.

6) The members have at the 31st Annual General Meeting of the Company held on 03 September, 2021 approved the payment of remuneration by way of commission to the Non-Executive Directors. The performance of the Company in terms of sales and profitability are the key parameters apart contributions of the Directors at the Board and the Committee meetings.

7) The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board,

RAJENDRA S. SHAH
Chairman
(DIN: 00061922)

Place: Ahmedabad
Date: 25 May, 2023

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance aims at assisting the management of the Company in the efficient conduct of the business and in meeting its responsibilities to all the Stakeholders. The Company always strives to achieve optimum performance at all levels by adhering to good Corporate Governance practices, such as:

- Fair and Transparent business practices.
- Effective management control by Board.
- Adequate representation of Promoters and Independent Directors on the Board.
- Monitoring of executive performance by the Board.
- Compliance of Laws.
- Transparent and timely disclosure of financial and management information.
- Helping back to the society at large.

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders. The Company's Corporate Governance philosophy has been further strengthened through the Model Code of Conduct for the Directors/ Designated Persons of the Company for prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in this regard.

We take pleasure in reporting that your Company has complied in all respects with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as applicable, with regard to Corporate Governance.

I. BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of provisions of Corporate Governance. The Board is headed by the Non-Executive Chairman Mr. Rajendra S. Shah. The present strength of the Board of Directors is 9 which include 1 Executive - Promoter Director, 1 Executive – Whole-Time Director, 5 Independent Directors and 2 Non-Independent - Non-Executive Directors in terms of the SEBI LODR Regulations. Board represents a balanced mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (1) of the Companies Act, 2013 and SEBI LODR Regulations, Mrs. Khushali Samip Solanki (Non-Independent Non-Executive), Mrs. Bhumika Shyamal Shodhan (Non-Independent Non-Executive) and Mrs. Janaki Udayan Shah (Independent Non-Executive) are the three Women Directors on the Board of the Company.

(B) DETAILS OF BOARD MEETINGS:

The Board of Directors oversees management performance so as to ensure that the Company adheres to the highest standards of Corporate Governance. The Board provides leadership and guidance to the management and evaluates the effectiveness of management policies. Board Meeting dates are finalised in consultation with all the Directors and Agenda of the Board Meetings are circulated well in advance before the date of the meeting. Board Members express opinions and bring up matters for discussions at the meetings. Copies of Minutes of the various Committees of the Board, and Compliance Report in respect of various laws and regulations applicable to the Company are tabled at Board Meetings.

The Board periodically reviews the items required to be placed before and in particular reviews and approves Quarterly/ Half yearly Un-audited Financial Statements and the Audited Annual Financial Statements, Business Plans, Annual Budgets and Capital Expenditure. The agenda for the Board Meetings covers items set out as guidelines in SEBI LODR Regulations to the extent these are relevant and applicable. All agenda items are supported by the relevant information, documents and presentations to enable the Board to take informed decisions.

Company's Board met 4 times during the Financial Year under review on 25 May, 2022, 09 August, 2022, 14 November, 2022 and 27 January, 2023. The Company holds one Board Meeting in each quarter and the gap between any two Board meetings was not more than One Hundred and Twenty days as prescribed under the SEBI LODR Regulations.

Details of the Directors, their positions, attendance record at Board Meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships/

Chairmanships of Board Committees (only Audit Committee and Stakeholders Relationship Committee) other than your Company as on 31 March, 2023 are as follows:

Name of the Board Member	Category	Attendance at the Board of Directors Meeting held on				Attended AGM held on 12 September, 2022
		25 May, 2022	09 August, 2022	14 November, 2022	27 January, 2023	
Mr. Rajendra S. Shah (Chairman)	Independent - Non Executive	√	√	√	√	√
Mr. Bhadresh K. Shah (Managing Director)	Executive - Promoter	√	√	√	√	√
Mr. Sanjay S. Majmudar	Independent Director	√	√	√	√	√
Mr. Yashwant M. Patel Whole-Time Director	Executive	√	√	√	√	√
Mr. Dileep C. Choksi	Independent Director	√	√	√	√	√
Mrs. Khushali S. Solanki	Non Independent - Non Executive	L.A.	√	L.A.	√	√
Mrs. Bhumika S. Shodhan	Non Independent - Non Executive	√	√	√	√	√
Mr. Rajan Harivallabhdas	Independent Director	√	√	√	√	√
Mrs. Janaki Udayan Shah	Independent Director	√	√	√	√	√

L.A. means Leave of Absence

As on 31 March, 2023, none of the Directors are related to each other except Mr. Bhadresh K. Shah, Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan. Mr. Bhadresh K. Shah is the father of Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan.

Number of Directorships & Committee Memberships/Chairmanships in other Public Companies (**other than your Company**) **(excluding Private & Foreign Companies):**

Name of the Director	Other Directorships		Committee Memberships *	Committee Chairmanships *
	Listed	Unlisted		
Mr. Rajendra S. Shah	3	-	2	-
Mr. Bhadresh K. Shah	2	-	4	-
Mr. Sanjay S. Majmudar	4	1	4	4
Mr. Yashwant M. Patel	-	-	-	-
Mr. Dileep C. Choksi	4	3	6	2
Mrs. Khushali S. Solanki	1	-	-	-
Mrs. Bhumika S. Shodhan	-	-	-	-
Mr. Rajan Harivallabhdas	-	-	-	-
Mrs. Janaki Udayan Shah	-	-	-	-

* Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered.

Details of Directors who are the Directors of other Listed Companies alongwith Category:

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Rajendra S. Shah	Dishman Carbogen Amics Limited	Independent
	Transformers & Rectifiers (India) Limited	Independent
	Harsha Engineers International Limited	Executive Director - Chairman
Mr. Bhadresh K. Shah	Welcast Steels Limited	Non – Independent, Non-Executive
	Zydus Lifesciences Limited	Independent
Mr. Sanjay S. Majmudar	Dishman Carbogen Amics Limited	Independent
	Welcast Steels Limited	Independent
	Aarvee Denims & Exports Limited	Independent
	Ashima Limited	Independent

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Yashwant M. Patel	--	--
Mr. Dileep C. Choksi	Arvind Limited	Independent
	Deepak Nitrite Limited	Independent
	Swaraj Engines Limited	Independent
	ICICI Prudential Life Insurance Company Limited	Independent
Mrs. Khushali S. Solanki	Welcast Steels Limited	Non-Independent, Non-Executive
Mrs. Bhumika S. Shodhan	--	--
Mr. Rajan Harivallabhdas	--	--
Mrs. Janaki Udayan Shah	--	--

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Skills/Expertise/Competencies		Director who possess such skills/expertise/ competencies
Strategic Leadership	Significant leadership experience to think strategically and develop.	All Directors
Industry Experience	Experience and/or knowledge of the industry in which the Company Operates.	Mr. Rajendra S. Shah Mr. Bhadresh K. Shah Mr. Rajan R. Harivallabhdas Mr. Yashwant M. Patel
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyse key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	Mr. Rajendra S. Shah Mr. Bhadresh K. Shah Mr. Sanjay S. Majmudar Mr. Dileep C. Choksi Mr. Rajan R. Harivallabhdas Mrs. Janaki U. Shah Mrs. Khushali S. Solanki
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.	All Directors
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.	Mrs. Janaki Udayan Shah Mrs. Khushali S. Solanki Mrs. Bhumika S. Shodhan

(C) CONFIRMATION OF INDEPENDENT DIRECTORS:

The Board of Directors of the Company confirm that the Independent Directors fulfil the conditions specified in SEBI LODR Regulations and are also independent of the management of the Company. A certificate from Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by SEBI /Ministry of Corporate Affairs or any such Statutory Authority is enclosed separately.

Pursuant to a Notification dated 22 October, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the Registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

(D) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

Non-Executive Directors including Independent Directors are paid sitting fees in accordance with the applicable laws. The Company is paying sitting fees of ₹ 25,000 for attending a Board Meeting and ₹ 15,000 for attending an Audit Committee Meeting.

During the year, in addition to sitting fees, Mr. Sanjay S. Majmudar has been paid ₹ 22.00 Lakhs as a remuneration by way of Commission for the Financial Year 2021-22 for availing the Investors' Relationship Services from him.

In addition to sitting fees, Mrs. Khushali S. Solanki has been paid ₹ 18.00 Lakhs as a remuneration by way of Commission during the Financial Year 2022-23 for her role in Finance & Accounts functions of the Company and advising in Banking & Investment matters.

(E) CODE OF CONDUCT:

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company www.aiaengineering.com.

The Code lays down the standard of conduct which is expected to be followed by the Board Members and the Senior Management of the Company in particular on matters relating to integrity at the work place, in business practices and in dealing with Stakeholders.

All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

(F) PROHIBITION OF INSIDER TRADING:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has framed a Code of Conduct to avoid insider trading. The Code of Conduct is applicable to all the promoters, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company installed a Software to monitor the insider trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions, by the designated persons.

(G) VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI LODR Regulations, the Company has formulated a Vigil Mechanism/Whistle Blower Policy (Mechanism) for its Stakeholders, Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

This Mechanism also provides for adequate safeguards against victimisation of Director (s) / Employee (s) / Stakeholders who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No person has been denied access to the Audit Committee.

The Policy is available on the website of the Company www.aiaengineering.com. Any Stakeholder, who comes across any instances of unethical matters, can report the same by sending an email to snj@aiaengineering.com and by sending letters to the address mentioned in the said Policy.

(H) POLICY ON PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORK PLACE:

The Company is committed to create a healthy and conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place" and formed a Committee as prescribed in the Regulation. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints related to matters connected therewith or incidental thereto. During the year, no complaint was received under the Policy.

(I) FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their Appointment Letters along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. Site visits to various plant locations are organised for the Directors to enable them to understand the operations of the Company. The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at https://aiaengineering.com/wp-content/uploads/2023/05/Independent-Director-Familiarization-Program-2022-23.pdf

II. COMMITTEES OF THE BOARD:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory Committees viz:

a) Audit Committee;

b) Nomination and Remuneration Committee;

c) Stakeholders Relationship Committee;

d) Corporate Social Responsibility Committee; and

e) Risk Management Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within a given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings.

a) AUDIT COMMITTEE:

The Company has formed a qualified and Independent Audit Committee which acts as a link between the Statutory and Internal Auditors and the Board of Directors. The very purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the SEBI LODR Regulations.

The terms of reference of the Audit Committee cover the matters specified for Audit Committee in the SEBI LODR Regulations, Section 177 of the Companies Act, 2013 and other Regulations are as under:

Brief description of Terms of Reference:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;

  (b) Changes, if any, in accounting policies and practices and reasons for the same;

  (c) Major accounting entries involving estimates based on the exercise of judgement by management;

  (d) Significant adjustments made in the financial statements arising out of audit findings;

  (e) Compliance with listing and other legal requirements relating to financial statements;

  (f) Disclosure of any related party transactions;

  (g) Modified Opinion(s) in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up there on;

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

(xvii) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;

(xviii) Reviewing the functioning of the Whistle Blower mechanism;

(xix) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

(xxi) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(xxii) Reviewing the Management Discussion and Analysis of financial condition and results of operations;

(xxiii) Reviewing the appointment, removal and terms of remunerations of the Chief Internal Auditor;

(xxiv) Reviewing and discuss with the management the status and implications of major legal cases;

(xxv) Recommending the Board, the appointment of a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder;

(xxvi) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year and shall verify that the system for internal control are adequate and are operating effectively.

(xxvii) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee supervises the Financial Reporting & Internal Control process and ensures the proper and timely disclosures to maintain the transparency, integrity and quality of financial control and reporting. The Company continues to derive benefits from the deliberations of the Audit Committee Meetings as the members are experienced in the areas of Finance, Accounts, Taxation and the Industry.

During Financial Year 2022-23, five (5) Audit Committee Meetings were held on 25 May, 2022, 09 August, 2022, 14 November, 2022, 31 December, 2022 and 27 January, 2023. Necessary quorum was present in all the meetings. The time gap between any two Audit Committee Meetings was not more than four months.

Composition, Name of Members and Chairperson of Audit Committee are:

1. Mr. Sanjay S. Majmudar – Chairman
2. Mr. Rajendra S. Shah – Member
3. Mr. Rajan Harivallabhdas – Member
4. Mr. Bhadresh K. Shah – Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	25 May, 2022	09 August, 2022	14 November, 2022	31 December, 2022	27 January, 2023
Mr. Sanjay S. Majmudar–Chairman	Independent	√	√	√	√	√
Mr. Rajendra S. Shah	Independent	√	√	√	√	√
Mr. Rajan Harivallabhdas	Independent	√	√	√	√	√
Mr. Bhadresh K. Shah	Executive	√	√	√	√	√

Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company.

All the members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Statutory Auditors, Internal Auditors and their representatives are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year under review. The Whole-Time Director, Chief Financial Officer and other Executives of the Company are also invited to attend the Audit Committee Meetings.

Mr. S. N. Jetheliya, Company Secretary of the Company acts as the Secretary of the Committee.

b) NOMINATION AND REMUNERATION COMMITTEE:

The terms of reference of the Nomination and Remuneration Committee cover the matters specified in SEBI LODR Regulations and Section 178 of the Companies Act, 2013 are as under:

(i) identify persons who are qualified to become Directors and who may be appointed in Senior Management;

(ii) recommend to the Board their appointment and removal;

(iii) carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval;

(iv) devise a policy on Board diversity;

(v) formulate the criteria for determining qualifications, positive attributes and independence of a Director;

For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.

The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of an external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(vi) recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and Other Employees;

(vii) administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme including:

(a) The quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;

(b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;

(c) The exercise period within which the employee shall exercise the option and that the option would lapse on failure to exercise the option within the exercise period;

(d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

(e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as right issues, bonus issues, merger, sale of division and others;

(g) The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.

(viii) carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

(ix) perform such other functions as may be necessary or appropriate for the performance of its duties.

(x) recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee shall look into the following while taking into account Remuneration Policy of the Company:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmark;

(c) remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

(d) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

(e) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

(f) percentage increase in the median remuneration of employees in the financial year;

(g) the number of permanent employees on the roll of the Company;

(h) the explanation on the relationship between average increase in remuneration and company performance;

(i) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

(j) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

(k) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

(l) the key parameters for any variable component of remuneration availed by the Directors;

(m) the ratio of the remuneration of the highest paid Director to that of the employee who are not Directors but receive remuneration in excess of the highest paid Director during the year;

Composition, Name of Members and Chairperson of Nomination and Remuneration Committee are:

1. Mr. Sanjay S. Majmudar – Chairman
2. Mr. Rajendra S. Shah – Member
3. Mrs. Khushali S. Solanki – Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Nomination and Remuneration Committee Meetings held on 24 May, 2022
Mr. Sanjay S. Majmudar - Chairman	Independent	√
Mr. Rajendra S. Shah	Independent	√
Mrs. Khushali S. Solanki	Non-Executive-Non- Independent	√

c) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference of the Stakeholders Relationship Committee cover the matters as under:

(i) resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc.;

(ii) review of measures taken for effective exercise of voting rights by stakeholders;

(iii) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(iv) review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/annual reports/statutory notices by the shareholders of the Company;

Composition, Name of Members and Chairperson:

1. Mr. Rajendra S. Shah – Chairman
2. Mr. Bhadresh K. Shah – Member
3. Mr. Yashwant M. Patel – Member

Mr. S. N. Jetheliya, Company Secretary acts as the Compliance Officer of the Committee.

Meetings and attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Stakeholders Relationship Committee Meetings held on			
		24 May, 2022	09 August, 2022	14 November, 2022	27 January, 2023
Mr. Rajendra S. Shah - Chairman	Independent	√	√	√	√
Mr. Bhadresh K. Shah	Executive	√	√	√	√
Mr. Yashwant M. Patel	Executive	√	√	√	√

Number of Shareholders' complaints received during the Financial Year:

The Committee ensures that the Shareholders'/Investors' grievances and correspondences are attended and resolved expeditiously.

During the period under review, Company has not received any Complaint from Shareholders and there is no outstanding complaint as on 31 March, 2023.

d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company has constituted a CSR Committee. The Committee is governed by its Charter. The terms of reference of the Committee inter alia comprises of the following:

- To review, formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act, 2013 and Rules made thereunder;
- To provide guidance on various CSR activities and recommend the amount of expenditure to be incurred on the activities;
- To monitor the CSR Policy from time to time and may seek outside agency advice, if necessary.

The Composition of the Corporate Social Responsibility Committee as on 31 March, 2023 and the details of members participation at the Meetings of the Committee are as under:

Composition, Name of Members and Chairperson of Corporate Social Responsibility are:

1. Mr. Bhadresh K. Shah - Chairman
2. Mr. Sanjay S. Majmudar - Member
3. Mr. Yashwant M. Patel - Member
4. Mr. Rajendra S. Shah - Member
5. Mrs. Khushali S. Solanki - Member
6. Mrs. Bhumika S. Shodhan - Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on			
		24 May, 2022	09 August, 2022	14 November, 2022	27 January, 2023
Mr. Bhadresh K. Shah - Chairman	Executive	√	√	√	√
Mr. Sanjay S. Majmudar	Independent	√	√	√	√
Mr. Yashwant M. Patel	Executive	√	√	√	√
Mr. Rajendra S. Shah	Independent	√	√	√	√
Mrs. Khushali S. Solanki	Non Independent	L.A.	√	L.A.	√
Mrs. Bhumika S. Shodhan	Non Independent	√	√	√	√

* Leave of Absence

e) RISK MANAGEMENT COMMITTEE:

SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 has amended the Regulation 21 of SEBI LODR Regulations making it compulsory to have Risk Management Committee for top 1000 listed companies. However, the Company is having a Risk Management Committee since 2014.

Corporate Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a well-defined Risk Management framework to identify, monitor and minimising/mitigating risks as also identifying business opportunities. The terms of reference of the Committee inter alia comprises of the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy.

The key elements of the framework include:

- Risk Structure;
- Risk Portfolio;
- Risk Measuring & Monitoring and
- Risk Optimising.

The implementation of the framework is supported through criteria for Risk assessment, Risk forms & MIS.

The Composition of Risk Management Committee and its meeting and attendance during the year are as under:

Name of the Member/Chairman	Category	Attendance at the Risk Management Committee Meetings held on	
		24 May, 2022	14 November, 2022
Mr. Bhadresh K. Shah - Chairman	Executive	√	√
Mr. Yashwant M. Patel - Member	Executive	√	√
Mr. Sanjay S. Majmudar	Independent	√	√
Mrs. Khushali S. Solanki	Non-Independent	L.A	L.A
Mrs. Bhumika S. Shodhan	Non-Independent	√	√
Dr. Ajit Nath Jha – Member *	Consultant	√	√

L.A. means Leave of Absence.

* Dr. Ajit Nath Jha passed away on 14 February, 2023.

The Risk Management Committee has appointed a Risk Council which comprises of Senior Management Personnel / Employees of the Company. The Risk Council is responsible for day-to-day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting. The Risk Council also keeps the Risk Management Committee and the Board updated from time to time, on the enterprise risks and actions taken.

III. INDEPENDENT DIRECTORS' METTING:

As per Secretarial Standard (SS) 1 issued by the Institute of Company Secretaries of India and relevant provisions of the Companies Act, 2013 and Rules made thereunder, the Independent Directors should meet once in a calendar year.

During the year under review, the Independent Directors met on 25 May, 2022, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeline of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

IV. SUBSIDIARY COMPANIES:

Company has one Material Subsidiary Company i.e. Vega Industries (Middle East) FZC. UAE, whose Net Worth exceeds 10% of the Consolidated Net Worth of the Holding Company in the immediately preceding Accounting Year or has generated 10% of the consolidated income of the Company during the previous Financial Year. The Company has complied with all compliances related to its Material Subsidiary.

The Company has also formed a Policy on Material Subsidiary which has been placed at the website of Company https://aiaengineering.com/wp-content/uploads/2023/06/Policy-for-determining-Material-Subsidiaries.pdf.

The Company does not have any Unlisted Material Indian Subsidiary.

V. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Section 188 of the Companies Act, 2013 and of SEBI LODR Regulations during the Financial Year 2022-23 were in the Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the Notes to the Financial Statements. The Company has also formed a Policy on Related Party Transactions which has been placed at the website of Company https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Related-Party-Transaction.pdf.

VI. DISCLOSURES:

(A) MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS:

The Company has not entered any transaction with related parties i.e. Directors or Management, its subsidiaries or relatives conflicting with the Company's interest at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Audit Committee / Board regularly for their approval. The details of Related Party Transactions are disclosed in Financial Section of this Annual Report.

(B) DISCLOSURE OF ACCOUNTING TREATMENT:

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The previous year figures have been regrouped/reclassified or restated as per Ind AS, so as to make the figures comparable with the figures of current year. The significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

(C) POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS, KMP AND THEIR REMUNERATION:

The Nomination and Remuneration Committee has adopted a Policy which, inter alia, deals with the manner of Selection of Board of Directors, KMP and their remuneration.

1. Criteria for Selection of Non-Executive Directors:

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independence nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. Nomination and Remuneration Committee ensures that the candidate identified for appointment / re-appointment as an Independent Director is not disqualified for appointment / re-Appointment under Section 164 of the Companies Act, 2013.

d. Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

i. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

2. **Remuneration:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses, if any, for participation in the Board / Committee Meetings as detailed hereunder:

i. A Non-Executive Director shall be entitled to receive sitting fees for each of the meeting of Board or Committee of the Board attended by him as approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

ii. A Non-Executive Director may be paid Commission of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee;

iii. The total remuneration by way of commission payable to the Non-Executive Directors (including Independent Directors) shall not exceed 1.00% per annum of the Net Profit of the Company subject to the approval of the members of the Company;

iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, pursuant to the provisions of Companies Act, 2013 and SEBI LODR Regulations.

3. **Remuneration Policy for the Senior Management Employees:**

I. In determining the remuneration of the Senior Management Employees, the Nomination and Remuneration Committee shall ensure / consider the following:

➢ the relationship of remuneration and performance benchmark;

➢ the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

➢ the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

➢ the remuneration including annual increment and performance bonus is decided based on the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

II. The Managing Director carry out the individual performance review based on the standard appraisal matrix and take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

4. **Performance Evaluation:**

In Compliance with the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration, the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

The details of remunerations paid to the Managing Director and Whole-Time Director during the Financial Year 2022-2023 is given below:

(₹ Lakhs)

Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	102.00	9.12	111.12
Mr. Yashwant M. Patel, Whole-Time Director	30.00	0.32	30.32

The Company does not have any stock option plan or performance linked incentive for the Executive Directors.

The details of Sitting Fees paid to the Non-Executive Directors for attending Board and Committee Meetings during the Financial Year 2022-2023 is given below:

(In ₹)

Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	1,75,000
2.	Mr. Sanjay S. Majmudar*	1,75,000
3.	Mr. Dileep C. Choksi	1,00,000
4.	Mr. Rajan Harivallabhdas	1,75,000
5.	Mrs. Khushali S. Solanki**	50,000
6.	Mrs. Bhumika S. Shodhan	1,00,000
7.	Mrs. Janaki Udayan Shah	1,00,000

*In addition to sitting fees, ₹ 22.00 Lakhs has been paid as a remuneration by way of Commission for the Financial Year 2021-22 for availing the Investors' Relationship services from him.

** In addition to sitting fees, ₹ 18.00 Lakhs has been paid as a remuneration by way of Commission during the Financial Year 2022-23 for her role in Finance & Accounts function of the Company and advising in Banking & Investment matters.

The Directors' Remuneration Policy of your Company conforms to the provisions under Companies Act, 2013. The Board determines the remuneration of the Non-Executive Directors.

(D) MANAGEMENT

(i) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.

(ii) Disclosure of Material Financial and Commercial Transactions:

As per the disclosures received from the Senior Management, no Material Financial and Commercial transactions that may have a potential conflict with the interest of the Company at large were taken place during the year under review.

(E) SHAREHOLDERS:

(i) Disclosures regarding appointment or re-appointment of Directors:

Mr. Yashwant M. Patel (DIN : 02103312), Director of the Company will retire by rotation at the ensuing 33rd Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The brief resume and other information of the above retiring Director, as required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

(ii) Quarterly/Half Yearly results are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed and the same are also posted on Company's website: www.aiaengineering.com.

(iii) Shareholding of Directors as on 31 March, 2023 is as under:

Name of Director	Number of Shares
Mr. Bhadresh K. Shah	5,51,28,901
Mr. Yashwant M. Patel	NIL
Mr. Rajendra S. Shah	947
Mr. Sanjay S. Majmudar	NIL
Mr. Dileep C. Choksi	NIL
Mr. Rajan Harivallabhdas	NIL
Mrs. Khushali Samip Solanki	10,010
Mrs. Bhumika Shyamal Shodhan	10,005

Mrs. Janaki Udayan Shah	NIL

(F) COMPLIANCE BY THE COMPANY:

The Company has complied with all the mandatory requirements of the SEBI LODR Regulations. Further, during the last three years, no penalties were imposed or strictures were passed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

VII. CEO /CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31 March, 2023 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required by Regulations 33 of SEBI LODR Regulations.

VIII. MEANS OF COMMUNICATION:

The Quarterly and Half Yearly results are published in widely circulating national and local dailies in English and Gujarati. These results are not sent individually to the shareholders but are displayed on the Company's website: www.aiaengineering.com. The Company holds meetings with the Investors and Analysts.

IX. GENERAL BODY MEETINGS: (LAST THREE YEARS DISCLOSURES)

Annual General Meeting:

The particulars of the last three Annual General Meetings held are given hereunder:

Location, date and time for last 3 Annual General Meetings were:

Financial Year	Date	Venue	Time
2021-22	12 September, 2022	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.
2020-21	03 September, 2021	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.
2019-20	21 September, 2020	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 12 September, 2022:

1. Re-appointment of Mr. Yashwant M. Patel as Whole-Time Director for a period of Five Years with effect from 01 April, 2022.

Annual General Meeting held on 03 September, 2021:

1. Re-appointment of Mr. Bhadresh K. Shah as Managing Director for a period of Five Years with effect from 01 October, 2021.

Annual General Meeting held on 21 September, 2020:

1. Payment of remuneration by way of Commission to Mr. Sanjay S. Majmudar, a Non-Executive Independent Director of the Company.
2. Re-appointment of Mr. Rajan Harivallabhdas as an Independent Director.

POSTAL BALLOT:

During the year under review, no resolution was passed through Postal Ballot.

X. GENERAL SHAREHOLDERS' INFORMATION:

Day, Date and Time of 33rd AGM	: Tuesday, 19 September, 2023 at 10.00 a.m.
Venue of AGM	: Through Video Conferencing
Financial Year	: 01 April, 2022 to 31 March, 2023
Book Closure Date	: Wednesday, 13 September, 2023 to Tuesday, 19 September, 2023
Registered Office Address	: 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415
Dividend Payment Date	: On or before 18 October, 2023
Compliance Officer	: Mr. S. N. Jetheliya, Company Secretary
Email for redressal of Investors' Complaints	: ric@aiaengineering.com

Website : www.aiaengineering.com

Financial Calendar (subject to change) for Financial Year 2023-24:

First Quarter Results : On or before 14 August, 2023

Second Quarter/Half Yearly Results : On or before 14 November, 2023

Third Quarter Results : On or before 14 February, 2024

Audited Results for the Financial Year 2023-24 : On or before 30 May, 2024

(a) Listing on Stock Exchanges:

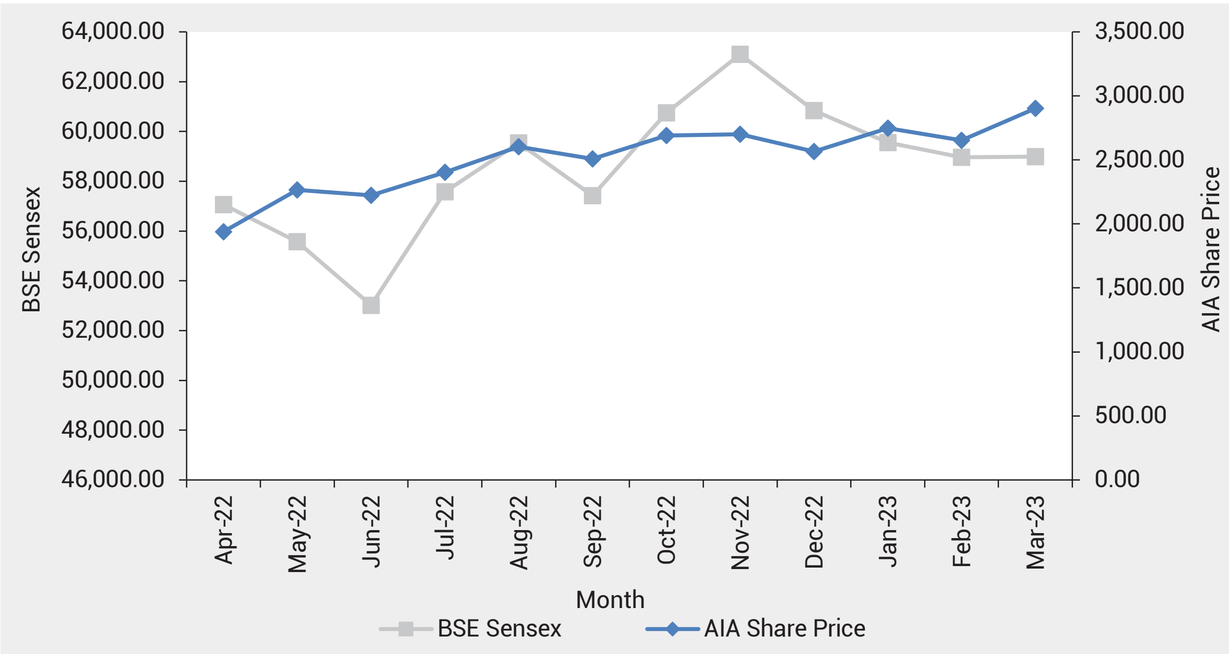
Name and Address of the Stock Exchange	Script Code
BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	532683
National Stock Exchange of India Limited Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051	AIAENG

The listing fees for the Financial Year 2023-24 have been paid to both the Stock Exchanges.

(b) Market Price Data:

The securities of the Company have been listed on BSE and NSE. The stock market prices were as under:

Month	BSE Sensex	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
		High (₹)	Low (₹)	High (₹)	Low (₹)
April 22	57,060.87	1,951.20	1,615.20	1,951.00	1,612.40
May 22	55,566.41	2,340.00	1,751.85	2,350.00	1,757.50
June 22	53,018.94	2,327.25	2,012.00	2,328.90	2,025.00
July 22	57,570.25	2,489.35	2,171.75	2,489.00	2,170.20
Aug. 22	59,537.07	2,653.70	2,353.05	2,654.10	2,358.00
Sept. 22	57,426.92	2,821.70	2,420.80	2,723.90	2,420.00
Oct. 22	60,746.59	2,718.55	2,407.30	2,718.85	2,406.10
Nov. 22	63,099.65	2,825.00	2,522.10	2,821.25	2,521.00
Dec. 22	60,840.74	2,875.15	2,500.00	2,874.75	2,493.30
Jan. 23	59,549.90	2,905.90	2,385.00	2,911.25	2,383.50
Feb. 23	58,962.12	2,899.00	2,641.90	2,899.00	2,640.00
Mar. 23	58,991.52	2,958.20	2,646.20	2,960.00	2,642.70



Performance in comparison to broad-based indices such as BSE Sensex

(c) Share Transfer System / Dividend and other related matters:

i. Share Transfers:

In terms of amended Regulation 40 of SEBI LODR Regulations with effect from 01 April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25 January, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

ii. Simplified Norms for processing Investor Service Request:

SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/ CIR/2023/37 dated March 16, 2023, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above mentioned details are not registered by 30 September, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by e-mail from their registered e-mail id to kyc@linkintime.co.in or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to Link Intime India Limited at 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St Xavier's College, Off C G Road, Ellisbridge, Ahmedabad 380 006.

iii. Physical Shareholding:

The Company hereby informs the Members that as per SEBI Circular, effective from 01 April, 2019 physical shares will not be transferred unless and until they are dematerialised.

iv. Dividend:

a. Payment of dividend through National Electronic Clearing Services (NECS)/National Automated Clearing House(NACH):

The Company provides facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS/NACH, members who hold Shares in demat mode should inform their Depository Participant and such of the members holding Shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue Dividend Warrants to the Members.

b. Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. During the year under review, the Company has transferred to the said Fund ₹ 96,592 for the year ended 31 March, 2015 which has remained unpaid.

v. Shares in respect of which dividend has not been claimed/encashed for 7 consecutive years transferred to IEPF Account:

During the Financial Year 2022-23, the Company has transferred 313 Equity Shares to IEPF Authority pertaining to shareholders who have not claimed/encashed dividend for 7 consecutive years since the Financial Year 2014-15.

vi. Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), a Quarterly Reconciliation of Share Capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the Total Share Capital admitted with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and held in physical form, with the Issued and Listed Capital of the Company. The Practicing Company Secretary's Certificate with regard to this is submitted to BSE Limited and the National Stock Exchange of India Limited and is placed before Stakeholders Relationship Committee and the Board of Directors at every quarter.

(d) Registrar & Transfer Agents:

MUMBAI OFFICE:
Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli (W),
Mumbai 400 083
Phone No. 022-49186270 Fax No. 022-49186060

AHMEDABAD BRANCH OFFICE:
Link Intime India Private Limited
5th Floor 506 to 508, Amarnath Business Centre -1,
Besides Gala Business Centre, Nr. St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge, Ahmedabad 380 006
Phone – 079-26465179

E-mail : rnt.helpdesk@linkintime.co.in E-mail: ahmedabad@linkintime.co.in

(e) Distribution of Shareholding:

(i) Shareholding pattern as on 31 March, 2023:

Category	No. of Shares held		Total No. of Shares	% of holding
	Physical	Electronic		
Promoters Shareholding	-	5,51,48,921	5,51,48,921	58.47
Mutual Funds	-	1,69,97,542	1,69,97,542	18.02
Alternative Investment Fund	-	3,58,842	3,58,842	0.38
Financial Institutions /Non Nationalised Bank	-	10	10	0.00
Foreign Portfolio Investor (Corporate) - I	-	1,65,18,401	1,65,18,401	17.51
Foreign Portfolio Investor (Corporate) – II	-	4,97,246	4,97,246	0.53
Insurance Companies	-	21,61,247	21,61,247	2.29
Central Government	-	105	105	0.00
Sovereign Wealth Funds	-	2,87,624	2,87,624	0.30
Key Managerial Personnel	-	6,525	6,525	0.01
Directors and their relatives (excluding independent Directors and nominee Directors)	-	50	50	0.00
NRIs	-	1,48,175	1,48,175	0.16
Other Corporate Bodies	-	1,74,323	1,74,323	0.18
Body Corporate – Limited Liability Partnership	-	7,405	7,405	0.01
NBFC registered with RBI	-	9,100	9,100	0.01
Indian Public	15	18,93,906	18,93,921	2.01
Clearing Members	-	1,643	1,643	0.00
Hindu Undivided Family	-	99,160	99,160	0.11
Trusts	-	8,256	8,256	0.01
IEPF	-	1,874	1,874	0.00
Total	**15**	**9,43,20,355**	**9,43,20,370**	**100.00**

(ii) Distribution of Shareholding as on 31 March, 2023:

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	37,061	97.76	13,30,337	1.41
501 to 1000	304	0.80	2,15,431	0.23
1001 to 2000	154	0.41	2,24,291	0.24
2001 to 3000	53	0.14	1,33,257	0.14
3001 to 4000	37	0.10	1,27,882	0.14
4001 to 5000	27	0.07	1,25,876	0.13
5001 to 10000	77	0.20	5,65,249	0.60
10001 & above	196	0.52	9,15,98,047	97.11
Grand Total	**37,909**	100.00	**9,43,20,370**	**100.00**
Shareholders in Physical Mode	3	0.01	15	0.00
Shareholders in Electronic Mode	37,906	99.99	9,43,20,355	100.00

(f) Dematerialisation of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form on the Stock Exchanges where they are listed. The Shares can be dematerialised with any one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

As on 31 March, 2023, 9,43,20,355 Equity Shares are in Dematerialised Form representing 99.99% of the total 9,43,20,370 Equity Shares of the Company. The ISIN allotted to the Company's scrip is INE212H01026. The Shares of the Company are actively traded at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

(g) Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

(h) Commodity Price Risk/Foreign Exchange Risk and Hedging:

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board. The Company ensures appropriate financial risk governance framework through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The decision of whether and when to execute derivative financial instruments will be governed by the risk management policy framework while also considering the prevailing market conditions and the relative costs of the instruments.

(i) The total fee paid to the Statutory Auditors of the Company during the year under review is ₹ 53.54 Lakhs.

(j) Details of Material Subsidiary

Vega Industries (Middle East) FZC, UAE and Vega Industries Ltd., USA are material subsidiaries of the Company which were incorporated in UAE and USA on 10 September, 2002 and 12 October, 2001 respectively.

The Statutory Auditors of the Vega Industries (Middle East) FZC, UAE and Vega Industries Ltd., USA, material subsidiaries of the Company have been appointed on 23 June, 2022 and 9 March, 2020 respectively.

(k) Plant Locations:

1. 116, 119, 273, 275, 276, 316, 317, 318, 319 GVMM Estate, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
2. 235 to 237, 248 to 250, 271 to 276, 92b to 94, 81, 82, 161 to 163, GVMM Estate, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
3. 299, 300, 325, 326, 122, 127 to 130, 129A, 130E, 130E1, 231, 232, GVMM Estate, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
4. Plot No.14 Survey No.67, 67A, 70, Girnar Scooter Compound, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
5. Block No. 535, Mouje-Kunjad, Taluka-Dascroi, Ahmedabad, Gujarat, 382415
6. 18/P, N.H.8-A, 20th Mile Stone, Sarkhej-Bavla Road, Changodar, Ahmedabad, Gujarat, 382231
7. S. No.423-426-427-PAIKI P.NO.70-77, S.NO.427/P/5/P, S.P.NO.39, 40, 345, 346, 423/P SUB.P.NO.10 of 79, 80, 84P, 9, 10, Mahagujarat Industrial Estate, Bavla Road, Village Moraiya, Post-Changodar, Ahmedabad, Gujarat, 382213
8. 103, 104, 115 to 118, GIDC Estate, Kerala GIDC, Bavla, Taluka-Dholka, Ahmedabad, Gujarat, 382220
9. Plot No.1513A, 1513B, 1514, GIDC Estate, Kerala GIDC, Bavla, Taluka-Dholka, Ahmedabad, Gujarat, 382220
10. Plot No. 105, GIDC Estate, Kerala, Bavla, Taluka-Dholka, Ahmedabad, Gujarat, 382220
11. Sub Plot No. A-20, Survey No. 43, Steel Town Industrial Estate, Part-1, Survey No. 431 Paiki-7, Vilage-Moraiya, Taluka-Sanand, Ahmedabad, Gujarat, 382213
12. Plot No.4 & 8, Mahagujarat Industrial Estate, Behind Plot No.8, Behind Sarvottam, Moraiya, Sarkhej-Bavla Highway, Ahmedabad, Gujarat, 382231
13. Block N0.22 Old Block N0.104, Block N0.23 Old Block N0.108, Block N0.81 Old Block N0.108 Mouje Village-Kerala, Taluka- Bavla, Kerala, Ahmedabad, Gujarat, 382220
14. Survey N0.25 & 26 Old Survey N0.127, Survey No 24 & 30 Old Survey No. 105 & 129, Survey No. 32 Old Survey No. 130, Survey No 82 & 83 & 84 Old Survey No 107 &106 & 105 Mouje Village- Kerala, Taluka- Bavla, Kerala, Ahmedabad, Gujarat, 382220
15. Bavla, Taluka-Dholka, 210/A, GIDC Estate, Kerala GIDC, Ahmedabad, Gujarat, 382220
16. Plot No. 302, 303, 312 and 313, Taluka-Dholka, Kerala GIDC, Bavla, Ahmedabad, Gujarat, 382220
17. L-3, MIDC Industrial Area, Hingna, Nagpur – 440 016 (erstwhile Paramount Centrispun Castings Private Limited)
18. SF No. 514, 5A1, 5A2, 5A3, Thathamangalam Village, Kariamanickam Road, S. Pudur, Samayapuram,

Trichy - 621115 (erstwhile DCPL Foundries Limited)

(l) Address for Correspondence:

a) For Transfer / Dematerialisation of Shares, change of address of members and other queries:

Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (W), Mumbai 400 083 Phone No. 022-49186270 Fax No. 022-49186060 E-mail : rnt.helpdesk@linkintime.co.in	**Link Intime India Private Limited** 5th Floor 506 to 508, Amarnath Business Centre -1, Besides Gala Business Centre, Nr. St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad 380 006 Phone – 079-26465179 E-mail : ahmedabad@linkintime.co.in

Any query relating to Dividend, Annual Reports etc.

Mr. S. N. Jetheliya, Company Secretary & Compliance Officer.

Registered Office:	**Corporate Office:**
AIA Engineering Limited 115, GVMM Estate, Odhav Road, Odhav, Ahmedabad-382 415 Phone No. 079-22901078-81 Fax No. 079-22901077 Investors' related query E-mail : ric@aiaengineering.com	11-12, Sigma Corporates B/h. HOF Showroom, Sindhu Bhavan Road, Off. S.G. Highway, Bodakdev, Ahmedabad-380 054 Phone No. 079-66047800 Fax No. 079-66047848 Investors' related query E-mail : ric@aiaengineering.com

Details of Non-Compliances:

There was no non-compliance during the year and no penalty has been imposed or strictures have been passed on the Company by the Stock Exchanges, SEBI or Registrar of Companies (ROC). The Company has obtained a Certificate from Tushar Vora & Associates, Practicing Company Secretaries on Corporate Governance and has attached the Certificate with the Board's Report which will be sent to all the Shareholders of the Company. The same certificate shall also be sent to all the concerned Stock Exchanges along with the Annual Report to be filed by the Company.

NON-MANDATORY REQUIREMENTS:

a) Chairman of the Board

A Non-Executive Chairman heads the Board of the Company.

b) Shareholders' Rights

As the Quarterly and Half Yearly results are published in leading Newspapers having Nation wide circulation, the same are not sent to the Shareholders of the Company individually. However, the Quarterly and Half Yearly Financial Results are uploaded on the Website of the Company.

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
AIA ENGINEERING LIMITED
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by AIA Engineering Limited, CIN - L29259GJ1991PLC015182 ("the Company") for the year ended on 31 March, 2023, as stipulated under Regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation).

The Compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examinations were limited to review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31 March, 2023.

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

For **Tushar Vora & Associates**
Company Secretaries

TUSHAR M.VORA
Proprietor
C.P. No.: 1745
UDIN : F003459E000376403

Place : Ahmedabad
Date : 25 May, 2023

The above Corporate Governance Report was adopted by the Board of Directors at its meeting held on 25 May, 2023.

AIA ENGINEERING LIMITED
DECLARATION

In compliance with Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I, Bhadresh K. Shah, Managing Director of the Company hereby declares on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2022-23.

(BHADRESH K. SHAH)
Managing Director
DIN: 00058177

Place: Ahmedabad
Date: 25 May, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
AIA ENGINEERING LIMITED
115, GVMM Estate, Odhav Road,
Odhav, Ahmedabad – 382 415

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AIA Engineering Limited having CIN L29259GJ1991PLC015182 and having registered office at 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad- 382 415 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Bhadresh Kantilal Shah	00058177	11 March, 1991
2.	Mrs. Bhumika Shyamal Shodhan	02099400	07 November, 2014
3.	Mr. Dileep Chinubhai Choksi	00016322	27 January, 2014
4.	Mrs. Khushali Samip Solanki	07008918	07 November, 2014
5.	Mr. Rajan Ramkrishna Harivallabhdas	00014265	14 May, 2015
6.	Mr. Rajendra Shantilal Shah	00061922	15 March, 2005
7.	Mr. Sanjay Shaileshbhai Majmudar	00091305	07 May, 2007
8.	Mr. Yashwant Manubhai Patel	02103312	12 November, 2010
9.	Mrs. Janaki Udayan Shah	00343343	26 March, 2019

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

For Tushar Vora & Associates
Company Secretaries

TUSHAR M.VORA
Proprietor
C.P. No.: 1745
UDIN : F003459E000376414

Place: Ahmedabad
Date: 25 May, 2023

MANAGING DIRECTOR / CFO CERTIFICATION

To
The Board of Directors
AIA ENGINEERING LIMITED
Ahmedabad-382 415

We, the undersigned, in our capacities as the Managing Director and Chief Financial Officer of AIA Engineering Limited ("the Company") to the best of our knowledge and belief certify that:

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31 March, 2023 and based on our knowledge and belief, we state that:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable Laws & Regulations.

(b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

(c) We accept responsibility for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the Internal Control System of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.

(d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:

  (i) significant changes, if any, in internal control over financial reporting during the year;

  (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

  (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

BHADRESH K. SHAH
Managing Director
DIN: 00058177

Place: Ahmedabad
Date: 25 May, 2023

VIREN K. THAKKAR
Chief Financial Officer

Place: Ahmedabad
Date : 25 May, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY OVERVIEW:

AIA Engineering Limited ("AIA") designs, manufactures and markets a wide range of consumable wear parts (Mill Internals) which are used in the process of Crushing and Grinding in Cement, Mining, Thermal Power and Aggregate industries. AIA partners with customers in these industries in their cost and process optimisation journey, helping them improve operational parameters. The Company employs casting process for the manufacture of the products. We primarily service the Global Cement and Mining Industries, where we offer customised grinding and crushing solutions relating to consumable wear parts which are used in the process of grinding and crushing in cement and mining industries. In India, we are also servicing the Thermal Power Plants by offering similar solutions for grinding/crushing of coal/lignite used in the Boilers. In mining industry the level of penetration of High Chrome wear parts (mainly High Chrome Grinding Media and Mill Liners) is only in the region of around 20-25% thereby leaving a considerable growth opportunity for conversion of the mines from the use of conventional wear parts (mainly Forged Grinding Media) into our High Chrome Grinding Media. Our key focused Industry at present is the Global Mining Industry with our specific focus on Copper, Gold and Iron ore mines across all Geographies of the world, where mining of these ores is happening.

In F.Y. 2022-23 while the world had largely come out of Covid-19 pandemic impact, there were new challenges posed due to geopolitical tensions emanating out of Russia-Ukraine war. Thus, this has more particularly impacted the key economies of North America and Europe owing to severe inflationary pressures witnessed in these markets, thereby impacting the consumption and demand. As a fallout, the overall economic sentiment remained subdued in these markets for major portion of the year. Thus, the prices of major commodities and metals witnessed a continued surge in the first half of the fiscal year 2022-23, but from the second half, the prices started settling down. Another factor which added to the uncertainties was the fact that China continued pursuing "zero Covid" policy and had continued to impose stricter lockdowns till Q3 of fiscal 2023, which also had its own negative impact on the overall global commodity and metal scenario as well as demand supply equations. On the positive side in F.Y. 2022-23, the global supply chain issues have eased out and the shipping rates have also come down significantly as compared to the lifetime highs witnessed in F.Y. 2021-22. Similarly the commodity prices have also started easing out and have reached realistic levels by end F.Y. 2022-23 – though they are still higher than the pre-Covid levels.

Amidst these challenges some of the key economies like India and other East Asian countries have shown strong resilience and have continued to grow due to big Infra push and also strong Capex cycles witnessed on an opportunistic note. The sentiment of "China plus one" has also helped these economies including India to a considerable extent. Thus, if we talk of Indian economy, in F.Y. 2022-23 India has grown at around 6% GDP growth and even higher growth rates are projected for the coming years.

In our view the opportunity in Cement Industry for our products continued to be in the range of around 3 Lakhs – 3.25 Lakhs tons per annum, and excluding China this was around 1.8 Lakhs – 2 Lakhs tons per annum. Again, from a Global Industry perspective, the Cement Industry has practically worldwide converted into the use of High Chrome consumable wear parts. While the overall demand position of Mill Internals in Cement Industry has remained flat, in certain markets particularly markets like India and East Asian markets as well as certain other pockets in Southern Hemisphere, the demand has remained quite strong. We believe that going forward, Cement Industry should continue to grow at a near double digit growth rate in India and in normal single digit growth rate of around 3% to 4% worldwide and matching with this our supplies to the Cement Industry will also therefore grow in tandem, with some additional growth coming from increased market share. However, as compared to Mining, the consumption of wear parts in Cement Industry is much lower and therefore in absolute terms this will imply only some marginal increase in our volumes in this industry.

If we talk of Mining Industry, we believe that the Mining Industry has remained largely unaffected from the disruptive factors which impacted other economies as a fallout of the geopolitical tensions, particularly considering the fact that Mining Industry is concentrated in certain regions like North America, Latin America, Australia, Africa, Far East, China and CIS countries and has a very little presence in Europe. Further, while Copper and Gold have continued to remain extremely bullish, Iron being the base metal has also witnessed a steady growth trend. Particularly if we talk of Copper, its prospects for a sustained growth are extremely bright given the fact that the whole world is now moving towards Renewables/EVs and as a direct fallout the demand for Copper, being the metal of choice for Electrical industry, Copper consumption is expected to grow manifold in the coming years, given the increased focus in the Global markets on Environmental Protection and sustainability.

Within Mining, conversion of conventional Forged Grinding Media to High Chrome Grinding Media remains the largest growth opportunity, and we have also started aggressively pushing the Metal Mining Liners as another focused area of growth. If we talk of size of the opportunity for our products in Mining Industry, the consumption of Grinding Media would be in the region of around 3 million tons per annum while that of Metal Mill Liners would be in the region of around 3 Lakhs tons per annum. Further, if we specifically talk of the three metals on which we are concentrating – i.e. Copper, Gold and Iron Ore, then the addressable markets for us would be around 2.5 million tons par annum for the Grinding Media against which the present penetration of High Chrome Grinding Media is quite low in the region of 20% to 25%, which leaves a significant headroom for us for conversion from the use of conventional Forged Grinding Media into our High Chrome Grinding Media. Similarly, In Mill Liner space, we believe that we have a very unique solution for the SAG Mills, based on our unique patented Mill Liner technology which we have in licensed on an exclusive basis, whereby we are in a position to offer distinct advantages in the form of increased throughput, improved grinding efficiency and reduced power costs.

Globally the Mining Industry is growing at the rate of around 3% to 4% per annum. While this helps us in increasing the size of the opportunity, from a strategic standpoint considering the huge headroom of conversion available with us, we are largely agnostic to Mining Industry Cycles in the sense that even if theoretically for some reason there is no growth at all in the Mining Industry space or even if there is some de-growth owing to fall in demand for commodities and metal in near term, we still feel that given the considerable headroom available for us for conversion of Mines to High Chrome use, a Zero or even a negative growth in the mining should not have any material adverse impact on our growth plans.

B. SEGMENTWISE PERFORMANCE:

The Company primarily operates in only one Segment i.e. Manufacturing of High Chrome Mill Internals. In Fiscal Year 2022-23, 72.93% of its Total Sales came from outside India while balance 27.07 % came from within India.

C. OUTLOOK AND PROSPECTS:

Company's prospects are linked to activity in basic industries of Mining, Cement and Thermal Power generation.

Company's focus is to provide comprehensive solutions which are aimed at not only reducing the cost of consumable wear parts which are used in the process of grinding and crushing in the above industries through reduced wear rates but also to focus on reducing the overall cost of ownership in the hands of the customer by increasing the grinding efficiency, increasing the throughputs and reducing other operating expenses by customising tailor made solutions to suit the requirement of a given customer.

In Cement Industry, since the entire Cement Industry has largely converted into High Chrome Mill Internals use, Company's growth is linked mainly to the overall growth of the Industry and also to gaining higher market share. Further, the cost of consumable wear parts in Cement Industry is in the region of around 1% to 2% of the total cement production cost and the size of the industry is also relatively smaller at around 3 Lakhs MT (around 1.80 Lakhs MT ex-China). Ex-China (where the Grinding Media requirements are largely serviced by local Chinese players who are operating on different business dynamics) the Company today enjoys around 35% market share having presence in more than 125 countries. In India, Company continues to enjoy a dominant market share of over 95% consistently since it became an independent entity. Company continues to enjoy a dominant position in this industry and is confident of maintaining this position going forward.

Major growth driver for Company continues to be the huge conversion opportunity available in the Mining Industry space. As elaborated under the Industry Section, the addressable market opportunity is around 2 – 2.5 million tons for the three ores on which the Company is focused upon viz. Gold, Copper and Iron Ore. The level of penetration of High Chrome Grinding Media is limited in the range of 20%-25%, which offers a significant opportunity for growth through conversion of the Mines from Forged Grinding Media to High Chrome Grinding Media.

Further, in addition to Grinding Media as the main product supplied to the Mining Industry, Company is also very bullish on the prospects for growth in the Mill Liner Segment where the Company is manufacturing and supplying Metal Liners based on unique patented Mill Liner design licensed by the Company, which helps the Company in offering multiple advantages including improved throughputs and reduced power costs.

Company is addressing the mining opportunity of conversion through a combination of solutions based on the requirement of a mining customer. This includes cost savings through lower wear rates and lower consumptions owing to the High Chrome advantage; Down process related benefits in the form of reduction in the cost of other expensive reagents/improvement of recoveries by use of High Chrome Grinding Media; and lastly unique Mill Lining solutions having the effect of increasing the throughput and reduction in the power cost. Company is also offering unique Mill Liners to the mining market and widening its wallet share and value addition with customers. Company's dedicated greenfield Mining Liner plant has been commissioned in Quarter 2 of F.Y. 2022-23 is helping the Company in taking incremental market share in this segment, as well as offer higher cross selling opportunities for Grinding Media.

While the Company was fully geared to address the huge opportunity available for growth in Mining Segment, the progress was stifled during F.Y. 2020-21 and also for a large part of the F.Y. 2021-22 predominantly owing to the fact that our sales and business development teams could not travel due to Covid related restrictions and further there were also multiple headwinds in the form of highly volatile and continuously increasing shipping rates and supply chain challenges. However, in spite of all these challenges, the Company was in a position to maintain its supplies to all its key customers and also show a respectable growth in F.Y. 2021-22 considering the fact that there was in fact a volume de-growth in F.Y. 2021-22 due to loss of sales in Canada and South Africa due to anti-dumping/trade barriers imposed in these geographies, which were compensated by new business conversions.

However, in F.Y. 2022-23 with normalcy having returned in major relevant markets, Company has once again resumed the process of new customer acquisitions, resulting into an increase in the sales volumes in F.Y. 2022-23. Further, the Company is quite confident to deliver an incremental volume growth of at least 25,000 tons to 30,000 tons year over year, which would be largely coming from the Mining Segment.

Going forward, Company continues to build on its competencies to offer material value addition to its customers in form of increase in throughput, increase in yield of gold and copper ores and reduction in operating costs in terms of wear costs, power costs and reagent consumption. This value addition is offered by continuous and direct engagement with operations personnel at plants in different countries and ensuring that a custom designed solution is offered to meet their specific objectives and engage with them on a continuous improvement journey to measure and ensure the benefits accrue over the lifetime of our solution. A Continued volatility in the prices of major raw materials viz. Scrap and Ferro Chromium is now becoming a rule rather than exception. Thus, in F.Y. 2022-23 at least for first half the Ferro Chromium prices continued to rise whereas in the third quarter there was a dip while again in the fourth quarter the prices started rising. However, the Company has demonstrated its ability of passing over this increase cost of raw materials consistently year over year over a lag of anywhere between 3 and 6 months. Again in the past we have also demonstrated our ability to pass over the increase in the freight rates. This also demonstrates the resilience of our business model.

The Company is extremely confident of the long term prospects of sustained growth through new customer acquisitions in the Mining Segment. Further, while the Company continues to face competition from one dominant global player in High Chrome Segment and also a few more players in the Mill Lining Segment, it believes that it has certain distinct competitive advantages given its unique product offerings coupled with highly efficient plants in India, duly supported by a strong global sales force and support infrastructure in the form of Company's global offices and warehouse infrastructure and continued developmental efforts aimed at making its solutions very potent – all these factors are giving the Company the confidence that it should emerge as a dominant supplier of Mill Internals in the Mining space as well.

Company continues to maintain our position of dominance as a supplier of large castings to the Thermal Power Plant Industry in India. Although this is relatively a smaller business, it is still an important business for it and the Company is also confident of maintaining a dominant position in this industry which is largely confined to the domestic market only.

D. CAPEX PLAN:

The Company's current capacity stands at 4,40,000 MT Per Annum, after considering the implementation of the recently commissioned Greenfield facility at Kerala GIDC near Ahmedabad to manufacture 50,000 MT of Mill Linings.

The Company is also in the process of implementing the second phase of Grinding Media Greenfield expansion project with a capacity of 80,000 MT at Kerala GIDC near Ahmedabad and expected to come in production by December 2024, at an estimated Capex of ₹ 250 Crores.

The Company has a plant cluster in Odhav in Ahmedabad primarily for production of parts other than grinding media. For this cluster, Company has now undertaken a one-time upgradation project which will include some capacity de-bottlenecking and restructuring, creation of warehouse space, pattern storage facilities and related infrastructure investment at an estimated cost of ₹ 200 Crores. While the project will continue in phases over next 2 years but will see capacity addition of 20,000 MT of castings by December 2024.

The Company further plans to invest in Renewable Energy Projects (including Solar and Wind) by investing ₹ 60.00 Crores in the F.Y. 2023-24. The Company plans to fund all above Capex from its internal cash accruals.

E. RISKS AND CONCERNS:

The Company is a Manufacturing Concern with facilities in 4 Cities in India and with sales and distribution spread across the world. The Company is exposed to certain operating business risks, similar to most manufacturing companies, which is mitigated by regular monitoring and corrective actions.

Key risks that the Company faces are around stability in the mining market, foreign exchange rate fluctuation, fluctuation in raw material prices, debtor defaults, disruption in supply chain and disruption and uncertainty in business due to Ukraine Crisis.

Currency Fluctuation: On account of high exchange volatility, there is possibility of big exchange fluctuation due to higher export in turnover and import of raw material. Proactive and Adoptive Hedging Policy which is aligned with market best practices and Dynamic Pricing Mechanism are in place to limit impact of exchange volatility on receivables and forecasted revenue.

Raw Material Fluctuation: The Company engages with the customers and is able to pass through most of the raw material changes – either through price pass clauses if there are longer tenure contracts or by repricing new offers. The Company is closely monitoring raw material price movements and is regularly buying the raw materials during low price cycles so as to average out the impact of price fluctuations.

Debtor Defaults: Company has taken up comprehensive credit insurance policy to mitigate risks around financial conditions of export customers.

Disruption in Supply Chain: Due to Ukraine Crisis, there is possibility of disruption in export and import Supply Chain. This may result in jump in overall outward freight cost. It may result in higher working capital because of increase in transit inventory and increase in inventory at Customer place to meet timely delivery. It may also put pressure on margin because of volatile freight cost. To mitigate disruption in supply chain, Company is planning production well in advance to compensate delay in logistic, maintaining higher inventory at warehouse of country having disrupted supply chain. Logistic team is putting efforts on midterm contract with shipping line to keep cost under cap. Sales team is also working with Customers to fix contract on FOB Plus Actual Freight.

F. INTERNAL CONTROL SYSTEM AND THE ADEQUACY:

The Company's Internal Control Systems are commensurate with the size and nature of its operations, aimed at achieving efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliances with all applicable laws and regulations. Talati and Talati LLP, Chartered Accountants is the Internal Auditor of the Company. It carries out extensive internal audit throughout the year across all functional areas and submits Quarterly Reports to the Management and Audit Committee. The recommendations from Internal Auditors and follow up actions for improvements of the business processes and controls are also periodically reviewed and monitored by the Audit Committee.

G. FINANCIAL PERFORMANCE REVIEW:

The financial performance of the Company as a whole (on Consolidated basis) is as under:-

I. Consolidated Performance:

An analysis of the Consolidated performance of the Company is given below:

- **Physical Production:**

The production achieved is as under:

(Qty in M.T.)

Product	2022-23	2021-22
High Chrome Mill Internals	2,88,088	2,78,590

- **Sales Turnover.**

The Comparative position of Sales Turnover achieved by the Company is as under:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Sales in India (27.07%) (P.Y. 21.12%)	1,30,943.36	74,230.94
Sales Outside India (72.93%) (P.Y. 78.88%)	3,52,859.12	2,77,215.81
Total	**4,83,802.48**	**3,51,446.75**

- **Key Performance Indicators :**

An analysis of the key indicators as percentage to Revenue is given below:

(₹ in Lakhs)

Particulars	2022-23	2021-22
1 Revenue from Operations	4,90,876.87	3,56,654.73
2 Cost of Materials Consumed (Including change in Inventories)	2,06,582.02	1,47,109.37
- % of revenue from operations	42.08%	41.25%
3 Employee Benefit Expense	15,190.16	13,936.66
- % of revenue from operations	3.09%	3.91%
4 Other Expenses	1,45,040.61	1,23,514.19
- % of revenue from operations	29.55%	34.63%
5 EBIDTA	1,47,518.02	87,723.52
- % of revenue from operations	30.05%	24.60%
6 Finance Costs	2,010.39	385.04
- % of revenue from operations	0.41%	0.11%
7 Depreciation and Amortisation Expense	9,304.01	9,211.63
- % of revenue from operations	1.90%	2.58%
8 Profit Before Tax	1,36,203.62	78,126.85
- % of revenue from operations	27.75%	21.91%
9 Profit After Tax (Including Other Comprehensive Income and after Minority Interest)	1,02,165.98	59,544.52
- % of revenue from operations	20.81%	16.70%

II Standalone Performance

The analysis of Standalone performance of the Company is given below:

- **Sales Turnover :**

The Comparative position of Sales Turnover achieved by the Company is as under:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Sales in India (30.71%) (P.Y. 22.35%)	1,22,046.82	67,707.68
Sales Outside India (69.29%) (P.Y. 77.65%)	2,75,384.06	2,35,241.37
Total	**3,97,430.88**	**3,02,949.05**

- **Key performance indicators:**

An analysis of the key indicators as percentage to Revenue is given below:

(₹ in Lakhs)

Particulars	2022-23	2021-22
1 Revenue from Operations	4,04,476.35	3,08,157.03
2 Cost of Materials Consumed (including change in inventories and purchase of stock in trade)	2,01,130.16	1,63,544.35
- % of revenue from operations	49.73%	53.07%
3 Employee Benefit Expense	11,040.39	10,302.79
- % of revenue from operations	2.73%	3.34%
4 Other Expenses	86,910.71	76,686.84
- % of revenue from operations	21.49%	24.89%
5 EBIDTA	1,37,669.05	84,591.86
- % of revenue from operations	34.04%	27.45%
6 Finance Costs	1,845.36	363.24
- % of revenue from operations	0.46%	0.12%

(₹ in Lakhs)

Particulars		2022-23	2021-22
7	Depreciation and Amortisation Expense	9,115.33	8,983.90
	- % of revenue from operations	2.25%	2.92%
8	Profit Before Tax	1,26,708.36	75,244.72
	- % of revenue from operations	31.33%	24.42%
9	Profit After Tax (Including Other Comprehensive Income)	96,301.22	58,535.19
	- % of revenue from operations	23.81%	19.00%

H. DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

Pursuant to amendment made in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor are given below:

Standalone

Sr. No.	Particulars	2022-23	2021-22	Change	Change in %	Explanations
1	Debtors Turnover (Days)	132.59	156.69	(24.10)	(15.38%)	--
2	Inventory Turnover (Days)	57.67	63.10	(5.43)	(8.61%)	--
3	Interest Coverage Ratio	69.66	208.15	(138.49)	(66.53%)	Due to availment of Short Term Borrowings during the year
4	Current Ratio	6.51	17.11	(10.60)	(61.97%)	Due to availment of Short Term Borrowings of ₹ 49,600 Lakhs
5	Debt Equity Ratio	0.09	-	(0.09)	100.00%	Due to availment of Short Term Borrowings of ₹ 49,600 Lakhs
6	Operating Profit Margin (%)	24.23%	16.06%	8.17	50.89%	Increase on account of increase in Net Profit
7	Net Profit Margin (%)	24.38%	19.29%	5.09	26.35%	Increase on account of increase in Net Profit due to increase in revenue from operations.
8	Return on Networth (%)	19.25%	13.45%	4.98	39.16%	Increase on account of increase in Net Profit

Consolidated

Sr. No.	Particulars	2022-23	2021-22	Change	Change in %	Explanations
1	Debtors Turnover (Days)	64.95	83.66	(18.71)	(22.36%)	--
2	Inventory Turnover (Days)	92.19	102.86	(10.67)	(10.37%)	--
3	Interest Coverage Ratio	68.75	203.91	(135.16)	(66.28%)	Due to availment of Short Term Borrowings during the year
4	Current Ratio	6.07	12.26	(6.16)	(50.37%)	Due to availment of Short Term Borrowings of ₹ 49,600 Lakhs
5	Debt Equity Ratio	0.09	-	0.09	100.00%	Due to availment of Short Term Borrowings of ₹ 49,600 Lakhs
6	Operating Profit Margin (%)	23.72	17.89 %	5.83	32.57%	Due to increased Net Profit
7	Net Profit Margin (%)	21.83	17.63 %	4.20	23.78%	--
8	Return on Networth (%)	20.22	13.77 %	6.45	46.80%	Increase on account in increase in Net Profit

I. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

The Company believes that human resource is the most important asset of the organisation. During the year under review, your Company continued its efforts to improve HR related processes, practices and systems to align these to the organisational objectives. Training and development of its employees is ensured through on the job and outside training programmes and workshop. The Company continues to attract excellent talent to further its business interests. Industrial Relations continue to be cordial.

CAUTIONARY STATEMENT:

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable Securities, Laws & Regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the Government Regulations, Tax Laws & other statutes & other incidental factors.

Financial Statements

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 2023, 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 2023, 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 from Sale of Products

Refer Note 3 (j) and Note 32 to 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. 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 products; • 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 underlying documents along with terms and conditions set out in customer contracts; • Understanding the Company's process for identifying, recording and disclosing related parties and related party transactions;

The key audit matter	How the matter was addressed in our audit
	• 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 statement 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 financial statements and 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 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.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- 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

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, 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 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 Auditors) 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 2023 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 the Note 53 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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:23116240BGWVDJ4302

Place: Ahmedabad
Date: 25 May 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2023

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

(i) (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.

(c) 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.

(d) 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 lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(e) 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.

(f) 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 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 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 guarantee to companies during the year and provided loans to companies and other parties during the year, in respect of which the requisite information is as below. The Company has not provided loans to firms, limited liability partnership and not made any investments in 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 stood guarantee to any other entity as below:

(₹ in Lakhs)

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	-	-
Others	-	12,608.88
Balance outstanding as at balance sheet date		
Subsidiaries*	821.10	-
Others	-	12,785.46

*As per the Companies Act, 2013

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2023 (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, in our opinion 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 provided any security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the loans and 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 Act 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, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 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, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues as at 31 March 2023 which have not been deposited on account of any dispute are as follows:

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ in Lakhs)

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount unpaid
Income tax Act, 1961	Income tax	Hon'ble High Court of Gujarat	A.Y. 2006-07 to A.Y. 2013-14	11,473.81	11,473.81
Income tax Act, 1961	Income tax	Commissioner of Income-tax, (Appeals) Ahmedabad	A.Y. 2014-15, A.Y 2016-17 to A. Y 2018-19, A.Y 2020-21	15,797.30	13.914.24
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	VAT Tribunal, Madurai	F.Y. 2013-14	18.63	9.47
CGST Act, 2017	Goods service tax	Deputy Commissioner of GST & Central Excise, Tiruchirappalli	F.Y. 2017-18 to 2018-19	3.57	3.57
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	41.23	41.23
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

(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 lender.

(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) According to the information and explanations given to us by the management, the Company has not obtained any term loans 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 standalone 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 the Act.

(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 the Act).

(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, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

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

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(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 Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable 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 Act are not applicable to the Company.

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

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is 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) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). 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 the 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) 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 Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(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 Act 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:23116240BGWVDJ4302

Place: Ahmedabad
Date: 25 May 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2023

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 Act

REFERRED TO IN PARAGRAPH 2(A)(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE

Opinion

We have audited the internal financial controls with reference to financial statements of AIA Engineering Limited ("the Company") as of 31 March 2023 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 2023, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 standalone 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 AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2023 (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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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:23116240BGWVDJ4302

Place: Ahmedabad
Date: 25 May 2023

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2023

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	93,819.77	72,437.24
(b) Right of use assets	5	3,404.27	3,382.87
(c) Capital work-in-progress	6	10,735.15	21,023.40
(d) Goodwill	7	460.69	460.69
(e) Other intangible assets	7	319.87	282.60
(f) Financial assets			
(i) Investments	8	1,572.63	1,541.24
(ii) Trade receivables	9	11.25	541.34
(iii) Loans	10	12,654.49	161.57
(iii) Other financial assets	11	451.90	31,961.03
(g) Other tax assets (net)	12	2,757.86	2,779.24
(h) Other non-current assets	13	2,963.82	3,817.32
Total non-current assets		**1,29,151.70**	1,38,388.54
Current assets			
(a) Inventories	14	62,787.60	62,801.62
(b) Financial assets			
(i) Investments	15	2,19,216.37	1,01,208.75
(ii) Trade receivables	16	1,44,357.53	1,29,513.30
(iii) Cash and cash equivalents	17	11,370.88	17,690.98
(iv) Bank balances other than (iii) above	17	49,834.17	24,566.99
(v) Loans	18	130.97	96.04
(vi) Derivatives		219.88	-
(vii) Other financial assets	19	3,706.64	4,494.81
(c) Other current assets	20	10,770.55	7,721.46
Total current assets		**5,02,394.59**	3,48,093.95
Total assets		**6,31,546.29**	4,86,482.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	21	1,886.41	1,886.41
(b) Other equity	22	5,45,414.51	4,57,602.12
Total equity		**5,47,300.92**	4,59,488.53
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	292.26	308.12
(b) Provisions	24	514.59	534.30
(c) Deferred tax liabilities (net)	40 (b)	6,212.04	5,804.32
Total non-current liabilities		**7,018.89**	6,646.74
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	49,600.00	-
(ii) Lease liabilities	26	326.26	317.31
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		2,606.14	3,846.20
Total outstanding dues of creditors other than micro enterprises and small enterprises		18,299.45	11,210.03
(iv) Derivatives		-	115.98
(v) Other financial liabilities	28	2,313.55	2,348.73
(b) Other current liabilities	29	2,259.14	1,215.29
(c) Provisions	30	286.23	335.66
(d) Current tax liabilities (net)	31	1,535.71	958.02
Total current liabilities		**77,226.48**	20,347.22
Total liabilities		**84,245.37**	26,993.96
Total equity and liabilities		**6,31,546.29**	4,86,482.49

The accompanying notes are integral part of these standalone financial statements 2 - 53

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, 2023

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2023

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

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

Place : Ahmedabad
Date : 25 May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in Lakhs)

Particulars	Note	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
INCOME			
Revenue from operations	32	4,04,476.35	3,08,157.03
Other income	33	32,273.96	26,968.81
Total income		**4,36,750.31**	3,35,125.84
Expenses			
Cost of materials consumed	34	2,01,494.98	1,72,861.67
Purchases of stock-in-trade		351.65	1,657.92
Changes in inventories of finished goods and work-in-progress	35	(716.47)	(10,975.24)
Employee benefits expense	36	11,040.39	10,302.79
Finance costs	37	1,845.36	363.24
Depreciation and amortisation expense	38	9,115.33	8,983.90
Other expenses	39	86,910.71	76,686.84
Total expenses		**3,10,041.95**	2,59,881.12
Profit before tax		**1,26,708.36**	75,244.72
Tax expense	40 (a)		
Current tax		29,309.44	16,808.26
Short / (Excess) provision for tax of earlier years		10.49	(150.40)
Deferred tax		505.87	136.33
Total tax expense		**29,825.80**	16,794.19
Profit for the year		**96,882.56**	58,450.53
Other Comprehensive Income ('OCI')			
A Items that will not be reclassified to profit and loss	42 (iv)		
(i) Remeasurement of defined employee benefit plans		142.79	88.88
(ii) Income tax relating to items that will not be reclassified to profit and loss		(35.94)	(22.37)
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		(193.77)	(76.72)
(ii) Fair value changes on debt instruments through OCI		(725.87)	100.97
(iii) Income tax relating to items that will be reclassified to profit and loss		231.45	(6.10)
Other comprehensive income for the Year (net of taxes)		**(581.34)**	84.66
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**96,301.22**	58,535.19
Earnings per equity share			
Equity share of par value ₹ 2 each			
Basic and diluted	41	102.72	61.97

The accompanying notes are integral part of these standalone financial statements **2 - 53**

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, 2023

Place : Ahmedabad
Date : 25 May, 2023

Place : Ahmedabad
Date : 25 May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023

A. Equity share capital

(₹ in Lakhs)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
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				Items of Other Comprehensive Income		Total
	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Effective portion of Cash flow of hedge	Debt Instrument Through OCI	
Balance as at 1 April, 2021	26,579.52	1,925.74	16,189.27	3,62,297.68	563.55	-	4,07,555.76
Total Comprehensive income for the year ended 31 March, 2022							
Profit for the year	-	-	-	58,450.53	-	-	58,450.53
Other Comprehensive income for the year	-	-	-	66.51	(57.41)	75.56	84.66
Transactions with onwers of the Company							
Distributions							
Dividend	-	-	-	(8,488.83)	-	-	(8,488.83)
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
Total Comprehensive income for the year ended 31 March, 2023							
Profit for the year	-	-	-	96,882.56	-	-	96,882.56
Other Comprehensive income for the year	-	-	-	106.85	(145.00)	(543.19)	(581.34)
Transactions with onwers of the Company							
Distributions							
Dividend	-	-	-	(8,488.83)	-	-	(8,488.83)
Balance as at 31 March, 2023	**26,579.52**	**1,925.74**	**16,189.27**	**5,00,826.47**	**361.14**	**(467.63)**	**5,45,414.51**

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. It is utilised in accordance with the provisions of the Companies Act, 2013.

(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 - 53

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, 2023

Place : Ahmedabad
Date : 25 May, 2023

Place : Ahmedabad
Date : 25 May, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in Lakhs)

	Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
A.	**Cash flow from operating activities:**		
	Profit before tax	1,26,708.36	75,244.72
	Adujustments for:		
	Interest income from financial assets	(10,404.38)	(7,570.94)
	Dividend income	(8,468.52)	(8,429.91)
	Gain on sale of current investments	(1,070.73)	(152.23)
	Change in fair valuation of current investments	(1,374.02)	(1,588.96)
	Unrealised loss / (gain) on foreign exchange fluctuation (net)	1,067.15	(2,418.88)
	(Gain)/ Loss on sale of assets (net)	(13.57)	10.90
	Sundry balances (written back) / written off (net)	(51.47)	(51.89)
	Bad debts	82.82	-
	Depreciation and amortisation expense	9,115.33	8,983.90
	Finance costs	1,845.36	363.24
	Provision for warranties written back (net)	(3.45)	(128.61)
	Allowance for expected credit loss written back (net)	(40.23)	(57.31)
		1,17,392.65	64,204.03
	Changes in working capital:		
	(Increase) in trade receivable	(15,894.49)	(20,955.62)
	(Increase) in loans	(12,527.85)	(65.69)
	Decrease / (Increase) in inventories	14.02	(20,851.74)
	Decrease in other financial assets	1,327.82	39.69
	(Increase) in other assets	(3,097.58)	(2,828.11)
	Increase in provisions	77.10	98.72
	Increase in trade payables	5,870.80	460.20
	Increase in other financial liabilities	132.04	58.67
	Increase / (Decrease) in other current liabilities	261.34	(892.54)
	Cash generated from operations	**93,555.85**	19,267.61
	Income taxes paid (net of refunds)	(28,842.95)	(16,147.99)
	Net cash generated from operating activities (A)	**64,712.90**	3,119.62
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(19,277.51)	(12,665.90)
	Proceeds from sale of property, plant and equipment	33.52	19.34
	(Purchase of) investments (net)	(1,11,586.45)	(21,019.13)
	Redemption of fixed deposits with bank (net)	5,732.35	37,563.46
	Interest income	5,633.94	6,852.60
	Dividend income	8,468.52	8,429.91
	Net cash (used in) / generated from investing activities (B)	**(1,10,995.63)**	19,180.28
C.	**Cash flow from financing activities:**		
	Proceeds from / (Repayment) of current borrowings (net)	49,600.00	(18,100.00)
	Dividends paid (Net of TDS)	(7,706.32)	(7,631.13)
	Finance costs paid	(1,512.57)	(258.57)
	Interest paid on lease liabilities	(56.01)	(76.82)
	Principle repayment of lease liabilities	(333.48)	(299.39)
	Net cash generated from / (used in) financing activities (C)	**39,991.62**	(26,365.91)
D.	**Net (Decrease) in cash and cash equivalents (A+B+C)**	**(6,291.11)**	(4,066.01)
E.	**Add : Cash and cash equivalents at the beginning of the year**	**17,690.98**	21,708.67
F.	**Less: Effects of movements in exchange rates on cash held**	**(28.99)**	48.32
G.	**Cash and cash equivalents at the end of the year (refer note 1 below)**	**11,370.88**	17,690.98

STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

Note:

1 Cash and cash equivalents include:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks	11,345.49	12,685.79
Balances with bank in fixed deposit accounts (maturity within 0-3 months from reporting date)	-	5,000.00
Cash on hand	25.39	5.19
	11,370.88	17,690.98

2 Movement in financial liabilities and financial assets arising from financing activities:

(₹ in Lakhs)

Particulars	Current borrowings (Note 25)	Lease liabilities (Note 23 and 26)	Dividends paid (Net of TDS) (Note 22)	Finance Cost
Balance as at 1 April, 2021	18,100.00	832.79	-	4.84
Repayment of borrowings	(18,100.00)	-	-	-
Dividends paid (Net of TDS)	-	-	(7,631.13)	-
Interest paid	-	(76.82)	-	(258.57)
Amount paid during the year	-	(275.23)	-	-
Net cash outflows during the year	(18,100.00)	(352.05)	(7,631.13)	(258.57)
Remeasurement of lease liability		67.87	-	-
Charge to statement of Profit and loss	-	76.82	-	253.73
Balance as at 31 March, 2022	-	625.43	-	-
Proceeds from borrowings	49,600.00	-	-	-
Dividends paid (Net of TDS)	-	-	(7,706.32)	-
Interest paid	-	(56.01)	-	(1,512.57)
Amount paid during the year	-	(333.48)	-	-
Net movement during the year	**49,600.00**	**(389.49)**	**(7,706.32)**	**(1,512.57)**
Remeasurement of lease liability	-	326.57	-	-
Charge to statement of Profit and loss	-	56.01	-	1,569.90
Balance as at 31 March, 2023	**49,600.00**	**618.52**	**-**	**57.33**

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 - 53**

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**
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Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 25 May, 2023

Place : Ahmedabad
Date : 25 May, 2023

Place : Ahmedabad
Date : 25 May, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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, 2023, 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 as per 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, 2023.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

The following areas are subject to estimation uncertainties and the details thereof are included in respective 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.

Current/Non-current classification:

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
- 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 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'.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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 and the cost of the item can be measured reliably.

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	10 – 60
Plant and equipments	15 – 22
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.

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.

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 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.

g) Employee benefit expenses

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.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for atleast twelve months after the reporting date.

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.

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 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 right-of-use assets 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 right-of-use 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 measured at amortised cost using the effective interest method.

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. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liabilities and right-of-use assets have been separately presented in the standalone balance sheet and lease payments have been classified as cash flows from financing activities.

m) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it related to items recognised directly in equity or in Other comprehensive income.

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.

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 46.

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 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April , 2023, as below:

I. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

II. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

III. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others *	Total
Cost:								
As at 1 April, 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
Additions during the year	1,475.08	7,433.81	20,382.00	280.88	30.00	92.75	432.70	30,127.22
Disposals / adjustments during the year	-	(12.27)	(106.76)	(11.86)	(2.59)	(2.29)	(33.61)	(169.38)
As at 31 March, 2023	**5,211.26**	**44,298.46**	**98,739.77**	**1,392.28**	**188.84**	**470.93**	**1,793.15**	**1,52,094.69**
Accumulated depreciation:								
As at 1 April, 2021	-	7,126.90	32,511.70	579.79	49.58	215.91	775.10	41,258.98
Depreciation 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
Depreciation for the year	-	1,479.55	6,895.06	91.15	22.27	45.80	190.41	8,724.24
Disposals / adjustments during the year	-	(4.43)	(98.27)	(10.65)	(2.46)	(2.18)	(30.94)	(148.93)
As at 31 March, 2023	**-**	**9,916.96**	**46,149.30**	**751.12**	**74.61**	**296.95**	**1,085.98**	**58,274.92**
Carrying Amount:								
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
As at 31 March, 2023	**5,211.26**	**34,381.50**	**52,590.47**	**641.16**	**114.23**	**173.98**	**707.17**	**93,819.77**

* 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, 2023 (CONTD.)

NOTE - 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Cost:			
As at 1 April, 2021	3,026.54	1,199.06	4,225.60
Additions duing the year	23.73	70.34	94.07
Deductions / adjustments during the year	-	(9.25)	(9.25)
As at 31 March, 2022	3,050.27	1,260.15	4,310.42
Additions duing the year	-	333.63	333.63
Deductions / adjustments during the year	-	(20.55)	(20.55)
As at 31 March, 2023	**3,050.27**	**1,573.23**	**4,623.50**
Amortisation:			
As at 1 April, 2021	143.70	492.14	635.84
Amortisation for the year	16.86	282.05	298.91
Deductions / adjustments during the year	-	(7.20)	(7.20)
As at 31 March, 2022	160.56	766.99	927.55
Amortisation for the year	16.86	288.81	305.67
Deductions / adjustments during the year	-	(13.99)	(13.99)
As at 31 March, 2023	**177.42**	**1,041.81**	**1,219.23**
Carrying Amount:			
As at 31 March, 2022	2,889.71	493.16	3,382.87
As at 31 March, 2023	**2,872.85**	**531.42**	**3,404.27**

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 with tenure of leases upto 99 years.
2. Lease rent of ₹ 3.22 Lakhs (Previous Year ₹ 12.81 Lakhs) is recognised 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 48) 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, 2023 (CONTD.)

NOTE - 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of the year	21,023.40	16,094.87
Additions during the year	17,931.19	11,119.98
Capitalisation during the year	(28,219.44)	(6,191.45)
Balance at the end of the year	**10,735.15**	21,023.40

Note:

1. The year end balance of capital work-in-progress primarily consist of mining liner and grinding media capacity expansion at Kerala GIDC, Ahmedabad.
2. Refer Note 43 (b) for contractual commitments with respect to property, plant and equipments.

CWIP aging schedule as at 31 March, 2023

(₹ in Lakhs)

Particulars	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	10,348.93	202.81	141.70	41.71	10,735.15
Projects temporarily suspended	-	-	-	-	-
	10,348.93	**202.81**	**141.70**	**41.71**	**10,735.15**

CWIP aging schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	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	-	-	-	-	-
	5,546.63	12,667.37	2,795.06	14.34	21,023.40

CWIP - Completion Schedule of capital working in progress as at 31 March, 2023

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is not overdue:					
Kerala Mining Liner Project (Phase II)	2,551.32	-	-	-	2,551.32
Kerala Grinding Media Project (Phase III)	7,565.40	-	-	-	7,565.40
Other Projects	618.43	-	-	-	618.43
	10,735.15	**-**	**-**	**-**	**10,735.15**

NOTE - 6 CAPITAL WORK-IN-PROGRESS

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

(₹ in Lakhs)

Particulars	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

NOTE - 7 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note (a))
	Software	Patents and Copyrights	Total	
Cost :				
As at 1 April, 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
Additions during the year	106.27	16.42	122.69	-
Disposals / adjustments during the year	-	-	-	-
As at 31 March, 2023	**1,109.43**	**104.62**	**1,214.05**	**460.69**
Amortisation:				
As at 1 April, 2021	692.49	21.75	714.24	-
Amortisation for the year	90.11	4.41	94.52	-
Disposal / Adjustments	-	-	-	-
As at 31 March, 2022	782.60	26.16	808.76	-
Amortisation for the year	80.68	4.74	85.42	-
Disposal / Adjustments	-	-	-	-
As at 31 March, 2023	**863.28**	**30.90**	**894.18**	**-**
Carrying Amount				
As at 31 March, 2022	220.56	62.04	282.60	460.69
As at 31 March, 2023	**246.15**	**73.72**	**319.87**	**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, 2023 (CONTD.)

NOTE - 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current investments		
A. Investment in equity instruments of		
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 USD 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) 422,300 (previous year: 484,700) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up	42.23	48.47
Measured at Amortised cost		
24,478 (previous year: NIL) equity shares of Clean Max Meridius Private Limited.of face value ₹ 10/- each, fully paid up	37.63	-
	1,572.63	1,541.24
Aggregate amount of quoted investments	1,341.05	1,341.05
Aggregate market value of quoted investments	2,806.26	1,838.99
Aggregate amount of unquoted investments	231.58	200.19

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.

NOTE - 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current trade receivables (unsecured)		
Considered good *	**11.25**	541.34
Significant increase in credit risk	-	-
Credit impaired	-	-
	11.25	541.34

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 9 TRADE RECEIVABLES (CONTD.)

Ageing of trade receivables as at 31 March, 2023

(₹ 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	-	-	2.64	1.50	3.27	2.44	1.40	11.25
(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	-	-	-	-	-	-	-	-
	-	**-**	**2.64**	**1.50**	**3.27**	**2.44**	**1.40**	**11.25**

Ageing of trade receivables 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current loans		
Loans to employees		
Secured, considered good	46.37	61.63
Unsecured, considered good	108.12	99.94
Inter corporate deposit (secured)		
Others	12,500.00	-
	12,654.49	161.57

NOTE - 11 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	-	31,000.00
Interest accrued on fixed deposit	-	490.28
Security deposits (unsecured, considered good)	451.90	470.75
	451.90	31,961.03

NOTE - 12 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax / tax deducted at source [net of provision for tax ₹ 1,45,839.31 Lakhs (Previous year ₹ 1,28,911.31 Lakhs)]	2,757.86	2,779.24
	2,757.86	2,779.24

NOTE - 13 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	2,535.71	3,437.70
Others		
Balance with government authorities	101.62	53.13
Advance paid under protest	326.49	326.49
	2,963.82	3,817.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 14 INVENTORIES *

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials	10,943.27	13,667.93
Raw materials in transit	5,125.95	3,853.16
Work-in-progress	22,927.91	17,822.53
Finished goods	13,973.81	18,362.72
Stores and spares	9,772.55	9,091.95
Stores and spares in transit	44.11	3.33
	62,787.60	62,801.62

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

NOTE - 15 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current investments		
Mesured at FVTPL		
Investments in mutual funds (quoted)	15,977.17	13,275.62
Investments in bonds (quoted)	30,232.66	29,170.02
Measured at Amortised cost		
Investment in bonds (quoted)	-	5,105.84
Measured at FVTOCI		
Investment in bonds and debentures (quoted)	1,73,006.54	53,657.27
	2,19,216.37	1,01,208.75
Aggregate amount of quoted investments	2,19,216.37	1,01,208.75
Aggregate market value of quoted investments	2,19,216.37	1,01,275.19

NOTE - 16 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current trade receivables (unsecured)		
Considered good * #	1,44,357.53	1,29,513.30
Significant increase in credit risk	-	-
Credit impaired	95.82	136.05
	1,44,453.35	1,29,649.35
Less: Allowance for expected credit loss	(95.82)	(136.05)
	1,44,357.53	1,29,513.30
* Includes trade receivables from related parties (refer Note 45 (d))	1,22,218.25	1,14,108.53

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 16 TRADE RECEIVABLES (CONTD.)

Ageing of trade receivables as at 31 March, 2023

(₹ 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	-	1,02,292.40	32,087.35	9,700.64	94.53	86.30	96.31	1,44,357.53
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	6.35	6.33	1.58	5.87	15.47	60.22	95.82
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
	-	**1,02,298.75**	**32,093.68**	**9,702.22**	**100.40**	**101.77**	**156.53**	**1,44,453.35**

Ageing of trade receivables 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	-	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	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	1.49	1.73	3.89	20.68	18.59	89.67	136.05
(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 17 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash and cash equivalents		
Balances with banks	11,345.49	12,685.79
Balances with bank in fixed deposit (Original maturity of less than 3 months)	-	5,000.00
Cash on hand	25.39	5.19
	11,370.88	17,690.98
Other bank balances		
Balances with bank in fixed deposits (Original maturity within 3 to 12 months)	49,300.00	24,048.00
Balances with bank in fixed deposit against margin money (Original maturity within 3 to 12 months)	523.92	508.27
Earmarked balances with bank (unpaid dividend) *	10.25	10.72
	49,834.17	24,566.99
	61,205.05	42,257.97

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

NOTE - 18 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current loans		
Loans to employees		
Secured, considered good	17.89	10.62
Unsecured, considered good	113.08	85.42
	130.97	96.04

NOTE - 19 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Export incentives receivable	1,245.51	1,309.39
Interest accrued on fixed deposits	1,329.25	808.45
Security deposits (unsecured, considered good)	226.87	92.03
Contractually Reimbursable Expenses (refer Note 45 (d))	905.01	2,284.94
	3,706.64	4,494.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances other than capital advances		
Advances to related parties	1.73	4.03
Other advances		
Advances to suppliers	4,258.93	2,943.47
Advances to staff	31.37	14.59
Others		
Balances with government authorities	5,641.98	4,412.20
Prepaid expenses	671.77	253.17
Prepaid leave encashment	164.77	94.00
	10,770.55	7,721.46

NOTE - 21 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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.

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	Amount in Lakhs	No. of shares	Amount 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 are set out below :

Name of the shareholders	As at 31 March, 2023		As at 31 March, 2022	
	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, 2023 (CONTD.)

NOTE - 21 SHARE CAPITAL (CONTD.)

(d) Shareholding of Promoters

Shares held by promoters as at 31 March, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
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, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year
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, 2023	As at 31 March, 2022
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	4,12,325.89	3,62,297.68
Add: Profit for the year	96,882.56	58,450.53
Less: Remeasurement of defined benefit plan transferred from OCI	106.85	66.51
Less: Dividend on equity shares	(8,488.83)	(8,488.83)
Balance at the end of the year	5,00,826.47	4,12,325.89
Total reserves and surplus (A)	**5,45,521.00**	4,57,020.42
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	142.79	88.88
Tax impact on above [refer Note 40 (c)]	(35.94)	(22.37)
Less: Transferred to retained earnings	(106.85)	(66.51)
Balance at the end of the year	**-**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 22 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Items that will be reclassified to statement of profit and loss		
(b) Cash flow hedge reserve:		
Balance at the beginning of the year	506.14	563.55
Recognised in statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	335.86	(421.93)
Restatements of trade receivables to the extent of hedging	(529.63)	345.21
	(193.77)	(76.72)
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)]	(84.53)	106.19
Tax on Restatements of trade receivables to the extent of hedging	133.30	(86.88)
Net tax in OCI	48.77	19.31
Balance at the end of the year	361.14	506.14
(c) Fair value through other comprehensive income		
Balance at the beginning of the year	75.56	-
Recognised in statement of profit and loss	(725.87)	100.97
Tax impact on above	182.68	(25.41)
Balance at the end of the year	(467.63)	75.56
Total other comprehensive income (B)	**(106.49)**	581.70
Total other equity (A+B)	**5,45,414.51**	4,57,602.12

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

(₹ in Lakhs)

# Dividend on equity shares paid during the year.	As at 31 March, 2023	As at 31 March, 2022
Final dividend for the financial year 2021-22 [₹ 9 (previous year: ₹ 9) per equity share of ₹ 2 each]	8,488.83	8,488.83

Note: Board of Directors of the Company have proposed final dividend of ₹ 16 per equity share for the financial year 2022-23. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March, 2023. No interim dividend was declared and paid during the financial year 2022-23.

NOTE - 23 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non current lease liabilities	292.26	308.12
	292.26	308.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 24 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current provisions		
Provision for warranties	514.59	534.30
	514.59	534.30
Movement in provision for warranties		
Balance at the beginning of the year	736.50	914.37
Utilisation during the year	(20.24)	(49.26)
Provision For the year #	97.65	151.46
Written back during the year	(101.10)	(280.07)
Balance at the end of the year	**712.81**	736.50
Non-current	514.59	534.30
Current (refer note 30)	198.22	202.20
	712.81	736.50

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, 2023	As at 31 March, 2022
Current borrowings		
Loans from Banks repayable on demand		
Secured	7,700.00	-
Unsecured	41,900.00	-
	49,600.00	-

Borrowing based on security of current assets:

1. The Company has obtained various borrowings from banks on the 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 State Bank of India carrying interest rate ranging from 3.80% to 5.60% during the year (Previous Year Nil).
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 2.20% to 5.65% during the year (Previous Year 0.80% to 3.80%).
4. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 2.35% to 5.64% during the year (Previous Year 0.77% to 4.03%).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 26 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current lease liabilities	326.26	317.31
	326.26	317.31

NOTE - 27 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Total outstanding dues of micro enterprises and small enterprises #	2,606.14	3,846.20
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties [refer Note 45 (d)]	244.92	381.37
(ii) Due to others	18,054.53	10,828.66
	18,299.45	11,210.03
	20,905.59	15,056.23

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.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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):		
(a) Principal amount remaining unpaid to any supplier as at the end of the year-(refer note 28)	3,045.49	4,050.78
Interest due thereon remaining unpaid to any supplier as at the end of the year	0.30	5.09
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	11.22
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year;	0.30	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

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, 2023 (CONTD.)

NOTE - 27 TRADE PAYABLES (CONTD.)

Ageing of trade payables as at 31 March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,378.36	227.18	0.30	-	-	2,605.84
(ii) Others	7,083.01	8,821.71	2,363.49	22.99	3.06	5.49	18,299.75
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
	7,083.01	**11,200.07**	**2,590.67**	**23.29**	**3.06**	**5.49**	**20,905.59**

Ageing of trade payables as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	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	-	-	-	-	-	-	-
	-	11,122.62	3,756.35	48.41	18.99	109.86	15,056.23

NOTE - 28 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Salary, wages and bonus payable	1,426.41	1,294.37
Unpaid dividends *	10.25	10.72
Interest accrued on borrowings	57.33	-
Capital creditors #	779.04	996.88
Other payables	40.52	46.76
	2,313.55	2,348.73

* 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 ₹ 439.65 Lakhs as at 31 March, 2023 (₹ 209.67 Lakhs as 31 March, 2022).

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, 2023	As at 31 March, 2022
Contract liabilities		
Customer advances	1,736.46	814.65
Others		
Security deposits	21.12	13.39
Statutory dues and other payables	501.56	387.25
	2,259.14	1,215.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 30 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current provisions		
Provision for warranties (refer Note 24)	198.22	202.20
Provision for employee benefits (refer Note 42)		
Gratuity	88.01	133.46
	286.23	335.66

NOTE - 31 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for income tax [net of advance tax and tax deducted at source of ₹ 27,919.40 Lakhs (Previous year ₹ 15,992.18 Lakhs)]	1,535.71	958.02
	1,535.71	958.02

NOTE - 32 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sale of products		
Export sales	2,75,384.06	2,35,241.37
Domestic sales	1,22,046.82	67,707.68
	3,97,430.88	3,02,949.05
Other operating revenue		
Exports incentives	5,697.71	4,338.39
Other sales	1,347.76	869.59
	7,045.47	5,207.98
	4,04,476.35	3,08,157.03

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

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Reconciliation of revenue from operations with the contracted price:		
Contracted price	3,98,965.64	3,03,429.84
Adjustments :		
- Discounts	(74.88)	(41.86)
- Sales return	(1,459.88)	(438.93)
Sale of products	3,97,430.88	3,02,949.05
Other operating revenue	7,045.47	5,207.98
Revenue from operations	4,04,476.35	3,08,157.03
Revenue disaggregation by geography:		
India	1,29,092.29	72,915.66
Outside India:		
U.A.E.	2,68,694.37	2,34,208.63
Others	6,689.69	1,032.74
	4,04,476.35	3,08,157.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 32 REVENUE FROM OPERATIONS (CONTD.)

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, 2023	As at 31 March, 2022
Trade receivables	1,44,368.78	1,30,054.64
Contract assets	-	-
Contract liabilities		
Advance from customers	1,736.46	814.65

NOTE - 33 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income from financial assets	10,404.38	7,570.94
Dividend Income	8,468.52	8,429.91
Other non-operating income		
Gain on sale of current investments	1,070.73	152.23
Gain on foreign exchange fluctuation (net)	10,757.26	8,929.35
Change in fair value of current investments	1,374.02	1,588.96
Allowance for expected credit loss written back (net)	40.23	57.31
Gain on sale of assets (net)	13.57	-
Provision for warranties written back (net)	3.45	128.61
Miscellaneous receipts	141.80	111.50
	32,273.96	26,968.81

NOTE - 34 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock at the beginning of the year	17,521.09	8,097.77
Add: Purchases during the year	2,00,043.11	1,82,284.99
Less: Closing stock at the end of the year	16,069.22	17,521.09
	2,01,494.98	1,72,861.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock		
Work-in-progress	17,822.53	14,674.00
Finished goods	18,362.72	10,536.01
	36,185.25	25,210.01
Closing stock		
Work-in-progress	22,927.91	17,822.53
Finished goods	13,973.81	18,362.72
	36,901.72	36,185.25
	(716.47)	(10,975.24)

NOTE - 36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries, wages and bonus	9,764.48	9,436.67
Contribution to provident and other funds	630.72	581.37
Expenses related to post employment defined benefit plans [refer Note 42 (iv)]	230.80	222.33
Staff welfare expenses	414.39	62.42
	11,040.39	10,302.79

NOTE - 37 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on:		
Bank borrowings	1,551.99	239.88
Income Tax	219.45	32.69
Lease liabilities	56.01	76.82
Others	17.91	13.85
	1,845.36	363.24

NOTE - 38 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant and equipment (refer Note 4)	8,724.24	8,590.47
Amortisation of Right of Use assets (refer Note 5)	305.67	298.91
Amortisation of intangible assets (refer Note 7)	85.42	94.52
	9,115.33	8,983.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 39 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consumption of stores	30,844.00	24,938.46
Power and Fuel	36,431.41	31,679.30
Contract labour charges	7,406.44	6,805.25
Repairs and maintenance		
- Buildings	249.24	281.08
- Plant and machineries	1,176.73	1,013.11
- Others	776.23	733.95
Lease rent (refer Note 5)	3.22	12.81
Insurance	617.16	561.57
Rates and taxes	120.20	160.90
Security expenses	551.25	511.19
Printing, stationery and communication expenses	123.55	118.20
Travelling and conveyance expense	916.82	761.49
Advertisement and sales promotion	37.05	11.06
Freight outward expenses (Net of Recoveries)	2,389.19	5,416.42
Royalty expenses	700.66	388.74
Commission expenses	934.05	366.26
Directors' sitting fees	8.75	7.50
Payments to auditors		
- Statutory audit fees	21.50	19.50
- Quarterly Limited reviews	26.85	24.60
- Certification and other services	2.30	1.10
- Reimbursement of expenses	2.89	2.47
Legal and professional consultancy fees	1,615.84	1,153.28
Bank commission charges	132.27	128.73
Donation	1.02	0.28
Corporate social responsibility expenses (refer Note 50)	1,289.32	1,245.33
Loss on sale of assets (net)	-	10.90
Bad debts	82.82	-
Other miscellaneous expenses	449.95	333.36
	86,910.71	76,686.84

NOTE - 40 TAX EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Tax expense		
Provision for current tax	29,309.44	16,808.26
Excess provision for current tax of earlier years written back	10.49	(150.40)
Net deferred tax [refer Note 40(c)]	505.87	136.33
Tax expense for the year	**29,825.80**	16,794.19
(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	5,596.64	5,111.61
Fair valuation of current investments	560.11	721.95
Hedge reserve balance	55.29	-
	6,212.04	5,833.56
Deferred tax assets		
Hedge reserve balance	-	29.24
Others	-	-
	-	29.24
Deferred tax liabilities (net) [refer Note 40(c)]	**6,212.04**	5,804.32

(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
2022-23				
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	485.03	-	5,596.64
Fair valuation of current investments	721.95	20.84	(182.68)	560.11
Hedge reserve balance	-	-	55.29	55.29
	5,833.56	**505.87**	**(127.39)**	**6,212.04**
Deferred tax assets				
Hedge reserve balance	29.24	-	(29.24)	-
	29.24	**-**	**(29.24)**	**-**
Deferred tax liabilities (net)	**5,804.32**	**505.87**	**(98.15)**	**6,212.04**

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
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

(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, 2023	For the year ended 31 March, 2022
Profit before tax for the year	1,26,708.36	75,244.72
Tax at statutory income tax rate of 25.168% in India	31,889.96	18,937.59
Adjustments:		
Tax on Foreign Dividend not charged to Profit & Loss	(2,131.36)	(2,121.64)
Income from long term investment taxed at lower rate	(312.97)	(196.36)
Non-deductible expenses for tax purposes	369.68	325.00
Short / (Excess) provision for tax of earlier years	10.49	(150.40)
Tax expense reported in the statement of profit and loss	**29,825.80**	16,794.19

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).

NOTE - 41 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net profit attributable to the equity shareholders (₹ in Lakhs)	96,882.56	58,450.53
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 (₹)	102.72	61.97

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, 2023	For the year ended 31 March, 2022
Employer's contribution to provident fund	548.87	504.97

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.

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Defined benefit obligation at the beginning of the year	3,212.80	3,105.39
Recognised in statement of profit and loss:		
Current service cost	229.50	226.22
Interest cost	202.41	179.14
Actuarial (gain) / loss recognised in other comprehensive income:		
Due to change in financial assumptions	(156.17)	(182.68)
Due to change in demographic assumptions	-	-
Due to experience adjustments	22.22	105.42
Benefits paid	(199.25)	(220.69)
Defined benefit obligation at the end of the year	**3,311.51**	3,212.80

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Fair value of plan assets at the beginning of the year	3,079.34	3,053.40
Interest income	201.11	183.02
Return on plan assets excluding amounts included in interest income	8.84	11.62
Contributions by the employer	133.46	51.99
Benefits paid	(199.25)	(220.69)
Fair value of plan assets at the end of the year	**3,223.50**	3,079.34
Actual return on plan assets	209.95	194.64

(iv) Expense recognised during the year:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Current service cost	229.50	226.22
Net interest cost	1.30	(3.88)
Net value of remeasurement on the obligation and plan assets	-	-
Net cost recognised in statement of profit and loss	**230.80**	222.34
Components of actuarial gains / (losses):		
Due to change in financial assumptions	(156.17)	(182.68)
Due to experience adjustments	22.22	105.42
Due to change in demographic assumptions	-	-
Return on plan assets excluding amounts included in interest income	(8.84)	(11.62)
Net cost recognised in other comprehensive income	**(142.79)**	(88.88)

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Present value of obligation	3,311.51	3,212.80
Fair value of plan assets	3,223.50	3,079.34
Net defined benefit liability at end of the year	**88.01**	133.46

(vi) Composition of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Investment funds		
Insurance policies	100%	100%

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

(vii) Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Financial assumptions		
Discount rate	7.45%	6.95%
Expected rate of return on plan assets	7.45%	6.95%
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.

(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:

(₹ in Lakhs)

Particulars	Increase in assumption		Decrease in assumption	
	2022-23	2021-22	2022-23	2021-22
Discount rate				
Change in assumption by 0.50%	(4.37%)	(4.34%)	4.72%	4.70%
Salary growth rate				
Change in assumption by 0.50%	4.62%	4.59%	(4.32%)	(4.28%)
Withdrawal rate				
Change in assumption by 0.10%	(0.15%)	(0.22%)	0.14%	0.23%

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

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

(ix) Maturity profile of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	**2021-22**
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	3.49	4.03
25 to 35	238.59	279.03
35 to 45	952.41	911.46
45 to 55	1,068.54	1,088.32
above 55	1,048.48	929.96
Accrued gratuity for left employees	-	-
	3,311.51	3,212.80
Past service wise distribution of defined benefit obligation		
Service year in years		
0 to 4	56.53	74.59
4 to 10	244.72	236.46
10 to 15	690.54	914.63
15 and above	2,319.72	1,987.12
Accrued gratuity for left employees	-	-
	3,311.51	3,212.80

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, 62 or 65 years

NOTE - 42 EMPLOYEE BENEFITS (CONTD.)

Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Leave encashment (funded)	
	2022-23	**2021-22**
Financial assumptions		
Discount rate	7.45%	6.95%
Expected rate of return on plan assets	7.45%	6.95%
Salary growth rate	8.50%	8.50%
Demographic assumptions		
Withdrawal rate	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 ₹ 111.27 Lakhs (previous year ₹ 158.69 Lakhs)

D. Company's estimate of contributions expected to be paid during financial year 2023-24 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity	₹ 88.01 Lakhs
(iii) Other long-term employee benefits	
(a) Leave encashment	-

NOTE - 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
(a) Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Central Excise and Service tax	117.74	190.11
Income tax		
In High Court (Decision is received in favor of company in ITAT and Income Tax Dapartment has appealed decision of ITAT in High Court).	11,473.81	11,473.81
In Commissioner of Income-tax (CIT)	15,797.31	11,910.70
Total Income tax	**27,271.12**	23,384.51
Sales tax / VAT	18.63	57.23
Guarantees:		
Outstanding bank guarantees	14,718.29	15,014.05
Outstanding corporate guarantees given to customers	242.16	174.21
Letter of Credit	1,076.93	2,008.18
Others matters including claims related to ESIC, Electricity and Ex-employees	599.26	598.46
	44,044.13	41,426.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONTD.)

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10,222.59	3,270.61
	10,222.59	3,270.61

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.

NOTE - 44 CANADA ANTI- DUMPING DUTY :

After a full Anti Dumping Duty and Countervailing Duties re investigation review, Canada Border Services Agency has notified a schedule for duties for imports and revised normal value of high chrome grinding media (manufactured by the Company 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 duty of ₹ 3874 per MT will be levied on all imports of defined grinding media.

NOTE - 45 RELATED PARTY DISCLOSURES

A. List of related parties:

(i) Subsidiaries:

Sr. no.	Name of entity	Country of incorporation	% of holding as at 31 March, 2023	% of holding as at 31 March, 2022
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 AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 45 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 (Formerly known as Harsha Engineers Limited)	
10	RNCA & Associates	

* Non-Executive director of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 45 RELATED PARTY DISCLOSURES (CONTD.)

B. Details of related party transactions during the year.

(₹ 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, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
1	Sale of products (inclusive of taxes)	2,68,802.11	2,34,283.69	-	-	-	-	23,884.97	-	-	-	-	-
2	Recovery of freight charges	24,869.09	27,057.76	-	-	-	-	-	-	-	-	-	-
3	Miscellaneous receipt of Income	35.92	37.01	-	-	-	-	-	-	-	-	-	-
4	Dividend received	8,468.52	8,429.91	-	-	-	-	-	-	-	-	-	-
5	Insurance premium on ECGC	192.23	282.78	-	-	-	-	-	-	-	-	-	-
6	Recovery of travelling expenses	42.38	-	-	-	-	-						
7	Recovery of professional consultancy fees	98.33	-	-	-	-	-	-	-	-	-	-	-
8	Purchase of goods (inclusive of taxes)	442.54	2,370.49	-	-	-	-	4,477.01	3,744.86	-	-	-	-
9	Commission expense on sales	18.85	73.66	-	-	-	-	-	-	-	-	-	-
10	CSR expenses	725.07	656.00	-	-	-	-	-	-	-	-	-	-
11	Commission expense on purchases	-	-	-	-	-	-	90.35	107.08	-	-	-	-
12	Legal and professional consultancy fees	-	-	-	-	-	-	7.69	10.74	-	-	-	-
13	SAP ERP functional and technical support	-	-	-	-	-	-	94.58	90.64	-	-	-	-
14	Salary, bonus and perquisites	-	-	156.50	149.42	-	-	-	-	1.54	1.54	-	-
15	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	133.46	51.99
16	Rent, rates and taxes	-	-	-	-	-	-	-	-	4.22	3.84	-	-
17	Travelling expenses	-	-	-	-	-	-	153.79	83.14	-	-	-	-
18	Directors' remuneration and perquisites	-	-	141.44	126.21	-	-	-	-	-	-	-	-
19	Sitting fees paid	-	-	-	-	7.25	5.95	-	-	1.50	1.55	-	-
20	Commission to Directors	-	-	-	-	22.00	22.00	-	-	18.00	18.00	-	-
		3,03,695.04	2,73,191.30	**297.94**	275.63	**29.25**	27.95	**28,708.39**	4,036.46	**25.26**	24.93	**133.46**	51.99
Outstanding balance receivable at year end		**1,23,123.26**	1,16,393.47	**-**	-	**-**	-	**1.73**	4.03	**-**	-	**-**	-
Outstanding balance payable at year end		**18.77**	164.83	**13.12**	13.09	**19.80**	19.80	**205.94**	196.36	**0.41**	0.38	**88.01**	133.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 45 RELATED PARTY DISCLOSURES (CONTD.)

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

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2023	31 March, 2022
1	Sale of products (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	2,68,694.37	2,34,208.63
		Welcast Steels Limited	107.74	75.06
		AB Tradelink Private Limited	23,884.97	-
2	Recovery of freight charges	Vega Industries (Middle East) F.Z.C.	24,869.09	27,057.76
3	Miscellaneous receipt of Income	Vega Industries (Middle East) F.Z.C.	35.92	24.98
		Vega Industries Limited, U.K.	-	4.73
		Vega Industries Limited, U.S.A.	-	5.69
		Wuxi Vega Trade Co. Limited	-	1.61
4	Dividend received	Vega Industries (Middle East) F.Z.C.	8,468.52	8,429.91
5	Insurance premium on ECGC	Vega Industries (Middle East) F.Z.C.	192.23	282.78
6	Purchase of goods (inclusive of taxes)	Welcast Steels Limited	442.54	2,370.49
		Harsha Engineers Limited	-	3,087.55
		Harsha Engineers International Limited (Formerly known as Harsha Engineers Limited)	4,477.01	657.31
7	Recovery of travelling expenses	Vega Industries (Middle East) F.Z.C.	42.38	-
8	Recovery of professional consultancy fees	Vega Industries (Middle East) F.Z.C.	98.33	-
9	Commission expense on sales	Vega Industries (Middle East) F.Z.C.	18.85	73.66
10	CSR expenses	AIA CSR Foundation	725.07	656.00
11	Commission expense on purchases	AB Tradelink Private Limited	90.35	107.08
12	Legal and professional consultancy fees	RNCA & Associates	7.69	10.74
13	SAP ERP functional and technical support	Discus IT Private Limited	94.58	90.64
14	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
		Mr. S. N. Jetheliya	70.06	66.98
		Mr. Viren K.Thakkar	86.44	82.44
15	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	133.46	51.99
16	Rent, rates and taxes	Mrs. Giraben K. Shah	4.22	3.84
17	Travelling expenses	Vee Connect Travel Private Limited	153.79	83.14
18	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	111.12	95.89
		Mr. Yashwant M. Patel	30.32	30.32
19	Sitting fees paid	Mr. Rajendra S. Shah	1.75	1.20
		Mr. Sanjay S. Majmudar	1.75	1.60
		Mr. Dileep C. Choksi	1.00	0.65
		Mr. Rajan Harivallabhdas	1.75	1.60
		Mrs. Janaki Udayanbhai Shah	1.00	0.90
		Mrs. Khushali Samip Solanki	0.50	0.65
		Mrs. Bhumika Shyamal Shodhan	1.00	0.90
20	Commission to Directors	Mr.Sanjay S.Majmudar	22.00	22.00
		Mrs. Khushali Samip Solanki	18.00	18.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 45 RELATED PARTY DISCLOSURES (CONTD.)

D. The details of amounts due to or due from related parties as at 31 March are as follows: (₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March, 2023	31 March, 2022
1	**Trade receivables**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,12,655.23	1,14,096.50
		Wuxi Vega Trade Co., Limited	-	1.61
		Vega Industries Limited, U.K.	-	4.73
		Vega Industries Limited, U.S.A.	-	5.69
		AB Tradelink Private Limited	9,563.02	-
			1,22,218.25	1,14,108.53
2	**Contractually Reimbursable Expenses**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	905.01	2,284.94
			905.01	2,284.94
3	**Trade payables**			
	(a) Subsidiaries	Welcast Steels Limited	-	164.83
		Vega Industries (Middle East) F.Z.C.	18.77	-
			18.77	164.83
	(b) Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	8.92	4.44
		RNCA & Associates	1.59	1.53
		Harsha Engineers International Limited (Formerly known as Harsha Engineers Limited)	195.43	190.39
			205.94	196.36
	(c) Independent directors	Mr. Sanjay S. Majmudar	19.80	19.80
	(d) Relatives of key managerial personnel	Mrs. Giraben K. Shah	0.32	0.29
		Mrs. Gitaben B. Shah	0.09	0.09
			0.41	0.38
			244.92	381.37
4	**Provision for employee benefits (Current)**			
	Post employment benefit plan of the Company	AIA Employee's Gratuity Trust Fund, India	88.01	133.46
			88.01	133.46
5	**Advances**			
	(a) Enterprise over which key managerial personnel or close member of their family exercise control	Vee Connect Travels Private Limited	1.73	4.03
			1.73	4.03
6	**Bank guarantees**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	821.10	1,518.00
		Vega Industries Limited, U.S.A.	-	227.70
			821.10	1,745.70
7	**Other current liabilities**			
	(a) Key managerial personnel	Mr. Bhadresh K. Shah	5.00	5.00
		Mr. Yashwant M. Patel	1.87	1.26
		Mr. S. N. Jetheliya	3.56	3.29
		Mr. Viren K.Thakkar	2.69	3.54
			13.12	13.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 45 RELATED PARTY DISCLOSURES (CONTD.)

E. Breakup of compensation paid to key managerial personnel:

(₹ in Lakhs)

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2023	31 March, 2022
1	Short-term employee benefits	Mr. Bhadresh K. Shah	111.12	95.89
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Viren K.Thakkar	86.44	82.44
		Mr. S. N. Jetheliya	70.06	66.98
			297.94	275.63
2	Post-employment benefits	Mr. Viren K.Thakkar	1.83	1.67
		Mr. S. N. Jetheliya	1.94	1.79
			3.77	3.46
			301.71	279.09

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 47.

NOTE - 46 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	31 March, 2023	31 March, 2022
(1) Revenues from external customers including operating revenue:		
India	1,29,092.29	72,915.66
U.A.E. [revenue from Vega Industries (Middle East) F.Z.C.]	2,68,694.37	2,34,208.63
Others	6,689.69	1,032.74
(2) Non-current assets (excluding financial assets and tax assets).:		
India	1,11,703.57	1,01,404.12
Others	-	-

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
(a) Breakup of revenues :		
Revenue from operations	3,97,430.88	3,02,949.05
Other operating revenue	7,045.47	5,207.98
(b) Non-current assets		
Non-current assets (excluding financial instruments and tax assets). All non-current assets of the Company are located in India	1,11,703.57	1,01,404.12

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 47

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, 2022. The management believes that the Company's international transactions with associated enterprises post 31 March, 2022 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 2022-23 and the amount of provision for taxation as at 31 March, 2023.

NOTE - 48 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 analyze 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 optimising returns and protect the Company's financial investments while maximising 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 amortised cost	Aging analysis Credit rating	Credit limit set and aging 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 recognised financial assets and liabilities not denominated in ₹	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

NOTE - 48 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 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 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 AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 48 FINANCIAL RISK MANAGEMENT (CONTD.)

Movement in allowance for impairment of Trade receivables is as below:

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
Balance at the Beginning	136.05	193.36
Impairment loss reversed	(40.23)	(57.31)
Amounts written off	-	-
Balance at the end	**95.82**	136.05

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, 2023					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	12,785.46	-	-	12,785.46
	Deposits	678.77	-	-	678.77
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, 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	-	-	-	-

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end:

(₹ in Lakhs)

From due date of invoice	31 March, 2023	31 March, 2022
Not due	1,02,298.75	56,548.94
0 - 3 months	5,679.38	43,169.70
3 - 6 months	26,416.94	24,389.36
6 - 12 months	9,703.72	5,357.22
Beyond 12 months	365.81	589.42
Gross carrying amount	1,44,464.60	1,30,054.64
Expected credit loss	(95.82)	(136.05)
Net carrying amount	**1,44,368.78**	1,29,918.59

NOTE - 48 FINANCIAL RISK MANAGEMENT (CONTD.)

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:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
0-1 Year	372.55	362.60
2-5 Years	316.88	344.59
Above 5 Years	-	-
	689.43	707.19

Financing arrangements

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

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Fund and non-fund based facilities	63,604.77	77,277.77

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, 2023			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	-	-	-
Short term borrowings	49,600.00	-	49,600.00
Trade payables	20,905.59	-	20,905.59
Other financial liabilities	2,313.55	-	2,313.55
Total	**72,819.14**	**-**	**72,819.14**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	-	-	-
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
Total	17,404.96	-	17,404.96
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	115.98	-	115.98

Note: Guarantees issued by the Company aggregating to ₹ 821.10 Lakhs (previous year: ₹ 1,745.70 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.

NOTE - 48 FINANCIAL RISK MANAGEMENT (CONTD.)

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 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.

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
Borrowings bearing fixed rate of interest	49,600.00	-
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	31 March, 2023	31 March, 2022
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	GBP
As at 31 March, 2023:						
Trade receivables (net of hedge) (a)	74,668,912	12,169,407	18,936,720	1,279,712	42,018,708	-
Bank balances in EEFC accounts (b)	9,047,656	1,294,657	50	42	1,947,466	-
Exposure to foreign currency risk (assets) (a+b)	83,716,568	13,464,064	18,936,770	1,279,754	43,966,174	-
Trade payables (c)	547,432	19,313	-	-	-	38,150
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	547,432	19,313	-	-	-	38,150
As at 31 March, 2022:						
Trade receivables (net of hedge) (a)	82,580,712	10,245,994	22,015,686	396,480	37,552,763	-
Bank balances in EEFC accounts (b)	9,921,715	2,454,700	50	226,730	2,555,050	-
Exposure to foreign currency risk (assets) (a+b)	92,502,427	12,700,694	22,015,736	623,210	40,107,813	-
Trade payables (c)	848,879	502,018	-	-	-	13,863
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	848,879	502,018	-	-	-	13,863

NOTE - 48 FINANCIAL RISK MANAGEMENT (CONTD.)

Foreign currency risk sensitivity

Particulars	Movement (%)		Effect on profit before tax		Effect on cost of assets	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
USD sensitivity						
INR / USD- increase by	**1.00**	1.00	**682.90**	695.65	-	-
INR / USD- decrease by	**1.00**	1.00	**(682.90)**	(695.65)	-	-
EUR sensitivity						
INR / EUR- increase by	**1.00**	1.00	**106.59**	102.73	-	-
INR / EUR- decrease by	**1.00**	1.00	**(106.59)**	(102.73)	-	-
ZAR sensitivity						
INR / ZAR- increase by	**1.00**	1.00	**8.77**	11.43	-	-
INR / ZAR- decrease by	**1.00**	1.00	**(8.77)**	(11.43)	-	-
CAD sensitivity						
INR / CAD- increase by	**1.00**	1.00	**7.77**	3.79	-	-
INR / CAD- decrease by	**1.00**	1.00	**(7.77)**	(3.79)	-	-
AUD sensitivity						
INR / AUD- increase by	**1.00**	1.00	**241.99**	228.24	-	-
INR / AUD- decrease by	**1.00**	1.00	**(241.99)**	(228.24)	-	-
GBP sensitivity						
INR / GBP- increase by	**1.00**	1.00	**(0.39)**	(0.14)	-	-
INR / GBP- decrease by	**1.00**	1.00	**0.39**	0.14	-	-

The following significant exchange rates have been applied during the year

Rupees	Average rate		Year-end spot rate	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
USD	80.04	74.18	82.11	75.90
EUR	83.59	86.40	79.28	84.22
ZAR	4.77	4.97	4.63	5.19
CAD	60.73	59.22	60.70	60.80
GBP	97.60	101.72	101.56	99.83
AUD	55.04	54.75	55.04	56.91

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.

NOTE - 48 FINANCIAL RISK MANAGEMENT (CONTD.)

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, 2023					
USD / INR	Sell	151	16,500,000	13,548.61	95.24
AUD / INR		43	5,550,000	3,054.63	124.45
					219.69
		Less : Deferred tax			55.29
		Balance in cash flow hedge reserve			**164.40**
31 March, 2022					
USD / INR	Sell	241	20,800,000	15,787.30	48.38
AUD/ INR		178	11,500,000	6,544.24	(164.55)
					(116.17)
		Less : Deferred tax			(29.24)
		Balance in cash flow hedge reserve			**(86.93)**

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year (net of tax)	(86.93)	228.81
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	251.33	(315.74)
Balance at the end of the year (net of tax)	**164.40**	(86.93)

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 viz a viz 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.

Consumption details of Metal scrap and Ferro chrome:

	(Qty. in MT)	
Particulars	**2022-23**	**2021-22**
Metal scrap	2,16,410	2,14,221
Ferro chrome	66,401	65,271

NOTE - 48 FINANCIAL RISK MANAGEMENT (CONTD.)

Commodity price sensitivity:

Increase / (decrease) in prices of metal scrap / ferro chrome by Re. 1 per kg would have following impact on profit before tax:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Re. 1 increase in commodity price	(2,828.11)	(2,794.93)
Re. 1 decrease in commodity price	2,828.11	2,794.93

(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	2022-23	2021-22
Debt	49,600.00	-
Total equity	5,47,300.92	4,59,488.53
Debt to total equity	0.09	-

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.

NOTE - 49 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, 2023						
Non-current investments #	*8*	42.26	-	37.63	79.89	42.26
Current investments	*15*	46,209.83	1,73,006.54	-	2,19,216.37	46,209.83
Trade receivables	*9,16*	-	-	1,44,368.78	1,44,368.78	-
Loans	*10,18*	-	-	12,785.46	12,785.46	-
Cash and cash equivalents	*17*	-	-	11,370.88	11,370.88	-
Bank balances other than above	*11,17*	-	-	49,834.17	49,834.17	-
Derivatives		219.88	-	-	219.88	219.88
Other financial assets	*19*	-	-	4,158.54	4,158.54	-
		46,471.97	**1,73,006.54**	**2,22,555.46**	**4,42,033.97**	**46,471.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 49 FAIR VALUE MEASUREMENTS (CONTD.)

(₹ 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	-
Derivatives		-	-	-	-	-
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

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.

B. Financial liabilities :

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2023						
Borrowings	*25*	-	-	49,600.00	49,600.00	-
Trade payables	*27*	-	-	20,905.59	20,905.59	-
Derivatives		-	-	-	-	-
Other financial liabilities	*28*	-	-	2,313.55	2,313.55	-
		-	**-**	**72,819.14**	**72,819.14**	**-**
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**

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, 2023					
Financial assets					
Current investments	*15*				
Investments in mutual funds (quoted)		15,977.17	15,977.17	-	-
Investments in bonds (quoted)		2,03,239.20	2,03,239.20	-	-
Derivatives		219.88	-	219.88	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 49 FAIR VALUE MEASUREMENTS (CONTD.)

(₹ 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	-

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

NOTE - 50 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 for the year ended 31 March:

(₹ in Lakhs)

Sr. no.	Particulars	31 March, 2023	31 March, 2022
1	Corporate Social Responsibilty expenses for the year	1,289.32	1,245.33
2	Various Head of expenses included in above:		
	Eradicating hunger, poverty and malnutrition	35.00	31.00
	Promoting healthcare including preventing health care	222.00	362.41
	Promoting education	156.00	117.80
	Heritage, art and culture	40.25	29.00
	Contributions to Indian Institute of Technology (IITs)	100.00	-
	Protection of enviornment and Animal welfare	11.00	37.00
	Contribution to AIA CSR Foundation as per Schedule 7 of the Companies Act, 2013 (refer 3 below)	725.07	656.00
	Gross amount required to be spent by the compnay during the year.	1,289.32	1,233.21
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	1,289.32	1,233.21
3	Details of Related party transactions	725.07	656.00
4	Provision for CSR Expenses		
	Opening balance	12.12	0.50
	Add : Provision created during the year	-	12.12
	Less : Provision utilised during the year	12.12	0.50
	Closing balance	-	12.12
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
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 AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 51 RATIOS

	31 March, 2023	31 March, 2022	Variance	Remarks
Liquidity Ratio				
(a) Current Ratio (times)	6.51	17.11	(61.97%)	Decreased on account of increase in Borrowing
Solvency Ratio				
(a) Debt-Equity Ratio (times)	0.09	-	100.00%	Increase is on account of availment of Short term Borrowings by ₹ 49,600 Lakhs
(b) Debt Service Coverage Ratio (times)	48.26	94.80	(49.09%)	Decrease is on account of increase in finance cost
Profitability ratio				
(a) Net Profit Ratio (%)	24.38%	19.29%	26.35%	Increase on account in increase in Net profit due to increase in revenue from operations.
(b) Return on Equity Ratio (%)	19.25%	12.72%	51.29%	Increase on account in increase in Net profit.
(c) Return on Capital employed (%)	21.34%	16.28%	31.13%	
(d) Return on Investment (%)	5.96%	5.72%	4.17%	
Utilisation Ratio				
(a) Trade Receivables turnover ratio (times)	2.75	2.33	18.18%	
(b) Inventory turnover ratio (times)	6.33	5.78	9.42%	
(c) Trade payables turnover ratio (times)	13.70	17.15	(20.11%)	
(d) Net capital turnover ratio (times)	0.93	0.92	1.13%	

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	Capial Employed = Tangible Networth + Total Debt + Deferred Tax Liability
Return on investment	Income generated from invested funds	Average Funds Invested in treasury investments
Trade receivables turnover ratio	Total Sales	Trade Receivables
Inventory turnover ratio	Total Sales	Average Inventory
Trade payables turnover ratio	Raw Material and Stores Purchase and Other Expenses (Excludng 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 AS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 52 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
			31 March, 2023	31 March, 2022	
1	Grippon Profiles & Engg Private Limited (Advance was given in March 2014 and legal case is filed against vendor)	Purchase	**4.43**	4.43	None

NOTE - 53

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."

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, 2023

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2023

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

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

Place : Ahmedabad
Date : 25 May, 2023

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 2023, 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 the 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 2023, 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 from Sale of Products

Refer Note 3(j) and Note 33 to 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. 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 products; • 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 underlying 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 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 financial statements and 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 the 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 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:

INDEPENDENT AUDITORS' REPORT (CONTD.)

- 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 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 244,958.49 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of INR 495,696.64 lakhs and net cash inflows (before consolidation adjustments) amounting to INR 10,645.41 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.

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.

b. The financial information of 1 subsidiary, whose financial information reflects total assets (before consolidation adjustments) of INR 6,567.14 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of INR 6,783.06 lakhs and net cash inflows (before consolidation adjustments) amounting to INR 203.11 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-section (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 this matter with respect to 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, and associate 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 and taken on record by the Board of Directorsof 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 2023 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 Auditors) 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 2023 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 2023.

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 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 47 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 any of such subsidiary companies 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 47 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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: 23116240BGWVDL6142

Place: Ahmedabad
Date: 25 May 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED TO THE YEAR ENDED 31 MARCH 2023

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

(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

Place: Ahmedabad
Date: 25 May 2023

Membership No.: 116240
ICAI UDIN: 23116240BGWVDL6142

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED TO THE YEAR ENDED 31 MARCH 2023

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 ACT

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

Opinion

In conjunction with our audit of the consolidated financial statements of AIA Engineering Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies as were audited by the other auditors, 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 and 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 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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED TO THE YEAR ENDED 31 MARCH 2023 (CONTD.)

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 consolidated financial statements.

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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

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

Our opinion is not modified in respect of this matter.

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

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN: 23116240BGWVDL6142

Place: Ahmedabad
Date: 25 May 2023

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2023

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	94,526.30	73,087.28
(b) Right of use assets	5	3,438.51	3,639.37
(c) Capital work-in-progress	6	10,744.32	21,023.40
(d) Goodwill	7	460.69	460.69
(e) Goodwill on consolidation	7	1,528.79	1,528.79
(f) Other intangible assets	7	320.50	283.83
(g) Financial assets			
(i) Investments	8	79.89	48.50
(ii) Trade receivables	9	11.25	541.34
(iii) Loans	10	12,655.20	162.21
(iv) Other financial assets	11	685.07	32,175.00
(h) Deferred tax asset	41 (b)	73.46	25.99
(i) Other tax assets (net)	12	4,386.17	3,064.52
(j) Other non-current assets	13	2,963.82	3,846.00
Total non-current assets		**1,31,873.97**	1,39,886.92
Current assets			
(a) Inventories	14	1,21,802.15	1,22,600.94
(b) Financial assets			
(i) Investments	15	2,25,351.89	1,05,492.23
(ii) Trade receivables	16	86,083.65	80,014.56
(iii) Cash and cash equivalents	17	30,747.67	25,670.86
(iv) Bank balances other than (iii) above	17	49,850.95	24,938.64
(v) Loans	18	220.47	194.90
(vi) Derivatives		219.88	-
(vii) Other financial assets	19	2,989.60	2,388.01
(c) Other current assets	20	13,979.60	11,370.06
Total current assets		**5,31,245.86**	3,72,670.20
Total assets		**6,63,119.83**	5,12,557.12
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	1,886.41	1,886.41
(b) Other equity	22	5,67,246.19	4,73,609.60
Equity attributable to owners of the Company		**5,69,132.60**	4,75,496.01
(c) Non-controlling interest		893.61	847.52
Total equity		**5,70,026.21**	4,76,343.53
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	-	127.00
(ii) Lease liabilities	24	299.59	342.43
(b) Provisions	25	1,308.63	1,450.96
(c) Deferred tax liabilities (net)	41(b)	3,986.20	3,895.53
Total non-current liabilities		**5,594.42**	5,815.92
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	49,600.00	157.00
(ii) Lease Liabilities	27	355.55	356.70
(iii) Trade payables	28		
Total outstanding dues of micro and small enterprises		2,664.80	3,854.13
Total outstanding dues of creditors other than micro and small enterprises		23,472.16	15,820.37
(iv) Other financial liabilities	29	2,385.97	2,430.73
(v) Derivatives		-	115.98
(b) Other current liabilities	30	6,397.56	5,863.60
(c) Provisions	31	807.99	647.24
(d) Current tax liabilities (net)	32	1,815.17	1,151.92
Total current liabilities		**87,499.20**	30,397.67
Total equity and liabilities		**6,63,119.83**	5,12,557.12

The accompanying notes are integral part of these consolidated financial statements 2 - 52

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, 2023

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 25 May, 2023

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

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

Place : Ahmedabad
Date : 25 May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in Lakhs)

Particulars	Note	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Income			
Revenue from operations	33	4,90,876.87	3,56,654.73
Other income	34	23,453.94	15,629.01
Total income		**5,14,330.81**	3,72,283.74
Expenses			
Cost of materials consumed	35	2,04,076.00	1,84,236.94
Changes in inventories of finished goods and work-in-progress	36	2,506.02	(37,127.57)
Employee benefits expense	37	15,190.16	13,936.66
Finance costs	38	2,010.39	385.04
Depreciation and amortisation expense	39	9,304.01	9,211.63
Other expenses	40	1,45,040.61	1,23,514.19
Total expenses		**3,78,127.19**	2,94,156.89
Profit before tax		**1,36,203.62**	78,126.85
Tax expense	41 (a)		
Current tax		29,872.66	17,036.41
Short / (Excess) provision for tax of earlier years		539.97	(150.40)
Deferred tax		140.96	(720.96)
Total tax expense		**30,553.59**	16,165.05
Profit for the year		**1,05,650.03**	61,961.80
Other Comprehensive Income ('OCI')			
A Items that will not be reclassified to profit and loss	43 (iv)		
(i) Remeasurement of defined employee benefit plans		162.63	114.22
(ii) Income tax relating to items that will not be reclassified to profit and loss		(40.93)	(22.37)
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		(193.77)	(76.72)
(ii) Fair value changes on debt instruments through OCI		(725.87)	100.97
(iii) Loss on account of translating the financial statements of foreign operations		(2,917.56)	(2,526.85)
(iv) Income tax relating to items that will be reclassified to profit and loss		231.45	(6.10)
Other comprehensive income for the year (net of taxes)		**(3,484.05)**	(2,416.85)
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**1,02,165.98**	59,544.95
Profit for the year attributable to :			
- Owners of the Holding Company		1,05,592.89	61,968.09
- Non-controlling interests		57.14	(6.29)
Other comprehensive income for the year attributable to :			
- Owners of the Holding Company		(3,487.78)	(2,423.57)
- Non-controlling interests		3.73	6.72
Total comprehensive income for the year attributable to :			
- Owners of the Holding Company		1,02,105.11	59,544.52
- Non-controlling interests		60.87	0.43
Earnings per equity share of par value of ₹ 2 each:			
Basic and diluted	42	111.95	65.70
The accompanying notes are integral part of these consolidated financial statements	**2 - 52**		

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, 2023

Place : Ahmedabad
Date : 25 May, 2023

Place : Ahmedabad
Date : 25 May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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					Item of Other Comprehensive Income			Total attributable to owners of the Company	Attributable to Non-controlling interests	Total
	Securities premium	Capital redemption reserve	General reserve	Statutory reserve	Retained earnings	Effective portion of Cash flow of hedge	Exchange differences on translation of foreign operations	Debt Instrument Through OCI			
Balance as at 1 April, 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
Total Comprehensive income for the year ended 31 March, 2022											
Profit for the year	-	-	-	-	61,968.09	-	-	-	61,968.09	(6.29)	61,961.80
Other Comprehensive income for the year					85.13	(57.41)		75.56	103.28	6.72	110.00
Exchange differences on translation of foreign operations	8.61	-	-	0.26	-	-	(2,526.85)	-	(2,517.98)	(34.68)	(2,552.66)
Transactions with onwers of the group											
Distributions											
Dividend	-	-	-	-	(8,488.83)	-	-	-	(8,488.83)	-	(8,488.83)
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
Total Comprehensive income for the year ended 31 March, 2022								-			
Profit for the year	-	-	-	-	1,05,592.89	-	-	-	1,05,592.89	57.14	1,05,650.03
Other Comprehensive income for the year	-	-	-	-	117.97	(145.00)		(543.19)	(570.22)	3.73	(566.49)
Exchange differences on translation of foreign operations	19.56	-	-	0.75	-	-	(2,917.56)	-	(2,897.25)	(14.78)	(2,912.03)
Transactions with onwers of the group											
Distributions											
Dividend	-	-	-	-	(8,488.83)	-	-	-	(8,488.83)		(8,488.83)
Balance as at 31 March, 2023	**26,873.88**	**1,925.74**	**16,467.61**	**9.96**	**5,32,065.61**	**361.14**	**(9,990.12)**	**(467.63)**	**5,67,246.19**	**893.61**	**5,68,139.80**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.) FOR THE YEAR ENDED 31 MARCH, 2023

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.

(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 - 52

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, 2023	Place : Ahmedabad Date : 25 May, 2023	Place : Ahmedabad Date : 25 May, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in Lakhs)

	Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
A.	**Cash flow from operating activities:**		
	Profit before tax	1,36,203.62	78,126.85
	Adjustments for :		
	Interest income from financial assets	(10,709.21)	(7,863.48)
	Gain on sale of current investments	(1,073.13)	(152.23)
	Change in fair value of current investments	(1,195.64)	(1,324.32)
	Unrealised (gain) / Loss on foreign exchange fluctuation (net)	1,033.01	(3,175.87)
	(Gain) / Loss on sale of assets (net)	(16.92)	15.01
	Sundry balances (written back) (net)	(51.47)	(51.86)
	Bad debts	82.57	9.47
	Depreciation and amortisation expense	9,304.01	9,211.63
	Finance costs	2,010.39	385.04
	Provision for warranties written back (net)	(234.36)	(252.86)
	Allowance for expected credit loss written back (net)	(40.23)	(57.31)
	Foreign currency fluctuation on translation of foreign operations	(2,912.03)	(2,444.95)
		1,32,400.61	72,425.12
	Changes in working capital:		
	(Increase) in trade receivables	(6,766.47)	(13,037.21)
	(Increase) in loans	(12,518.56)	(60.47)
	Decrease / (Increase) in inventories	798.79	(47,123.32)
	(Increase) / Decrease in other financial assets	(78.01)	1,453.99
	(Increase) in other assets	(3,441.86)	(4,502.80)
	Increase in provisions	415.41	149.60
	Increase in trade payables	6,501.55	3,155.13
	Increase in other financial liabilities	122.94	57.07
	Decrease in other current liabilities	(248.55)	(187.77)
	Cash generated from operations	**1,17,185.85**	12,329.34
	Income taxes paid (net of refunds)	(30,413.89)	(16,283.97)
	Net cash generated from / (used in) from operating activities (A)	**86,771.96**	(3,954.63)
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(19,478.41)	(12,547.42)
	Proceeds from sale of property, plant and equipment	240.19	15.28
	(Purchase of) investments (net)	(1,13,548.90)	(22,553.37)
	Redemption of fixed deposits with bank (net)	6,088.01	37,454.23
	Interest income	5,868.80	7,616.64
	Net cash (used in) / generated from investing activities (B)	**(1,20,830.31)**	9,985.36
C.	**Cash flow from financing activities:**		
	Proceeds from / (Repayment) of current borrowings (net)	49,443.00	(18,290.30)
	Proceeds from / (Repayment) non-current borrowings	(127.00)	127.00
	Dividends paid (Net of TDS)	(7,706.32)	(7,631.13)
	Finance cost paid	(1,675.14)	(276.15)
	Interest paid on lease liabilities	(58.47)	(81.04)
	Principal payment of lease liabilities	(375.78)	(570.91)
	Net cash genereated from / (used in) financing activities (C)	**39,500.29**	(26,722.53)
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**5,441.94**	(20,691.80)
E.	**Add : Cash and cash equivalents at the beginning of the year**	**25,670.86**	46,217.43
F.	**Less: Effect of movements in exchange rates on cash held**	**(365.13)**	145.23
G.	**Cash and cash equivalents at the end of the year (refer note 1 below)**	**30,747.67**	25,670.86

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

Note :

1 Cash and cash equivalents include:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks	30,720.34	20,390.59
Balances with banks in fixed deposit accounts (with original maturity less than 3 months)	-	5,273.07
Cash on hand	27.33	7.20
	30,747.67	25,670.86

2 Movement in financial liabilities and financial assets arising from financing activities as at 31 March, 2023:

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings (Note 26)	Lease liabilities (Note 24 and 27)	Dividends paid (Net of TDS) (Note 21)	Finance Cost
Balance as at 1 April, 2021	-	18,447.30	846.57	-	4.84
Proceeds from borrowings	127.00	-	-	-	-
Repayment of borrowings	-	(18,290.30)	-	-	-
Dividends paid (Net of TDS)	-	-	-	(7,631.13)	-
Interest paid	-	-	(81.04)	-	(276.15)
Amount paid during the year	-	-	(370.07)	-	-
Net movement during the year	127.00	(18,290.30)	(451.11)	(7,631.13)	(276.15)
Interest accrued during the year	-	-	-	-	-
Remeasurement of lease liability	-	-	216.96	-	-
Foreign exchange difference	-	-	5.67	-	-
Charge to consolidated statement of profit and loss	-	-	81.04	-	271.31
Balance as at 31 March, 2022	127.00	157.00	699.13	-	-
Proceeds from borrowings	-	49,443.00	-	-	-
Repayment of borrowings	(127.00)	-	-	-	-
Dividends paid (Net of TDS)	-	-	-	(7,706.32)	-
Interest paid	-	-	(58.47)	-	(1,675.14)
Amount paid during the year	-	-	(375.78)	-	-
Net cash outflows during the year	**(127.00)**	**49,443.00**	**(434.25)**	**(7,706.32)**	**(1,675.14)**
Remeasurement of lease liability	-	-	326.57	-	-
Foreign exchange difference	-	-	5.22	-	-
Charge to consolidated statement of profit and loss	-	-	58.47	-	1,732.47
Balance as at 31 March, 2023	**-**	**49,600.00**	**655.14**	**-**	**57.33**

3 The consolidated statement of cash flows has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement'.

The accompanying notes are integral part of these consolidated financial statements. 2 - 52

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, 2023

Place : Ahmedabad
Date : 25 May, 2023

Place : Ahmedabad
Date : 25 May, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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, 2023. 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, 2023, 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, 2023.

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 and such estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

The following areas are subject to estimation uncertainties and the details thereof are included in respective 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.

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.

Current/Non-current classification:

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 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, 2023	31 March, 2022	31 March, 2023	31 March, 2022
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 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.

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.

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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.

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 and cost of item can be measured reliably.

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	10 – 60
Plant and equipments	15 – 22
Furniture and fixtures	10
Vehicles	8 – 10
Office equipments	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 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 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 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.

The obligations are presented as current liabilities in the balance sheet if the Groupdoes not have an unconditional right to defer the settlement for atleast twelve months after the reporting date.

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.

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 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 measured at amortised cost using the effective interest method.

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. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it related to items recognised directly in equity or in Other comprehensive income.

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.

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 31 March, 2023, MCA amended the Companies (Indian Accounting

Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

I. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Groupdoes not expect this amendment to have any significant impact in its financial statements.

II. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

III. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others *	Total
Cost :								
Balance as at 1 April, 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
Exchange differences on translation of foreign operations	-	-	-	6.74	10.73	16.11	13.07	46.65
Additions during the year	1,475.08	7,433.81	20,382.00	281.02	61.30	243.64	463.05	30,339.90
Disposal / adjustments during the year	-	(12.27)	(172.72)	(14.61)	(36.60)	(5.01)	(37.56)	(278.77)
Balance as at 31 March, 2023	**5,214.51**	**44,947.33**	**1,02,309.85**	**1,533.57**	**351.00**	**940.88**	**2,115.82**	**1,57,412.96**
Accumulated depreciation :								
Balance as at 1 April, 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
Depreciation for the year	-	1,331.60	7,016.50	104.96	29.81	49.54	196.27	8,728.68
Disposal / Adjustments	-	(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
Exchange differences on translation of foreign operations	-	-	-	6.07	9.41	13.69	9.75	38.92
Depreciation for the year	-	1,490.14	6,966.15	94.94	33.59	74.73	210.79	8,870.34
Disposal / Adjustments	-	(4.43)	(161.12)	(12.70)	(30.41)	(3.63)	(28.21)	(240.50)
Balance as at 31 March, 2023	**-**	**10,463.66**	**49,382.42**	**883.70**	**208.71**	**600.32**	**1,347.85**	**62,886.66**
Carrrying amount :								
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
As at 31 March, 2023	**5,214.51**	**34,483.67**	**52,927.43**	**649.87**	**142.29**	**340.56**	**767.97**	**94,526.30**

* 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 in previous year 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, 2023 (CONTD.)

NOTE - 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Cost:			
As at 1 April, 2021	3,026.54	1,377.53	4,404.07
Exchange differences on translation of foreign operations	-	(2.64)	(2.64)
Additions duing the year	208.73	219.43	428.16
Deductions / adjustments during the year	-	(9.25)	(9.25)
As at 31 March, 2022	3,235.27	1,585.07	4,820.34
Exchange differences on translation of foreign operations	-	4.72	4.72
Additions duing the year	-	333.63	333.63
Deductions / adjustments during the year	(185.00)	(6.56)	(191.56)
As at 31 March, 2023	**3,050.27**	**1,916.86**	**4,967.13**
Amortisation:			
As at 1 April, 2021	143.70	657.47	801.17
Amortisation for the year	16.86	370.14	387.00
Deductions / adjustments during the year	-	(7.20)	(7.20)
As at 31 March, 2022	160.56	1,020.41	1,180.97
Amortisation for the year	16.86	330.79	347.65
Deductions / adjustments during the year	-	-	-
As at 31 March, 2023	**177.42**	**1,351.20**	**1,528.62**
Carrying Amount:			
As at 31 March, 2022.	3,074.71	564.66	3,639.37
As at 31 March, 2023	**2,872.85**	**565.66**	**3,438.51**

Note

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 ₹ 150.76 Lakhs (previous year: ₹ 48.74 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 Obigation, 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.

NOTE - 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of the year	21,023.40	16,094.87
Additions during the year	18,122.69	11,119.98
Capitalisation during the year	(28,401.77)	(6,191.45)
Balance at the end of the year	**10,744.32**	21,023.40

Note:

1. The year end balance of capital work-in-progress primarily consist of mining liner and grinding media capacity expansion at Kerala GIDC, Ahmedabad.
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, 2023 (CONTD.)

NOTE - 6 CAPITAL WORK-IN-PROGRESS (CONTD.)

CWIP aging schedule as at 31 March, 2023

(₹ in Lakhs)

Particulars	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	10,358.10	202.81	141.70	41.71	10,744.32
Projects temporarily suspended	-	-	-	-	-
	10,358.10	**202.81**	**141.70**	**41.71**	**10,744.32**

CWIP aging schedule as at 31 March, 2022

(₹ in Lakhs)

Particulars	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	-	-	-	-	-
	5,546.63	12,667.37	2,795.06	14.34	21,023.40

CWIP - Completion Schedule of capital working in progress as at 31 March, 2023

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is Not overdue:					
Kerala Mining Liner Project (Phase II)	2,551.32	-	-	-	2,551.32
Kerala Grinding Media Project (Phase III)	7,565.40	-	-	-	7,565.40
Other Projects	627.60	-	-	-	627.60
	10,744.32	**-**	**-**	**-**	**10,744.32**

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

(₹ in Lakhs)

Particulars	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 7 GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill	Goodwill on consolidation
	Software	Patents and Copyrights	Total	(refer note a)	
Cost:					
Balance as at 1 April, 2021	947.86	78.56	1,026.42	460.69	1,528.79
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
Additions during the year	106.27	16.42	122.69	-	-
Disposal / adjustments during the year	-	-	-	-	-
Balance as at 31 March, 2023	**1,122.88**	**104.62**	**1,227.50**	**460.69**	**1,528.79**
Amortisation:					
Balance as at 1 April, 2021	703.28	21.75	725.03	-	-
Amortisation 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	-	-
Amortisation for the year	81.28	4.74	86.02	-	-
Disposal / adjustments during the year	-	-	-	-	-
Balance as at 31 March, 2023	**876.10**	**30.90**	**907.00**	**-**	**-**
Carrying amount:					
As at 31 March, 2022	221.79	62.04	283.83	460.69	1,528.79
As at 31 March, 2023	**246.78**	**73.72**	**320.50**	**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.

NOTE - 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current investments (unquoted)		
A. Investment in equity instruments		
Others companies (unquoted)		
Measured at Amortised cost		
(a) 24,478 (Previous year: Nil) equity shares of Clean Max Meridius Private Limited.of face value ₹ 10/- each, fully paid up	**37.63**	**-**
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) 4,22,300 (Previous year: 4,84,700) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up	42.23	48.47
	79.89	48.50
Aggregate amount of unquoted investments	79.89	48.50

The Holding Company's 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.

NOTE - 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current trade receivables		
Considered good *	11.25	541.34
Significant increase in credit risk	-	-
Credit impaired	-	-
	11.25	541.34

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

Aging of trade receivables as at 31 March, 2023

(₹ 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	-	-	2.64	1.50	3.27	2.44	1.40	11.25
(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	-	-	-	-	-	-	-	-
	-	**-**	**2.64**	**1.50**	**3.27**	**2.44**	**1.40**	**11.25**

Ageing of trade receivables 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current loans		
Loans to employees		
Secured, considered good	46.37	61.63
Unsecured, considered good	108.83	100.58
Inter corporate deposit (secured)		
Others	12,500.00	-
	12,655.20	162.21

NOTE - 11 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	10.95	31,012.22
Interest accrued on fixed deposit	0.57	490.28
Security deposits (unsecured, considered good)	673.55	672.50
	685.07	32,175.00

NOTE - 12 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax / tax deducted at source [net of provision for tax ₹ 1,45,866.35 Lakhs (previous year ₹ 1,28,911.31 Lakhs)]	4,386.17	3,064.52
	4,386.17	3,064.52

NOTE - 13 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	2,535.71	3,466.38
Others		
Balance with government authorities	101.62	53.13
Advance paid under protest	326.49	326.49
	2,963.82	3,846.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 14 INVENTORIES *

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials	11,762.38	14,168.02
Raw materials in transit	4,945.10	3,916.35
Work-in-progress	23,076.38	18,056.58
Finished goods	71,943.56	76,874.38
Stores and spares	10,030.62	9,582.28
Stores and spares in transit	44.11	3.33
	1,21,802.15	1,22,600.94

* Inventories are hypothecated to secure working capital facilities from Banks (refer Note 26).

NOTE - 15 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current investments		
Mesured at FVTPL		
Investment in mutual funds (quoted)	15,977.17	13,275.62
Investments in bonds (quoted)	36,368.18	33,453.50
Measured at amortised cost		
Investment in bonds (quoted)	-	5,105.84
Measured at FVTOCI		
Investment in bonds (quoted)	1,73,006.54	53,657.27
	2,25,351.89	1,05,492.23
Aggregate amount of quoted investments	2,25,351.89	1,05,492.23
Aggregate market value of quoted investments	2,25,351.89	1,05,558.67

NOTE - 16 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current trade receivables (unsecured)		
Considered good * #	86,083.65	80,014.56
Significant increase in credit risk	-	-
Credit impaired	105.59	145.08
	86,189.24	80,159.64
Less: Allowance for expected credit loss	(105.59)	(145.08)
	86,083.65	80,014.56

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

Includes trade receivable from related parties [refer Note 48 (D)].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 16 TRADE RECEIVABLES (CONTD.)

Ageing of trade receivables as at 31 March, 2023

(₹ 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	-	57,079.36	28,472.69	255.59	100.25	78.41	97.35	86,083.65
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	6.35	6.33	1.58	5.87	25.24	60.22	105.59
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk								
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
	-	**57,085.71**	**28,479.02**	**257.17**	**106.12**	**103.65**	**157.57**	**86,189.24**

Ageing of trade receivables 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	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	1.49	1.73	3.89	20.68	18.59	98.70	145.08
(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

NOTE - 17 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash and cash equivalents		
Balances with banks	30,720.34	20,390.59
Balances with banks in fixed deposit (Original maturity of less than 3 months)	-	5,273.07
Cash on hand	27.33	7.20
	30,747.67	25,670.86
Other bank balances		
Balances with bank in fixed deposit (Original maturity within 3 to 12 months)	49,315.45	24,417.84
Balances with bank in fixed deposit as a Margin Money (Original maturity within 3 to 12 months)	523.92	508.27
Earmarked balances with banks (unpaid dividend) *	11.58	12.53
	49,850.95	24,938.64
	80,598.62	50,609.50

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

NOTE - 18 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current loans		
Loan to a minority shareholder (unsecured, considered good)	83.33	93.45
Loans to employees		
Secured, considered good	17.89	10.62
Unsecured, considered good	119.25	90.83
	220.47	194.90

NOTE - 19 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Export incentives receivable	1,245.51	1,309.39
Interest accrued on fixed deposits	1,416.77	892.14
Security deposits (unsecured, considered good)	327.32	186.48
	2,989.60	2,388.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances other than capital advances		
Advance to a related party (refer note 48 (d))	16.25	4.03
Other Advances		
Advances to suppliers	5,049.50	4,063.58
Advances to employees	170.51	129.56
Others		
Balances with government authorities	7,709.88	6,691.93
Prepaid expenses	851.54	352.83
Prepaid leave encashment (refer note 43)	164.77	94.00
Prepaid Gratuity (refer note 43)	17.15	34.13
	13,979.60	11,370.06

NOTE - 21 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	Amount	No. of shares	Amount
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 are set out below :

Name of the shareholders	As at 31 March, 2023		As at 31 March, 2022	
	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%

NOTE - 21 EQUITY SHARE CAPITAL (CONTD.)

(d) Shareholding of Promoters

Shares held by promoters at the end of the year 31 March, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
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 at the end of the year 31 March, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year
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, 2023	As at 31 March, 2022
Reserves and surplus		
(a). Securities premium		
Balance at the beginning of the year	26,854.32	26,845.71
Adjustment on account of translating the financial statements of foreign operations	19.56	8.61
Balance at the end of the year	26,873.88	26,854.32
(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	9.21	8.95
Adjustment on account of translating the financial statements of foreign operations	0.75	0.26
Balance at the end of the year	9.96	9.21
(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	4,34,843.58	3,81,279.19
Add: Profit for the year	1,05,592.89	61,968.09
Less: Remeasurement of defined benefit obligations transferred from OCI	117.97	85.13
Less: Dividend on equity shares	(8,488.83)	(8,488.83)
Balance at the end of the year	5,32,065.61	4,34,843.58
Total reserves and surplus (A)	**5,77,342.80**	4,80,100.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 22 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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	162.63	114.22
Tax impact on above [refer Note 41 (c)]	(40.93)	(22.37)
Less: Transferred to minority interest	(3.73)	(6.72)
Less: Transfer to retained earnings	(117.97)	(85.13)
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	506.14	563.55
Recognised in consolidated statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	335.86	(421.93)
Restatements of trade receivables to the extent of hedging	(529.63)	345.21
	(193.77)	(76.72)
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)]	(84.53)	106.19
Tax on Restatements of trade receivables to the extent of hedging	133.30	(86.88)
Net tax in OCI	48.77	19.31
Balance at the end of the year	361.14	506.14
(c) Gain and losses on account of translating the financial statements of foreign operations		
Balance at the beginning of the year	(7,072.56)	(4,545.71)
Recognised in consolidated statement of profit and loss	(2,917.56)	(2,526.85)
Balance at the end of the year	(9,990.12)	(7,072.56)
(d). Fair value through other comprehensive income		
Balance at the beginning of the year	75.56	-
Recognised in statement of profit and loss	(725.87)	100.97
Tax impact on above	182.68	(25.41)
Balance at the end of the year	(467.63)	75.56
Total other comprehensive income (B)	(10,096.61)	(6,490.86)
Total other equity (A + B)	**5,67,246.19**	4,73,609.60

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

(₹ in Lakhs)

# Dividend on equity shares paid during the year.	As at 31 March, 2023	As at 31 March, 2022
Final dividend for the financial year 2021-22 [₹ 9 (previous year: ₹ 9) per equity share of ₹ 2 each]	8,488.83	8,488.83

Note:

Board of Directors of the Holding Company have proposed final dividend of ₹ 16 per equity share for the financial year 2022-23. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March, 2023. No interim dividend was declared and paid during the financial year 2022-23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 23 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current borrowings		
Secured	-	127.00
	-	127.00

Borrowing based on security of current assets:

The Group has obtained various borrowings from banks on the 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.

NOTE - 24 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current Lease liabilities	299.59	342.43
	299.59	342.43

NOTE - 25 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current provisions		
Provision for warranties	1,082.13	1,261.43
Provision for employee benefits (refer note 43)		
Gratuity	178.20	143.36
Leave encashment	48.30	46.17
	1,308.63	1,450.96

(₹ in Lakhs)

Movement in provisions	Provision for Warranties		Provision for Litigations	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Balance at the beginning of the year	1,727.50	1,766.25	-	-
Utilisation during the year	(20.24)	(77.90)	-	-
Provision for the year #	405.43	415.14	206.42	-
Exchange differences on translation of foreign operations	75.92	220.00	-	-
Written back during the period	(639.80)	(595.99)	-	-
Balance at the end of the year	**1,548.82**	1,727.50	**206.42**	**-**
Non-current	1,082.13	1,261.43	-	-
Current (refer note 31)	466.69	466.07	206.42	-
	1,548.82	1,727.50	**206.42**	**-**

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 Holding Company's technical team and the historic experience of claims, the group provides for warranty at the rate of 0.05% of sales and is carried in the books for a period upto 4 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 26 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current borrowings		
Loans repayable on demand		
Secured	7,700.00	-
Unsecured	41,900.00	157.00
	49,600.00	157.00

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 State Bank of India carrying interest rate ranging from 3.82% to 5.60% during the year (Previous Year Nil)
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 2.20% to 5.43% during the year (Previous Year 0.80% to 3.80%)
4. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 2.35% to 5.64% during the year (Previous Year 0.77% to 4.03%)

NOTE - 27 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current lease liabilities	355.55	356.70
	355.55	356.70

NOTE - 28 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Total outstanding dues of micro enterprises and small enterprises #	2,664.80	3,854.13
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties [refer note 48 (d)]	226.16	216.54
(ii) Due to others	23,246.00	15,603.83
	23,472.16	15,820.37
	26,136.96	19,674.50

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.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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):		
(a) Principal amount remaining unpaid to any supplier as at the end of the year (refer note 29)	3,104.15	4,058.71
Interest due thereon remaining unpaid to any supplier as at the end of the year	0.30	5.09
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	11.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 28 TRADE PAYABLES (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.30	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

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 1 August, 2020. Dues to micro and small enterprises have been determined to the extent confirmations received by the group from its vendors.

Trade Payables ageing as at 31 March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,437.32	227.18	0.30	-	-	2,664.80
(ii) Others	7,775.43	9,403.40	4,893.57	644.16	491.43	264.17	23,472.16
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
	7,775.43	**11,840.72**	**5,120.75**	**644.46**	**491.43**	**264.17**	**26,136.96**

Trade Payables ageing as at 31 March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	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	241.12	278.56	15,820.37
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	12,260.63	6,186.51	707.67	241.12	278.56	19,674.50

NOTE - 29 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Salary, wages and bonus payable	1,497.50	1,374.56
Unpaid dividends *	11.58	12.53
Interest accrued on borrowings	57.33	-
Capital creditors#	779.04	996.88
Other payables	40.52	46.76
	2,385.97	2,430.73

* 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 ₹ 439.65 Lakhs as at 31 March, 2023 (₹ 209.67 Lakhs as at 31 March, 2022)

Refer Note 28 for Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2023 (CONTD.)

NOTE - 30 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities		
Customer advances	5,411.67	4,185.67
Others		
Fund held in corpus donation	142.62	146.27
Security deposits	21.12	13.39
Statutory dues and other payables	822.15	1,518.27
	6,397.56	5,863.60

NOTE - 31 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current provisions		
Provision for warranties (refer note 25)	466.69	466.07
Provision for employee benefits (refer note 43)		
Gratuity	119.46	158.76
Leave encashment	15.42	22.41
Provision for litigations (refer note 25)	206.42	-
	807.99	647.24

NOTE - 32 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for income tax [net of advance tax and tax deducted at source of ₹ 27,919.40 Lakhs (previous year ₹ 15,992.18 Lakhs)]	1,815.17	1,151.92
	1,815.17	1,151.92

NOTE - 33 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sale of products		
Export sales	3,52,859.12	2,77,215.81
Domestic sales	1,30,943.36	74,230.94
	4,83,802.48	3,51,446.75
Other operating revenue		
Export incentives	5,697.71	4,338.39
Other sales	1,376.68	869.59
	7,074.39	5,207.98
	4,90,876.87	3,56,654.73

NOTE - 33 REVENUE FROM OPERATIONS (CONTD.)

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

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Reconciliation of revenue from operations with the contracted price:		
Contracted price	4,83,892.91	3,51,962.69
Adjustments :		
- Discounts	(77.56)	(156.74)
- Sales return	(12.87)	(359.20)
Sale of products	4,83,802.48	3,51,446.75
Other operating revenue	7,074.39	5,207.98
Revenue from operations	4,90,876.87	3,56,654.73
Revenue disaggregation by geography:		
India	1,38,017.75	79,438.92
Outside India	3,52,859.12	2,77,215.81
	4,90,876.87	3,56,654.73

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, 2023	As at 31 March, 2022
Trade receivables	86,094.90	80,555.90
Contract assets	-	-
Contract liabilities		
Advance from customers	5,411.67	4,185.67

NOTE - 34 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income from financial assets	10,709.21	7,863.48
Other non-operating income		
Gain on sale of current investments	1,073.13	152.23
Gain on foreign exchange fluctuation (net)	9,973.90	5,893.18
Change in fair value of current investments	1,195.64	1,324.32
Allowance for expected credit loss written back (net)	40.23	57.31
Gain on sale of assets (net)	16.92	-
Provision for warranties written back (net)	234.36	252.86
Miscellaneous receipts	210.55	85.63
	23,453.94	15,629.01

NOTE - 35 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock at the beginning of the year	18,084.37	8,212.99
Add: Purchases during the year	2,02,699.11	1,94,108.32
Less: Closing stock at the end of the year	(16,707.48)	(18,084.37)
	2,04,076.00	1,84,236.94

NOTE - 36 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock:		
Work-in-progress	18,056.58	14,790.86
Finished goods	76,874.38	43,355.14
	94,930.96	58,146.00
Closing stock:		
Work-in-progress	23,076.38	18,056.58
Finished goods	71,943.56	76,874.38
	95,019.94	94,930.96
Exchange differences on translation of foreign operations	(2,595.00)	342.61
	2,506.02	(37,127.57)

NOTE - 37 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries, wages and bonus	13,611.41	12,741.27
Contribution to provident and other funds	638.05	619.27
Expenses related to post employment defined benefit plans [refer note 43 (iv)]	291.72	263.48
Staff welfare expenses	648.98	312.64
	15,190.16	13,936.66

NOTE - 38 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on:		
Bank borrowings	1,567.52	257.41
Income-tax	219.45	32.69
Lease liabilities	58.47	81.04
Others	164.95	13.90
	2,010.39	385.04

NOTE - 39 DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant and equipment (refer note 4)	8,870.34	8,728.68
Amortisation of Right of Use asset (refer note 5)	347.65	387.00
Amortisation of intangible assets (refer note 7)	86.02	95.95
	9,304.01	9,211.63

NOTE - 40 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consumption of stores	31,534.80	25,310.08
Power and fuel	37,659.43	32,852.18
Contract labour charges	7,602.38	6,996.40
Repairs and maintenance		
- Buildings	261.16	286.19
- Plant and machineries	1,205.41	1,035.60
- Others	836.39	782.67
Lease rent (refer Note 5)	150.76	48.74
Insurance	1,028.34	1,000.32
Rates and taxes	231.53	236.70
Security expenses	586.82	540.75
Printing, stationery and communication expenses	291.84	274.87
Travelling and conveyance	2,510.48	1,455.10
Advertisement and sales promotion	116.99	34.09
Freight outward expenses (including duties)	47,654.25	42,174.33
Royalty expenses	700.66	388.74
Commission expenses	5,325.33	4,392.04
Directors' sitting fees	14.70	13.90
Payments to auditors		
- Statutory audit fees	122.51	106.57
- Quarterly Limited reviews	27.85	24.60
- Certification and other services	3.80	1.10
- Reimbursement of expenses	2.89	2.47
Legal and professional consultancy fees	4,616.19	3,309.99
Bank commission charges	473.28	465.04
Donation	1.02	0.28
Corporate social responsibility expenses	1,289.32	1,245.33
Loss on sale of assets (net)	-	15.01
Bad debts	82.57	9.47
Other miscellaneous expenses	709.91	511.63
	1,45,040.61	1,23,514.19

NOTE - 41 TAX EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Tax expense		
Current tax		
Provision for current tax	29,872.66	17,036.41
Excess provision for current tax of earlier years written back	539.97	(150.40)
Net deferred tax [refer note 41(c)]	140.96	(720.96)
Tax expense for the year	**30,553.59**	16,165.05
(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	5,601.19	5,116.82
Change in fair value of current investments	560.11	721.95
Hedge reserve balance	55.29	-
Foreign currency translation reserve	0.39	
	6,216.98	5,838.77
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	7.21	8.73
Hedge reserve balance	-	29.24
Unrealised profit on intra group inventory	2,220.92	1,903.53
Others	76.11	27.73
	2,304.24	1,969.23
Deferred tax liabilities (net) [refer Note 41(c)]	**3,912.74**	3,869.54

(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
2022-23				
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	484.37	-	5,601.19
Foreign currency translation reserve	-	-	0.39	0.39
Change in fair value of current investments	721.95	20.84	(182.68)	560.11
Hedge reserve balance	-	-	55.29	55.29
	5,838.77	**505.21**	**(127.00)**	**6,216.98**
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	(1.52)	-	7.21
Unrealised profit on intra group inventory	1,903.53	317.39	-	2,220.92
Hedge reserve balance	29.24	-	(29.24)	-
Others	27.73	48.38	-	76.11
	1,969.23	**364.25**	**(29.24)**	**2,304.24**
Deferred tax liabilities (net)	**3,869.54**	**140.96**	**(97.76)**	**3,912.74**

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
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
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 inventory	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

(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, 2023	For the year ended 31 March, 2022
Profit before tax for the year	1,36,203.62	78,126.85
Tax at statutory income tax rate of 25.168% (previous year: 25.168%) in India	34,279.73	19,662.97
Adjustments:		
Tax component of unrecognised unabsorbed losses of earlier years	(91.80)	-
Income from long term investment taxed at lower rate	(306.89)	(196.36)
Non-deductible expenses for tax purposes	369.68	333.90
Difference in tax rate of subsidiary companies	(3,919.71)	(2,632.40)
Tax impact on intra-group stock reserve	(317.39)	(852.66)
Short / (Excess) provision for tax of earlier years	539.97	(150.40)
Tax expense reported in the consolidated statement of profit and loss	**30,553.59**	16,165.05

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

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,05,592.89	61,968.09
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 (₹)	111.95	65.70

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, 2023	For the year ended 31 March, 2022
Employer's contribution to provident and other funds	626.67	581.98

B. Defined benefit plan

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded) #	
	2022-23	2021-22	2022-23	2021-22
Defined benefit obligation at the beginning of the year	3,519.37	3,409.48	168.66	144.00
Recognised in consolidated statement of profit and loss:				
Current service cost	246.41	244.27	40.99	24.66
Past service cost	5.94	-	-	-
Interest cost	220.40	196.41	-	-
Actuarial (gain) / loss recognised in other comprehensive income:				
Due to change in financial assumptions	(166.71)	(189.83)	-	-
Due to change in demographic assumptions	-	-		
Due to experience adjustments	10.69	89.79	-	-
Benefits paid from Plan asset	(199.25)	(220.69)	-	-
Benefits directly paid by group	(36.96)	(10.06)	-	-
Defined benefit obligation at the end of the year	**3,599.89**	3,519.37	**209.65**	168.66

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2022-23	2021-22	2022-23	2021-22
Fair value of plan assets at the beginning of the year	3,420.05	3,372.41	-	-
Transfer in\(out) plan assets	-	-		
Interest income	222.02	201.86	-	-
Return on plan assets excluding amounts included in interest income	6.61	14.18	-	-
Contributions by the employer	134.26	52.29	-	-
Benefits paid	(253.91)	(220.69)	-	-
Fair value of plan assets at the end of the year	**3,529.03**	3,420.05	**-**	-
Actual return on plan assets	228.63	216.04	-	-

(iv) Expense recognised during the year.

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2022-23	2021-22	2022-23	2021-22
Current service cost	246.41	244.27	40.99	24.66
Past service cost	5.94	-		
Net interest cost	(1.62)	(5.45)	-	-
Net cost recognised in consolidated statement of profit and loss	**250.73**	238.82	**40.99**	24.66
Components of actuarial gains / (losses):				
Due to change in financial assumptions	(166.71)	(189.83)	-	-
Due to change in demographic assumptions	-	-	-	-
Due to experience adjustments	10.69	89.79	-	-
Return on plan assets excluding amounts included in interest income	(6.61)	(14.18)	-	-
Net cost recognised in other comprehensive income	**(162.63)**	(114.22)	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2022-23	2021-22	2022-23	2021-22
Present value of obligation	3,599.89	3,519.37	209.65	168.66
Fair value of plan assets	3,529.03	3,420.05	-	-
Net defined benefit liability at end of the year*	**70.86**	99.32	**209.65**	168.66

*Net defined benefit liability as at 31 March, 2023 is net of Liabity of ₹ 88.01 Lakh (previous year - ₹ 133.46 Lakh) and advance paid of ₹ 17.15 Lakh (previous year - ₹ 34.13 Lakh)

(vi) Composition of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Insurance policies	100%	100%
	100%	100%

(vii) Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2022-23	2021-22
Financial assumptions		
Discount rate	7.40% - 7.45%	6.85% - 6.95%
Expected rate of return on plan assets	7.40% - 7.45%	6.85% - 6.95%
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.

(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.

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

Impact on defined benefit obligations - Gratuity:

(₹ in Lakhs)

Particulars	Increase in assumption		Decrease in assumption	
	2022-23	2021-22	2022-23	2021-22
Discount rate				
Change in assumption by 0.50%	(3.99%)	(4.23%)	4.92%	4.58%
Salary growth rate				
Change in assumption by 0.50%	4.83%	4.48%	(3.95%)	(4.18%)
Withdrawal rate				
Change in assumption by 0.10%	0.16%	(0.20%)	0.42%	0.21%

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)	
	2022-23	2021-22
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	3.67	4.35
25 to 35	240.31	281.52
35 to 45	1,037.88	1,001.53
45 to 55	1,186.09	1,213.01
above 55	1,131.94	1,018.96
	3,599.89	3,519.37
Past service wise distribution of defined benefit obligation		
Service period in years		
0 to 4	57.09	75.76
4 to 10	252.60	245.98
10 to 15	723.27	953.21
15 and above	2,566.93	2,244.42
	3,599.89	3,519.37

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 Holding Company'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

NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Leave encashment (funded)	
	2022-23	**2021-22**
Financial assumptions		
Discount rate	7.40% - 7.45%	6.85% - 6.95%
Expected rate of return on plan assets	7.40% - 7.45%	6.85% - 6.95%
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 ₹ 123.19 Lakhs (previous year ₹ 162.67 Lakhs).

D. Estimate of contributions expected to be paid during financial year 2023-24 is as under.

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity (funded)	₹ 88.01 Lakhs
(b) Gratuity (Unfunded)	₹ 31.45 Lakhs
	₹ 119.46 Lakhs
(iii) Other long-term employee benefits	
(a) Leave encashment	₹ 15.42 Lakhs

NOTE - 44 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
(a) Contingent liabilities		
Claims against the group not acknowledged as debts:		
Central excise and Service tax	117.74	387.72
Custom duty related dispute (Decision is received in favor of group in high court and Dapartment has appealed decision of high court in Supreme Court)	1,056.52	1,012.33
Income tax		
In High Court (Decision is received in favor of group in ITAT and Income Tax Dapartment has appealed decision of ITAT in High Court)	11,473.81	11,473.81
In Commissioner of Income tax (CIT)	15,797.31	11,910.70
Total Income tax	**27,271.12**	23,384.51
Sales tax / VAT	18.63	57.23

NOTE - 44 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONTD.)

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
Guarantees:		
Outstanding bank guarantees	14,979.51	16,328.29
Outstanding corporate guarantees given to customers	242.16	174.21
Letter of Credit	1,076.93	2,008.18
Others matters including claims related to ESIC, Electricity and Ex-employees	836.83	813.70
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	
	45,599.44	44,166.17
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10,223.50	3,270.61
	10,223.50	3,270.61

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.

NOTE - 45 RELATIONSHIP WITH STRUCK OFF COMPANIES:

(₹ in Lakhs)

Name of struct of companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off group
		31 March 2023	31 March 2022	
Grippon Profiles & Engg Private Limited (Advance was given in Mar - 2014 and legal case is filed against vendor)	Purchase	4.43	4.43	None

NOTE - 46 CANADA ANTI-DUMPING

After a full Anti Dumping Duty and Countervailing Duties re investigation review, Canada Border Services Agency has notified a schedule for duties for imports and revised normal value of high chrome grinding media (manufactured by holding company 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 duty of ₹ 3874 per MT will be levied on all imports of defined grinding media.

NOTE - 47

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 - 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 12th Feb 2022)	Chairman, Welcast Steels Limited
2	Mr. D. P. Dhanuka	Chairman, Welcast Steels Limited
3	Mr. S. N. Jetheliya	Company Secretary, Welcast Steels Limited
4	Mr. Viren K.Thakkar (w.e.f 23 May, 2022)	Chief Financial Officer, Welcast Steels Limited
5	Mr. Mohona Rao VVR	Chief Executive Officer, Welcast Steels Limited
6	Mr. Yashraj (upto 10 Apr, 2022)	Chief Financial Officer, Welcast Steels Limited
7	Mr. Jerry Andersson (w.e.f 24th Jan 2022)	Chief Executive Officer and Director, Vega Industries (Middle East) F.Z.C.
8	Mr. Paryank R. Shah	Director, Vega Industries (Middle East) F.Z.C.
9	Mr. R. A. Gilani	
10	Mr. Himanshu K. Patel	
11	Mr. Vivek S. Rathaur	

Controlling party. Refer Note 21 for shareholding pattern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (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	Welcast Steels Employees Gratuity fund trust,India	Post employment benefit plan of Welcast Steels Limited
3	Mrs. Giraben K. Shah	Relatives of key managerial personnel
4	Mrs. Gitaben B. Shah	
5	Mrs. Khushali Samip Solanki *	
6	Mrs. Bhumika Shyamal Shodhan *	
7	Mrs. Tayaramma	
8	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
9	Vee Connect Travels Private Limited	
10	Discus IT Private Limited	
11	Harsha Engineers International Limited (Formerly known as Harsha Engineers Limited)	
12	RNCA & Associates	

* Non-executive director of the Company.

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

B Details of related party transactions during the year.

(₹ in Lakhs)

Sr. no.	Nature of transaction	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 Group	
		31 March, 2023	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022	**31 March, 2023**	31 March, 2022
1	Sale of products (inclusive of taxes)	-	-	-	-	23,884.97	-	-	-	-	-
2	Purchase of goods (inclusive of taxes)	-	-	-	-	4,477.01	3,744.86	-	-	-	-
3	Commission expense on purchases	-	-	-	-	90.35	107.08	-	-	-	-
4	Legal and professional consultancy fees	-	0.90	-	-	7.69	10.74	-	-	-	-
5	SAP ERP functional and technical support	-	-	-	-	94.58	90.64	-	-	-	-
6	Salary, bonus and perquisites	223.99	210.18	-	-	-	-	1.54	1.54	-	-
7	Contribution to gratuity fund	-	-	-	-	-	-	-	-	171.22	62.35
8	Rent, rates and taxes	-	-	-	-	-	-	6.06	5.45	-	-
9	Travelling expenses	-	-	-	-	354.54	83.31	-	-	-	-
10	Directors' remuneration and perquisites	737.65	554.91	-	-	-	-	-	-	-	-
11	Sitting fees paid	1.00	1.30	11.75	10.45	-	-	1.95	2.15	-	-
12	Commission to Director	-	-	22.00	22.00	-	-	18.00	18.00	-	-
13	Reimbursement received from gratuity fund	-	-	-	-	-	-	-	-	54.59	-
		962.64	767.29	**33.75**	32.45	**28,909.14**	4,036.63	**27.55**	27.14	**225.81**	62.35
Outstanding balance receivable at year end		-	-	-	-	**9,579.27**	4.03	-	-	-	-
Outstanding balance payable at year end		**17.50**	20.82	**19.80**	19.80	**205.94**	196.36	**0.41**	0.38	**17.15**	34.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

C Disclosures in respect of transactions with related parties during the year:

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2023	31 March, 2022
1	Sale of products (inclusive of taxes)	AB Tradelink Private Limited	23,884.97	-
2	Purchase of goods (inclusive of taxes)	Harsha Engineers International Limited (Formerly known as Harsha Engineers Limited)	4,477.01	3,744.86
3	Commission expense on purchases	AB Tradelink Private Limited	90.35	107.08
4	Legal and professional consultancy fees	RNCA & Associates	7.69	10.74
		Mr. Vinod Narain	-	0.90
5	SAP ERP functional and technical support	Discus IT Private Limited	94.58	90.64
6	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
		Mr. S. N. Jetheliya	70.06	66.98
		Mr. Viren K.Thakkar	86.44	82.44
		Mr. Mohona Rao VVR	32.90	31.46
		Mr. Yashraj	34.59	29.30
7	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	133.46	51.99
		Welcast Steels Employees Gratuity fund trust	37.76	10.36
8	Rent, rates and taxes	Mrs. Giraben K. Shah	4.22	3.84
		Mrs. Tayaramma	1.84	1.61
9	Travelling expenses	Vee Connect Travel Private Limited	354.54	83.31
10	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	111.12	95.89
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Paryank R. Shah	81.91	157.96
		Mr. R. A. Gilani	136.35	101.31
		Mr. Himanshu K. Patel	101.04	92.22
		Mr. Jerry Andersson	238.36	39.40
		Mr. Vivek S. Rathore	38.55	37.81
11	Sitting fees paid	Mr. Rajendra S. Shah	2.25	2.20
		Mr. Bhadresh K. Shah	1.00	1.00
		Mr. Sanjay S. Majmudar	2.75	2.60
		Mr. Dileep C. Choksi	1.00	0.65
		Mr. Rajan Harivallabhdas	1.75	1.60
		Mrs. Janaki Udayanbhai Shah	1.00	0.90
		Mrs. Khushali Samip Solanki	0.95	1.25
		Mrs. Bhumika Shyamal Shodhan	1.00	0.90
		Mr. D.P Dhanuka	1.00	0.50
		Mr. Pradip R.Shah	1.00	1.00
		Mr. Vinod Narain	-	0.30
		Mr. Ashok Nichani	1.00	1.00
12	Commission to Director	Mr.Sanjay S.Majmudar	22.00	22.00
		Mrs. Khushali Samip Solanki	18.00	18.00
13	Reimbursement received from gratuity fund	Welcast Steels Employees Gratuity fund trust	54.59	-

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

D The details of amounts due to or due from related parties as at 31 March are as follows:

(₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March, 2023	31 March, 2022
1	**Other current liabilities**			
	Key managerial personnel	Mr. Bhadresh K. Shah	5.00	5.00
		Mr. Yashwant M. Patel	1.87	1.26
		Mr. S. N. Jetheliya	3.56	3.29
		Mr. Viren K.Thakkar	2.69	3.54
		Mr. Mohona Rao VVR	4.38	4.22
		Mr. Yashraj	-	3.51
			17.50	20.82
2	**Trade payables**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	8.92	4.44
		RNCA & Associates	1.59	1.53
		Harsha Engineers International Limited (Formerly known as Harsha Engineers Limited)	195.43	190.39
	Relative of Key managerial personnel	Mrs. Giraben K. Shah	0.32	0.29
		Mrs. Gitaben B. Shah	0.09	0.09
	Independent director	Mr. Sanjay S. Majmudar	19.80	19.80
			226.15	216.54
3	**Trade receivable**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	9,563.02	-
			9,563.02	**-**
4	**Provision for employee benefits**			
	Post employment benefit plan of the Group	AIA Employee's Gratuity Trust Fund, India	96.21	133.46
			96.21	133.46
5	**Amount due from Gratuity Trust**			
	Post employment benefit plan of the Group	Welcast Steels Employees Gratuity fund trust	17.15	34.13
			17.15	34.13
6	**Advances**			
	Enterprise over which key managerial personnel or close member of their family exercise control	Discus IT Private Limited	-	-
		Vee Connect Travels Private Limited	16.25	4.03
			16.25	4.03

NOTE - 48 RELATED PARTY DISCLOSURES (CONTD.)

E Breakup of compensation paid to key managerial personnel:

(₹ in Lakhs)

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2023	31 March, 2022
1	Short-term employee benefits	Mr. Bhadresh K. Shah	111.12	95.89
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Viren K.Thakkar	86.44	82.44
		Mr. S. N. Jetheliya	70.06	66.98
		Mr. Mohona Rao VVR	32.90	31.46
		Mr. Yashraj	34.59	29.30
		Mr. Paryank R. Shah	81.91	157.96
		Mr. R. A .Gilani	136.35	101.31
		Mr. Himanshu K. Patel	101.04	92.22
		Mr. Jerry Andersson	238.36	39.40
		Mr. Vivek S. Rathaur	38.55	37.81
			961.64	765.09
2	Post-employment benefits	Mr. Viren K.Thakkar	1.83	1.67
		Mr. S. N. Jetheliya	1.94	1.79
			3.77	3.46
			965.41	768.55

Key Managerial Personnel and their relatives who are under the employment of the group 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.

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	31 March, 2023	31 March, 2022
(1). Revenues from external customers including operating revenue		
India	1,38,017.75	79,438.92
Australia	57,303.12	47,957.19
United States of America	58,361.05	40,891.25
Others	2,37,194.95	1,88,367.37
(2). Non-current assets (excluding financial assets and tax assets)		
India	1,13,700.28	1,03,695.92
Outside India	282.65	173.44

NOTE - 49 OPERATING SEGMENTS (CONTD.)

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
(a) Breakup of revenues :		
Revenue from operations	4,83,802.48	3,51,446.75
Other operating revenue	7,074.39	5,207.98
(b). Non-current assets		
Non-current assets (excluding financial assets and tax assets)	1,13,982.93	1,03,869.36

There are sales in 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.

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 Group 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 ₹	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.

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

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.

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 contratual 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:

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
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.	Quality assets, low credit risk	12 month expected credit losses	12 month expected credit losses	
Assets where the probability of default is moderate, counter-party where the capacity to meet the obligations is not strong.	Standard assets, moderate credit risk	12 month expected credit losses	12 month expected credit losses	
Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due	Substandard assets, relatively high credit risk	Life time expected credit losses	Life time expected credit losses	
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.	Low quality assets, very high credit risk	Life time expected credit losses	Life time expected credit losses	
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.	Doubtful assets, credit impaired	Asset is written off		

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Movement in allowance for impairment of Trade receivables is as below:

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
Balance at the Beginning	145.08	296.56
Impairment loss reversed	(40.23)	(150.53)
Loss / (Gain) on account of translation of foreign operation	0.74	(0.95)
Amounts written off	-	-
Balance at the end	**105.59**	145.08

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, 2023					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	12,875.67	-	-	12,875.67
	Deposits	1,000.87	-	-	1,000.87
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, 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	-	-	-	-

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end:

(₹ in Lakhs)

Due from date of invoice	31 March, 2023	31 March, 2022
Not Due	57,085.72	57,865.12
0 - 3 months	26,572.93	20,268.40
3 - 6 months	1,908.72	1,209.68
6 - 12 months	258.67	712.09
Beyond 12 months	374.46	645.69
Gross carrying amount	86,200.49	80,700.98
Expected credit loss	(105.59)	(145.08)
Net carrying amount	**86,094.90**	80,555.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

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:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
0-1 Year	399.94	405.55
2-5 Years	323.54	378.65
Above 5 Years	-	-
Grand Total	**723.48**	784.20

Financing arrangements

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

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Fund and non-fund based facilities	67,651.26	80,092.59

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, 2023:			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	-	-	-
Short term borrowings	49,600.00	-	49,600.00
Trade payables	26,136.96	-	26,136.96
Other financial liabilities	2,385.97		2,385.97
	78,122.93	**-**	**78,122.93**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	-	-	-
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

Note: Guarantees issued by the Group aggregating to ₹ 821.10 Lakhs (previous year: ₹ 1,745.70 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.

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

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.

Interest rate sensitivity

(₹ in Lakhs)

Particulars	31 March, 2023	31 March, 2022
Borrowings bearing fixed rate of interest	49,600.00	284.00
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	Fot the year ended 31 March,2023	Fot the year ended 31 March,2022
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	Total exposure to foreign currency risk
As at 31 March, 2023:						
USD	47,173,177	18,358,373	5,395,363	70,926,913	3,873,226	3,873,226
EURO	6,340,703	3,035,293	-	9,375,996	342,173	342,173
ZAR	4,605,160	12,535,121	-	17,140,281	196,567	196,567
GBP	-	100,410	-	100,410	36,150	36,150
CAD	91,205	1,181,540	-	1,272,745	9,935	9,935
AUD	7,584,516	14,610,779	-	22,195,295	939,213	939,213
AED	-	182,556	-	182,556	-	-
CNY	851,400	1,691,453	-	2,542,853	-	-
CLP	2,028,593,154	289,239,642	-	2,317,832,796	21,431,566	21,431,566
IDR	71,227,451,838	7,790,808,553	-	79,018,260,391	-	-
GHC	-	1,925,881	-	19,25,881	2,250,451	2,250,451

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	Total exposure to foreign currency risk
As at 31 March, 2022:						
USD	62,730,569	14,519,766	5,643,550	82,893,885	4,133,922	4,133,922
EURO	5,639,655	3,626,273	-	9,265,928	630,577	630,577
ZAR	4,221,186	10,242,225	-	14,463,411	5,428,372	5,428,372
GBP	134,019	15,407	-	149,426	16,815	16,815
CAD	185,718	1,112,765	-	1,298,483	3,320	3,320
AUD	14,793,687	3,942,493	-	18,736,180	596,446	596,446
AED	26,452	326,376	-	352,828	-	-
CNY	2,279,657	536,541	-	2,816,198	-	-
RUB	-	20,124	-	20,124	-	-
CLP	700,400,234	101,889,869	-	802,290,103	247,606,545	247,606,545
IDR	34,339,025,747	8,642,960,218	-	42,981,985,965	3,091,244,493	3,091,244,493
GHC	-	3,970,281	-	3,970,281	-	-

Foreign currency risk sensitivity

Particulars	Movement (%)		Effect on profit before tax	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
USD sensitivity				
INR / USD- increase by	1.00	1.00	550.60	597.79
INR / USD- decrease by	1.00	1.00	(550.60)	(597.79)
Euro sensitivity				
INR / Euro- increase by	1.00	1.00	80.65	72.72
INR / Euro- decrease by	1.00	1.00	(80.65)	(72.72)
ZAR sensitivity				
INR / ZAR- increase by	1.00	1.00	7.84	4.69
INR / ZAR- decrease by	1.00	1.00	(7.84)	(4.69)
GBP sensitivity				
INR / GBP- increase by	1.00	1.00	0.65	1.33
INR / GBP- decrease by	1.00	1.00	(0.65)	(1.33)
CAD sensitivity				
INR / CAD- increase by	1.00	1.00	7.67	7.87
INR / CAD- decrease by	1.00	1.00	(7.67)	(7.87)
AUD sensitivity				
INR / AUD- increase by	1.00	1.00	116.99	103.23
INR / AUD- decrease by	1.00	1.00	(116.99)	(103.23)
AED sensitivity				
INR / AED- increase by	1.00	1.00	0.41	0.73
INR / AED- decrease by	1.00	1.00	(0.41)	(0.73)
CNY sensitivity				
INR / CNY- increase by	1.00	1.00	3.04	3.37
INR / CNY- decrease by	1.00	1.00	(3.04)	(3.37)

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	Movement (%)		Effect on profit before tax	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
RUB sensitivity				
INR / RUB- increase by	1.00	1.00	-	(0.00)
INR / RUB- decrease by	1.00	1.00	-	0.00
CLP sensitivity				
INR / CLP- increase by	1.00	1.00	23.79	5.55
INR / CLP- decrease by	1.00	1.00	(23.79)	(5.55)
IDR sensitivity				
INR / IDR- increase by	1.00	1.00	43.46	39.89
INR / IDR- decrease by	1.00	1.00	(43.46)	(39.89)
GHS sensitivity				
INR / GHC- increase by	1.00	1.00	0.23	4.03
INR / GHC- decrease by	1.00	1.00	(0.23)	(4.03)

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
USD	80.04	74.18	82.11	75.90
EUR	83.59	86.40	89.28	84.22
ZAR	4.77	4.97	4.63	5.19
CAD	60.73	59.22	60.70	60.80
GBP	97.60	101.72	101.56	99.83
AUD	55.04	54.75	55.04	56.91
AED	21.80	20.20	22.36	20.67
CNY	11.72	11.58	11.95	11.97
RUB	1.20	0.97	1.06	0.92
CLP	0.09	0.10	0.10	0.10
IDR	0.01	0.01	0.01	0.01
GHS	8.28	12.30	7.11	10.14

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, 2023					
USD / INR	Sell	151	16,500,000	13,548.61	95.24
AUD / INR		43	5,550,000	3,054.63	124.45
					219.69
		Less : Deferred tax			55.29
		Balance in cash flow hedge reserve			**164.40**

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

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	20,800,000	15,787.30	48.38
AUD / INR		178	11,500,000	6,544.24	(164.55)
					(116.17)
		Less : Deferred tax			(29.24)
		Balance in cash flow hedge reserve			(86.93)

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year (net of tax)	(86.93)	228.81
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	251.33	(315.74)
Balance at the end of the year (net of tax)	**164.40**	(86.93)

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 viz a viz 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.

Consumption details of metal scrap and ferro chrome:

Particulars	(Qty. in MT)	
	2022-23	2021-22
Metal scrap	2,23,039	2,21,891
Ferro chrome	68,350	67,578

Commodity price sensitivity:

Increase / (decrease) in prices of metal scrap / ferro chrome by Re. 1 per kg would have following impact on profit before tax:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Re. 1 increase in commodity price	(2,913.89)	(2,894.69)
Re. 1 decrease in commodity price	2,913.89	2,894.69

(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.

NOTE - 50 FINANCIAL RISK MANAGEMENT (CONTD.)

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

(₹ in Lakhs)

Particulars	2022-23	2021-22
Debt	49,600.00	157.00
Total equity	5,69,132.60	4,75,496.01
Debt to total equity	0.09	0.00

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 group follows the policy of Dividend for every financial year as may be decided by the Board considering financial performance of the group and other internal and external factors enumerated in the group'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.

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, 2023						
Non-current investments #	8	42.26	-	37.63	79.89	42.26
Current investments	15	52,345.35	1,73,006.54	-	2,25,351.89	52,345.35
Trade receivables	9, 16	-	-	86,094.90	86,094.90	-
Loans	10, 18	-	-	12,875.67	12,875.67	-
Derivatives		219.88		-	219.88	219.88
Cash and cash equivalents	17	-	-	30,747.67	30,747.67	-
Bank balances other than above	11,17	-	-	49,861.90	49,861.90	-
Other financial assets	19	-	-	3,663.72	3,663.72	-
		52,607.49	**1,73,006.54**	**1,83,281.49**	**4,08,895.52**	**52,607.49**
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	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

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.

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, 2023						
Borrowings	23,26	-	-	49,600.00	49,600.00	-
Trade payables	28	-	-	26,136.96	26,136.96	-
Derivatives		-	-	-	-	-
Other financial liabilities	29	-	-	2,385.97	2,385.97	-
		-	**-**	**78,122.93**	**78,122.93**	**-**
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

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, 2023					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		15,977.17	15,977.17	-	-
Investments in bonds (quoted)		2,09,374.72	2,09,374.72	-	-
Financial assets					
Derivatives		219.88	-	219.88	-
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	-

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

NOTE - 52 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 incorpo-ration	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, 2023									
Holding Company									
AIA Engineering Limited	India	5,47,300.92	96.16%	96,882.56	91.75%	(581.34)	16.67%	96,301.22	94.32%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	3,531.10	0.62%	264.02	0.25%	14.85	(0.43%)	278.87	0.27%
AIA CSR Foundation	India	1.00	-	-	-	-	-	-	-
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	28,016.88	4.92%	13,298.98	12.59%	-	-	13,298.98	13.02%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	1,249.75	0.22%	25.66	0.02%	-	-	25.66	0.03%
Vega Industries Limited	U. S. A.	2,041.97	0.36%	456.48	0.43%	-	-	456.48	0.45%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	27.27	-	(36.51)	(0.03%)	-	-	(36.51)	(0.04%)
Wuxi Vega Trade Co. Limited	China	154.54	0.03%	(106.26)	(0.10%)	-	-	(106.26)	(0.10%)
PT. Vega Industries Indonesia	Indonesia	(1,109.91)	(0.20%)	(1,109.65	(1.05%)	-	-	(1,109.65)	(1.09%)
Vega Industries Chile SpA	Chile	(126.14)	(0.02%)	(64.90)	(0.06%)	-	-	(64.90)	(0.06%)
AIA Ghana Limited	Ghana	(2,063.32)	(0.36%)	(290.31)	(0.27%)	-	-	(290.31)	(0.28%)
Vega Industries Australia PTY Limited	Australia	627.10	0.11%	381.56	0.36%	-	-	381.56	0.37%
Add / (less):									
Adjustment arising out of consolidation		(9,624.95)	(1.69%)	(4,051.60)	(3.83)%	-	-	(4,051.60)	(3.97%)
Exchange differences on translation of foreign operations		-	-	-	-	(2,917.56)	83.65%	(2,917.56)	(2.86%)
Non-controlling interests in:									
Welcast Steels Limited		(888.09)	(0.16%)	(66.40)	(0.06%)	(3.73)	0.11%	(70.13)	(0.07%)
Vega Steel Industries (RSA) Proprietary Limited		(5.52)	-	9.26	0.01%	-	-	9.26	0.01%
		5,69,132.60	**100.00%**	**1,05,592.89**	**100.00%**	**(3,487.78)**	**100.00%**	**1,02,105.11**	**100.00%**

NOTE - 52 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 incorpo-ration	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	-	-	-	-	-	-	-
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	-	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%)
		4,75,496.03	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, 2023 (CONTD.)

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

Date: 25 May, 2023
Place: Ahmedabad

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Date: 25 May, 2023
Place: Ahmedabad

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

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

Date: 25 May, 2023
Place: Ahmedabad

NOTES

NOTES

NOTICE

Notice is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING** of the Members of **AIA ENGINEERING LIMITED** will be held on Tuesday, the 19 September, 2023 at 10.00 A.M. through Video Conferencing/Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31 March, 2023 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31 March, 2023.
3. To appoint a Director in place of Mr. Yashwant M. Patel (DIN: 02103312), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration of ₹ 5.00 Lakhs as decided by the Board of Directors on the recommendations of the Audit Committee and payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year 2023-2024.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors,

Place : Ahmedabad
Date : 25 May, 2023

S. N. JETHELIYA
Company Secretary

Regd. Office:
115, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad 382 415
CIN: L29259GJ1991PLC015182

NOTES

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
2. Pursuant to General Circulars No.14/2020 dated 08 April, 2020, No.17/2020 dated 13 April, 2020, No.20/2020 dated 05 May, 2020, No. 02/2021 dated 13 January, 2021, No. 21/2021 dated 14 December, 2021, No. 2/2022 dated 05 May, 2022 and No. 10/2022 dated 28 December, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 33rd Annual General Meeting ('AGM') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated 12 May, 2020, 15 January, 2021, 13 May, 2022 and 05 January, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI LODR Regulations and MCA Circulars, the 33rd AGM of the Company is being held through VC/OAVM on Tuesday, 19 September, 2023 at 10:00 A.M. IST. The deemed venue for the AGM will be the Registered Office of the Company i.e. 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415.

   As this AGM is being held pursuant to the MCA Circulars for General Meetings through VC/OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend

AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

As this AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

3. The Register of Members and Share Transfer Book of the Company will remain closed from Wednesday, the 13 September, 2023 to Tuesday, the 19 September, 2023 (both days inclusive) for annual closing and determining the entitlement of the members to the Dividend for the Financial Year 2022-23.

4. A Dividend of ₹ 16/- per share (800%) has been recommended by the Board of Directors for the year ended 31 March, 2023 for the approval of the members at the ensuing AGM and if approved by the members, it will be paid on or before 18 October, 2023.

5. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 01 April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend. The Company had sent an e-mail communication to all the members of the Company on 21 June, 2023 with regard to deduction of tax on dividend as per the amendment introduced by the Finance Act, 2020 in the IT Act.

   Said e-mail communication contained the details of tax rates for various categories of shareholders (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various blank forms and separate link and e-mail ID to upload the signed forms and various documents by the shareholders to enable the Company to determine the applicable rate of TDS / withholding tax. The said facility to upload the documents/sending documents through e-mail is open till 31 July, 2023. Any communication received after 31 July, 2023 will not be considered.

   For the information of the members, it is hereby clarified that **no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend to be paid to him during the Financial Year does not exceed ₹ 5,000/- or if an eligible resident member has provided a valid declaration in Form 15G/ Form 15H or other documents as may be applicable to different categories of members.** The rate of TDS will vary depending on the residential status of the shareholder and documents registered with the Company.

   The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with the Company / RTA post payment of the dividend. The Shareholders will also be able to download the TDS details from the Income Tax Department's website https://www.incometax.gov.in (refer Form 26AS).

   In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, an option is still available with the shareholder to file the Return of Income and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.

   In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment/appellate proceedings before the Tax/ Government Authorities.

   This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

   If you are a member of the Company as on 12 September, 2023 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct taxes at source on the dividend payable to you as per the applicable provisions under the IT Act.

   Members holding shares in dematerialised mode, are requested to update their records such as tax residential status, PAN and register their e-mail addresses, mobile numbers and other details with their relevant depositories through their DPs. The members holding shares in physical mode are requested to furnish details to the Company's RTA in the prescribed format.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts.

   SEBI vide its Circular dated 20 April, 2018, directed all the listed companies to record the Income Tax PAN and Bank Account Details of all their shareholders holding shares in physical form. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest. This will help the shareholders to receive the dividend declared by the Company, directly in their respective bank accounts.

7. In compliance with the Circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of 2022-23 will be sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes.

8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection electronically during the period of AGM.

   The Company proposes to send documents, such as the Notice of the Annual General Meeting and Annual Report etc. henceforth to the members in electronic form at the e-mail address provided by them and made available to the Company by the Depositories from time to time.

   The un-audited quarterly and half-yearly financial results of the Company are uploaded on the website of the Company.

   In case you wish to receive the above documents in physical form, you are requested to please inform us on the below mentioned e-mail id. Please quote your Name, Demat Account No. [DP ID No. and Client ID No.].

   E-mail ID for reply : ric@aiaengineering.com.

9. The Ministry of Corporate Affairs has notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

   Those members who has so far not en-cashed their dividend warrants for the below mentioned Financial Years, may claim or approach the Company for the payment thereof, otherwise the same will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 125 of the Companies Act, 2013. Members are requested to note that after such dates, the members will be required to claim their dividend from IEPF Authority.

Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1.	2016-17	Interim Dividend	22 March, 2024
2.	2016-17	Final Dividend	20 September, 2024
3.	2017-18	Interim Dividend	28 April, 2025
4.	2018-19	Final Dividend	18 September, 2026
5.	2019-20	Interim Dividend	15 April, 2027
6.	2020-21	Final Dividend	10 October, 2028
7.	2021-22	Final Dividend	19 October, 2029

   The IEPF Rules mandate the Companies to transfer also the shares of those shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the Demat Account of IEPF Authority. The Company is required to transfer all unclaimed shares to the Demat Account of the IEPF Authority in accordance with the IEPF Rules.

10. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at https://aiaengineering.com/investor-kyc/.

    Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialised form and to the Company / RTA in case the shares are held by them in physical form.

11. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16 March, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD_RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 03 November, 2021 and 14 December, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. **The folios wherein any one of the cited documents/details is not available on or after 01 October, 2023, shall be frozen by the RTA.**

    The securities in the frozen folios shall be eligible:

    - To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
    - To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

    The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website https://aiaengineering.com/investor-kyc/. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. The Company has dispatched a letter to the Members holding shares in physical form in relation to the above referred SEBI Circular. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

    Further, Members holding shares in physical form are requested to ensure that their PAN is linked to Aadhar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after 31 December, 2025.

12. Re-appointment of Director:

Mr. Yashwant M. Patel (DIN : 02103312), Whole-Time Director of the Company will retire by rotation at the ensuing 33rd Annual General Meeting of the members of the Company and being eligible, has offered himself for re-appointment.

Pursuant to the requirements under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI LODR Regulations") relating to Corporate Governance, a Statement containing brief resume of the above Director together with the details of shares held by him, if any, is annexed hereto.

13. **Voting through Electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is providing e-voting facility to members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting.

(i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutiniser to scrutinise the e-voting and remote e-voting process in a fair and transparent manner.

(ii) Members who have cast their vote by remote e-voting prior to the meeting can also attend the meeting but shall not be entitled to cast their vote again.

(iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 12 September, 2023 only shall be entitled to avail the facility of remote e-voting.

(iv) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL.

The detailed process, instructions and manner of e-voting facility joining virtual AGM and e-voting during AGM is given as under :

E-Voting System – For Remote e-voting, joining virtual AGM and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the companies are conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 08 April, 2020, Circular No.17/2020 dated 13 April, 2020 and Circular No. 20/2020 dated 05 May, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08 April, 2020, 13 April, 2020 and 05 May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated 08 April, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.aiaengineering.com. The Notice can also be accessed from the websites of the

Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08 April, 2020 and MCA Circular No. 17/2020 dated 13 April, 2020 and MCA Circular No. 20/2020 dated 05 May, 2020.

8. In continuation of this Ministry's General Circular No. 20/2020, dated 05 May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2023, or become due in the year 2023, to conduct their AGMs on or before 30 September, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA Circular No. 10/2022 dated 28 December, 2022.

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 15 September, 2023 at 9.00 a.m. and ends on 18 September, 2023 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. 12 September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the Meeting.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode:

(iv) In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020** on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on Login icon and New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting Service Provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Provider's website directly.

Type of shareholders	Login Method
	3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on Company's name or e-Voting Service Provider's name and you will be re-directed to e-Voting Service Provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company's name or e-Voting Service Provider's name and you will be redirected to e-Voting Service Provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company's name or e-Voting Service Provider's name and you will be redirected to e-Voting Service Provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode:

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

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

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

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN – 230810006 - AIA Engineering Limited.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the e-mail address viz; ric@aiaengineering.com, if they have voted from individual tab & not uploaded the same on the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS TO SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a Speaker by sending their request in advance atleast **10 days prior to Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at viren.thakkar@aiaengineering.com, snj@aiaengineering.com, paresh.shukla@aiaengineering.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to the Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at viren.thakkar@aiaengineering.com, snj@aiaengineering.com, paresh.shukla@aiaengineering.com. These queries will be replied by the Company suitably by e-mail.
8. Those shareholders who have registered themselves as a Speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. Members holding shares in physical mode - please provide to the Company/RTA, duly filled and signed Form No. ISR-1 and ISR-2, format of which is available on the website of the Company / RTA.
2. For Demat shareholders - Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your E-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

REQUEST TO THE MEMBERS

Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company at least Ten days in advance at its Registered Office/Corporate Office, so as to enable the Company to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:

ITEM NO. 4:

The Board of Directors on the recommendation of the Audit Committee, re-appointed Kiran J. Mehta, Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of cost records of the Company for the Financial Year 2023-24 and fixed a remuneration of ₹ 5.00 Lakhs plus applicable tax and out of pocket expenses.

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution.

Accordingly, consent of the members is being sought for passing of an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the Financial Year 2023-24.

None of the Directors, Key Managerial Personnel or their relatives can be considered to be concerned or interested in the resolution.

The Board recommends passing of the said Resolution as an Ordinary Resolution for the approval of members of the Company.

By Order of the Board of Directors,

S. N. JETHELIYA
Company Secretary

Place : Ahmedabad
Date : 25 May, 2023

Regd. Office:
115, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad 382 415
CIN: L29259GJ1991PLC015182

Relevant details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, with regard to the Director seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting (Refer Item No. 3)

Name of the Director	**Mr. Yashwant M. Patel**
Age	79 Years
Date of first appointment on the Board of the Company	12 November, 2010
Qualification	B. Sc. (Chemistry)
Experience (brief resume)	He possesses rich and varied experience in Production, Administration, HR and Accounts.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel of the Company.
No. of shares in listed company	--
Terms and Conditions of Re-appointment	As per Resolution at Item No. 3 of the Notice convening this Annual General Meeting, Mr. Yashwant M. Patel is liable to retire by rotation and is proposed to be re-appointed as a Director of the Company.
Remuneration last drawn (including sitting fee if any)	₹ 2.50 Lakhs per month.
Remuneration proposed to be paid	₹ 2.50 Lakhs per month.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of 2022-23.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	

By Order of the Board of Directors,

Place : Ahmedabad
Date : 25 May, 2023

S. N. JETHELIYA
Company Secretary

Contact Details:

Company	**AIA Engineering Limited**	
Regd. Office	115, GVMM Estate, Odhav Road, Odhav, Ahmedabad-382 415, Gujarat, India E-mail : snj@aiaengineering.com, ric@aiaengineering.com	
Corporate Office	11/12, Sigma Corporates, B/h. HOF Showroom, Off. S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad – 380 054 E-mail : snj@aiaengineering.com, ric@aiaengineering.com	
Registrar and Share Transfer Agent	**Registered Office :-** Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Phone : +91-22-49186270 Fax : +91-22-49186060 Phone: +91-22-25946970 Fax: +91-22-2594 6969	**Local Address :-** Link Intime India Private Limited 5th Floor, 506 to 508 Amarnath Business Centre -1 Besides Gala Business Centre, Nr. St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad 380 006 Phone – 079- 26465179 E-mail : ahmedabad@linkintime.co.in
e-voting Agency	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com	
Scrutiniser	CS Tushar Vora, Practicing Company Secretary E-mail : cstusharvora@gmail.com	

Corporate Information

BOARD OF DIRECTORS

Mr. Rajendra S. Shah
Chairman : Independent-Non-Executive Director

Mr. Bhadresh K. Shah
Managing Director : Executive-Promoter

Mr. Sanjay S. Majmudar
Independent Director

Mr. Yashwant M. Patel
Whole-Time Director

Mr. Dileep C. Choksi
Independent Director

Mrs. Khushali S. Solanki
Non-Executive-Non-Independent Director

Mrs. Bhumika S. Shodhan
Non-Executive-Non-Independent Director

Mr. Rajan Harivallabhdas
Independent Director

Mrs. Janaki U. Shah
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Viren K. Thakkar

COMPANY SECRETARY

Mr. S. N. Jetheliya

STATUTORY AUDITORS

B S R & CO. LLP

Chartered Accountants

COST AUDITORS

Kiran J. Mehta & Co.

Cost Accountants

SECRETARIAL AUDITORS

Tushar Vora & Associates

Company Secretaries

REGISTERED OFFICE

115, GVMM Estate,
Odhav Road, Odhav, Ahmedabad - 382 415

CORPORATE OFFICE

11-12, Sigma Corporates,
B/h. HOF Show Room, Off. S.G. Highway,
Sindhu Bhavan Road, Bodakdev, Ahmedabad – 380 054

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited,

C 101, 247 Park, L B S Marg,
Vikhroli (W), Mumbai - 400 083
Phone No. : 022-49186270
Fax No. : 022-49186060
Email : rnt.helpdesk@linkintime.co.in

BANKERS

State Bank of India

Citi Bank N.A.

JPMorgan Chase Bank N.A.

HSBC Bank Limited

AXIS Bank Limited

IDBI Bank Limited

HDFC Bank Limited

AIA Engineering Limited

If undelivered, please return to:

Corporate Office: 11-12, Sigma Corporates, B/h. HOF Show Room,
Off. S.G. Highway, Sindhu Bhavan Road, Bodakdev,
Ahmedabad - 380 054

Tel.: +91-79-66047800, **Fax:** +91-79-66047848

E-mail: snj@aiaengineering.com,

Website: www.aiaengineering.com

CIN: L29259GJ1991PLC015182