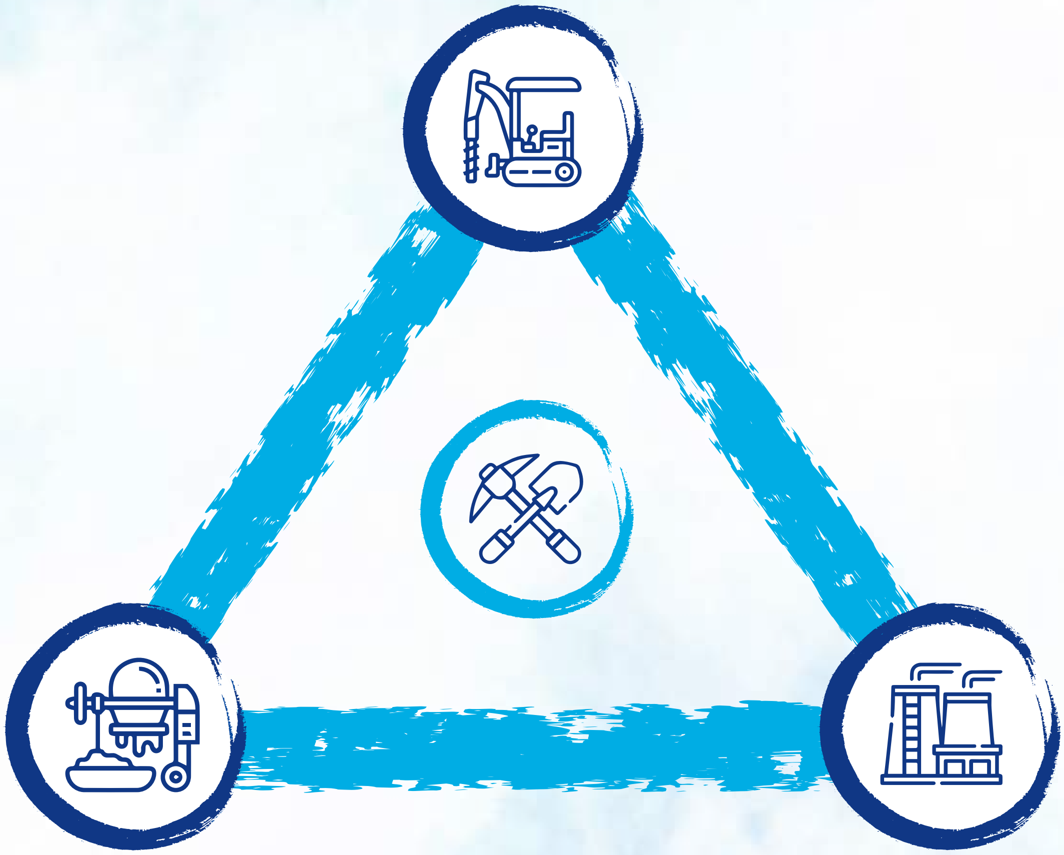


CONSISTENTLY UNIQUE

AIA ENGINEERING LIMITED

34th Annual Report 2023-24

ACROSS THE PAGES

01
Corporate Overview

02
Statutory Reports

03
Financial Statements

For more investor-related information, please visit:
https://aiaengineering.com/investor/

Or simply scan:

Investor Information

Market Capitalisation as of 31 March, 2024	₹ 36,931.61 Crores
CIN	L29259GJ1991PLC015182
BSE Code	532683
NSE Symbol	AIAENG
Bloomberg Code	AIAE:IN
AGM Date	September 9, 2024
AGM Mode	Video Conferencing (VC) and Other Audio-Visual Means (OAVM)

Prelude

AIA ENGINEERING RIDES THE POWERFUL INDIA GROWTH STORY

India's rise to the fifth-largest economy in the World GDP Rankings for 2024 marks a remarkable chapter in its growth story. This achievement stems from a rich tapestry of economic sectors: from the verdant fields of traditional and modern agriculture to the dynamic realms of technology services, from the intricate artistry of handicrafts to the global hubs of business outsourcing.

Looking forward, the trajectory only climbs steeper. Projections are set high with India poised to swell into a USD 7-trillion economy by 2030, and on track to surpass the USD 5 trillion milestone by 2027, potentially ranking as the world's third-largest economy. This ambitious growth is guided by the Government's comprehensive roadmap, which not only aims for expansion on a macroeconomic scale but also champions inclusive welfare at the grassroots level.

Central to this strategy are pivotal areas such as the burgeoning digital economy and fintech, technology-driven development, and proactive energy transition and climate action. This blueprint banks on a virtuous cycle of investment and growth, paving the way for sustainable economic advancements.

Moreover, with an eye on the future, the Government has laid out bold aspirations for India to achieve the status of a developed nation by 2047. Each step forward in this journey not only narrates a story of economic success but also reflects a commitment to holistic and inclusive development.

(Source: https://cleartax.in/s/world-gdp-ranking-list https://www.livemint.com/economy/india-to-be-a-usd-7-trillion-economy-by-2030-finance-ministry-nirmala-sitharaman-11706525095022.html)

USD 5 trillion economy

India is expected to surpass by 2027, potentially ranking as the world's third-largest economy

A developed nation

India is expected to acheive this status by 2047

AIA Engineering Limited (also referred to as 'AIA Engineering', 'Our Company' or 'We') is perfectly aligned with India's dynamic economic expansion, tapping into significant growth opportunities within key sectors. As a vital contributor to the nation's bold development initiatives, our Company enhances the operational efficiency in ore processing and mining through our specialised high-chrome grinding media and wear-resistant parts. Additionally, we play a pivotal role in India's cement industry—as the world's second-largest producer—by supplying critical grinding media and mill liners. Our products also boost the performance and reliability of power plants with cutting-edge components for coal pulverising mills. This comprehensive support not only advances the efficiency and durability of India's infrastructure projects but also positions us to benefit from the future infrastructure expenditure planned by Government. Thus driving both national progress and our strategic business objectives.

Primary Areas of Focus

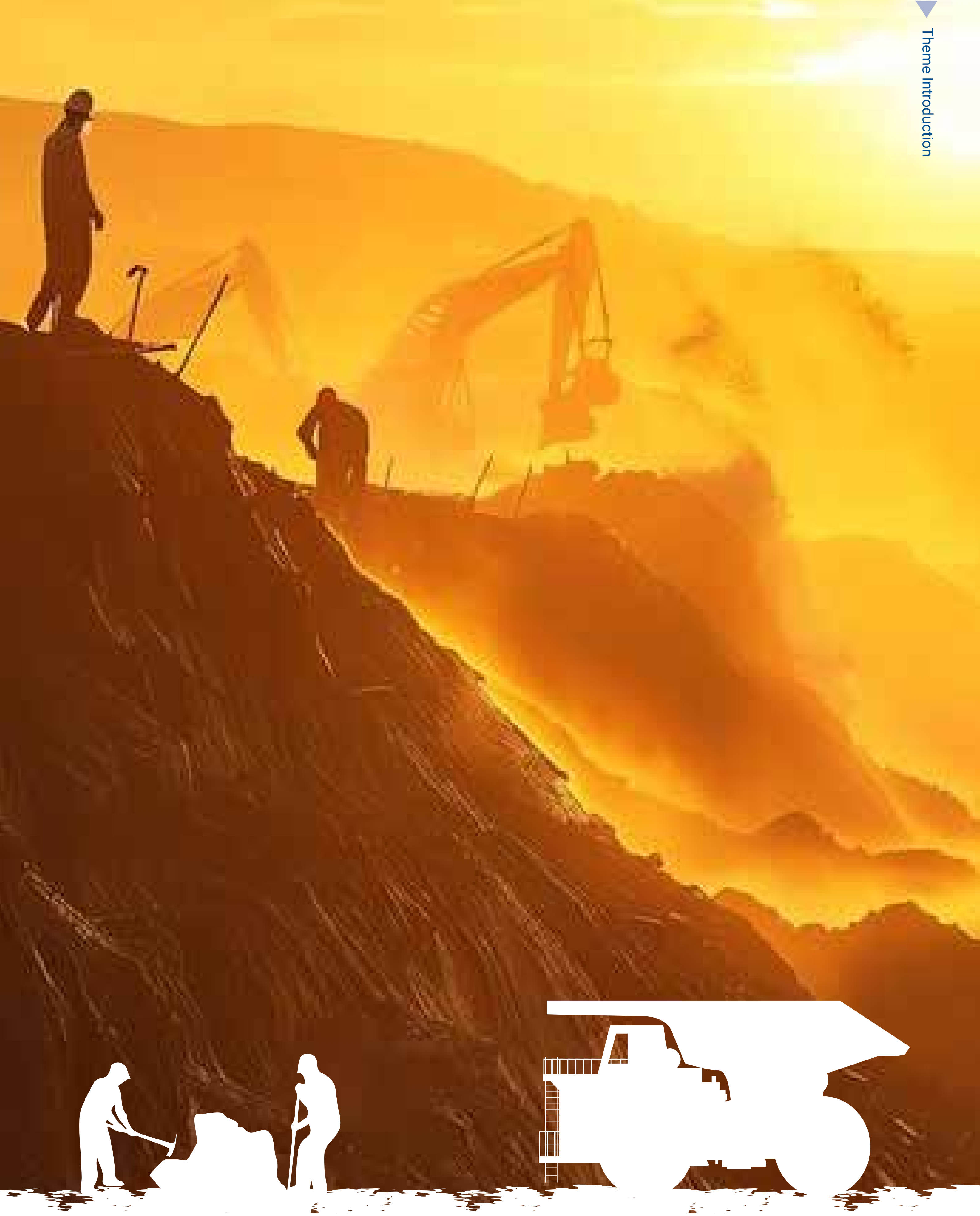
CONSISTENTLY UNIQUE

At AIA Engineering, we embody the ethos of being 'Consistently Unique,' blending tradition with modernity to redefine industry standards. At the heart of our Company's ethos lies a consistent commitment to quality and reliability, principles that have garnered the trust and respect of our customers and stakeholders through the years. This enduring dedication ensures we deliver superior products and services to a varied client base.

Our distinction also lies in our unyielding drive for innovation. We maintain a high standard of excellence while continuously seeking new growth opportunities. Strategic investments and forward-thinking initiatives empower us to expand the frontiers of industrial engineering.

Our endeavours towards maintaining sustainability further underscore our unique approach. We consistently invest in renewable energy projects and adopt eco-friendly practices, thereby aligning with contemporary values and global sustainability goals.

Today, AIA Engineering stands as a paragon of 'Consistently Unique', harmonising tradition with innovation and reliability with creativity. Our commitment to excellence and a pioneering spirit propels us as a leader in the industrial engineering landscape, ensuring our alignment with India's ambitious infrastructure goals and securing a prosperous future as part of this vibrant growth trajectory.



Report Card

CONSISTENTLY PROGRESSING WITH SOUND METRICS

Financial

At AIA, we adeptly navigate dynamic business environments, consistently delivering exceptional outcomes. This approach is evident in our strong financial performance for the fiscal year 2023-24, and demonstrates our ability to thrive amid challenges and seize growth opportunities.

₹ 4,85,376 Lakhs
Revenue from operations

₹ 1,61,667 Lakhs
EBITDA

33%
EBITDA margin

₹ 1,13,699 Lakhs
PAT

23%
PAT margin

Sales and Distribution

At AIA, we are comprehensively widening our distribution network to improve accessibility for consumers across diverse markets. These efforts are aimed at ensuring unparalleled quality of service.

A Focused
Team of experienced personnel

5
Manufacturing clusters

10+
Warehouses

People

We value our employees as the driving force behind our success, prioritising their professional growth and well-being throughout. With a commitment to diversity and inclusiveness, we foster a culture that embraces differences and ensures equal opportunities for all.

1,355

Permanent employees

Governance

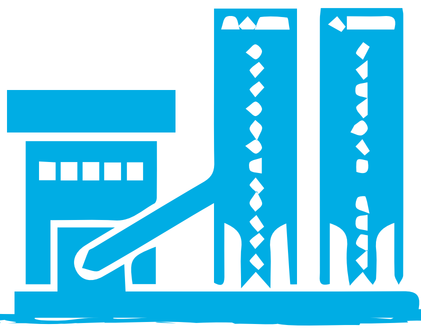
We recognise the vital importance of a strong governance framework for steering our success. With a meticulously designed governance structure, our Company upholds accountability and ethical standards, adhering to strict guidelines to achieve our objectives.

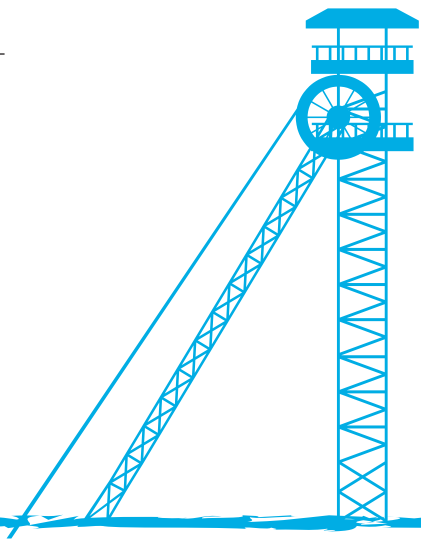
~38 years

Average experience of Directors

5

Independent Directors on the Board





Corporate Snapshot

CONSISTENTLY THRIVING FOR EXCELLENCE

Established in 1991, AIA Engineering has earned a distinguished name in designing, developing, producing, installing, and servicing high-chromium castings resistant to wear, corrosion, and abrasion. Our high-quality products are tailored to meet the specific needs of industries such as cement, mining, and thermal power generation. This versatility mirrors AIA's ability to address a wide range of market requirements effectively.

Industries Served

Mining

Cement

Quarry

Thermal

Our Mission

To be the leading solutions provider in our space

Our Vision

To be the number one global supplier of our core products

Our Values

- Mutual Respect
- Engage
- Teamwork
- Drive
- Trust
- Adaptability
- Service-Oriented Approach
- Ownership
- Cost-Conscious Operations

Milestones

CONSISTENTLY PROGRESSING OVER THE YEARS

1978
Incorporated by Mr. Bhadresh K. Shah as Ahmedabad Induction Alloys Private Limited

1979
Commenced operations and started producing wear parts for cement and power plants

1985
Started the production of high-chrome grinding media

1989
Commenced producing high chromium liners, level control diaphragms, and other diaphragms

1991
Amalgamated Ahmedabad Induction Alloys Private Limited with our Company

1996
Received ISO 9001 certification for Quality Management Systems

2003
Incorporated Vega ME as a wholly owned subsidiary

2005
Listed on the Indian stock exchanges

2011
Commissioned a new plant for mining liners and vertical mill parts

2014

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

2017

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

2018

- Developed mill lining solutions for mines

2019

Installed capacity enhancement by 50,000 MTPA at Kerala's GIDC plant; Installed 9 wind turbines of 2.1 MW each

2024

- Added group captive hybrid project (3.3 MW Windmill + 1.80 MW solar) at Amreli District, Gujarat, taking the total renewable energy capacity to 37.38 MW
- Added 20,000 MT of casting capacity by debottlenecking at Odhav

2023

Added two hybrid projects (2.1 MW windmill + 1.89 MWp solar) at Village Dedan, Gujarat, taking the total renewable energy capacity to 32.28 MW; Expanded capacity of 50,000 MT in Castings at the Kerala GIDC Facility

2022

Installed 2 wind turbines of total 5.4 MW

2020

Obtained ISO 14001 certification for environmental management systems and OHSAS 18001 certification for health & safety management systems at our Moraiya and Kerala plants

Our Presence

CONSISTENTLY GROWING OUR GLOBAL FOOTPRINT

With a legacy of delivering impactful solutions, AIA stands as a trusted leader in producing wear components and innovative technologies. Our extensive expertise in metallurgy, grinding applications, and component design enables us to craft high-quality parts for tube mills, vertical mills, pulverisers, and beyond.

Disclaimer: This map is a generalized 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 to its accuracy or completeness.

Logistic Network Warehouse

1 South Africa
2 USA
3 Netherlands
4 Australia
5 Ghana
6 Chile
7 Indonesia

Subsidiary and Representative offices

1 USA
2 UK
3 UAE
4 Australia
5 South Africa
6 China
7 Chile
8 Indonesia
9 Ghana
10 Peru

Facts in Brief

120+

Countries

130+

Ports

A Focussed Team

of Experienced Personnel

Environmentally Compliant

Packing

Meticulous

Documentation

Robust

Product Packaging

Industries We Serve

CONSISTENTLY CATERING TO DIVERSE INDUSTRIES

Cement Industry

Products

High-Chrome Mill Internals (HCMI), including grinding media, shell liners, and diaphragms.

Application

Used in cement grinding mills to crush raw materials and clinker into finer particles, improving the efficiency and performance of cement production processes.

Value Proposition

Offer longer wear life and higher efficiency than conventional steel components, reducing downtime and maintenance costs for cement manufacturers.

Mining Industry

Products

Grinding media and mill liners designed for ore grinding processes.

Application

Used in ore processing mills for crushing and grinding ore into finer particles, which is a critical process in extracting minerals and metals.

Value Proposition

AIA's products enhance grinding efficiency and reduce operational costs, improving the overall productivity of mining operations.

Thermal Industry

Products

Grinding media and wear-resistant components for coal pulverising mills.

Application

Essential for grinding coal into a fine powder for efficient combustion in thermal power plants.

Value Proposition

AIA's products help in reducing maintenance costs and enhancing the reliability of power generation equipment. This is achieved by improving the wear resistance and performance of mill components.

Quarry Industry

Products

- Blow Bars
- Hammers
- Impellers
- Anvil
- Feed Disk
- Frame Liners

Application

Crushing of aggregates.

Value Proposition

Our Company's top-quality products and services boast market-leading wear and impact-resistant alloys and inserts that offer consistent performance and a significantly extended lifespan.

Manufacturing Facilities

CONSISTENTLY SHOWCASING BRILLIANCE IN MANUFACTURING

AIA Engineering has set up greenfield and brownfield manufacturing facilities with a combined capacity of 4,60,000 MT. This strategy has positioned us as the global leader in the production of chrome mill internals. Our Company provides comprehensive solutions ranging from grinding optimisation to recovery enhancements.

Our factories adhere to ISO 9001:2015 standards, boasting state-of-the-art production facilities equipped with automated processes, heat treatment capabilities, and rigorous testing protocols. Additionally, our Grinding Media facilities in Ahmedabad are certified as per ISO 14001:2015 and ISO 45001:2018 standards.

Key Takeaway from the Brownfield Expansion

₹ 200 Crores
Total expenditure

₹ 110 Crores
Invested so far

₹ 90 Crores
Remaining to be utilised

4,60,000 Tonnes
Total capacity

36,000 Tonnes
Ongoing brownfield expansion for Grinding Media

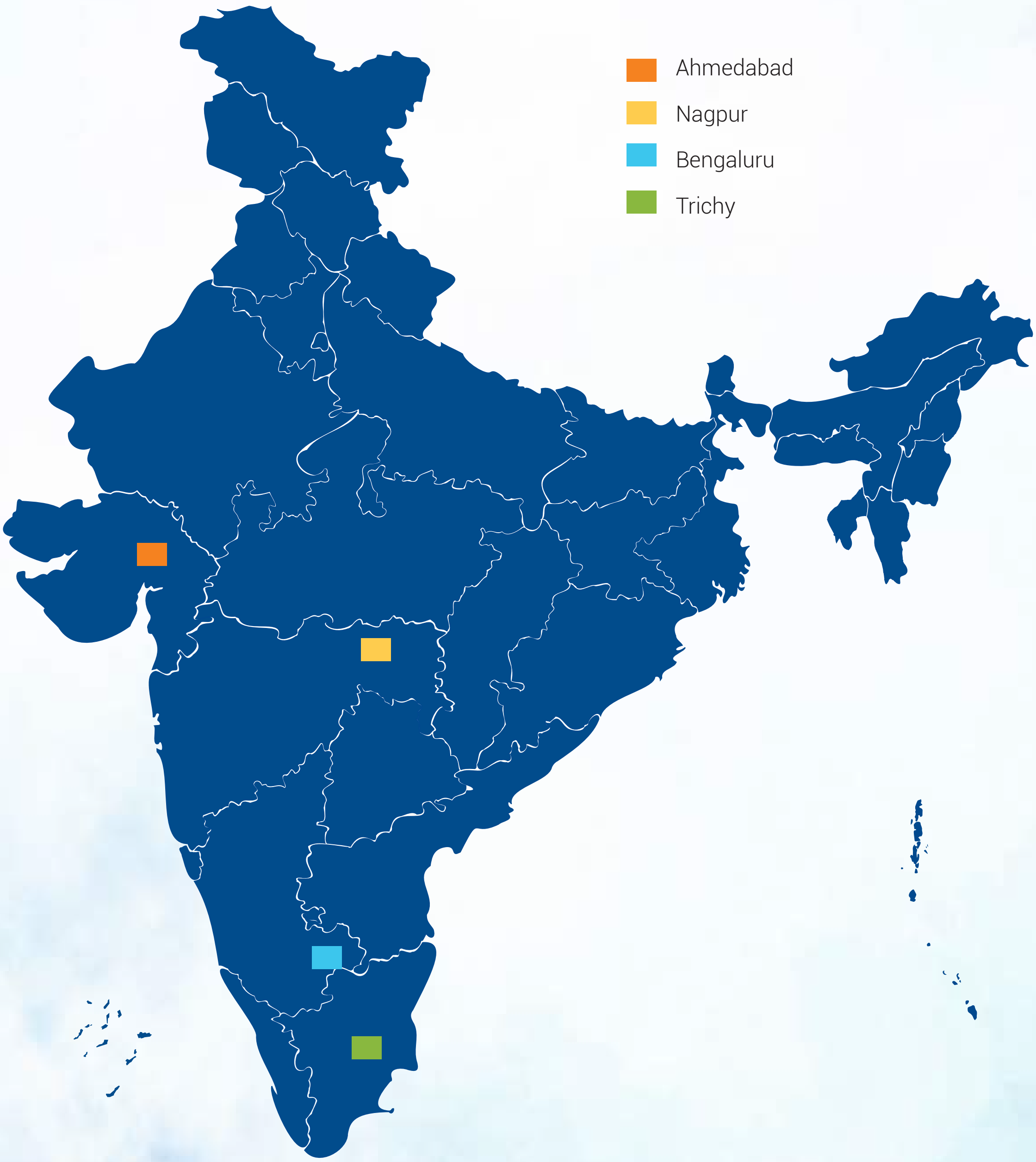
20,000 Tonnes
Additional capacity added

Benefits

- Greater efficiency
- Streamlined supply chain
- Operational debottlenecking

Initiatives Includes

- Capacity balancing equipment
- Land acquisition for storage facilities
- Reorganisation of older plants in Odhav, Ahmedabad



3,40,000 MT

Total production capacity of Grinding Media as of 31 March, 2024

1,20,000 MT

Total production capacity of Castings as of 31 March, 2024

4,60,000 MT

Total production capacity of Grinding Media as of 31 March, 2024

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Our Partnerships

CONSISTENTLY DRIVING SYNERGY FOR EXCELLENCE

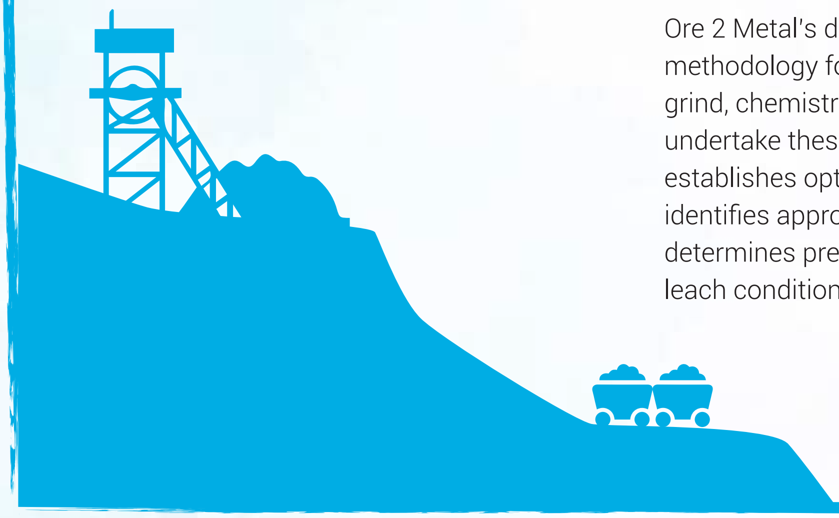
Our Company, in collaboration with Vega Industries, is committed to nurturing strategic global partnerships to drive innovation and enhance product quality. These concerted endeavours also help deliver comprehensive services to our clientele.

Energy Efficient Milling Solutions (EEMS)

EEMS (Energy Efficient Milling Solutions) LLC, a US-based partner, specialises in optimising AG/SAG/Ball Mill circuits in the mining industry with energy efficient solutions. The company excels in grinding circuit simulations and developing the innovative EEPL (Energy Efficient Pulp Lifter) liner design through comprehensive mill studies.

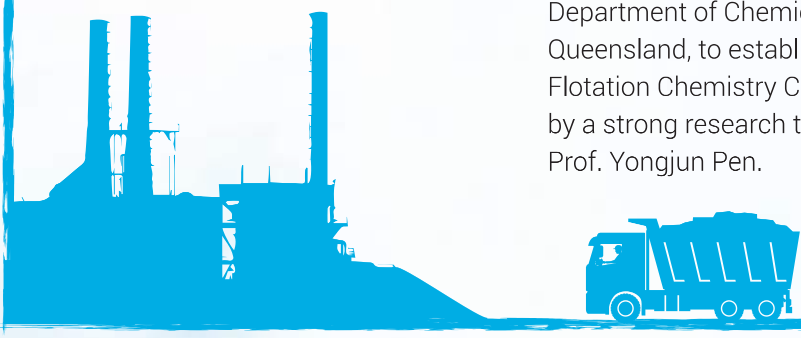
Ore 2 Metal

Ore 2 Metal's distinctive 'Mine to Metal' methodology focusses on optimising grind, chemistry, and recovery. To undertake these functions, the Company establishes optimal grind conditions, identifies appropriate chemistry, and determines precise flotation and/or leach conditions.



University of Queensland - VEGA Grinding and Flotation Chemistry Centre

Vega Industries has collaborated with the Department of Chemical Engineering, University of Queensland, to establish a UQ-VEGA Grinding and Flotation Chemistry Centre. The Centre is supported by a strong research team under the leadership of Prof. Yongjun Pen.



Mining Products and Services (MPS)

Vega Industries has partnered Australia's Mining Products and Services (MPS), an expert company engaged in designing and optimising mill linings for the mineral processing industry. MPS has over 25 years of experience in liner design, metallurgy, project management, quality control, and optimisation. Backed by this extensive expertise, the company contributed to projects across diverse mineralogical and geographical settings.

Our Differentiators

WE ARE CONSISTENTLY ...

...Optimising

Conducting pilot-scale mill test work to determine the optimal ball size for each specific application, resulting in enhanced energy efficiency.

...Improving

Enhancing flotation performance through extensive research and testing to identify the ideal high-chrome alloy, under customised operational conditions, to maximise metal recovery.

...Researching

Utilising Bond's Work Index Mill to ascertain the Bond Work Index (BWI) and estimate pertinent parameters associated with grinding mills.

...Auditing

Conducting routine mill audits to identify opportunities for enhancing grinding efficiency and optimising operating parameters.

...Supporting

Providing on-site assistance from seasoned engineers at every location to ensure timely installation.

...Monitoring

Scanning regularly to monitor wear profiles, promoting maintenance schedule planning and design adjustments aimed at enhancing liner lifespan.

Message from the Managing Director

CONSISTENTLY THRIVING THROUGH RESILIENT ACTION

> **It has been a record-breaking year for us, demonstrating our firm commitment to growth and financial excellence.**

Dear Shareholders/Stakeholders

Reflecting on the past fiscal year, we recognise that challenges have come forth alongside abundant opportunities. Our commitment to seizing these opportunities remains firm, driven by our focus on the fundamental pillars of our operations – iron, copper, and gold. We are actively engaged in various conversion projects, reflecting our optimism for future growth. Coupled with these futuristic operational strategies, we have adopted a modular approach, which signifies strategic evolution. Internally, our commitment remains strong, even amid challenges such as the recent US anti-dumping issue. We are prepared to combat such obstacles with resilience and action.

This perseverance and commitment align perfectly with the theme of our Annual Report – 'Consistently Unique.' We strive to balance tradition with innovation, setting new standards of excellence through quality and reliability. By earning the trust of our customers and stakeholders, we consistently deliver superior products while exploring new growth avenues.

Our Financial Performance

I am pleased to announce that our revenue for the full year reached to ₹ 4,772 Crores, with a notable realisation of approximately ₹ 160.5 per kilo. Our EBITDA for the year stood at ₹ 1,617 Crores, marking the highest ever in our Company's history and reflecting a remarkable EBITDA margin of 33.88%. Additionally, our Profit after Tax (PAT) for the year reached ₹ 1,137 Crores. We closed the year at 2,97,345 Tonnes, marking an increase from 2,91,342 Tonnes the previous year, representing a year-on-year growth of approximately 6,003 Tonnes. Overall, it has been a record-breaking year for us, demonstrating our firm commitment to growth and financial excellence.

Performance Highlights

Our brownfield expansion projects in the non-grinding media business are progressing as planned. Our total expenditure for these expansions is ₹ 200 Crores, out of which we have already invested ₹ 110 Crores, with the remaining amount to be utilised in FY 2024-25. These endeavours involve a mix of capacity balancing equipment, land acquisition for storage facilities, and the re-organisation of older plants in Odhav. Such initiatives promise greater efficiency, a streamlined supply chain, and operational debottlenecking. Furthermore, an additional capacity of 20,000 Tonnes has been achieved as a result of these efforts. Our ongoing brownfield expansion project for grinding media with a capcity of 36,000 MT is progressing well and expected to come in production by December 2024.

In line with our commitment to sustainability, we are making substantial investments in renewable energy. This year, we are embarking on an additional Hybrid (Solar and Wind) Project, contributing 33 MW WTGs under the group captive scheme. This translates to an effective power factor of approximately 60% to 70%. with an investment ranging from ₹ 30 to ₹ 40 Crores. While implementation will be completed by end of FY 2024-25, the full impact will be realised in the following year, further strengthening our renewable energy portfolio.

We are currently navigating a challenging process involving antidumping and counter vailing duties initiated by some of the authorities. This action stems from a petition filed by our competitor. Despite these challenges, we remain committed to defending our business interests.

CSR Initiatives

At AIA, we uphold our commitment to corporate social responsibility through active citizenship and sustainable practices. Our initiatives include the Gyan Deep Programme, which focuses on education, and the AIA CSR Foundation, dedicated to addressing educational challenges in marginalised communities. Through the Chetana Empowerment Foundation (CEF), we instill 50 core values such as respect, compassion, and honesty among students in grades 5 to 8. Furthermore, we prioritise enhancing healthcare services through partnerships with esteemed institutions like the Care Institute of Medical Sciences Foundation, Dr. Jivraj Mehta Smarak Health Foundation, Nihar Charitable Trust, and Gujarat Cancer Society. In collaboration with the ARC Foundation, AIA has facilitated the planting of approximately 1,00,000 trees across various locations. Additionally, AIA collaborates with Darpana to introduce Indian folk-dance lessons to children aged 8 to 14 attending underprivileged schools. Moreover, through our partnership with the Akshaya Patra Foundation, we provide mid-day meals to school children in Government and Government-aided schools.

Way Forward

We maintain our stance on all fronts, aiming to increase sales in line with the opportunities available to us. As we explore numerous opportunities, particularly in transitioning from forged to chrome, our modular approach remains strategic – reflecting our commitment to growth rather than deferment. Despite challenges such as the anti-dumping issues, we remain internally optimistic and will address obstacles with determination.

Closing Note

I want to express my heartfelt gratitude to our shareholders, stakeholders, and the entire team for their consistent dedication and resilience throughout this year. Despite facing challenges, we have remained undeterred in our commitment to growth and excellence. With a strategic vision and teamwork, we are ready to face the challenges that lie ahead.

Thank you for your trust and support

Best Regards,

Bhadresh K. Shah
Managing Director,
AIA Engineering Limited

Financial Highlights

CONSISTENTLY ACHIEVING VALUE-ACCRETIVE GROWTH

AIA's robust business model has consistently delivered remarkable financial outcomes, showcasing our proficiency in risk management and sustainable profit generation. Our careful investment strategies and rigorous risk management practices enhance our financial resilience. Ultimately, this diligent approach ensures we meet our commitments and provide enduring value to our 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 after Tax (After Minority Interest) Margin (%)

Net Worth (₹ in Lakhs)

Production Volume (in MT)

Case Studies

EXPLORING CASE STUDIES WITH STEADY INSIGHTS

Business Case Study and Report - 1

Project Name: Copper Mine in South America

Challenges (faced by customer)

- Improvement in recovery and concentrate specifications
- Reduction in Grinding Media wear rate
- Reduction in Flotation Reagent consumption

Mitigation

Implementation of MillART technology through

- Tailor made hichrome grinding media
- Optimised reagent scheme for enhanced hichrome performance

Benefits Achieved

- Reduction in Grinding Media wear rate by 41% in comparison to forged steel
- Improvement in Cu recovery by 2.34%
- Improvement in concentrate grade by 0.84%
- Elimination of lime consumption in flotation

Project Snapshot

6 MTPA

Plant capacity

Iron oxide copper-gold

Type of ore

Financial realisation (Annualised) in Million USD

~ 8.75

Business Case Study and Report – 2

Project Name: Iron ore mine in Asia

Challenges (faced by customer)

- Reduction in specific power consumption
- Target for production increase

Mitigation

Conversion of Overflow Ball Mill to Grate discharge Ball Mill

- Introduction of energy efficient pulp lifter
- Redesign of shell liners
- Optimization of ball charge and ball size

Benefits Achieved

- Increase in mill throughput by 24%
- Reduction in grinding specific power consumption by whopping 46%
- Fulfilling business requirement with lesser number of mills in operation (from 4 to 3 mills)
- Optimisation in ball size and ball charge

Project Snapshot

1.03 MTPA

Plant capacity

Iron

Type of ore

Opportunity realisation (Annualised) in Million USD

~ 9.46+

financial benefit due to reduced number of mills in operation

Business Case Study and Report – 3

Project Name: A Gold Mine in Africa

Challenges (faced by customer)

- Targeting for a production increase
- Improvement in wear life of mill internals
- Elimination of SAG Liner Breakage
- Reduction in installation time

Mitigation

- Design conversion for increased production: Energy-efficient pulp lifters
- Design modification of liners
- Modification in metallurgy of liners

Benefits Achieved

- Consistency in throughput despite significant increase in ore hardnessm—Which could have resulted into decrease in throughput by 18% if customer design was continued)
- Increase in liner life by 50% to 80%
- Elimination of shell liners breakage

Project Snapshot

14 MTPA

Plant capacity

Gold

Type of ore

Opportunity realisation (Annualised) in Million USD

~ 160.83

Business Case Study and Report - 4

Project Name: Lead Zinc Mine in Asia

Challenges (faced by customer)

- Reduction in specific power consumption

Mitigation

Conversion of Overflow Ball Mill to Grate discharge Ball Mill

- Introduction of energy efficient pulp lifter
- Redesign of shell liners
- Optimisation of ball charge and ball size

Benefits Achieved

- Reduction in specific power consumption by 25%.

Project Snapshot

1.6 MTPA

Plant capacity

Lead Zinc Sulphide

Type of ore

Opportunity realisation (Annualised) in Million USD

~ 0.47

Business Case Study and Report - 5

Project Name: A Gold Mine in Africa

Challenges (faced by customer)

- Reduction in specific power consumption
- Target for production increase

Mitigation

Conversion of Grate Discharge Ball Mill with Radial Pulp Lifter to Grate Discharge Ball Mill with Energy Efficient Pulp Lifter

- Introduction of energy efficient pulp lifter
- Redesign of shell liners
- Optimisation of ball charge and ball size

Benefits Achieved

- Reduction in specific power consumption by 22.45 %
- Increase in mill throughput by 2.1 % (Opportunity for mill throughput increase upto 5%)

Project Snapshot

3.8 MTPA

Plant capacity

Gold

Type of ore

Opportunity realisation (Annualised) in Million USD

~ 8.96

Environmental Commitment

CONSISTENTLY STRIVING FOR MINIMAL ENVIRONMENTAL IMPACT

At AIA, we operate with strict adherence to the principles of conservation: Reduce, Reuse, and Recycle. Our objective is to optimise efficiency by minimising the dependence on fossil fuels and embracing a circular economy mindset.

Our Commitment

We remain firmly dedicated to mitigating the negative environmental effects of our activities and operations throughout.

Our Initiatives

- We implement strong management procedures to ensure rigorous compliance with relevant environmental regulations
- We adhere to all EHS regulations mandated by Indian environmental laws

Process Efficiency

AIA Engineering acknowledges that operational efficiency is crucial for sustainability efforts within our Company. By implementing cutting-edge heat treatment processes, we optimise the durability and performance of our engineering solutions.

Our Initiatives

Heat Treatment

All our foundry units, utilises direct energy for the heat treatment process, opting for Piped Natural Gas over other fossil fuels to reduce Scope 1 emissions. Flue gas recuperators have been installed on all gas-fired heat treatment furnaces, enhancing furnace efficiency and recovering heat from flue gases. This recovered waste heat is then utilised to pre-heat the combustion air supply to the burners.

Melting Techniques

Our company employs induction furnaces for melting operations requiring electricity. Our closed-loop process minimises energy and heat loss, thereby aiding in the reduction of GHG emissions.

Energy Reduction

Our Company is aware of the pivotal role of energy reduction in fostering sustainable practices.

Our Initiatives

- Use of medium frequency Induction furnace for all our melting operations and closed-loop process ensures minimum loss of energy

Renewable Energy

We have formulated a comprehensive long-term strategy to mitigate emissions. As a part of this strategy, we are progressively increasing the proportion of renewable energy in our overall energy consumption.

Our Initiatives

- The Company has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites and 3 sets of Hybrid (Wind+Solar) at Amreli, Gujarat which have total installed capacity of 37.38 MW of renewable energy.

Emissions

Our Company implements all essential measures to monitor and prevent pollution resulting from our operations.

Our Initiatives

- All our stacks meet height requirements, while critical stacks are connected to an online monitoring system. Our Company engages third-party agencies and experts to ensure compliance with air-quality standards set by the State Pollution Control Board.
- Our internal procedure is in place to guarantee emission-free production. The Dust Extraction (DE) or Fume Extraction (FE) system is integrated with the production equipment, and any malfunction will activate an alarm, automatically halting production.

Water Management

At AIA, water serves many of our industrial purposes, such as cooling furnace coils, facilitating the moulding process, and operating cooling towers. Additionally, we utilise water in canteens for drinking, sanitation, and gardening purposes. Our Company maintains a robust water management system to ensure efficient water usage across all these activities.

Our Initiatives

- We periodically conduct training sessions on water conservation and management for all our employees. An annual water audit is carried out at all plant locations. Observations and recommendations from the audit are implemented impartially on a priority basis.
- We have implemented a rainwater harvesting system to replenish groundwater. Rainwater from rooftops and runoff is directed to recharge wells, supported by a pre-filtration system.
- We uphold a policy of Complete Zero Liquid Discharge (ZLD). Dry-type cooling towers have been installed, which have minimised blow-down significantly. The discharged water is recycled within the plant. Additionally, grey water and sewage undergo treatment in STP plant, equipped with a three-tier system and an ultra-filtration water purification unit. The treated water is then reused within the plant.

Waste And Circular Economy

To adopt a sustainable approach to waste management, our Company is shifting from a traditional 'linear business model' to an innovative 'circular business model.' Through this approach, we are ensuring efficient utilisation of resources throughout their lifecycle.

Our Initiatives

- We have implemented a waste hierarchy approach, prioritising waste reduction, reuse, recycling, and recovery over disposal, aligning with circular economy principles. Whenever feasible, our Company seeks opportunities to incorporate recycled materials and repurpose waste generated by operations.
- We strictly adhere to regulations concerning hazardous waste management, batteries, and e-waste management. All waste generated undergoes either remelting in the furnace or recycling through authorised recyclers and vendors. This waste disposal framework ensures compliance and responsible waste disposal practices.

CSR Initiatives

CONSISTENTLY EMPOWERING COMMUNITIES FOR PROGRESS

At AIA, our CSR commitment is fuelled by corporate citizenship and the understanding that sustainable practices are vital for long-term prosperity. While securing a resilient future for our Company, we also aim to safeguard the future of the communities we serve.

During the year, we contributed Rs 1,652.10 Lakhs in various fields including:

Education: ₹ 647.34 Lakhs

- Gyan Deep Programme
- Scholarship Programme
- Jan Jagrati Sevarth Sansthan
- IIT, Kanpur
- Jeevantirth
- Chetana Empowerment Foundation

Environment: ₹ 291.72 Lakhs

- ARC Foundation
- Aajinkya D Y Patil University

Promotion of Sports: ₹ 53.04 Lakhs

Foundation for Promotion of Sports and Games

Eradicating Hunger: ₹ 180 Lakhs

- Tulsi Vallabh Nidhi
- Akshay Patra Foundation

National Heritage/Art/Culture: ₹ 95 Lakhs

- Karmakshetra Educational Foundation (DARPANA)
- Brahmanand Saraswati Ved Vidya Trust

Healthcare: ₹ 385 Lakhs

- Marengo Asia Foundation (Earlier known CIMS)
- Dr. Jivraj Mehta Smarak Health Foundation
- Gujarat Cancer Society
- Nihar Charitable Trust
- Sadvichar Parivar

Education

Gyan Deep Programme

Under the Gyan Deep Educational Program, AIA is collaborating with 11 Government Primary schools in Changodar, Odhav, and surrounding areas to support underprivileged students.

Yuva Unstoppable

'Yuva Unstoppable' establishes a conducive environment for utilisation of Information and Communications Technology (ICT) in Government Schools. It involves ensuring widespread access to ICT devices, providing internet connectivity, and promoting ICT literacy among students. This initiative aims to empower students with digital literacy and equip teachers with the essential skills for utilising IT resources and modern techniques in education delivery. It fosters self-learning and facilitates the transition from a teacher-centred to a student-centred learning approach. This approach helps promote critical thinking, analytical skills, and overall academic development.

Jeevantirth VaaGaLe Utsav

Jeevantirth is working on areas for foundational literacy and numeracy (FLN), nature education, value education, life-skill education, and citizenship training. Aligned with the objectives of NIPUN Bharat under NEP 2020, with a goal to 'Bridge the Gap' and enhance overall development by providing additional support through qualified and trained educational volunteers. Jeevantirth serves as our esteemed knowledge and implementation partner in this initiative.

In the year 2023-24, a total of 5,924 primary school children were reached and benefited in three categories: (1) Foundation stage: BalVatika & standard 1 & 2 with strategic thrust on domains of development and fun-way learning through songs, stories and games. (2) Preparatory stage: Standard 3 to 5 with strategic thrust on FLN with teaching learning materials and experiential peer learning methods. (3) For middle, blossoming stage: Standard 6 to 8 with strategic thrust on life-skill education, nature education and value education. For this stage, we focused on integral education to develop their physical, mental, emotional and spiritual being as per 'PanchKosh Vikaas' as per NCF 2022.

AIA Scholarship Programme

The AIA CSR Foundation addresses educational challenges within marginalised communities and promotes employment opportunities through its innovative education scholarship management system, Vidyasaarathi. By offering educational support, this system enables deserving students to overcome financial obstacles and pursue higher education. Through these initiatives, the Foundation not only fosters educational growth but also establishes pathways for socio-economic development, benefitting both individuals and the nation.

Chetana Empowerment Foundation

Chetana Empowerment Foundation (CEF) is tackling the decline in values among adolescents through their ‘Empower Child through Living Values’ project supported by AIA CSR Foundation for the year 2023-24. This initiative targets students from grades 5 to 8, aiming to instill 50 core values like respect, compassion, honesty and so on. The program goes beyond traditional classroom lectures, incorporating engaging online modules and activities accessible through a dedicated portal. Students can learn about values like prudence, courage, teamwork, etc. through short films, documentaries on real life stories, etc. and then participate in discussions and exercises to solidify their understanding. Additionally, offline activities explore themes like cultural appreciation and environmental care.

The project has demonstrated positive results in 7 schools across Ahmedabad and impacted 1,980+ students. Assessments indicate improved academic performance attributed to reduced screen time and enhanced focus.

Jan Jagrati Sevarth Sansthan

Jan Jagrati Sevarth Sansthan, an Indian non-profit organisation, works towards the upliftment of marginalised communities through education, skill development, and health initiatives. Founded by passionate individuals, it utilises participatory methodologies to achieve sustainable impact. Additionally, the organisation is establishing an English Medium Co-Education School in Rajasthan to foster the holistic development of students. Its efforts are aimed at combating illiteracy and improving hygiene among rural populations, thereby enhancing their overall quality of life.

IIT Kanpur

Our Company has contributed towards enhancing the solar energy capacity by 200 KW at IIT Kanpur, Uttar Pradesh.

Vocational skill education - Aastha Charitable and Cultural Trust

Healthcare

AIA is dedicated to improving healthcare services through partnerships with esteemed institutions such as the Marengo Asia Foundation (Earlier known CIMS), Dr. Jivraj Mehta Smarak Health Foundation, Nihar Charitable Trust, and Gujarat Cancer Society, among others. These collaborations highlight our Company's commitment to promoting the well-being of society.

Environment

In partnership with the ARC Foundation, AIA facilitated the planting of around 1,00,000 trees at various locations. These include the Chiloda Air Force Colony and Air Force Recruitment Board in Gandhinagar, the Military Cantonment Board, Municipal East Zone Park and Nikol Ward Garden in Ahmedabad, and the Air Force Military Cantonment in Baroda.

Art & Culture

Our Company, in collaboration with Darpana, aims to introduce Indian folk-dance lessons to children aged 8 to 14 attending underprivileged schools. Darpana collaborates closely with school administrators, teachers, parents, and school management committees to emphasise the holistic benefits of incorporating performing arts education into the students' curriculum.

AIA CSR Foundation and Darpana Academy of Performing Arts (An activity of Karmakshetra Educational Foundation) have been running Nritya Parichay in six schools in the vicinity of our manufacturing units in Ahmedabad. The project aims at giving children physical wellness, self confidence and enhanced cognitive abilities. It also focuses on building leadership and team spirit.

Mid Day Meal Scheme

Eradicating Hunger Initiative

The Akshaya Patra Foundation provides mid-day meals to school children attending Government and Government-aided schools.

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

ICICI Bank Limited

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 ('AIA')
I-3.	**Year of incorporation**:	11 March, 1991
I-4.	**Registered office address**:	115, G.V.M.M. ESTATE, ODHAV ROAD, ODHAV, AHMEDABAD - 382 415
I-5.	**Corporate address**:	11/12, SIGMA COPRORATES, B/H. HOF SHOWROOM, OFF. S.G. HIGHWAY, SINDHU BHAVAN ROAD, BODAKDEV, AHMEDABAD - 380 054
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**:	2023-24
I-10.	**Name of the Stock Exchange(s) where shares are listed**:	BSE Ltd. and National Stock Exchange of India Limited
I-11.	**Paid-up capital**:	₹ 18,86,40,740.00
I-12.	**Name and contact details (telephone, E-mail) of the person who may be contacted in case of any queries on the BRSR report**:	Mr. Paresh Shukla Telephone: +91-79-66047800 E-mail: paresh.shukla@aiaengineering.com
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
I-14.	**Name of assurance provider**:	Not Applicable
I-15.	**Type of assurance obtained**:	Not Applicable

II. Products/services

II-16. Details of business activities (accounting for 90% of the turnover):

Description of main activity	Description of business activity	% of turnover of the entity
Manufacturing	Metal and metal products	100.00%

II-17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

Product/service	NIC code	% of total turnover contributed
Manufacturing of other iron and steel casting and products thereof	24319	100.00%

III. Operations

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

National	Location	International
5	Number of plants	0
2	Number of offices	10
7	Total	10

III-19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	28
International (No. of countries)	120

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

68.18%

c. A brief on types of customers

The Company serves a diverse array of industries, with the finished products from the Company used as spare parts for multiple industries, including cement, power and mining.

IV. Employees

IV-20. Details as at the end of financial year. a. Employees and workers (including differently abled):

S. No.	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
	Employees					
1	Permanent (D)	1,230	1,226	99.67%	4	0.33%
2	Other than permanent (E)	138	137	99.28%	1	0.72%
3	Total employees (D + E)	1,368	1,363	99.63%	5	0.37%
	Workers					
1	Permanent (F)	107	107	100.00%	0	0.00%
2	Other than permanent (G)	2,791	2,763	99.00%	28	1.00%
3	Total workers (F + G)	2,898	2,870	99.03%	28	0.97%

IV-20. Details as at the end of financial year. b. Differently abled employees and workers:

S. 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)	11	11	100.00%	0	0.00%
3	Total workers (F + G)	12	12	100.00%	0	0.00%

IV-21. Participation/inclusion/representation of women

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

IV-22. 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	4.90	0	4.80	9.46	0	9.41	6.56	0	6.54
Permanent workers	0	0	0	1.93	0	1.93	3.47	0	3.47

V. Holding, subsidiary and associate companies (including joint ventures)

V-23. (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 ME	No

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)
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	Vega Industries Peru Limited	Wholly owned subsidiary	99% by Vega ME & 1% by AIA	No
13	Clean Max Meridius Private Limited	Associate company	26%	No
14	VEGA MPS Pty Limited	Joint venture	43% by Vega ME	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).

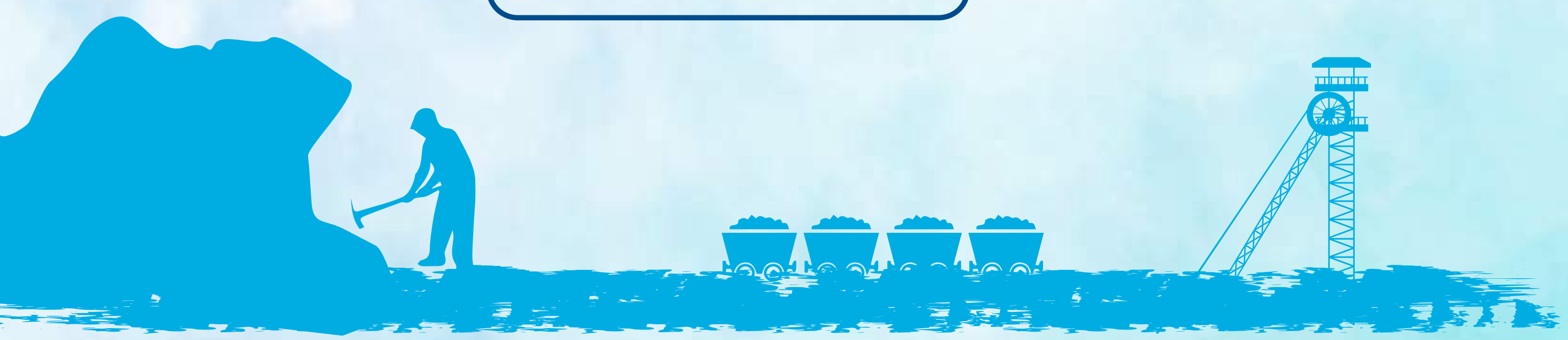
Turnover (₹ in Lakhs)

₹ 4,14,394.99 Lakhs

VI-22. (iii).

Net worth (₹ in Lakhs)

₹ 6,45,583.58 Lakhs



VII.Transparency and disclosures compliances

VII-25. 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)	2023-24			2022-23		
		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	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Whistle-Blower-Vigil-Mechanism.pdf	0	0	NA	0	0	NA
Shareholders	Yes https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Whistle-Blower-Vigil-Mechanism.pdf	0	0	NA	0	0	NA
Employees and workers	Yes https://aiaengineering.com/wp-content/uploads/2023/06/Human-Rights-Policy.pdf	0	0	NA	0	0	NA
Customers	Yes , the SOP is communicated and maintained internally	27	6	NA	25	0	NA
Value chain partners	The SOP is communicated and maintained internally	0	0	NA	0	0	NA
Other (please specify)	NA	0	0	NA	0	0	NA

VII-26. 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.

Risk Negative Opportunity Positive

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	Greenhouse gas emissions & energy management		For AIA, a company operating in the manufacturing industry, the operations are highly energy-intensive, predominantly relying on non-renewable fuels due to the large scale of production.	We continuously look to replace high-emission fuels with more clean alternatives.	
2	Waste management		As part of manufacturing operations, a significant amount of waste is generated.	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 material and reuse of waste by us or other companies through the co-processing of foundry waste and other waste as alternative raw materials or fuel. It presents opportunities for environmental stewardship and helps us manage price-related risks for raw materials. 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, 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	

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)
3	Occupational health and safety		AIA employs a substantial workforce for its operations, which involve working with heavy machinery and equipment.	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 provide safety induction training to our workforce at the time of joining and periodical reorientation. • Staff and workers participation in safety committee meetings. • Conducting safety reviews of the units/plants.	
4	Business ethics		Our brand and reputation are priceless assets. Our operational practices, societal contributions, and interactions with the world are constantly examined. Upholding ethical standards is crucial to safeguarding our reputation and brand.	We have separate code of conduct policies for the Board/Sr. Management and all employees	

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	http://www.aiaengineering.com/finances/pdf/HumanRightsPolicy.pdf	http://www.aiaengineering.com/finances/pdf/SustanabilityPolicy.pdf	http://www.aiaengineering.com/finances/pdf/HumanRightsPolicy.pdf	http://www.aiaengineering.com/finances/pdf/EnvironmentPolicy.pdf	http://www.aiaengineering.com/finances/pdf/HumanRights Policy.pdf Sexual Harassment Policy http://www.aiaengineering.com/finances/pdf/HumanRights Policy.pdf	http://www.aiaengineering.com/finances/pdf/EnvironmentPolicy.pdf http://wwwaiaengineering.com/ finances/pdf/WasteManagement CircularEconomyPolicy.pdf http://www.aiaengineering.com/finances/pdf/ClimateChange andEnergy ManagementPolicy.pdf http://www.aiaengineering.com/finances/pdf/WaterManagementPolicy.pdf	http://www.aiaengineering.com/finances/pdf/HumanRights Policy.pdf http://www.aiaengineering.com/finances/pdf/AIA_PolicyWhistle Blower-VigilMechanism.pdf	http://www.aiaengineering.com/finances/pdf/CSRPolicy.pdf	http://www.aiaengineering.com/finances/pdf/Environment Policy.pdf http://www.aiaengineering.com/finances/pdf/Sustanability 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 ,Goal: To understand the current status of employee well-being. Specific Target: Zero theft w.r.t. truck drivers Defined timeline: By March 2027.	Commitment: Yes 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. – Status: Achieved The revised objective will be 27 % by 2027. To increase the usage of sand generated by glass manufacturing companies (their byproduct) 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 after well-being. Specific Target: To carry out an Employee Satisfaction Survey (Target: Atleast 80%) Define Timeline 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-Achieved. 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 ie 2 motors to ie 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: 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 on-going and is monitored on Yearly basis. The objective for renewable energy from 17% to 20% of our total power requirement was achieved with this year renewable energy generation of 85127.199 MWH which is 24.27 %. Revised objective will be 27 % by 2027.	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 for renewable energy from 17 % to 20 % of our total power requirement was achieved with this year's renewable energy generation of 85127.199 MWH which is 24.27 %. Revised objective will be 27 % by 2027.	The objective is ongoing and there is continued monitoring of the participation of our nominees in various bodies.	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)**	As a part of the Board of Directors responsible for our Business Responsibility Report, I am pleased to share our progress and outlook for the coming year. Our commitment to providing optimised solutions through technical evaluation of our customers' requirements remains steadfast. By offering specifically designed solutions in ideal metallurgy and process optimisation services globally, we continue to lead in Quality, Services, and Innovation within our field. Our reputation for providing global solutions to local requirements is unmatched. **ESG: A Business Necessity** The integration of Environmental, Social, and Governance (ESG) principles into our business operations is no longer optional but a necessity. In the past year, building on our robust ESG governance framework, we have introduced new policies and systems to ensure continuous improvement in our ESG performance. These enhancements are designed to meet and exceed the expectations of our stakeholders, driving us towards greater sustainability.
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

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	Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

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	Yes	No	Yes	No	No	Yes

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)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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	4	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 KMP	190	Principles - 02, 05 & 06	69.4%
Workers	189	Principles - 02, 05 & 06	34.8%

EI-2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMP) 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	0	No
Settlement	NA	NA	0	0	No
Compounding fee	NA	NA	0	0	No

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	0	No
Punishment	NA	NA	0	No

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	0

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/KMP/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Category	(Current financial year)	(Previous financial year)
Directors	0	0
KMP	0	0
Employees	0	0
Workers	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	0	NA	0	NA
Number of complaints received in relation to issues of conflict of interest of the KMP	0	NA	0	NA

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 - NA

EI-8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

(Current financial year)	Category	(Previous financial year)
23	Number of days of accounts payables	14

EI-9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases-

Parameter	Metrics	2023-24	2022-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of sales	a. Sales to dealers/distributors as % of total sales	61.23%	67.83%
	b. Number of dealers/distributors to whom sales are made	1	1
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	100%	100%
Share of RPTs in	a. Purchases (Purchases with related parties/Total purchases)	0.46%	0.19%
	b. Sales (Sales to related parties/Total sales)	61.23%	67.83%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.00	0.04%
	d. Investments (Investments in related parties/Total investments made)	0.51%	0.68%

Leadership Indicators

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

Total number of awareness programmes held	36
Topics/principles covered under the training	ESG - P-1, P-2, P-3, P-5, P-6
%age of value chain partners covered (by value of business done with such partners) under the awareness programmes	3.7

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 in accordance with the Companies Act, 2013 and SEBI LODR. which keeps a check on conflict of interest involving Board Members.

Link to the Policy: https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Related-Party-Transaction.pdf

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.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	0
Capex (₹ in crores)	0.83	27.23	Renewable energy solutions, cutting-edge energy-saving technologies, environmental and pollution control measures, rigorous fire & safety protocols, advanced LED lighting solutions, and comprehensive employee well-being initiatives.

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

Yes

EI-2.b. If yes, what percentage of inputs were sourced sustainably? –

The Company has purchased 3% of its silica sand from sustainable sources like glass manufacturers and has also procured 76% of recyclable materials 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 -

Currently, there is no process in place for reclaiming products for reuse, recycling, or disposal. However, our products and their packaging materials can be reused and recycled as follows:

- Our alloy steel castings (Grinding Media and Castings) are fully recyclable by melting at the end of their life cycle.
- The packaging materials for our products, such as HDPE bags and MS drums, are recyclable after use.
- Supporting packaging materials like wooden pallets and metals can also be safely disposed of or recycled.

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 (Extended Producer Responsibility) does not apply, as our client manages waste collection and disposal as follows:

- Our alloy steel castings (grinding media and castings) are fully recyclable through melting at the end of their lifespan.
- Our product packaging consists of either HDPE bags or MS drums, both of which are recyclable after use.
- Supporting packaging materials like wooden and metal pallets can be safely disposed of or recycled.
- These products and packaging materials are to be sold to registered recyclers or reused internally, in accordance with the applicable laws of the client's country of operation.

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.
No LCA was conducted this year.						

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
	NA	0	0

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	
	2023-24	2022-23
Scrap (recycled or reused material)	76.73	75.57
Runner raiser (recycled or reused material)	4.14	2.29
Alloys (Fresh)	19.13	22.14

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

	2023-24			2022-23		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

Remarks: AIA does not reclaim products at end of their life cycle.

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 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, or repurpose the packaging material. In case the customer requests it, we have a buyback policy to reclaim the products we sell.

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.

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	1,226	1,226	100.00%	1226	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	4	4	100.00%	4	100.00%	4	100.00%	0	0.00%	0	0.00%
Total	1,230	1,230	100.00%	1230	100.00%	4	0.33%	0	0.00%	0	0.00%
Other than permanent employees											
Male	137	137	100.00%	137	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	1	1	100.00%	1	100.00%	1	100.00%	0	0.00%	0	0.00%
Total	138	138	100.00%	138	100.00%	1	0.72%	0	0.00%	0	0.00%

EI-1.b. Details of measures for the well-being of 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	107	107	100.00%	107	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.0%	0	0.00%	0	0.00%	0	0.00%
Total	107	107	100.00%	107	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than permanent workers											
Male	2,763	2,763	100.00%	2,763	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	2,791	2,791	100.00%	2,791	100.00%	28	1.00%	0	0.00%	0	0.00%

EI-1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

0.19%

Current financial year

Cost incurred on well-being measures as a % of total revenue of the company

0.18%

Previous financial year

Cost incurred on well-being measures as a % of total revenue of the company

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	0	100	100	0
Gratuity	96.53	100	0	100	100	0
ESI	12.83	73.26	0	12.62	22.21	0
Others – please specify	0	0	0	0	0	0

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, the premises/offices of the entity are accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016. The entity has implemented several accessibility features, including ramps at a few plants, man lifts, accessible restrooms, and an occupational health centre with round-the-clock male nurses and a visiting Certified Industrial Hygienist (CIH) doctor.

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 as per the Rights of Persons with Disabilities Act, 2016, which is covered under its HR Manual. This HR Manual is an internal document and is communicated to new hires and relevant parties during the induction and 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	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

Remarks: NA

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, AIA has a grievance redressal & works committee at every unit, which calls for the participation of both contract and permanent workers/employees, unit heads, functional heads, factory managers and HR managers. The grievance redressal mechanism operates 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 the shift or 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, 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 and works committee at each unit, this calls for the participation of both contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal mechanism operates as follows: a. Workers have the authority to approach the factory manager or HR manager at their convenience; these managers maintain regular availability on the plant premises and shop floor. b. A worker submits a complaint (written or verbal) to their shift or department supervisor, who then escalates it to their functional head, subsequently reported to the Factory Manager and HR Manager. c. Complaints are prioritised and resolved promptly within one month. d. Complaints involving financial implications or necessitating policy changes are presented at quarterly grievance redressal committee meetings. e. AIA has established policies and procedures for addressing sexual harassment, with dedicated committees at the Moraiya and Kerala units to handle such issues.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent employees	Yes, at every unit, AIA maintains a grievance redressal and works committee involving contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal process functions as follows: a. Employees are encouraged to approach the factory manager or HR manager at their convenience; these managers maintain regular availability on the plant premises and shop floor. b. An employee submits a complaint (written or verbal) to their shift or department supervisor, who then escalates it to their functional head, and subsequently to the factory manager and HR. c. Complaints are prioritised and resolved promptly within a month. d. Complaints involving financial implications or necessitating policy changes are brought before the quarterly grievance redressal committee meeting. e. The Company has established policies and procedures to address sexual harassment, with dedicated committees at its Moraiya and Kerala units tasked with handling such issues.
Other than permanent employees	Yes, the Company has a grievance redressal and works committee at each unit, involving participation from both contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal mechanism is structured as follows: a. Employees have the authority to approach the factory manager or HR manager at their convenience, with both managers regularly available on the plant premises and shop floors. b. An employee submits a complaint (written or verbal) to their shift or department supervisor, who then reports it to their functional head. The issue is subsequently escalated to the factory manager and the HR department. c. Complaints are prioritised and resolved within a month. d. If complaints involve financial implications or necessitate policy changes, they are presented at quarterly meetings of the grievance redressal committee. e. For cases of sexual harassment, the Company has established policies and procedures. Committees at the Moraiya and Kerala Units are specifically formed to address such issues.

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

Category	2023-24			2022-23		
	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	1,230	0	0.00%	1,297	0	0.00%
- Male	1,226	0	0.00%	1,291	0	0.00%
- Female	4	0	0.00%	6	0	0.00%
Total permanent workers	107	41	38.32%	177	41	23.16%
- Male	107	41	38.32%	177	41	23.16%
- Female	0	0	0.0%	0	0	0.0%

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

Category	2023-24					2022-23				
	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	1,363	1,363	100.00%	1,363	100.00%	1,354	461	34.05%	481	35.52%
Female	5	5	100.00%	5	100.00%	7	0	0.00%	0	0.00%
Total	1,368	1,368	100.00%	1,368	100.00%	1,361	461	33.87%	481	35.34%
					Workers					
Male	2,870	2,870	100.00%	2,870	100.00%	2,902	815	28.08%	663	22.85%
Female	28	28	100.00%	28	100.00%	28	0	0.00%	0	0.00%
Total	2,898	2,898	100.00%	2,898	100.00%	2,930	815	27.82%	663	22.63%

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

Category	2023-24			2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,363	1,226	89.95%	1,354	1,291	95.35%
Female	5	4	80.00%	7	6	85.71%
Total	1,368	1,230	89.91%	1,361	1,297	95.30%
Workers						
Male	2,870	107	3.73%	2,902	177	6.10%
Female	28	0	0.00%	28	0	0.00%
Total	2,898	107	3.69%	2,930	177	6.04%

EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system? -

Yes, the organisation is certified under ISO 45001:2018 for Occupational Health & Safety Management System. This certification covers two major plants for grinding media manufacturing located at Moraiya Village and the Kerala GIDC unit at Bavla District, Ahmedabad. The other unit, while not ISO 45001:2018 certified, also adheres to 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 the HIRA process, i.e., Hazard Identification and Risk Assessment, to identify work-related hazards and assess risks on a routine and non-routine basis, as per ISO 45001:2018.

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, there is a tie-up with hospitals where employees and workers receive benefits under ESIC.

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

Safety incident/number	Category	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)		0	0
		1.11	1.12
Total recordable work-related injuries		0	0
		10	12
No. of fatalities		0	0
		0	0
High consequence work-related injury or ill-health (excluding fatalities)		0	0
		0	0

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

- 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 provide safety induction training to our workforce at the time of joining and periodical reorientation.
- Staff and workers' participation in safety committee meetings.
- Conducted safety reviews of the units/plants.
- Identified work-related hazards and assess risk on activity-wise HIRA i.e., Hazard Identification and Risk Assessment, as per ISO 45001:2018 (OH&SMS).
- Maintained legal register and complied with other obligations.
- Reviewed and updated operational controls and procedures.
- Work permit system and logout: Followed tagout energy isolation system.
- Identified and eliminated hazards proactively.
- Emergency preparedness: Conducted personnel trainings on evacuation plan, emergency response plans, including conducting periodic mock drills.
- Used labels and signs on shop floors.
- Established contractor management procedures.

- Ensured entire premises and plant periphery, walkway and zebra crosses are well-defined for men movement traffic.
- Established the process of incident investigation and corrective actions.
- Adopted good housekeeping practices, including 5S.
- Carried out internal and external safety audits periodically.
- Ensured first aid boxes are provided at prominent places on shop floors and occupational health ccentres.
- Installed fall prevention – fix lifeline systems on roof accesses.
- Covered entire premises with fire hydrant system and fire extinguishers.
- Installed smoke and heat detectors and manual call points.
- Installed CO_2 gas flooding system in electrical panels.
- Provided PPE kits to all.

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

Category	2023-24			2022-23		
	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:

100%
of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices

100%
of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working conditions

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. AIA has built a central storage silo equipped with automated storage and loading facilities to optimize space utilisation for additives, eliminating over-stacking and manual handling. This has reduced workforce intervention and hydra utilisation, enhancing workplace safety.
2. To enhance roof capacity and eliminate fall hazards, the Company replaced fragile cement sheets with metal roof sheets.
3. A water sprinkler system has been installed in the LPG manifold area to prevent and protect against fire hazards.

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) -

Yes, the organisation provides life insurance or compensation packages in case of death for both employees and workers. Employees are covered under benefits from the Employees' State Insurance Corporation (ESIC) and Provident Fund (PF), along with term-life insurance policies and group personal accident benefits where applicable. Similarly, workers are also covered under the ESIC and PF schemes.

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, PF, and ESIC 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 EI-11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	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	
	2023-24	2022-23	2023-24	2022-23
Employees	0	0	0	0
Workers	0	0	0	0

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 organisational requirements, retiring employees are offered the opportunity to continue their service as consultants.

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

3.7%
of value chain partners (by value of business done with such partners) that were assessed

Health and safety practices

3.7%
of value chain partners (by value of business done with such partners) that were assessed

Working conditions

Remarks: In F.Y. 2023-24, out of 109 material groups that transitioned, we considered the value of 61 material groups and excluded inter-plant transfers.

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 -

Following the assessment conducted to address significant health and safety risks or concerns, no deficiencies were identified.

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 at AIA have been identified based on criteria such as shareholding, manufacturing activities, industries served, and the geographical proximity of manufacturing units. The identification process follows these five steps:

1. Comprehensive review of all stakeholders.
2. Clarification of the purpose of identification
3. Assessment of their long-term and short-term impact on operations.
4. Evaluation of their specific business needs.
5. Prioritisation based on factors such as monetary contribution and relationship duration for customers. Employees are also recognised as key stakeholders due to their crucial role within the organisation. Similarly, suppliers are prioritised based on the criticality of their materials, type of supply, and quantity provided.

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 (E-mail, 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	E-mail, SMS, and notice board	As and when required	Well-being and occupational health and safety, training, employee satisfaction, grievances, communication on policies and SOPs, among others
2	Investors	Yes	Email, newspaper advertisements, SMS, and meetings	Quarterly, annually and event-based	To collect information, to provide the Company's overall status, to encourage them to give their assent or dissent, and to provide them with information about the corporate benefits available to them.
3	Customers	No	Through field engineers, sales order, E-mails, and SMS	As and when required	Technical specification, quality information on products, safety data and buy back policy

S. no.	Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (E-mail, 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
4	Regulators	No	By filing web-based forms, and XBRL forms, among others	As and when required	Submission of required details to govt. agencies, understanding new regulations and laws
5	Communities	No	Engagement by Unit HR directly through area/ community representative	As and when required	Impacts on the community, community grievances and benefits to be provided
6	Suppliers	No	E-mail, SMS, purchase order and con call	As and when required	Negotiation, quality, technical discussion, sustainability, product information and specification

Remarks: No concerns were raised during the engagements.

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 consultation process between stakeholders and the Board occurs during the Annual General Meeting of shareholders and Board Meetings, where stakeholder feedback is presented to the Board. Additionally, 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 conducted a detailed digital materiality assessment that involved polling both internal and external stakeholders using the double materiality approach. The responses gathered were integrated into our ESG strategy.

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups - NA

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	2023-24			2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,230	102	8.29%	1,297	180	13.88%
Other than permanent	138	0	0.00%	64	0	0.00%
Total employees	1,368	102	7.46%	1,361	180	13.23%
Workers						
Permanent	107	0	0.00%	177	0	0.00%
Other than permanent	2,791	0	0.00%	2,753	0	0.00%
Total workers	2,898	0	0.00%	2,930	0	0.00%

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

Category	2023-24					2022-23				
	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	1,230	0	0.00%	1,230	100.00%	1,297	0	0.00%	1,297	100.00%
Male	1,226	0	0.00%	1,226	100.00%	1,291	0	0.00%	1,291	100.00%
Female	4	0	0.00%	4	100.00%	6	0	0.00%	6	100.00%
Other than permanent	138	31	22.46%	107	77.54%	64	0	0.00%	64	100.00%
Male	137	31	22.63%	106	77.37%	63	0	0.00%	63	100.00%
Female	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%

Category	2023-24					2022-23				
	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)
Workers										
Permanent	107	0	0.00%	107	100.00%	177	0	0.00%	177	100.00%
Male	107	0	0.00%	107	100.00%	177	0	0.00%	177	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than permanent	2,791	2,774	99.39%	17	0.61%	2,753	1,070	38.87%	1,683	61.13%
Male	2,763	2,746	99.38%	17	0.62%	2,725	1,045	38.35%	1,680	61.65%
Female	28	28	100.00%	0	0.00%	28	25	89.29%	3	10.71%

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

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	6	₹ 1,90,14,859 (Total Remuneration)	3	₹ 23,05,000 (Total Remuneration)
Key Managerial Personnel	4	₹ 3,30,23,512 (Total Remuneration)	0	₹ 0
Employees other than BoD and KMP	1,366	₹ 4,96,260 (Median Remuneration)	5	₹ 5,08,605 (Median Remuneration)
Workers	2,870	We do not have access to the data regarding payments made to contract workers. Our payments are made to various contractors, who then manage the payments to the contract workers directly	28	We do not have access to the data regarding payments made to contract workers. Our payments are made to various contractors, who then manage the payments to the contract workers directly

EI-3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	Current financial year	Previous financial year
Gross wages paid to females as % of total wages	0	0

Remarks: As there are very few female workers, % of their wages is not comparable with Gross wages.

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 framework in place to address human rights-related grievances. This includes a Grievance Redressal Forum located at its registered unit in Odhav, a dedicated E-mail, and a suggestion box. Furthermore, grievance redressal mechanism operates as follows:

- Employees and workers have the option to approach the HR manager or factory manager at their convenience. These managers ensure regular availability at both the plant and shop floor.
- Complaints can be submitted in written or verbal form to the shift/department supervisor or functional head, who then escalate them to higher authorities, including the factory manager and HR department.
- Complaints are prioritised and resolved within a month.
- Issues involving financial implications or requiring policy changes are brought before the grievance redressal committee, which meets quarterly.
- Specific policies and procedures are implemented to address cases of sexual harassment, with dedicated committees established at the Moraiya and Kerala units. For more details on the Company's policies and procedures, please visit: hyperlink this with the following link: https://aiaengineering.com/investor-policy/

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

Category	2023-24			2022-23		
	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	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	Current financial year	Previous financial year
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases -

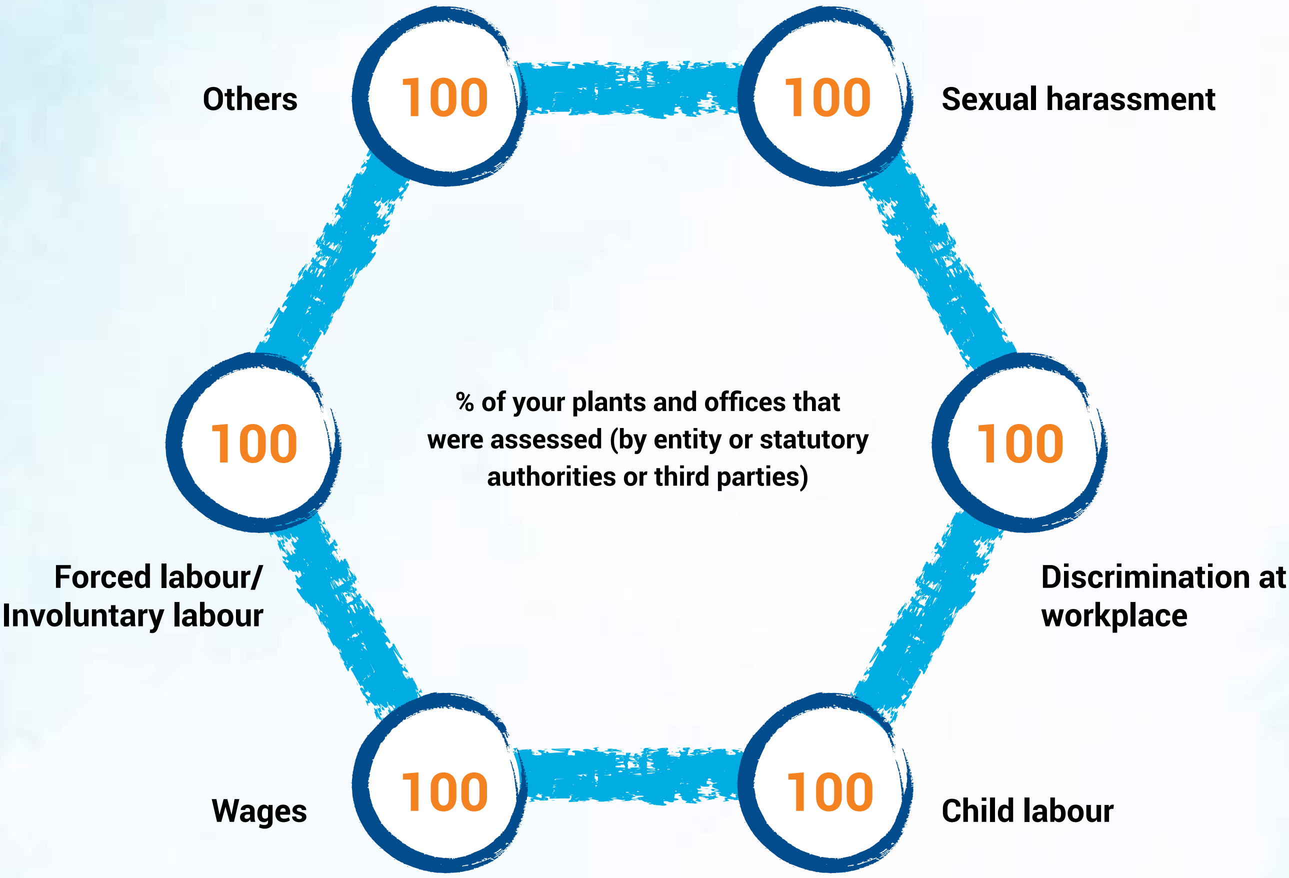
Certainly. Yes, the Company has implemented several measures to prevent adverse consequences to complainants in cases of discrimination and harassment. At its Registered Unit in Odhav, there is a Grievance Redressal Forum, along with a dedicated e-mail and a suggestion box for reporting concerns. Employees are encouraged to approach the HR manager at their convenience, and they can submit complaints (written or verbal) to their functional heads, which are then escalated to the HR department. Complaints are addressed and resolved on priority basis within one month.

Furthermore, AIA has established an Internal Complaints Committee (ICC) specifically to handle complaints of sexual harassment. The Company is committed to fostering a healthy and supportive work environment where women can operate without fear of gender bias, prejudice, or harassment. Measures are in place to ensure no adverse consequences for complainants, with issues addressed in a fair and transparent manner. Details and the inquiry process are treated with strict confidentiality.

Moreover, if the aggrieved person is unable to file a complaint due to physical incapacity, a relative, friend, co-worker, an officer from the National Commission for Women or State Women's Commission, or any informed person may file a complaint on their behalf with their written consent.

EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No) - Yes

EI-10. Assessments for the year:



EI-11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at EI-10 above - Not Applicable

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.

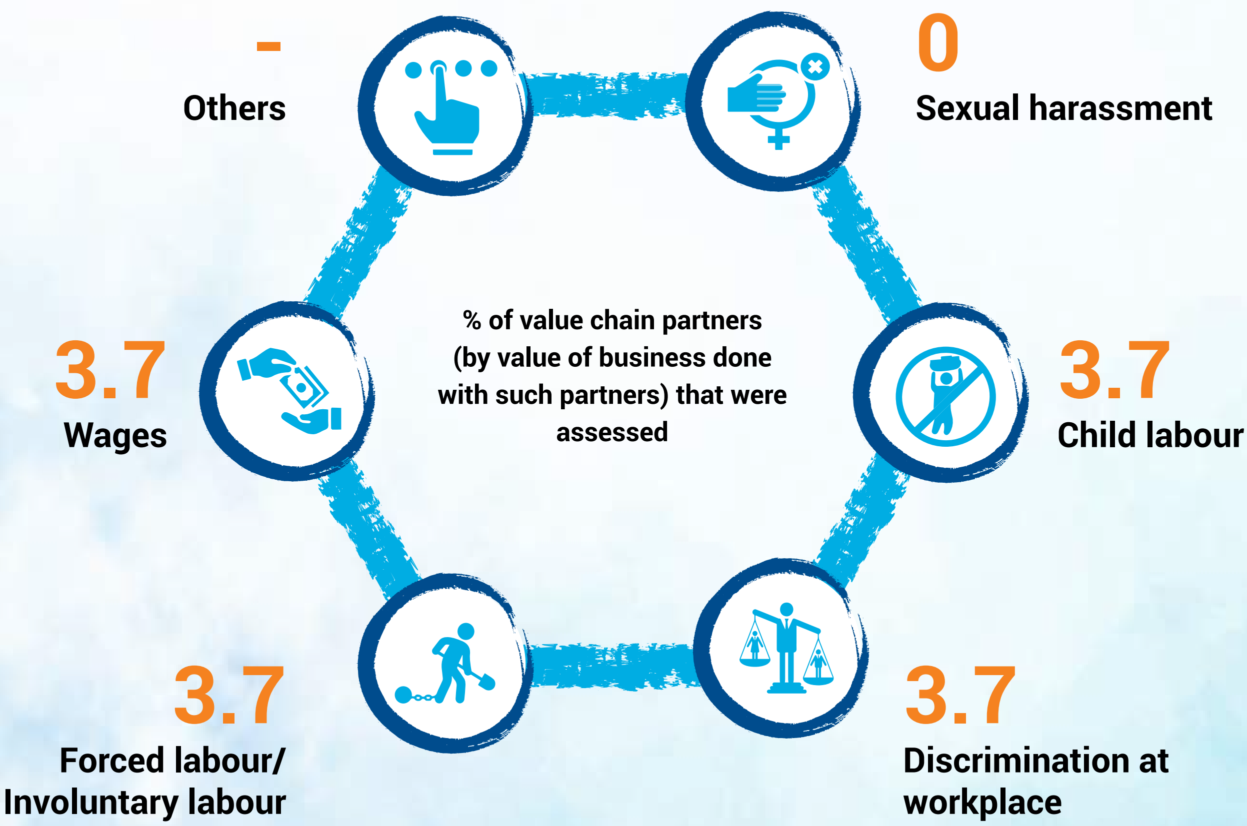
LI-2. Details of the scope and coverage of any Human rights due-diligence conducted -

Currently, our Human Rights due diligence extends exclusively to internal employees. However, there are plans to expand this coverage to include the supply chain (upstream) in the future.

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, the entity's premises/offices comply with the provisions of the Rights of Persons with Disabilities Act, 2016, ensuring accessibility for differently abled visitors. They have installed ramps at several locations, provided a manlift, and ensured accessible restroom facilities. Additionally, there is an Occupational Health Centre staffed with male nurses available around the clock, along with visits from a CIH-Certified Doctor.

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



LI-5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at LI-4 above -

No shortcomings were identified.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.

Essential Indicators

EI-1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	3,06,457.92	2,21,140.34
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**3,06,457.92**	**2,21,140.34**
From non-renewable sources		
Total electricity consumption (D)	9,60,197.05	10,57,189.24
Total fuel consumption (E)	5,36,487.4341	4,75,655
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**14,96,684.48**	**15,32,844.24**
Total energy consumed (A+B+C+D+E+F)	**18,03,142.40**	**17,53,984.58**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	**4.35 GJ / Lakh**	**4.34 GJ / Lakh**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	**97.47 GJ / Lakh $**	**96.13 GJ / Lakh $**
Energy intensity in terms of physical output	**6.30 GJ / MT**	**6.28 GJ / MT**
Energy intensity (optional) – the relevant metric may be selected by the entity	**-**	**-**

Remarks- For the FY 2022-2023, electricity consumption data does not contain consumption for Odhav Main Office U-3, Kujad Plant and other ancillary Plants of Moraiya & Kerala GIDC.

However, for FY 2023-2024, we have included the electricity consumption for the above plants too.

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:

Parameter	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,99,931	2,11,312
(iii) Third party water	71,120	58,752
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**2,71,051**	**2,70,064**
Total volume of water consumption (in kilolitres)	**3,13,800**	**3,00,708**
Water intensity per rupee of turnover (Water consumed/turnover)	**0.7572 KL/Lakh**	**0.7435 KL/Lakh**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	**16.9624 KL/Lakh$**	**16.4801 KL/Lakh$**
Water intensity in terms of physical output	**1.0971 KL/MT**	**1.0768 KL/MT**
Water intensity (optional) – the relevant metric may be selected by the entity. KL/KL of Water withdrawal	**1.16**	**1.11**

Remarks: For water consumption calculations, we have accounted for 42,749 KL of reused water in 2023-24 and 30,644 KL in 2022-23.

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 - No.

EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	0	0
- With treatment	0	0
(ii) To groundwater		
- No treatment	0	0
- With treatment	0	0
(iii) To seawater		
- No treatment	0	0
- With treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment	0	0
Total water discharged (in kilolitres)	**0**	**0**

EI-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.

- No.

EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- Yes, AIA effectively utilises all treated wastewater. Domestic wastewater undergoes treatment and is reused for purposes like cooling tower operations, gardening, and toilet flushing. Furthermore, the cooling tower blowdown is repurposed for cooling slag and sand. To reduce cooling tower blowdown, the Kerala GIDC unit has established an air-type dry cooling tower for water cooling purposes.

EI- 6. 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	4.94	4.64
SOx	ppm	10.73	5.77
Particulate matter (PM)	mg/nm^3	50.91	36.19
Persistent organic pollutants (POP)	0	NA	NA
Volatile organic compounds (VOC)	0	NA	NA
Hazardous air pollutants (HAP)	0	NA	NA
Others	0	NA	NA

NA - Not Applicable

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, third-party environmental monitoring for our Ahmedabad region unit has been carried out by M/s. Akshar Consultants, an external agency approved by SPCB as environmental auditors and accredited by NABL as a laboratory.

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO2E & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	32,793.68	28,474.83
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	1,89,372.20	2,37,867.58
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	**TCO_2e / rupee of turnover**	**0.5361 TCO_2e / Lakh**	**0.6585 TCO_2e / Lakh**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	**TCO_2e / rupee of turnover**	**12.0091 TCO_2e / Lakh $**	**14.5967 TCO_2e / Lakh $**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**TCO_2e / MT Production**	**0.7768 TCO_2e / MT**	**0.9312 TCO_2e / MT**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Remarks- For the FY 2022-2023, electricity consumption data does not contain consumption for Odhav Main Office U-3, Kujad Plant and other ancillary Plants of Moraiya & Kerala GIDC.

However, for FY 2023-2024, we have included the electricity consumption for the above plants too.

AIA Engineering invests in generation of renewable electricity through wind and solar and consumes in its own operations and gets credit from the electricity provider. However, in the FY 2022-2023, the share of renewable electricity generation was not accounted for, hence the Scope 2 emissions were higher. We have accounted for the same this year and re-stated the Scope 2 emissions for the FY 2022-2023 reflecting the same.

EI-7. 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-8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details .

- Yes, AIA through its CSR Foundation, in collaboration with the ARC foundation Gandhinagar, has launched an extensive tree plantation initiative to reduce GHG emissions.

  To date, a total of 4,70,000 trees have been planted, including approximately 1,00,000 trees in the year 2023-24 at various locations: BDE-Chiloda, Deesa-BSF, Chiloda Air Force Colony, Air Force Recruitment Board Gandhinagar, Ahmedabad Military Cantonment Board, Baroda Military Cantonment, and Baroda Air Force. Quarterly assessments are conducted to evaluate the impact of this ongoing initiative.

  Additionally, AIA continues its tree plantation programme, aiming to reduce an estimated 2,500 MT CO_2e of GHG emissions annually for every 1,00,000 trees planted.

  Furthermore, AIA has installed 11 wind energy turbines with a total installed capacity of 31.8 MW and 3 sets of Hybrid (Wind+Solar) Plants having installed capacity of 4.4 MW. In the fiscal year 2023-24, AIA generated 85,127.199 MWh of electricity from renewable sources, contributing to offsetting 60,440 tonnes of CO_2 emissions.

EI-9. Provide details related to waste management by the entity, in the following format:

Parameter	2023-24	2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	293.00	274.00
E-waste (B)	1.25	1.26
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	10.29	2.74
Radioactive waste (F)	0.00	0.00
Other hazardous waste (Used oil, waste residues containing oil , and MS drums/ barrel and other empty containers) (G)	166.24	90.52
Other non-hazardous waste generated (H) (Waste sand (sand/dust), Slag) (Break-up by composition i.e. by materials relevant to the sector)	1,40,369.00	1,36,144.00
Total (A + B + C + D + E + F + G + H)	**1,40,839.79**	**1,36,512.53**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	**0.3399 MT/Lakh**	**0.3375 MT/Lakh**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated/Revenue from operations adjusted for PPP)	**7.6131 MT/Lakh$**	**7.4815 MT/Lakh$**
Waste intensity in terms of physical output	**0.4924 MT/MT**	**0.4888 MT/MT**
Waste intensity (optional) the relevant metric may be selected by the entity	**-**	**-**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	2023-24	2022-23
Category of waste - Plastic		
(i) Recycled	293.00	274.24
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**293.00**	**274.24**
Category of waste - E-waste		
(i) Recycled	1.25	1.26
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**1.25**	**1.26**
Category of waste - Biomedical waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**0.00**
Category of waste - Construction and demolition waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**0.00**
Category of waste - Battery waste		
(i) Recycled	10.29	2.74
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**10.29**	**2.74**
Category of waste - Radioactive waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**0.00**

Parameter	2023-24	2022-23
Category of waste - Other hazardous waste		
(i) Recycled (Used oil, MS drums/barrel and other empty containers)	103.52	74.51
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**103.52**	**74.51**
Category of waste - Other non-hazardous waste		
(i) Recycled (Waste sand)	16,307.00	14,457.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations (Slag)	12,922.00	7,863.00
Total	**29,229.00**	**22,320.00**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	2023-24	2022-23
Category of waste - Plastic		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**
Category of waste - E-waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**
Category of waste - Biomedical waste		
(i) Incineration	0.01	0.01
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.01**	**0.01**
Category of waste - Construction and demolition waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**

Parameter	2023-24	2022-23
Category of waste - Battery		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**
Category of waste - Radioactive		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**
Category of waste - Other hazardous waste generated		
(i) Incineration (waste residues containing oil)	62.72	16.01
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**62.72**	**16.01**
Category of waste - Other non-hazardous waste generated		
(i) Incineration	0.00	0.00
(ii) Landfilling (Waste sand (sand/dust))	1,16,166.00	1,13,824.00
(iii) Other disposal operations	0.00	0.00
Total	**1,16,166.00**	**1,13,824.00**

Remarks: Other hazardous waste includes used oil, residues containing oil, and MS drums/containers. Other non-hazardous wastes includes waste sand and slag.

EI-9. 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-10. 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 -

Waste Management Practices: At our establishment, we prioritise waste reduction, reuse, and recycling in accordance with a waste hierarchy approach, aligning closely with the principles of the circular economy. Our strategies include:

1. Reducing Waste Generation: We optimise the use of resources, including minerals, to minimise waste at its origin.
2. Reuse and Recycling: We actively seek opportunities to reuse waste both internally and externally, such as by utilising foundry waste and other materials as alternative raw materials or fuel through co-processing.
3. Compliance and Best Practices: We surpass legal requirements in waste management and incorporate industry-leading best practices into our operations.
4. Environmental Stewardship: Recognising the environmental consequences of improper waste disposal, we employ robust mechanisms for waste treatment and disposal.

Specific Practices:

- Eco-friendly Brick Production: Utilising foundry waste materials such as sand and plastic, we manufacture eco-friendly bricks and paver blocks. In the previous year, we utilized approximately 150 MT of waste materials to produce over 50,000 bricks and paver blocks. Similarly, for F.Y. 2023-24, we continued this practice, using 172 MT of waste material to manufacture 57,000 bricks and paver blocks, contributing to sustainable construction practices.
- Co-processing with Ambuja Cement: We engage in co-processing with Ambuja Cement to reuse waste silica sand generated by foundry operations in cement kilns. In F.Y. 2022-23, 14,457 tonnes of waste silica sand were utilized for co-processing. Similarly, for F.Y. 2023-24, we continued this practice, utilizing 16,307 tonnes of silica sand for co-processing at Ambuja Cement Limited (an Adani Group company), ensuring regulatory compliance and sustainable waste disposal.
- Organic Waste Utilisation: Kitchen and canteen waste are converted into organic manure through in-house composting machines and external waste management agencies. Approximately 70 MT of canteen and kitchen waste were effectively utilized for organic manure production and composting in F.Y. 2022-23. Similarly, in F.Y. 2023-24, we converted 67 MT of kitchen waste into organic manure.
- Waste Sand: The Company has integrated mechanical and thermal reclaimers to recycle its molding sand, reducing the requirement for silica sand by 80%. The waste sand generated is used in co-processing in cement kilns and for making bricks and paver blocks.
- Slag: Slag is reprocessed in our captive slag processing plant for metal recovery, with the recovered metal reused as raw material in foundry operations. In F.Y. 2022-23, a total of 7,863 tonnes of slag were processed in the Slag Processing Plant, recovering 900 tonnes of metal. Similarly, for F.Y. 2023-24, 12,922 tonnes of slag were processed, recovering 1,099 tonnes of metal.
- Hazardous Waste Management: We prioritise the reuse and recycling of hazardous waste to promote a circular economy and minimize environmental impact. Our practices include:
  1 Partnerships with approved facilities for decontamination, recycling, and disposal of hazardous waste components like containers, oils, e-waste, batteries, and biomedical waste.
  2 Transportation and disposal of all hazardous waste using registered vehicles and in compliance with regulatory standards.
- Non-Hazardous Waste Management: Our practices for managing non-hazardous waste include:
  1 Recycling and internal or external reuse of waste materials like silica sand, slag, and refractory materials for various purposes such as co-processing, brick making, and metal recovery.
  2 Sale of commercial waste materials like paper, wood, and rubber to designated vendors for further processing or reuse.
- Our waste management policies and practices are detailed in our Waste Management Circular Economy Policy, underscoring our commitment to sustainability and environmental responsibility.

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, top priority is given to the co-processing and/or recycling facility rather than TSDF/INC for hazardous waste disposal.

- We have a MoU with an SPCB-approved decontamination facility for the reuse of waste containers and recycling of liner and plastics bags.
- Used/waste oil generated is sold only to registered recyclers.
- E-Waste is being disposed of with a registered e-waste recycler.
- Battery waste is being sold to registered battery/lead recyclers only.
- Bio-medical waste from OHC is being disposed of with 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).
- All hazardous waste is transported to disposal facility by registered vehicles.

EI-11. 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.
NA	0	0

EI-12. 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
NA	0	0	0	0	0

Remarks: Not Applicable

EI-13. 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, AIA is completely compliant.	NA	NA	NA

Remarks: Not Applicable

Leadership Indicators

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i) Name of the area- Not Applicable

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(ii) Nature of operations - Not Applicable

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:

Parameter	2023-24	2022-23
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)	0.0000 KL/Lakh	0.0000 KL/Lakh
Water intensity (optional) – the relevant metric may be selected by the entity.KL/KL of Water withdrawal	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	0	0
- With treatment	0	0
(ii) To groundwater		
- No treatment	0	0
- With treatment	0	0
(iii) To seawater		
- No treatment	0	0
- With treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment	0	0
Total water discharged (in kilolitres)	**0**	**0**

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. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	139479	158129
Total Scope 3 emissions per rupee of turnover	TCO_2e/rupee of turnover	0.3366/TCO_2e/ Lakh	0.3909/TCO_2e/ Lakh
Total Scope 3 emission intensity (optional) – In terms of physical output	TCO_2e/MT Production	0.49/TCO_2e/MT	0.57/TCO_2e/MT

Remarks: Scope 3 emissions have been included in our calculations, covering:

- Purchased goods and services
- Capital goods
- Upstream transportation and distribution
- Business travel
- Employee commute
- Downstream transportation and distribution.

For the year F.Y. 2023-24, we updated Scope 3 emissions figures based on improved calculation methodologies, reinstating figures from F.Y. 2022-23 for accuracy.

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.

-No

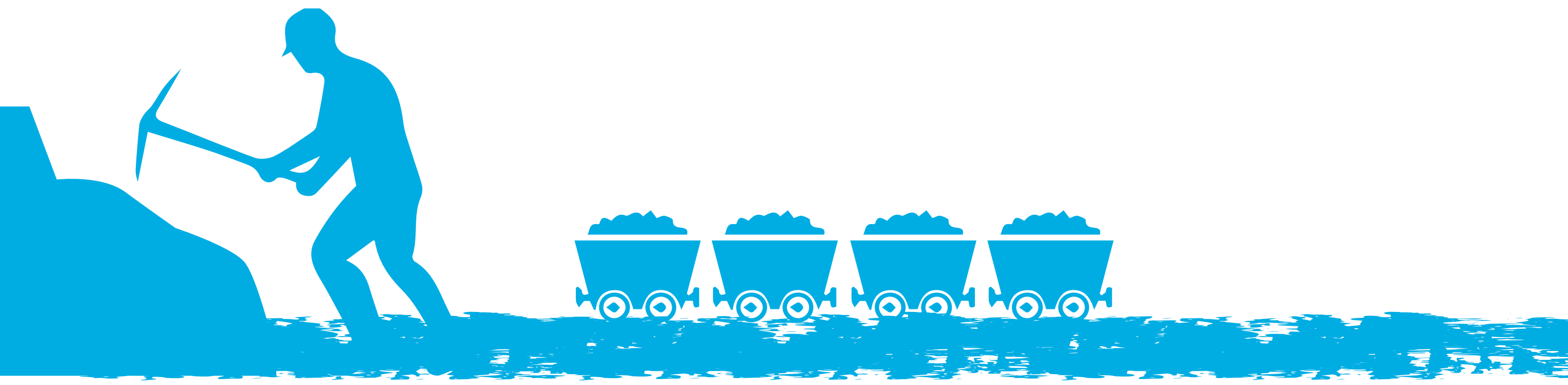
LI-3. With respect to the ecologically sensitive areas reported at EI-11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

-Not Applicable

LI-4. 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	AIA's products demonstrate exceptional operational efficiency, meticulously tailored to meet the specific demands of each casting application. Our High Chrome and Sintercast technologies are renowned for their advanced quality and superior throughput, maintained through precise metal composition ratios. This efficiency directly translates into significant power savings during operation, reducing coal consumption and leading to substantial carbon savings. Ultimately, this contributes significantly to lowering CO_2 emissions, making a meaningful impact on greenhouse gas reductions for our customers. For example, in the context of cement grinding, we observed substantial savings in alloys and a reduced carbon footprint by transitioning grinding elements from conventional alloy grades to VEGA Specific Grade. An analysis highlighted the anticipated reduction in greenhouse gases achieved through improved performance in grinding mills and tube mills. In the period from April 2023 to March 2024, the castings supplied by AIA Engineering Limited (via Vega Industries) for Vertical Mills and Tube Mills demonstrated promising results. By utilizing Ceramic-based Grinding elements (Sintercast) for Vertical Roller Mills (VRM) and optimizing the alloy combinations in grinding media and latest liners/grate plates, an estimated 46.12 tonnes of CO_2 equivalent greenhouse gas emissions were avoided per tonne of specific product used in sectors such as cement, power plants, and tube mills at customer facilities. This resulted in a total absolute reduction of 13,35,322 tonnes of CO_2e controlled/avoided based on the volume of products sold. Total tonnage of liner castings sold amounted to 28,949 MT, contributing significantly to the reduction of 13,35,322 tonnes of GHG emissions. Remarks: Conversion of energy kWh to carbon considered factors such as specific coal consumption (0.5 Kg/kWh) and carbon content in coal (40% fixed carbon + volatile matter). Calculations were based on operational hours of various cement plants, power plants, and tube mills where AIA conducted business.		Tonnage of liner castings sold: 28,949 MT, which helped to control CO_2 and 13,35,322 tonnes of GHG emissions. Total absolute reduction as CO_2e
2	We utilize medium frequency induction furnaces for all our melting operations, which operate on electricity. This closed-loop process is designed to minimise energy loss and heat dissipation, thereby contributing to the reduction of greenhouse gas emissions.		There is minimal loss of energy and heat, which helps in reducing greenhouse gas (GHG) emissions.

Sr. no	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
3	We utilise direct energy for the heat treatment process across all our foundry units. To mitigate Scope 1 emissions, we have transitioned to Piped Natural Gas (PNG) and Liquid Petroleum Gas (LPG). Additionally, we have implemented flue gas recuperators on all our PNG-fired heat treatment furnaces. These recuperators enhance furnace efficiency by recovering heat from flue gases. The recovered waste heat is then utilized to preheat the combustion air supplied to the burners.		Helping in the reduction of GHG Emissions Scope -1
4	AIA has installed 11 wind energy turbines and 3 sets of hybrid (wind + solar) systems in Gujarat, with a total installed capacity of 37.38 MW of renewable energy. During F.Y. 2023-24, The Company generated 85,127.199 MWh of electricity from renewable sources and supplied it to the grid.		85,127.199 MWh of renewal energy were generated.
5	Rainwater Harvesting: AIA has implemented a rainwater harvesting system aimed at replenishing groundwater resources. This system includes installation of recharge wells at various locations: four wells at Kerala GIDC Plant and two at Moraiya Plant, complemented by an onsite pre-filtration system. Additionally, three recharge wells have been established outside the premises—one each at Chiloda and Moraiya Villages to further support groundwater recharge efforts. The total estimated rooftop recharge water amounts to 82,708 kiloliters, calculated based on an average rainfall of 744 mm.		Estimated water recharge: 82,708 KL
6	Zero Liquid Discharge (ZLD) practices are upheld across all our plants, supported by various initiatives aimed at minimizing water consumption. At Kerala GIDC Plant, we've implemented a dry-type cooling tower that significantly reduces blow down. This discharged water is now reused for sand mold preparation and cooling sand/slag. Greywater and sewage undergo treatment in our STP (Sewage Treatment Plant), with the treated water repurposed for gardening, toilet flushing, and cooling towers. Furthermore, we've adopted automatic and spring-operated water taps to mitigate potable water wastage, along with the installation of waterless urinals.		42,749 kiloliters of treated water from the STP was reused.



Sr. no	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	**Eco-friendly Bricks and Paver Blocks Production** The brick and paver block making machine, with a capacity of 200 units per day and operating on average for 24 days per month, produces approximately 57,600 bricks and paver blocks annually across 288 operational days. Each brick or paver block weighs an estimated 2.8 kg. **Composition and Waste Material Utilization** The production process utilises materials in the ratio of 30% plastic, 35% sand, and 35% dust. For instance, a single 2.8 kg product consists of 840 grams of plastic, 980 grams of sand, and 980 grams of dust. Alternatively, a ratio of 20% plastic, 40% sand, and 40% dust can also be used. **Annual Waste Material Utilization** • **Plastic:** Approximately 48 tonnes of waste HDPE bags recycled. • **Sand:** Approximately 56 tonnes of waste silica sand recycled. • **Dust:** Approximately 56 tonnes of waste dust recycled. • **Total Waste Material Recycled:** 160 tonnes annually. **Revenue Generation** The initiative generates revenue amounting to ₹ 2,88,000 through the conversion of waste into wealth (calculated at ₹ 5 per unit, with 57,600 units produced).		Approximately 160 tonnes of waste reused to produce 57,000 bricks and blocks, generating revenue of ₹ 2,80,000.
8	Recycling Foundry Sand in Cement Industry for Co-processing: Discarded molding sand from foundries is a solid waste and a by-product of our production process. We have established a Memorandum of Understanding (MOU) with Ambuja Cement Limited (Adani Group Co.) to offer a sustainable solution for managing this sand waste. The discarded sand waste is reused in cement manufacturing through co-processing, ensuring compliance with regulatory standards and adhering to the highest Occupational Health and Safety (OH&S) norms. Ambuja Cement safely utilizes AIA's generated waste in its cement kilns located at Kodinar, Dist. Gir Somnath, Gujarat. Sustainable Waste Disposal & Certification: For each batch of waste co-processed at Ambuja Cement, they issue a disposal certificate detailing the quantity of waste utilized. In total, 16,307 tonnes of foundry waste sand were co-processed at Ambuja Cement Limited.		Total: 16,307 metric tonnes of foundry waste sand were utilized for co-processing at Ambuja Cement Limited (a company within the Adani Group).

Sr. no	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
9	Slag Processing Unit - We reprocess slag in our dedicated slag processing plant to recover metal, which is then reused as raw material in our foundry operations. In the reporting period, we processed a total of 12,922 metric tonnes of slag in the plant, recovering a total of 1,099 tonnes of metal for reuse in casting production.		A total of 12,922 metric tonnes of slag underwent processing at our Slag Processing Plant, resulting in the recovery of 1,099 tonnes of metal that was subsequently reused in our plant for casting production.
10	**Energy Reduction Initiatives in F.Y. 2023-24:** • Efficient machine usage resulting in energy savings: 710,054 units saved (kWh/annum). • Technology upgrade resulting in energy savings: 5,40,296 units saved (kWh). • Optimization of temperature and pressure through technology upgrades: 3,90,640 units saved.		Total energy saved per annum: 1,640,990 kWh.
11	Carbon reduction initiative through the use of innovative heaterless vaporizers in LPG installations at our major GM plants has resulted in an estimated accumulated carbon offset of 221 metric tonnes of CO_2 per manifold per year.		The estimated accumulated carbon offset from both sets is 442 metric tonnes per year.
12	AIA through its CSR Foundation, in partnership with the ARC Foundation Gandhinagar, has launched a significant tree plantation campaign aimed at reducing GHG emissions. To date, a total of 470,000 trees have been planted, including approximately 100,000 trees in the year F.Y. 2023-24. These plantations are located at various sites such as BDE-Chiloda, Deesa-BSF, Chiloda Air-Force Colony, Air Force Recruitment Board Gandhinagar, Ahmedabad, Military Cantonment Board Baroda, and Baroda Air Force. Quarterly assessments are conducted to evaluate the impact of this initiative. The tree plantation effort is ongoing and forms a continuous programme for AIA.		Approximately 2,500 metric tonnes of CO_2 equivalent greenhouse gases are estimated to be reduced per year for every 10,00,000 trees planted.

LI-5.Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link -

Yes, an onsite emergency plan is meticulously prepared with the primary objective of safeguarding all employees, nearby individuals, and company property from potential fire, explosion, or other major accidents stemming from natural or manmade disasters. The effectiveness of this plan relies heavily on each individual promptly executing their assigned duties. Taking into account factors such as employee numbers, materials, processes, resource availability, and site location, the plan is strategically developed. The objectives of the emergency planning include:

(a) Defining and assessing emergencies, including risk and environmental impact assessments.

(b) Preventing emergencies from escalating into disasters.

(c) Ensuring the safety of employees and people in the vicinity.

(d) Minimizing damage to property and the environment.

(e) Informing employees, the public, and authorities about assessed hazards/risks, provided safeguards, residual risks, and their roles during emergencies.

(f) Being prepared for 'Mutual Aid' if neighboring units require assistance.

(g) Notifying authorities and mutual-aid centers for assistance.

(h) Effectively rescuing and treating casualties.

(i) Identifying and listing any fatalities or injuries.

(j) Informing and assisting relatives.

(k) Securing the safe rehabilitation of affected areas and restoring normal operations.

(l) Providing accurate information to the news media.

(m) Preserving records, equipment, and organising investigations into the cause of emergencies and preventive measures to prevent recurrence.

(n) Ensuring the safety of worksites before personnel re-enter and resume work.

(o) Developing a comprehensive plan with provisions for handling emergencies, including preparedness measures and regular drills.

For example, the Disaster Management Plan for Information Technology (IT) addresses current global cyber security threats such as ransomware, hacking, malware, and spoofing. While the company implements various mitigation programs, the evolving nature of cyber threats remains a concern due to ongoing developments in virus and breach techniques. To mitigate risks, the company has established a robust disaster recovery mechanism that can redirect operations to a secondary server in case of an incident, ensuring minimal disruption. The IT team conducts quarterly Disaster Recovery (DR) drills, achieving satisfactory results each time.

LI-6. 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 effects were observed.

LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

- 3.7%

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.

S. no	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

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	NA	NA

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	Others	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

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
NA	NA	NA	NA	NA	NA

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:

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 ₹)
NA	NA	NA	0	0.00%	0

EI-3. Describe the mechanisms to receive and redress grievances of the community.

- Grievances are handled by the Unit HR representative in consultation with the Cluster Head and other relevant department heads.

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	**25.64%**	**27.55%**
Sourced directly from within India	**100.00%**	**100.00%**

EI-5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Location	Current financial year	Previous financial year
Rural	42%	40%
Semi-urban	0	0
Urban	0	0
Metropolitan	58%	60%

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
NA	NA

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

State	Aspirational district	Amount spent (in ₹)
NA	NA	0

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:

Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA	0	0	0

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.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

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 and vocational skill	Not Ascertainable	100%
4	Protection of heritage, art and culture	Not Ascertainable	100%
5	Protection of environment and animal welfare	Not Ascertainable	100%
6	Contributions to Indian Institute of Technology (IITs)	Not Ascertainable	100%
7	Promotion of sports	Not Ascertainable	100%

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

We continuously gather and utilize feedback from customers to align with their requirements. Our process efficiently manages customer complaints regarding products and services. Typically, complaints are first received by the respective field engineer and then escalated to the Quality Assurance Controller for thorough investigation. When feasible, samples are collected and analyzed to determine the causes of issues. Root cause analyses are conducted for all complaints, and corrective actions are promptly implemented. Resolutions are communicated back to customers through our field engineers, ensuring customer satisfaction.

Measuring Customer Satisfaction

We have implemented a robust system to monitor customer perceptions of our products. Feedback is systematically collected to cover various aspects of our operations. Key attributes evaluated include delivery timelines, product performance, and after-sales service. Customer satisfaction levels are graded on a scale from 1 to 4. Using a weighted average method, we compute the Customer Satisfaction Index (CSI) annually. For the latest reporting period, our CSI score stood at 97%.

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

Environmental and social parameters relevant to the product

Safe and responsible usage

Recycling and/or safe disposal

As a percentage to total turnover

100

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

	2023-24			2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cybersecurity	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive trade practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	0	0		0	0	

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

Category	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

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, we have distinct copies of our cybersecurity framework/policy, titled as follows:

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

EI-7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

c. Impact, if any, of the data breaches - NA

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 at: https://aiaengineering.com/

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

While our products are inherently safe, we provide SDS (Safety Data Sheet) upon request along with the consignment, ensuring transparency and peace of mind for our customers.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services –

Through efficient e-mail correspondence and direct communication facilitated by our 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 includes essential customer information like dimension and weight, among others. As our products, like grinding media in ball form and other alloy mill castings, are mechanical components made of metallic materials, they inherently pose no hazards in their original form. Therefore, they do not necessitate special handling or storage requirements. However, we provide Safety Data Sheets (SDS) with consignments upon customer request. Furthermore, we actively conduct customer satisfaction surveys to ensure continuous improvement.

BOARD'S REPORT

The Members,
AIA ENGINEERING LIMITED
Ahmedabad

Your Directors take pleasure in submitting the 34th Annual Report and the Audited Annual Accounts of the Company for the year ended 31 March, 2024.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue from Operations	4,06,204.15	3,97,430.88	4,77,182.26	4,83,802.48
Other Operating Income	8,190.84	7,045.47	8,193.87	7,074.39
Total Revenue from Operations	**4,14,394.99**	**4,04,476.35**	**4,85,376.13**	**4,90,876.87**
Other Income	**42,844.27**	**32,273.96**	**28,140.12**	**23,453.94**
Total Income	**4,57,239.26**	**4,36,750.31**	**5,13,516.25**	**5,14,330.81**
Profit before Finance Cost, Depreciation & Amortisation and Tax Expenses	1,59,108.40	1,37,669.05	1,61,515.71	1,47,518.02
Finance Cost	2,826.07	1,845.36	2,837.87	2,010.39
Depreciation & Amortisation	9,821.51	9,115.33	10,027.15	9,304.01
Profit Before Share of Profit of Joint Venture and Tax	**1,46,460.82**	**1,26,708.36**	**1,48,650.69**	**1,36,203.62**
Share of Profit of Joint Venture (Net of Tax)	-	-	151.23	-
Profit Before Tax	**1,46,460.82**	**1,26,708.36**	**1,48,801.92**	**1,36,203.62**
(i) Provision for Taxation (Current)	31,696.52	29,319.93	33,390.55	30,412.63
(ii) Deferred Tax	1,819.31	505.87	1,712.13	140.96
Total Tax (i+ii)	**33,515.83**	**29,825.80**	**35,102.68**	**30,553.59**
Profit After Tax	**1,12,944.99**	**96,882.56**	**1,13,699.24**	**1,05,650.03**
Non-Controlling Interest	-	-	141.91	57.14
Net Profit after Non-Controlling Interest	**1,12,944.99**	**96,882.56**	**1,13,557.33**	**1,05,592.89**
Other Comprehensive Income/ (Loss) (Net of Tax) (After Minority Interest)	428.92	(581.34)	(1,828.89)	(3,487.78)
Total Comprehensive Income after Non-Controlling Interest	**1,13,373.91**	**96,301.22**	**1,11,728.44**	**1,02,105.11**

Standalone Operating Results:

During the year under review, the Revenue from Operations of the Company is ₹ 4,14,394.99 Lakhs as compared to ₹ 4,04,476.35 Lakhs in the previous Financial Year. Exports Turnover registered in the same period is ₹ 2,76,941.76 Lakhs as against the Export Turnover of ₹ 2,75,384.06 Lakhs in the previous Financial Year.

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹ 1,46,460.82 Lakhs and Profit After Tax (PAT) of ₹ 1,12,944.99 Lakhs as compared to PBT of ₹ 1,26,708.36 Lakhs and PAT of ₹ 96,882.56 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 and Joint Venture) has earned Revenue from Operations of ₹ 4,85,376.13 Lakhs as compared to ₹ 4,90,876.87 Lakhs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 1,13,557.33 Lakhs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹ 1,05,592.89 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 2023-24.

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 the Record Date. 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, 2024 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, 2024 were ₹ 18,032.70 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 ₹ 21,075.73 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 not provided any loan but it has provided a Guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The details of Guarantees provided and Investments made by the Company are given in the Notes to the Financial Statements.

Internal Financial Control and Audit:

The Company has a formal framework of Internal Financial Control ("IFC") in alignment with the requirement of Companies Act, 2013 and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC. Accordingly, the Company has a well-placed, proper and adequate IFC system, which ensures:

- The orderly and efficient conduct of its business,
- 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.

The Board reviews the effectiveness of controls documented as part of IFC framework and take necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology controls. Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially 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. The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

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

Dun & Bradstreet Information India Private Limited (D&B) has evaluated the Company during September, 2023 and reassigned a Dun Bradstreet Rating of 5A I, which indicates that overall status of the Company is "Strong".

5. HUMAN RESOURCES:

Amongst the various resources that are required for the successful functioning of any organization, human resource is one of the most important and impactful resource of any company. We fully acknowledge and understand the huge impact this resource can have on the proper functioning and growth of the organization and hence invest a significant amount of time and effort in nurturing and developing this resource.

Any asset needs to be managed, maintained and developed. Human asset is no different and considering the importance of this asset, we are continuously looking for ways and means for efficient and effective human resource management. It is with this consideration, that we engage with some of the best agencies and consultants in this area.

Working with top notch global agencies ensures that we have access to some of the best talents in our area of operation. The company works in a very structured and organized manner in sourcing and recruiting some of the most competent and experienced personnel from different parts of the world.

While having good talent is important, training and developing the same is equally important. As a corporate philosophy, we are dedicated towards continuous improvement and skill enhancement. Right from a very systematic, structured and elaborate orientation and induction program at the beginning, we continuously work towards regular and periodic skill enhancement programs for our team members. To ensure a structured and committed emphasis on this aspect, we have created a dedicated training and development cell which systematically designs training programs for different individuals based on the mapping of their skills.

One of our key corporate philosophy is safety and well being of our employees. We are extremely committed towards the physical and mental health of our team members. In addition to prioritizing safe work practices, we champion holistic wellness and regularly organize different wellness sessions like yoga etc. conducted by experts for the overall health and well being of our employees.

Every asset has a lifecycle and hence understanding the same and optimally utilizing the same is a very scientific and technical process. We approach the employee lifecycle with precision and foresight, meticulously designing each stage from onboarding, training, career progression and succession planning. Our performance appraisal system is built on an objective assessment of individual performance and potential, ensuring fairness, growth opportunities and accountability throughout.

Continual upgradation and refinement of our HR practices is at the core of our organizational ethos. Through collaborating with leading global consultants, we ensure that we are at the forefront in talent acquisition, organizational structuring and other HR practices. While staying true to our core values, philosophy and management style, we embrace innovation and modern practices to enhance operational efficiency and effectiveness, leveraging the diverse talent pool created with utmost care and precision to propel forward 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, 2024 to which the Financial Statements relates and the date of this Report.

7. BUSINESS PROSPECTS:

Company's future growth of business is always linked to growth of the industries like 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.

Cement Industry is largely converted into High Chrome Mill Internals use, Company's growth is linked mainly to the overall growth of the Industry. Cement industry growth remains low on account of heavy infrastructure already built in the western world and China, which drove global growth in Cement consumption in last two decades, also tapering down its consumption. We continue remain closely involved with all key Cement manufacturers and invest resources to be able to help them optimise their grinding operations and remain a valued partner.

Major growth driver for Company continues to be the huge conversion opportunity available in the Mining Industry space. The addressable market opportunity is around 2 to 2.5 million tonnes (of annual consumption) for the three ores on which the Company is focusfsed upon viz. Gold, Copper and Iron Ore. The level of penetration of High Chrome Grinding Media is less than 15%, which offers a significant opportunity for growth through conversion 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 excited about 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 as well its own proprietary designs, 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 Financial Year 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. Commissioning of said Mining Liner plant resulted in increase in capacity by 20,000 MT.

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 Financial Year 2023-24 at least for first Quarter the Ferro Chromium prices continued to rise whereas in the second and third quarter there was a small 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. 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. Company 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 significant market share 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.

8. FUTURE EXPANSION:

Over the past five years, we have witnessed a positive trend in net cash generated from operating activities despite having challenges related to the metal prices, freight costs and global economic growth. This demonstrates our strong capital efficiency, i.e. effective conversion of operational performance into cash flows, which is vital for funding our growth initiatives and meeting our financial obligations. With a commitment to long-term growth, we have consistently prioritised allocating substantial financial resources towards capital expenditure. These strategic investments are designed to enhance operational capabilities, support expansion plans and ensure a robust and sustainable future for our Company. Accordingly, our capex proposals are from internal cash accruals.

The Company's current capacity stands at 4,60,000 MT Per Annum.

The Company is well progressing on implementing the second phase of Grinding Media Greenfield expansion project with a capacity of 36,000 MT at Kerala GIDC near Ahmedabad and expected to come in production by December 2024.

The Company has a plant cluster in Odhav in Ahmedabad primarily for production of parts other than grinding media. For this cluster, Company is progressing on a one-time upgradation project which includes capacity de-bottlenecking and restructuring, creation of warehouse space, pattern storage facilities and related infrastructure. While the project will continue in phases over next year the capacity optimization of 20,000 MT of castings is now completed.

Being a responsible corporate citizen, we are dedicated to the conservation of environment. The Company recognise the significance of renewable energy in combating climate change. Keeping this as our primary objective for Financial Year 2024-25, the Company further plans to invest in Renewable Energy Projects (including Solar and Wind) by investing ₹ 30 to ₹ 40 Crores. In fiscal year 2025-2026, it is estimated that 60% to 70% of total power consumed will come from renewable sources.

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 prepared by the Company include financial results of its Subsidiary Companies and Joint Venture.

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 alongwith its wholly owned subsidiary i.e. Vega Industries (Middle East) FZC has acquired a wholly owned subsidiary in Peru viz. Vega Industries Peru Limited. Vega Industries (Middle East) FZC, UAE has also acquired 43% stake in the business of Vega MPS Pty Limited, Australia.

During the year under review, Vega Industries (Middle East) FZC, UAE, a wholly owned subsidiary of the Company has purchased 100% shareholding of Vega Industries Limited, USA from its wholly owned subsidiary i.e. Vega Industries Limited, UK. By virtue of this, Vega Industries Limited, USA has now become the wholly owned subsidiary of Vega Industries (Middle East) FZC, UAE and first level step down subsidiary of the Company.

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 Financial Year 2023-24 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, 2024, 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 Mrs. Bhumika Shyamal Shodhan (DIN: 02099400), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

Mrs. Janaki U. Shah (DIN: 00343343) has been appointed as an Independent Director for a period of 5 consecutive years from 12 August, 2019 to 11 August, 2024. The Board on recommendation of Nomination and Remuneration Committee, has re-appointed her as an Independent Director for a period of 5 consecutive years from 12 August, 2024 and proposed a resolution for member's approval at the ensuing Annual General Meeting.

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

(b) Meetings:

During the year under review, five Board Meetings and four 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, 2024.

(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 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 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-contentuploads/2024/05/Familirazation-Programme-2023-24.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.

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 2024-25.

Cost Auditors:

The Cost Auditors has filed the Cost Audit Report with Ministry of Corporate Affairs for the Financial Year ended 31 March, 2023 on 17 August, 2023.

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 2024-25. 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 34th 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, 2024.

The Report on the Secretarial Audit for the year ended 31 March, 2024 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 Companies Act, 2013, Annual Return of the Company as on 31 March, 2024 is hosted on website of the Company at https://aiaengineering.com/wp-content/uploads/2024/07/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 ₹ 1,652.10 Lakhs and the Company has spent ₹ 1,652.10 Lakhs during the Financial Year ended 31 March, 2024. 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:

At AIA Engineering, our commitments to sustainability are deeply embedded in our Company culture. The Company has an ambition to create a zero-harm culture. A safety culture that embraces care and trust as core values is fundamental for achieving improved outcomes. We work towards consistently improving our safety culture and to encourage the wellbeing of all our employees. Our employees are strongly encouraged to pursue these goals by observing safety rules and procedures. It protects the safety and occupational health of our workforce.

We continuously strive to minimise our environmental footprint by reducing our Greenhouse Gas (GHG) emissions and our energy consumption. We are improving energy efficiency, investing in renewable power generation technologies, and considering new solutions towards water conservation, managing waste through recycling and waste minimisation activities.

Since 2021, we have been diligently estimating our GHG emissions, covering Scope 1, 2, and 3 categories. Currently, we are exploring the feasibility of aligning with international guidelines by setting an emissions reduction target. Our comprehensive strategy involves exploring various avenues to reduce emissions across our value chain. This includes exploring low-carbon fuel adoption, transitioning towards grid electricity from renewable sources, expanding our renewable energy generation capacity. Furthermore, we are committed to produce responsibly by developing products that not only enhance operational efficiency but also help our customers reduce their carbon footprint. By supplying novel products to our customers, we are not only improving our own environmental impact but also contributing to the overall targets of Net Zero alignment for our customers as well. We manage our impact on the natural environment, both today and with future generations in mind.

Priority of the Company is to maintain its commitment to operational excellence, social responsibility, and environmental stewardship. We contribute toward a global environment where people can live safe, healthy, and productive lives.

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: 7 August, 2024

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 7,10,054 Units.
2. Technology up gradation as mentioned below leading to energy savings of 5,40,296 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 which results in reduction in our Scope 1 emissions. 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. By improved temperature & pressures settings in coil cooling pump & compressor, Company saved 3,90,640 Units.

Renewable Energy:

The Company has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites and 3 sets of Hybrid (Wind+Solar) at Amreli, Gujarat which have total installed capacity of 37.38 MW of renewable energy. In Financial Year 2023-24, the Company was able to generate 85,127.199 MW through renewable energy sources.

(I) POWER & FUEL CONSUMPTION:

Particulars		For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Electricity			
a)	Purchased Units (In Lakhs)	3,518.49	3,550.92
	Total Amount (₹ Lakhs)	26,567.11	27,017.82
	Rate/Unit (₹)	7.55	7.61
b)	Own Generation		
	Through Diesel Generator Unit	1,90,126	1,82,945
	Unit per Litre of Diesel Oil	2.01	1.90
	Cost/Unit (₹)	45.87	49.33
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)	5,01,473	5,11,143
	Total Amount (₹ Lakhs)	271.29	325.75
	Average Rate (₹)	54.10	63.73
f)	PNG Consumption		
	Quantity Unit (SCM) (In Lakhs)	71.62	98.87
	Total Cost (₹ Lakhs)	4,751.57	7,973.13
	Rate/Unit (₹)	66.34	80.64
g)	LPG Consumption		
	Quantity in Tons	5,746.01	2,095.73
	Total Amount (₹ Lakhs)	3,458.38	1,512.50
	Rate/Unit (₹)	60.19	72.17

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

(₹ in Lakhs)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Product:		
Casting Unit (Tonnes)	2,86,018	2,79,259
Electricity per Ton of Castings (Units)	1,230.83	1,272.20

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 metallic liners with outside bolting.
2. Benefits derived as a result of the above efforts
   - Liners with arrangement for bolting from outside provide increased safety by avoiding the need of people remaining in the mill during mill relining.
3. Imported technology

   Nil

D) FOREIGN EXCHNAGE EARNINGS AND OUTGO :

(₹ in Lakhs)

Particulars		For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
i)	Total Foreign Exchange used	51,120.72	42,528.10
ii)	Total Foreign Exchange earned	2,76,976.80	2,75,419.99

For and on behalf of the Board,

Rajendra S. Shah
Chairman
(DIN: 00061922)

Place: Ahmedabad
Date: 7 August, 2024

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 1 January, 2024
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.	14 May, 2024
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: 7 August, 2024

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) Proprietary) Limited - South Africa
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
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024
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
			BS 83.3466	BS 105.7918	BS 83.3466	BS 4.4090
			PL 83.7287	PL 103.5794	PL 83.7287	PL 4.4560
Share Capital	63.84	1.00	270.88	10.40	41.67	0.014
Reserves & Surplus	3,967.46	-	29,432.21	807.77	2,821.32	59.36
Total Assets	4,981.46	606.69	1,55,310.02	989.18	43,908.93	839.76
Total Liabilities	950.18	605.69	1,25,606.93	171.01	41,045.93	780.39
Investments	1,864.57	-	13,705.97	-	-	-
Turnover	9,107.30	-	2,85,050.87	220.45	66,655.39	2,202.31
Profit Before Taxation	700.84	-	14,696.55	813.76	1,043.18	44.94
Provision for Taxation	175.99	-	-	6.99	258.89	5.87
Profit After Taxation	524.85	-	14,696.55	806.77	784.29	39.07
Proposed Dividend	15.95	-	-	-	-	-
% of Shareholding	74.85%	100%	100%	100% by Vega ME	100% by Vega ME	74.63% by Vega ME

Name of the Subsidiary	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	Vega Industries Peru Limited, Peru
The date since when subsidiary was acquired	28 August, 2010	31 July, 2015	22 May, 2017	01 March, 2018	12 June, 2018	31 July, 2023
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of the Foreign Subsidiary.	CNY	IDR	CLP	USD	AUD	SOL
	BS 11.5351	BS 0.0053	BS 0.0851	BS 83.3466	BS 54.3683	BS 22.4062
	PL 11.5313	PL 0.0054	PL 0.0969	PL 82.7287	PL 54.4869	PL 22.2401
Share Capital	250.04	166.69	88.35	833.47	0.06	83.35
Reserves & Surplus	178.65	(1,041.28)	(799.50)	(3,277.26)	1,055.94	(94.42)
Total Assets	3,203.34	3,250.56	5,480.67	23,540.27	18,192.67	14.09
Total Liabilities	2,774.65	4,125.14	6,191.82	25,984.06	17,136.64	25.16
Investments	-	-	-	-	-	-
Turnover	5,305.41	4,181.42	6,589.49	37,200.24	34,841.07	-
Profit Before Taxation	292.38	194.88	(691.89)	686.07	624.92	(93.07)
Provision for Taxation	12.89	-	-	1,032.74	187.48	-
Profit After Taxation	279.48	194.88	(691.89)	(346.68)	437.44	(93.07)
Proposed Dividend	-	-	-	-	-	-
% of Shareholding	100% by Vega ME	99% by Vega ME & 1% by AIA	100% by Vega ME	100% by Vega ME	100% by Vega ME	99% by Vega ME & 1% by AIA

Part – "B": Associates & joint ventures

Name of Associates / Joint Ventures	VEGA MPS PTY LIMITED	Clean Max Meidius Private Limited
Latest Audited Balance Sheet Date	31 March, 2024	31 March, 2024
Shares of Associates / Joint Ventures held by the Company on the year end		
I. No.	129 Equity Shares	24,478 Equity Shares
II. Amount of Investment in Associate / Joint Venture	₹ 6,414.54 Lakhs	₹ 396.25 Lakhs
III. Extent of holding %	43% by Vega Industries (Middle East) FZC - UAE	26%
Description of how there is significant influence	As per Companies Act, 2013	As per Companies Act, 2013
Reason why the Associate / Joint Venture is not consolidated	AIA does not have any control in Management	AIA does not have any control in Management
Net Worth attributable to Shareholding as per latest audited Balance Sheet	₹ 151.23 Lakhs	-
Profit / Loss for the year		
I. Considered in Consolidation	Yes	NA
II. Not considered in Consolidation	NA	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: 7 August, 2024

Place: Ahmedabad
Date: 7 August, 2024

ANNEXURE "C"

Business Responsibility and Sustainability Report (BRSR) (Refer to page number 35 - 90)

ANNEXURE-“D” TO BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

[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, 2024, 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, 2024 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) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(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”).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, however, while the Company is maintaining structural digital database under the provisions of Rule 3[5] and 3[6] of SEBI [Prohibition of Insider Trading] Regulations, 2015, in digital form, the capturing of some of the UPSI entries in the SDD Software has been done with a delay from the actual date of sharing of UPSI.

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 reasonably in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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:

The Board of Directors have at their meeting held on 13 December, 2023 passed a resolution for acquisition and delisting of equity shares of Welcast Steels Limited, a subsidiary company 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: F003459F000369572

Place: Ahmedabad
Date: 14 May, 2024

"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: F003459F000369572

Place: Ahmedabad
Date: 14 May, 2024

ANNEXURE-"E" TO BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2023-24

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	3
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	3
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) : ₹ 82,604.86 Lakhs

   b. Two percent of average Net Profit of the Company as per Section 135 (5) : ₹ 1,652.10 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: ₹ 1,652.10 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project): ₹ 1,652.10 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): ₹ 1,652.10 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
1,652.10	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)	₹ 1,652.10 Lakhs
ii.	Total amount spent for the Financial Year	₹ 1,652.10 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 ₹ Lakhs)	Balance Amount in Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹ Lakhs)	Amount Spent in the Financial Year (in ₹ Lakhs)	Amount transferred to a Fund as specified under Schedule VII as persecond proviso to Sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ Lakhs)	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of Transfer		
1	2020-21	-	-	-	0.50	14 September, 2021	-	-
2	2021-22	-	-	-	12.12	28 May, 2022	-	-
3	2022-23	-	-	-	-	-	-	-

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: 7 August, 2024

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	26.00
Mr. Yashwant M. Patel	6.11
Mr. Rajendra S. Shah	0.52
Mr. Sanjay S. Majmudar	4.96
Mr. Rajan Harivallabhdas	0.44
Mr. Dileep C. Choksi	0.29
Mrs. Khushali S. Solanki	3.95
Mrs. Bhumika S. Shodhan	0.37
Mrs. Janaki Udayan Shah	0.32

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	16.07
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	7.94
Mr. S. N. Jetheliya, Company Secretary	10.10

3) The percentage increase in the median remuneration of employees in the Financial Year was 5.97%.

4) There were 1,355 permanent employees on the rolls of the Company as on 31 March, 2024.

5) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 6.13% whereas the average increase in the managerial remuneration was 12.63%.

6) The members have at the 31st Annual General Meeting of the Company held on 3 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: 7 August, 2024

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 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 5 times during the Financial Year under review on 25 May, 2023, 2 August, 2023, 6 November, 2023, 13 December, 2023 and 7 February, 2024. 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, 2024 are as follows:

Name of the Board Member	Category	Attendance at the Board of Directors Meeting held on					Attended AGM held on 19 September, 2023
		25 May, 2023	2 August, 2023	6 November, 2023	13 December, 2023	7 February, 2024	
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	√	L.A.	√	√	√	√
Mr. Dileep C. Choksi	Independent Director	√	√	√	√	L.A.	√
Mrs. Khushali S. Solanki	Non Independent - Non Executive	L.A.	√	√	√	√	√
Mrs. Bhumika S. Shodhan	Non Independent - Non Executive	√	√	√	√	√	√
Mr. Rajan Harivallabhdas	Independent Director	√	√	√	L.A.	√	√
Mrs. Janaki Udayan Shah	Independent Director	L.A.	√	√	√	√	√

L.A. means Leave of Absence

As on 31 March, 2024, 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	2	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	-	-	-	-

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

Details of Directors who are the Directors of other Listed Companies along with Category:

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Rajendra S. Shah	Dishman Carbogen Amics Limited Transformers & Rectifiers (India) Limited Harsha Engineers International Limited	Independent Independent Executive Director - Chairman

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Bhadresh K. Shah	Welcast Steels Limited Zydus Lifesciences Limited	Non – Independent, Non-Executive Independent
Mr. Sanjay S. Majmudar	Dishman Carbogen Amics Limited Welcast Steels Limited Aarvee Denims & Exports Limited Ashima Limited	Independent Independent Independent Independent
Mr. Yashwant M. Patel	--	--
Mr. Dileep C. Choksi	Arvind Limited Deepak Nitrite Limited Swaraj Engines Limited ICICI Prudential Life Insurance Company Limited	Independent Independent Independent 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 ₹ 40,000 for attending a Board Meeting and ₹ 20,000 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 2022-23 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 2023-24 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) FAMILIARIZATION 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 https://aiaengineering.com/wp-content/uploads/2024/05/Familirazation-Programme-2023-24.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 ₹ 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 2023-24, four (4) Audit Committee Meetings were held on 25 May, 2023, 2 August, 2023, 6 November, 2023, and 7 February, 2024. 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, 2023	2 August, 2023	6 November, 2023	7 February, 2024
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, 2023	2 August, 2023
Mr. Sanjay S. Majmudar - Chairman	Independent	√	√
Mr. Rajendra S. Shah	Independent	√	√
Mrs. Khushali S. Solanki	Non-Executive- Non - Independent	L.A.	√

L.A. means Leave of Absence

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, 2023	2 August, 2023	6 November, 2023	7 February, 2024
Mr. Rajendra S. Shah - Chairman	Independent	√	√	√	√
Mr. Bhadresh K. Shah	Executive	√	√	√	√
Mr. Yashwant M. Patel	Executive	√	L.A.	√	√

L.A. means Leave of Absence.

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, 2024.

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, 2024 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, 2023	2 August, 2023	6 November, 2023	7 February, 2024
Mr. Bhadresh K. Shah - Chairman	Executive	√	√	√	√
Mr. Sanjay S. Majmudar	Independent	√	√	√	√
Mr. Yashwant M. Patel	Executive	√	L.A.	√	√
Mr. Rajendra S. Shah	Independent	√	√	√	√
Mrs. Khushali S. Solanki	Non Independent	L.A.	√	√	√
Mrs. Bhumika S. Shodhan	Non Independent	√	√	√	√

L.A. means 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	
		11 May, 2023	6 November, 2023
Mr. Bhadresh K. Shah - Chairman	Executive	√	√
Mr. Yashwant M. Patel	Executive	L.A.	√
Mr. Sanjay S. Majmudar	Independent	√	√
Mrs. Khushali S. Solanki	Non-Independent	√	√
Mrs. Bhumika S. Shodhan	Non-Independent	√	√

L.A. means Leave of Absence.

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, 2023, 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 two Material Subsidiary Companies i.e. Vega Industries (Middle East) FZC. UAE and Vega Industries Limited, USA 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 2023-24 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 2023-24 is given below:

(₹ Lakhs)

Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	102.00	26.97	128.97
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 2023-24 is given below:

(In ₹)

Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	2,60,000
2.	Mr. Sanjay S. Majmudar*	2,60,000
3.	Mr. Dileep C. Choksi	1,45,000
4.	Mr. Rajan Harivallabhdas	2,20,000
5.	Mrs. Khushali S. Solanki**	1,60,000
6.	Mrs. Bhumika S. Shodhan	1,85,000
7.	Mrs. Janaki Udayan Shah	1,60,000

*In addition to sitting fees, ₹ 22.00 Lakhs has been paid as a remuneration by way of Commission for the Financial Year 2022-23 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 2023-24 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:

Mrs. Bhumika Shymal Shodhan (DIN : 02099400), Director of the Company will retire by rotation at the ensuing 34th Annual General Meeting of the Company and being eligible, has offered herself for re-appointment.

Mrs. Janaki Udayan Shah (DIN: 00343343), Independent Director is being re-appointed as an Independent Director for the second term of consecutive five years w.e.f. 12 August, 2024.

The brief resume and other information of the above retiring Directors, 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, 2024 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, 2024 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. SENIOR MANAGEMENT:

Following are the senior management personnel of the Company:

Sr. No.	Name	Designation
1	Mr. Viren Thakkar	Chief Financial Officer
2	Mr. S. N. Jetheliya	Company Secretary
3	Mr. Chetan V. Shah	Business Head
4	Mr. Vinod Kumar	Assistant Vice President

Sr. No.	Name	Designation
5	Mr. P. P. Jain	Controller (QA)
6	Mr. B. K. Reddy	Vice President (Development)
7	Mr. Achyut C. Parikh	Assistant Vice President (Administration & Legal)
8	Mr. Anurag Kothawala	Vice President - Commercial
9	Mr. Snehal Pancholi	Vice President - I.T.
10	Mr. Kushal Bhupendra Shah	General Manager - Technical Services
11	Mr. Pankaj A. Shah	Assistant Vice President (Planning & Coordination)
12	Mr. Kunal D. Shah	Executive Director (Corporate Affairs)
13	Mr. Nilkamal Vakil	Executive Director (Commercial)
14	Mr. B. F. Shah	Executive Director (Commercial)

There were no changes in the senior management since the close of the previous financial year.

IX. 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.

X. 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 of last 3 Annual General Meetings:

Financial Year	Date	Venue	Time
2022-23	19 September, 2023	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.
2021-22	12 September, 2022	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.
2020-21	3 September, 2021	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 1 April, 2022.

Annual General Meeting held on 3 September, 2021:

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

POSTAL BALLOT:

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

XI. GENERAL SHAREHOLDERS' INFORMATION:

Day, Date and Time of 34th AGM	: Monday, 9 September, 2024 at 11.00 a.m.
Venue of AGM	: Through Video Conferencing
Financial Year	: 1 April, 2023 to 31 March, 2024
Record Date	: Tuesday, 20 August, 2024
Registered Office Address	: 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415
Dividend Payment Date	: On or before 8 October, 2024

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 2024-25:

First Quarter Results	: On or before 14 August, 2024
Second Quarter/Half Yearly Results	: On or before 14 November, 2024
Third Quarter Results	: On or before 14 February, 2025
Audited Results for the Financial Year 2024-25	: On or before 30 May, 2025

(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

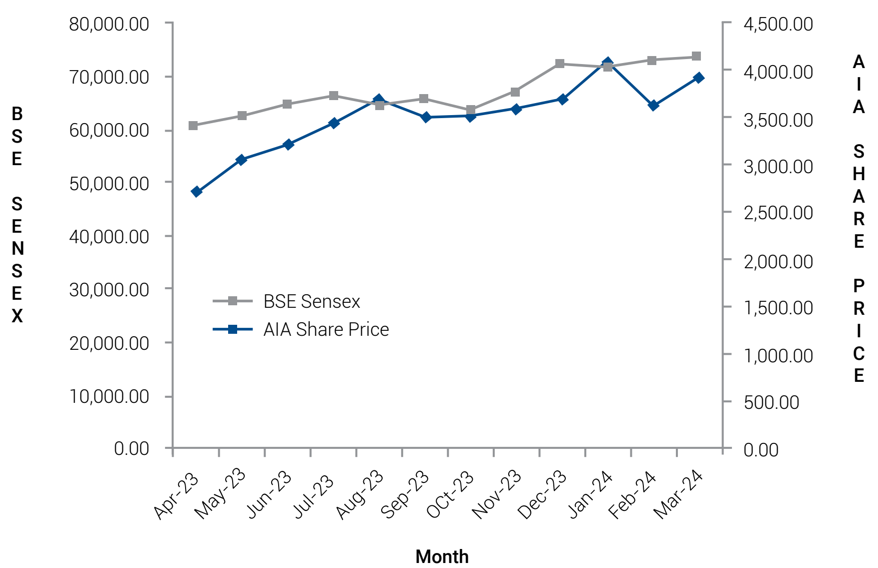
The listing fees for the Financial Year 2024-25 have been paid to both the Stock Exchanges.

(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 23	61,112.44	2,986.20	2,621.00	2,988.00	2,620.00
May 23	62,622.24	3,090.00	2,663.60	3,094.70	2,664.45
June 23	64,718.56	3,519.95	2,995.00	3,498.95	2,994.35
July 23	66,527.67	3,607.90	3,101.95	3,617.60	3,100.75
Aug. 23	64,831.41	3,716.40	3,327.80	3,720.00	3,326.00
Sept. 23	65,828.41	3,824.75	3,365.50	3,824.00	3,365.25
Oct. 23	63,874.93	3,595.95	3,344.70	3,598.00	3,340.05
Nov. 23	66,988.44	3,840.45	3,410.00	3,830.00	3,404.60
Dec. 23	72,240.26	3,783.50	3,492.10	3,781.30	3,488.05
Jan. 24	71,752.11	4,236.70	3,531.85	4,235.00	3,525.75
Feb. 24	72,500.30	4,624.50	3,636.05	4,630.00	3,634.90
Mar. 24	73,651.35	3,975.60	3,565.00	3,975.00	3,554.10

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 1 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/MIRSD-PoD-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. 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.

As advised by SEBI, Link Intime India Private Limited has launched "SWAYAM" portal exclusively for the Investors serviced by Link Intime India Private Limited. 'SWAYAM' is a secure, user-friendly web-based application, developed by "Link Intime India Pvt Ltd.", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

iii. Physical Shareholding:

The Company hereby informs the Members that as per SEBI Circular, effective from 1 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/ Demand Drafts to the Members.

b. Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of Seven consecutive years to the Investor Education & Protection Fund established by the Government of India. During the year under review, the Company has transferred to the said Fund ₹ 2,43,558 for the year ended 31 March, 2016 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 2023-24, the Company has transferred 102 Equity Shares to IEPF Authority pertaining to shareholders who have not claimed/encashed dividend for 7 consecutive years since the Financial Year 2015-16.

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

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

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: ahmedabad@linkintime.co.in

(e) Distribution of Shareholding:

(i) Shareholding pattern as on 31 March, 2024:

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	-	1,65,97,866	1,65,97,866	17.60
Alternative Investment Fund	-	4,47,233	4,47,233	0.47
Financial Institutions /Non Nationalised Bank	-	10	10	0.00
Foreign Portfolio Investor (Corporate) - I	-	1,67,43,208	1,67,43,208	17.75
Foreign Portfolio Investor (Corporate) – II	-	3,90,957	3,90,957	0.41
Insurance Companies	-	23,18,709	23,18,709	2.46
Central Government	-	11,483	11,483	0.01
Key Managerial Personnel	-	6,500	6,500	0.01
Directors and their relatives (excluding independent Directors and nominee Directors)	-	50	50	0.00
NRIs	-	1,90,032	1,90,032	0.20
Other Corporate Bodies	-	2,09,571	2,09,571	0.22
Body Corporate – Limited Liability Partnership	-	15,402	15,402	0.02
NBFC registered with RBI	-	9,101	9,101	0.01
Indian Public	15	21,33,245	21,33,260	2.26
Clearing Members	-	2,751	2,751	0.00
Hindu Undivided Family	-	90,892	90,892	0.10
Trusts	-	2,473	2,473	0.00
IEPF	-	1,951	1,951	0.00
Total	**15**	**9,43,20,355**	**9,43,20,370**	**100.00**

(ii) Distribution of Shareholding as on 31 March, 2024:

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	44,824	97.73	14,67,174	1.56
501 to 1000	406	0.89	2,85,911	0.30
1001 to 2000	199	0.43	2,87,683	0.30
2001 to 3000	74	0.16	1,85,989	0.20
3001 to 4000	35	0.08	1,22,557	0.13
4001 to 5000	32	0.07	1,48,686	0.16
5001 to 10000	75	0.16	5,36,741	0.57
10001 & above	219	0.48	9,12,85,629	96.78
Grand Total	**45,864**	100.00	**9,43,20,370**	**100.00**
Shareholders in Physical Mode	3	0.01	15	0.00
Shareholders in Electronic Mode	45,861	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, 2024, 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 ₹ 58.09 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 29 February, 2024 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. 210/A, Kerala GIDC Taluka-Dholka, Kerala GIDC, Bavla, Ahmedabad, Gujarat, 382220
16. Plot No. 302, 303, 312 and 313, Kerala GIDC 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 - 621 115 (erstwhile DCPL Foundries Limited)
19. Plot No. 209, S N 197 p and S N 199 p, Kerala GIDC Taluka-Bavla, Ahmedabad, Gujarat, 382220
20. Survey No. 179/p, 183/p and 184/p Industrial Plot No. 404, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220
21 Survey No. 33 and 34, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220
22. Survey No. 461-old Block No. 533p, Mouje-Kunjad, Taluka-Dascroi, Ahmedabad, Gujarat, 382415

(l) Address for Correspondence:

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

Link Intime India Private Limited	**Link Intime India Private Limited**
C 101, 247 Park, L B S Marg,	5th Floor 506 to 508, Amarnath Business Centre -1,
Vikhroli (W),	Besides Gala Business Centre,
Mumbai 400 083	Nr. St. Xavier's College Corner, Off. C. G. Road,
	Ellisbridge, Ahmedabad 380 006
Phone No. 022-49186270 Fax No. 022-49186060	Phone – 079-26465179
E-mail : rnt.helpdesk@linkintime.co.in	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	11-12, Sigma Corporates
115, GVMM Estate, Odhav Road, Odhav,	B/h. HOF Showroom, Sindhu Bhavan Road,
Ahmedabad-382 415	Off. S.G. Highway, Bodakdev,
Phone No. 079-22901078-81	Ahmedabad-380 054
Fax No. 079-22901077	Phone No. 079-66047800 Fax No. 079-29900194
Investors' related query E-mail : ric@aiaengineering.com	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 nationwide 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, 2024, 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, 2024.

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 : F003459F000369605

Place : Ahmedabad
Date : 14 May, 2024

The above Corporate Governance Report was adopted by the Board of Directors at its meeting held on 14 May, 2024.

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 Code of Conducts adopted by the Board for the Financial Year 2023-24.

(Bhadresh K. Shah)
Managing Director
DIN: 00058177

Place: Ahmedabad
Date: 14 May, 2024

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, Ahmed-abad- 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 the 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, 2024 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 or any 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	7 November, 2014
3.	Mr. Dileep Chinubhai Choksi	00016322	27 January, 2014
4.	Mrs. Khushali Samip Solanki	07008918	7 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	7 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 : F003459F000369594

Place: Ahmedabad
Date: 14 May, 2024

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, 2024 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: 14 May, 2024

Viren K. Thakkar
Chief Financial Officer

Place: Ahmedabad
Date : 14 May, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY OVERVIEW:

The journey over the past few years has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, the Russia-Ukraine war that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronised monetary policy tightening. The global GDP is estimated to have grown at 3.2% in Calender Year 2023, lower than 3.5% in Calender Year 2022, led by fears of a hard recession. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major merging market economies did not suffer sudden stops. Economic growth has been stronger than expected in the second half of Calender Year 2023 in the United States, and several major emerging market and developing economies. However, the rising momentum was not felt everywhere, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive sectors. And lastly, the on-going Red sea crisis that has plunged certain shipping routes into uncertainty, and consequent rising shipping costs, is a reminder of the volatile world that we live in.

AIA Engineering Limited (AIA), manufactures various size of High Chrome Grinding Media balls which is parts for Mill Internals being that are used in the process of Crushing and Grinding in Cement, Mining and Thermal Power industries. The Company employs casting process for the manufacture of these products.

In Financial Year 2023-24, the world had largely come out of the impacts due Covid-19 pandemic linked uncertainities. However the world continues to be highly volatile with several parts of the world under-going serious conditions of war, unrest and political uncertainty. Europe and the world continue to be impacted by the war between Russia and Ukraine while the middle east continues to be at precipice on account of the skirmish between Israel and Hamas. This has further led to interruptions in Red Sea which has brought immense uncertainty and rising costs to sea borne trade. The world is still not close to being normalised with fear still occupying minds of decision makers. Prices of major commodities including metals showed erratic movement though the year and reached to high prices seen Post-Covid.

For Cement, India looks to be bright spot with major thrust on investment shown by the Government to build highways and other base infrastructure across the country. This has been further aided by private investment in building new capacities in industry and real estate. This should translate into higher Cement sales and in turn demand for our products. Other than India, Cement industry continues to grow at a marginal pace. Overall we continue to expect this segment to be flat to low growth.

We remain optimistic about our prospects for Mining segment with a large conventional grinding media market in forged media that we continue to target to convert to High Chrome Grinding Media. We believe that Copper will remain a commodity of interest as world consumes more electronics and EVs and other renewable power generation infrastructure become a larger part of the energy grid. At the same time, it takes longer than a decade to set up new greenfield mine site while ore quality from existing mine continues to deteriorate. This creates a significant fit for our solutions for Copper mines where we can help mines make good some of their lost output. Likewise, for Gold mines, our solutions helps increase recovery while reducing operating costs. We continue to invest significant resources in both these minerals and sharpening our offering. In addition we continue to work with iron ore mines to help them with their cost optimisation projects.

B. SEGMENTWISE PERFORMANCE:

The Company primarily operates in only one Segment i.e. Manufacturing of High Chrome Mill Internals. In Fiscal Year 2023-24, 71.20 % of its Total Sales came from outside India while balance 28.80 % came from within India.

C. OUTLOOK AND PROSPECTS:

Company's future growth of business is always linked to growth of the industries like 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.

Cement Industry is largely converted into High Chrome Mill Internals use, Company's growth is linked mainly to the overall growth of the Industry. Cement industry growth remains low on account of heavy infrastructure already built in the western world and China, which drove global growth in Cement consumption in last two decades, also tapering down its consumption. We continue remain closely involved with all key Cement manufacturers and invest resources to be able to help them optimise their grinding operations and remain a valued partner.

Major growth driver for Company continues to be the huge conversion opportunity available in the Mining Industry space. The addressable market opportunity is around 2 to 2.5 million tonnes (of annual consumption) for the three ores on which the Company is focusfsed upon viz. Gold, Copper and Iron Ore. The level of penetration of High Chrome Grinding Media is less than 15%, which offers a significant opportunity for growth through conversion 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 excited about 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 as well its own proprietary designs, 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 Financial Year 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. Commissioning of said Mining Liner plant resulted in increase in capacity by 20,000 MT.

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 Financial Year 2023-24 at least for first Quarter the Ferro Chromium prices continued to rise whereas in the second and third quarter there was a small 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. 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. Company 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 significant market share 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.

D. CAPEX PLAN:

Over the past five years, we have witnessed a positive trend in net cash generated from operating activities despite having challenges related to the metal prices, freight costs and global economic growth. This demonstrates our strong capital efficiency, i.e. effective conversion of operational performance into cash flows, which is vital for funding our growth initiatives and meeting our financial obligations. With a commitment to long-term growth, we have consistently prioritised allocating substantial financial resources towards capital expenditure. These strategic investments are designed to enhance operational capabilities, support expansion plans and ensure a robust and sustainable future for our Company. Accordingly, our capex proposals are from internal cash accruals.

The Company's current capacity stands at 4,60,000 MT Per Annum.

The Company is well progressing on implementing the second phase of Grinding Media Greenfield expansion project with a capacity of 36,000 MT at Kerala GIDC near Ahmedabad and expected to come in production by December 2024.

The Company has a plant cluster in Odhav in Ahmedabad primarily for production of parts other than Grinding Media. For this cluster, Company is progressing on a one-time upgradation project which includes capacity de-bottlenecking and restructuring, creation of warehouse space, pattern storage facilities and related infrastructure. While the project will continue in phases over next year the capacity optimisation of 20,000 MT of castings is now completed.

Being a responsible corporate citizen, we are dedicated to the conservation of environment. The Company recognise the significance of renewable energy in combating climate change. Keeping this as our primary objective for Financial Year 2024-25, The Company further plans to invest in Renewable Energy Projects (including Solar and Wind) by investing ₹ 30 to ₹ 40 Crores. In fiscal year 2025-26, it is estimated that 60% to 70% of total power consumed will come from renewable sources.

E. RISKS AND CONCERNS:

Risk Management Framework provides consistent, clear and robust framework for managing risks across the group and thus is fundamental to our performance and progress as a company. WE CARE is the one common, unifying thread that runs through everything we do at Company. We are continuously working to deliver a sustainable future along with stakeholders. Our integrated risk management helps the group in management of risks at both strategic and operational levels and enables achievement of short and long term business outcomes. It ensures a safe and compliant operating environment, aligned to our values and behaviours.

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 - Gaza Crisis.

Treasury Risks: Company faces following key financial risks, which is actively managed by Treasury Team.

Foreign Exchange (FX) Risk: Presence in different geographies exposes the Company to high volatility in currencies of different countries due to higher export in turnover and import of raw material. Given the prediction of reduction in US interest rates, the Dollar remained strong against most currencies through the year.

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, payables and forecasted revenue.

Credit Risk on Investment Portfolio: Company deploys its investible surplus in Government securities, State Government securities, AAA Corporate bonds, Commercial Papers, Fixed Deposits and Debt mutual funds. Corporate bonds and Debt Mutual Fund investments bear credit risk.

Direct investments are restricted to Board approved select AAA rated corporates. Debt Mutual Fund investments are managed and monitored based on a Internal Risk Management Framework.

Raw Material Fluctuation: The Company, always focuses on providing world class quality product to its customers and to do so, we engage in sourcing raw material from reliable sources. Limited Sources for procurement of Raw Material, Lack of substitution of in respect of Raw Material and high volatility in prices of MS Scrap, SS Scrap, CS Scrap and Ferro Chrome in Global Market puts pressure on cost of the production.

To mitigate this risk, the Company has actively engaged in developing a network of local and global vendors and dual sourcing of raw material. 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: Risk of Customer Receipt default due to increasing global footprint. 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. Company has taken up comprehensive credit insurance policy to mitigate risks around financial conditions of export customers.

Disruption in Supply Chain: Due to Red Sea, Israel – GAZA and Russia-Ukraine Crisis, there are chances of disruption in overall exports and imports. There are possibility of jump in overall outward and inward freight expenses. Working capital may increase because transit time may increase. 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.

Compliance Risks: The Company operates in different geographies, each having its own regulatory landscape, which continuously evolves, changes, and undergoes increased scrutiny from the regulators. Any non-compliance with regulations or scrutiny process can result in dilution of financial position or jeopardise Company's reputation.

Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to non-compliance'. This is implemented through:

- Assessment of regulatory and compliance requirements on regular basis.
- Robust internal controls.

Environmental, Social and Governance Risks: Organisation must sustain growth in a continuously evolving global eco-system with unpredicted externalities. They can be challenged, if they do not aim for holistically enhancing stakeholders' value, including striving to mitigate risks associated with environmental and climate change. Sustainable value creation can no longer be ESG-risk agnostic, which has now evolved as new yardstick in addition to profitability and capital efficiency returns.

Company has embarked on a structured process to better understand and manage evolving ESG risks. This includes adopting a structured ESG framework and strategy, based on international standards and structures.

Information Technology Risks: Risk of loss or disclosure of trade secrets, confidential or proprietary information to competitors or to unauthorised sources including external attacks on the Company's IT network.

- The data in the network/on the servers are guarded by access control at domain level. Any unauthorised access is restricted. The administrator privileges are restricted and are not provided to end users. Systems are adequately secured to constrain the access and use of data.
- Vulnerability assessment and penetration testing performed yearly.
- E-mails are decently protected. Gmail filters also exists.
- Laptop Hard drives are encrypted.
- Regular training conducted for all users to ensure effectiveness of IT awareness.
- Critical servers related to SAP are not publicly exposed and accessible only through VPN.
- DR is considered for SAP and DR drills going on as per plan.

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 are the Internal Auditors of the Company except for Procurement & Stores functions, while Deloitte Touche Tohmatsu India LLP. Chartered Accountants are the Internal Auditors of the Company for Procurement & Stores functions. The Company also have in house internal control department who design and operating effectiveness of internal controls system. 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. ORGANISATION TRANSFORMATION:

To enhance plant efficiency and equipment utilisation we have implemented autonomous maintenance at our Kerala GIDC GM plant. This has enhanced the skills of all our operations and maintenance personnel as they function as one team with a common goal / objective. It has resulted in an increased uptime. We have introduced online digital vibration, temperature and oil contamination measurement sensors on critical equipment. Data from these sensors is analysed to predict potential problems or failures so as to prevent them. This is a key component of our journey of moving from preventive maintenance to predictive maintenance.

H. 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	2023-24	2022-23
High Chrome Mill Internals	2,95,509	2,88,088

- **Sales Turnover:**

The Comparative position of Sales Turnover achieved by the Company is as under:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Sales in India (28.80%) (P.Y. 27.07%)	1,37,428.33	1,30,943.36
Sales Outside India (71.20%) (P.Y. 72.93%)	3,39,753.93	3,52,859.12
Total	**4,77,182.26**	**4,83,802.48**

- **Key Performance Indicators :**

An analysis of the key indicators as percentage to Revenue is given below:

(₹ in Lakhs)

Particulars		2023-24	2022-23
1	Revenue from Operations	4,85,376.13	4,90,876.87
2	Cost of Materials Consumed (Including change in Inventories)	2,07,265.15	2,06,582.02
	- % of revenue from operations	42.70%	42.08%
3	Employee Benefit Expense	17,140.29	15,190.16
	- % of revenue from operations	3.53%	3.09%
4	Other Expenses	1,27,595.10	1,45,040.61
	- % of revenue from operations	26.29%	29.55%
5	EBIDTA	1,61,666.94	1,47,518.02
	- % of revenue from operations	33.31%	30.05%
6	Finance Costs	2,837.87	2,010.39
	- % of revenue from operations	0.58%	0.41%
7	Depreciation and Amortisation Expense	10,027.15	9,304.01
	- % of revenue from operations	2.07%	1.90%
8	Profit Before Tax	1,48,801.92	1,36,203.62
	- % of revenue from operations	30.66%	27.75%
9	Profit After Tax (Including Other Comprehensive Income and Minority Interest)	1,11,868.53	1,02,165.98
	- % of revenue from operations	23.05%	20.81%

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	2023-24	2022-23
Sales in India (31.82%) (P.Y. 30.71%)	1,29,262.39	1,22,046.82
Sales Outside India (68.18%) (P.Y. 69.29%)	2,76,941.76	2,75,384.06
Total	**4,06,204.15**	**3,97,430.88**

- **Key performance indicators:**

  An analysis of the key indicators as percentage to Revenue is given below:

(₹ in Lakhs)

Particulars		2023-24	2022-23
1	Revenue from Operations	4,14,394.99	4,04,476.35
2	Cost of Materials Consumed (including change in inventories and purchase of stock in trade)	1,96,378.89	2,01,130.16
	- % of revenue from operations	47.39%	49.73%
3	Employee Benefit Expense	12,276.83	11,040.39
	- % of revenue from operations	2.96%	2.73%
4	Other Expenses	89,475.14	86,910.71
	- % of revenue from operations	21.59%	21.49%
5	EBIDTA	1,59,108.40	1,37,669.05
	- % of revenue from operations	38.40%	34.04%
6	Finance Costs	2,826.07	1,845.36
	- % of revenue from operations	0.68%	0.46%
7	Depreciation and Amortisation Expense	9,821.51	9,115.33
	- % of revenue from operations	2.37%	2.25%
8	Profit Before Tax	1,46,460.82	1,26,708.36
	- % of revenue from operations	35.34%	31.33%
9	Profit After Tax (Including Other Comprehensive Income)	1,13,373.91	96,301.22
	- % of revenue from operations	27.36%	23.81%

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	2023-24	2022-23	Change	Change in %	Explanations
1	Debtors Turnover (Days)	125.03	132.59	(7.56)	(5.7%)	--
2	Inventory Turnover (Days)	59.42	57.67	1.75	3%	--
3	Interest Coverage Ratio	52.82	69.66	(16.84)	(24.20%)	--
4	Current Ratio	9.08	6.51	2.58	39.60%	Due to Increase in Treasury balances and decline in Trade Payable
5	Debt Equity Ratio	0.07	0.09	(0.02)	(22.30%)	--
6	Operating Profit Margin (%)	26.20%	24.23%	1.98	8.20%	--
7	Net Profit Margin (%)	27.80%	24.38%	3.43	14.10%	--
8	Return on Networth (%)	18.94%	19.25%	(0.31)	(1.60%)	--

Consolidated

Sr. No.	Particulars	2023-24	2022-23	Change	Change in %	Explanations
1	Debtors Turnover (Days)	67.39	64.95	2.43	3.70%	--
2	Inventory Turnover (Days)	92.66	92.19	0.46	0.50%	--
3	Interest Coverage Ratio	53.43	68.75	(15.32)	(22.3%)	--
4	Current Ratio	8.01	6.07	1.94	32%	Due to Increase in Treasury balances and decline in Trade Payable.
5	Debt Equity Ratio	0.07	0.09	(0.02)	(21.70%)	--
6	Operating Profit Margin (%)	26.38%	25.78 %	2.16	9.10%	--
7	Net Profit Margin (%)	23.80%	21.83 %	1.97	9%	--
8	Return on Networth (%)	18.39%	20.22 %	(1.83)	(9%)	--

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.

INDEPENDENT AUDITOR'S 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 2024, 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 material 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 2024, 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

See 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;

INDEPENDENT AUDITORS' REPORT (CONTD.)

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

INDEPENDENT AUDITORS' REPORT (CONTD.)

forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on

INDEPENDENT AUDITORS' REPORT (CONTD.)

reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 2024 on its financial position in its standalone financial statements - Refer Note 43 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 56 (a) 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 56 (a) 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 final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 22 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the accounting software:

i. The feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

INDEPENDENT AUDITORS' REPORT (CONTD.)

ii. The feature of recording audit trail was not enabled at the application layer of the accounting software for a few fields/ tables pertaining to revenue, purchase and other processes.

iii. In the absence of independent auditors' report for the period 21 December 2023 to 31 March 2024 in relation to controls at a service organisation for accounting software used for maintaining the books of account relating to payroll process, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature of the said software was enabled and operated for the period 21 December 2023 to 31 March 2024 for all relevant transactions recorded in the software.

Further, for the period audit trail (edit log) facility was enabled we did not come across any instance of the audit trail feature being tampered with except for the accounting software relating to payroll process where we are unable to comment on whether the audit trail feature was tampered with in absence of such comment by the independent auditors' in their report on the controls at the service organization for the period from 1 April 2023 to 20 December 2023. For matters covered in (i) and (ii) above, the question of audit trail feature being tampered with does not arise as the audit trail (edit log) facility was not enabled and for matter covered in (iii) above, we are unable to comment on whether the audit trail feature was tampered with. - Refer Note 56 (b) to the standalone financial statements.

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:24116240BKGSOT7125

Place: Ahmedabad
Date: 14 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

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

(e) According to 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 receipt/ delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

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

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

Particulars	Guarantees (Rs. in lakhs)	Loans (Rs. in lakhs)
Aggregate amount during the year		
Subsidiaries	820.68	-
Others	-	131.14
Balance outstanding as at balance sheet date		
Subsidiaries	1,666.93	-
Others	-	12,750.49

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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 2024 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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

31 March 2024 which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in lakhs)
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 to A.Y. 2022-23	21,598.60	19,575.43
Income tax Act, 1961	Income tax	Income-tax Appellate Tribunal ,Ahmedabad	A.Y. 2017-18 and 2018-19	219.21	219.21
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 and Services tax	Appellate Deputy Commissioner (ST), (GST Appeal), Trichy	F.Y 2019-20 to 2022-23	184.52	184.52
CGST Act, 2017	Goods and Services 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
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 or associate company 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 or associate company (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 2024 (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) 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.

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

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN:24116240BKGSOT7125

Place: Ahmedabad
Date: 14 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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)(g) 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 2024 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 2024, 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 2024 (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:24116240BKGSOT7125

Place: Ahmedabad
Date: 14 May 2024

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2024

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,02,673.41	93,819.77
(b) Right of use assets	5	5,166.94	3,404.27
(c) Capital work-in-progress	6	9,216.99	10,735.15
(d) Goodwill	7	460.69	460.69
(e) Other intangible assets	7	324.23	319.87
(f) Financial assets			
(i) Investments	8	1,577.23	1,572.63
(ii) Trade receivables	9	65.54	11.25
(iii) Loans	10	12,621.04	12,654.49
(iv) Other financial assets	11	531.63	451.90
(g) Other tax assets (net)	12	2,784.36	2,757.86
(h) Other non-current assets	13	4,908.74	2,963.82
Total non-current assets		**1,40,330.80**	1,29,151.70
Current assets			
(a) Inventories	14	69,472.54	62,787.60
(b) Financial assets			
(i) Investments	15	2,91,118.42	2,19,216.37
(ii) Trade receivables	16	1,39,074.85	1,44,357.53
(iii) Cash and cash equivalents	17	5,004.76	11,370.88
(iv) Bank balances other than (iii) above	17	37,206.67	49,834.17
(v) Loans	18	129.45	130.97
(vi) Other financial assets	19	24,735.78	3,926.52
(c) Other current assets	20	11,111.33	10,770.55
Total current assets		**5,77,853.80**	5,02,394.59
Total assets		**7,18,184.60**	6,31,546.29
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	1,886.41	1,886.41
(b) Other equity	22	6,43,697.16	5,45,414.51
Total equity		**6,45,583.57**	5,47,300.92
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	340.50	292.26
(b) Provisions	24	516.40	514.59
(c) Deferred tax liabilities (net)	40 (b)	8,118.74	6,212.04
Total non-current liabilities		**8,975.64**	7,018.89
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	45,459.50	49,600.00
(ii) Lease liabilities	26	281.68	326.26
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		1,928.15	2,606.14
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,615.16	18,299.45
(iv) Other financial liabilities	28	2,632.41	2,313.55
(b) Other current liabilities	29	1,218.36	2,259.14
(c) Provisions	30	451.20	286.23
(d) Current tax liabilities (net)	31	1,038.93	1,535.71
Total current liabilities		**63,625.39**	77,226.48
Total liabilities		**72,601.03**	84,245.37
Total equity and liabilities		**7,18,184.60**	6,31,546.29

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

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in Lakhs)

Particulars	Note	Year ended 31 March, 2024	Year ended 31 March, 2023
INCOME			
Revenue from operations	32	4,14,394.99	4,04,476.35
Other income	33	42,844.27	32,273.96
Total income		**4,57,239.26**	4,36,750.31
Expenses			
Cost of materials consumed	34	1,92,273.72	2,01,494.98
Purchases of stock-in-trade		-	351.65
Changes in inventories of finished goods and work-in-progress	35	4,105.17	(716.47)
Employee benefits expense	36	12,276.83	11,040.39
Finance costs	37	2,826.07	1,845.36
Depreciation and amortisation expense	38	9,821.51	9,115.33
Other expenses	39	89,475.14	86,910.71
Total expenses		**3,10,778.44**	3,10,041.95
Profit before tax		**1,46,460.82**	1,26,708.36
Tax expense	40 (a)		
Current tax		31,890.95	29,309.44
(Excess) / Short provision for tax of earlier years		(194.43)	10.49
Deferred tax		1,819.31	505.87
Total tax expense		**33,515.83**	29,825.80
Profit for the year		**1,12,944.99**	96,882.56
Other Comprehensive Income / (Loss) ('OCI')			
A Items that will not be reclassified to profit and loss	42 (iv)		
(i) Remeasurement of defined employee benefit plans		(23.73)	142.79
(ii) Income tax relating to items that will not be reclassified to profit and loss		5.97	(35.94)
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		361.84	(193.77)
(ii) Fair value changes on debt instrument through OCI		235.09	(725.87)
(iii) Income tax relating to items that will be reclassified to Profit and loss		(150.25)	231.45
Other comprehensive income / (Loss) for the Year (net of taxes)		**428.92**	(581.34)
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**1,13,373.91**	96,301.22
Earnings per equity share of par value ₹ 2 each:			
Basic and diluted	41	119.75	102.72

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

As per our report of even date attached

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2024

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
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 Other OCI	
Balance as at 01 April, 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 owners of the Company							
Contributions and 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
Total Comprehensive income for the year ended 31 March, 2024							
Profit for the year	-	-	-	1,12,944.99	-	-	1,12,944.99
Other Comprehensive income for the year	-	-	-	(17.76)	270.76	175.92	428.92
Transactions with owners of the Company							
Contributions and distributions							
Dividend	-	-	-	(15,091.26)	-	-	(15,091.26)
Balance as at 31 March, 2024	**26,579.52**	**1,925.74**	**16,189.27**	**5,98,662.44**	**631.90**	**(291.71)**	**6,43,697.16**

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. This can be utilised in accordance with the provisions of Companies Act, 2013.

(c) General reserve: The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(d) Retained earnings: Retained earnings represents accumulated profit of the Company as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

(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 or upon discontinuation of hedge relationship.

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

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in Lakhs)

	Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
A.	**Cash flow from operating activities:**		
	Profit before tax	1,46,460.82	1,26,708.36
	Adjustments for:		
	Interest income from financial assets measured at FVTOCI	(12,054.49)	(7,134.88)
	Interest income from financial assets measured at amortised cost	(7,119.73)	(3,269.50)
	Dividend income	(13,533.21)	(8,468.52)
	Gain on sale of current investments	(833.61)	(1,070.73)
	Change in fair valuation of current investments	(4,280.81)	(1,374.02)
	Unrealised loss on foreign exchange fluctuation (net)	429.89	1,067.15
	Net loss / (gain) on sale of property, plant and equipment / termination of leases	136.04	(13.57)
	Bad debts	13.84	82.82
	Depreciation and amortisation expense	9,821.51	9,115.33
	Finance costs	2,826.07	1,845.36
	Provision for warranties made / (written back) (net)	41.87	(3.45)
	Liabilities / provision no longer required written back	(223.43)	(51.47)
	Allowance for expected credit loss written back (net)	(42.16)	(40.23)
		1,21,642.60	1,17,392.65
	Changes in working capital:		
	Decrease / (Increase) in trade receivable	4,962.10	(15,894.49)
	Decrease / (Increase) in loans	34.97	(12,527.85)
	(Increase) / Decrease in inventories	(6,684.94)	14.02
	(Increase) / Decrease in other financial assets	(649.65)	1,327.82
	(Increase) in other non current and current assets	(245.64)	(3,097.58)
	Increase in provisions	101.18	77.10
	(Decrease) / Increase in trade payables	(8,307.43)	5,870.80
	Increase in other financial liabilities	255.77	132.04
	(Decrease) / Increase in other current liabilities	(2,444.47)	261.34
	Cash generated from operations	**1,08,664.49**	93,555.85
	Income taxes paid (net of refunds)	(32,108.22)	(28,842.95)
	Net cash generated from operating activities (A)	**76,556.27**	64,712.90
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress, leasehold land and other intangibles	(20,753.67)	(19,277.51)
	Proceeds from sale of property, plant and equipment	117.32	33.52
	Purchase of investments (net)	(66,415.18)	(1,11,586.45)
	(Investment in) / Redemption of fixed deposits with bank (net)	(5,559.31)	5,732.35
	Amount deposited in escrow account towards voluntary delisting of equity shares of Welcast Steels Limited	(621.94)	-
	Interest income	17,711.78	5,633.94
	Dividend income	13,533.21	8,468.52
	Net cash used in investing activities (B)	**(61,987.79)**	(1,10,995.63)
C.	**Cash flow from financing activities:**		
	(Repayment) / Proceeds from current borrowings (net)	(4,305.03)	49,600.00
	Dividends paid (Net of TDS)	(13,687.57)	(7,706.32)
	Finance costs paid	(2,666.35)	(1,512.57)
	Interest paid on lease liabilities	(52.52)	(56.01)
	Principal repayment of lease liabilities	(337.70)	(333.48)
	Net cash (used in) / generated financing activities (C)	**(21,049.17)**	39,991.62
D.	**Net Decrease in cash and cash equivalents (A+B+C)**	**(6,480.69)**	(6,291.11)
E.	**Add : Cash and cash equivalents at the beginning of the year**	**11,370.88**	17,690.98
F.	**Add / (Less): Effects of movements in exchange rates on cash held**	**114.57**	(28.99)
G.	**Cash and cash equivalents at the end of the year (refer note 1 below)**	**5,004.76**	11,370.88

STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

Note:

1 Cash and cash equivalents include:

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with banks	3,973.53	11,345.49
Balances with banks in fixed deposit (Original maturity of less than 3 months)	1,000.32	-
Cash on hand	30.91	25.39
	5,004.76	11,370.88

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 (including taxes) (Note 22)	Finance Cost
Balance as at 01 April, 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
Repayment of borrowings	(4,305.03)	-	-	-
Dividends paid (Net of TDS)	-	-	(13,687.57)	-
Interest paid	-	(52.52)	-	(2,666.35)
Amount paid during the year	-	(337.70)	-	-
Net movement during the year	**(4,305.03)**	**(390.22)**	**(13,687.57)**	**(2,666.35)**
Remeasurement of lease liability	-	341.37	-	-
Charge to statement of profit and loss	-	52.52	-	2,773.55
Balance as at 31 March, 2024	**45,294.97**	**622.18**	**(13,687.57)**	**164.53**

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

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

As per our report of even date attached

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

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, 2024, 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 material 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 14 May, 2024.

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;
- **Notes 9, 16 and 48** –measurement of expected credit loss allowance

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- **Note 23 and 26** – Lease Liabilities: key assumptions about reasonable certainty of the Company exercising renewal options under the agreement.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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:

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified 12 months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

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 MATERIAL 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. A trade receivable without a significant financing component is initially measured at the transaction price.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 fair value. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 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.

Transition to Ind AS

The cost of property, plant and equipment as at 1 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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)	Useful lives (years) Companies Act
Buildings	3 – 60	3 – 60
Plant and equipments	7 – 22	15 – 22
Furniture and fixtures	10	10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Block of assets	Useful lives (years)	Useful lives (years) Companies Act
Vehicles	8 – 10	6 – 10
Office equipments	5	5
Others – laboratory equipments	10	10
Others – computer hardware	3 – 6	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.

Transition to Ind AS

The cost of intangible assets as at 1 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 a financial asset 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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.

h) Employee benefits

Defined benefit plans

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

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 is not recognised for:

Temporary differences on the initial recognition of assets and liabilities in a transaction that:

- is not a business combination and
- at the time of transaction
    - (i) affects neither accounting nor taxable profit or loss and
    - (ii) does not give rise to equal taxable and deductible temporary differences

Taxable temporary differences arising on the initial recognition of goodwill.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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) Changes in material accounting policies

Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April, 2023. Although the amendments did not result in any changes in accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

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 01 April, 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
Additions during the year	-	3,796.63	14,022.91	256.45	52.52	119.59	259.19	18,507.29
Disposals / adjustments during the year	-	(262.66)	(292.55)	(5.19)	(33.03)	(7.46)	(75.04)	(675.93)
As at 31 March, 2024	**5,211.26**	**47,832.43**	**1,12,470.13**	**1,643.54**	**208.33**	**583.06**	**1,977.30**	**1,69,926.05**
Accumulated depreciation:								
As at 01 April, 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
Depreciation for the year	-	1,620.15	7,371.04	120.38	22.70	60.43	204.97	9,399.67
Disposals / adjustments during the year	-	(94.08)	(249.83)	(1.17)	(23.13)	(7.04)	(46.70)	(421.95)
As at 31 March, 2024	**-**	**11,443.03**	**53,270.51**	**870.33**	**74.18**	**350.34**	**1,244.25**	**67,252.64**
Carrying amount:								
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
As at 31 March, 2024	**5,211.26**	**36,389.40**	**59,199.62**	**773.21**	**134.15**	**232.72**	**733.05**	**1,02,673.41**

* 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, 2024 (CONTD.)

NOTE 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Cost:			
As at 01 April, 2022	3,050.27	1,260.15	4,310.42
Additions during 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
Additions during the year	1,751.70	349.27	2,100.97
Deductions / adjustments during the year	-	(14.55)	(14.55)
As at 31 March, 2024	**4,801.97**	**1,907.95**	**6,709.92**
Depreciation:			
As at 01 April, 2022	160.56	766.99	927.55
Depreciation 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
Depreciation for the year	33.60	297.41	331.01
Deductions / adjustments during the year	-	(7.26)	(7.26)
As at 31 March, 2024	**211.02**	**1,331.96**	**1,542.98**
Carrying amount:			
As at 31 March, 2023	2,872.85	531.42	3,404.27
As at 31 March, 2024	**4,590.95**	**575.99**	**5,166.94**

Notes :

1. Lease contracts entered by the Company 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 ₹ 73.88 Lakhs (PY ₹ 3.22 Lakhs) is recognised in statement of profit and loss towards short term lease and 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, 2024 (CONTD.)

NOTE 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	10,735.15	21,023.40
Additions during the year	16,729.94	17,931.19
Capitalisation during the year	(18,248.10)	(28,219.44)
Balance at the end of the year	**9,216.99**	10,735.15

Notes:

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, 2024

(₹ 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	8,686.72	499.37	3.40	27.50	9,216.99
Projects temporarily suspended	-	-	-	-	-
Total	**8,686.72**	**499.37**	**3.40**	**27.50**	**9,216.99**

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	-	-	-	-	-
Total	10,348.93	202.81	141.70	41.71	10,735.15

CWIP - Completion Schedule of capital working in progress as at 31 March, 2024

(₹ 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 ((Phase III)	8,417.48	-	-	-	8,417.48
Kerala Grinding Media Project ((Phase III)	320.03	-	-	-	320.03
Completion is not overdue:					
Other Projects	479.48	-	-	-	479.48
Total	**9,216.99**	**-**	**-**	**-**	**9,216.99**

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 6 CAPITAL WORK-IN-PROGRESS (CONTD.)

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 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
Completion is not overdue:					
Other Projects	618.43	-	-	-	618.43
Total	10,735.15	-	-	-	10,735.15

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

NOTE 7 GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note (a))
	Software	Patents and Copyrights	Total	
Cost :				
As at 01 April, 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
Additions during the year	77.90	17.29	95.19	-
Disposals / Adjustments during the year	-	-	-	-
As at 31 March, 2024	**1,187.33**	**121.91**	**1,309.24**	**460.69**
Amortisation:				
As at 01 April, 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	-
Amortisation for the year	85.15	5.68	90.83	-
Disposal / Adjustments during the year	-	-	-	-
As at 31 March, 2024	**948.43**	**36.58**	**985.01**	**-**
Carrying Amount				
As at 31 March, 2023	246.15	73.72	319.87	460.69
As at 31 March, 2024	**238.90**	**85.33**	**324.23**	**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, 2024 (CONTD.)

NOTE 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current investments		
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) 3,691 (previous year: nil) equity shares of Vega Industries Peru Limited of face value SOL 1/- each	0.83	-
(d) 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: 422,300) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up #	42.23	42.23
(c) 24,478 (previous year: 24,478) equity shares of Clean Max Meridius Private Limited of face value ₹ 10/- each, fully paid up	41.40	37.63
	1,577.23	1,572.63
Aggregate amount of quoted investments	1,341.05	1,341.05
Aggregate market value of quoted investments	7,381.06	2,806.26
Aggregate amount of unquoted investments	236.18	231.58

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, 2024	As at 31 March, 2023
Non-current trade receivables (unsecured)		
Considered good *	65.54	11.25
Significant increase in credit risk	-	-
Credit impaired	-	-
	65.54	11.25

Refer note 50 for ageing related disclosures.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current loans		
Loans to employees		
Secured, considered good	32.13	46.37
Unsecured, considered good	88.91	108.12
Inter corporate deposit (secured) #		
Others	12,500.00	12,500.00
	12,621.04	12,654.49

Amount has been given to a body corporate, for general corporate purpose repayable after 3 years at an interest rate of 10% (Previous Year 10%) per annum.

NOTE 11 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security deposits (unsecured, considered good)	531.63	451.90
	531.63	451.90

NOTE 12 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance income tax / tax deducted at source	2,784.36	2,757.86
	2,784.36	2,757.86

NOTE 13 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital advances	4,575.77	2,535.71
Others		
Balance with government authorities	6.48	101.62
Advance paid under protest	326.49	326.49
	4,908.74	2,963.82

NOTE 14 INVENTORIES *

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Raw materials	24,658.13	10,943.27
Raw materials in transit	1,276.71	5,125.95
Work-in-progress	22,009.79	22,927.91
Finished goods	10,786.76	13,973.81
Stores and spares	10,713.09	9,772.55
Stores and spares in transit	28.06	44.11
	69,472.54	62,787.60

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 15 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current investments		
Measured at FVTPL		
Investments in mutual funds (quoted)	71,423.16	15,977.17
Investments in bonds (quoted)	32,568.27	30,232.66
Measured at FVTOCI		
Investment in bonds and debentures (quoted)	1,58,860.31	1,73,006.54
Investment in commercial paper (quoted)	19,574.78	-
Investment in government securities (quoted)	8,691.90	-
	2,91,118.42	2,19,216.37
Aggregate amount of quoted investments	2,91,118.42	2,19,216.37
Aggregate market value of quoted investments	2,91,118.42	2,19,216.37

NOTE 16 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current trade receivables (unsecured)		
Considered good * #	1,39,074.85	1,44,357.53
Significant increase in credit risk	-	-
Credit impaired	53.66	95.82
	1,39,128.51	1,44,453.35
Less: Allowance for expected credit loss	(53.66)	(95.82)
	1,39,074.85	1,44,357.53
# Includes trade receivable from related parties (refer Note 45 D).	1,17,871.24	1,22,218.25

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

Refer note 51 for ageing related disclosures.

The average credit period on sale of goods is 0 - 180 days.

NOTE 17 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents		
Balances with banks	3,973.53	11,345.49
Balances with bank in fixed deposit (Original maturity of less than 3 months)	1,000.32	-
Cash on hand	30.91	25.39
	5,004.76	11,370.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 17 CASH AND BANK BALANCES (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Other bank balances		
Balances with bank in fixed deposits (Original maturity within 3 to 12 months)	35,937.95	49,300.00
Balances with bank in fixed deposit against margin money (Original maturity within 3 to 12 months)	638.52	523.92
Earmarked balances with bank (unpaid dividend) *	8.26	10.25
Earmarked balances with bank **	621.94	-
	37,206.67	49,834.17
	42,211.43	61,205.05

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

** The Company has made an Initial Public Announcement on 13 December, 2023, intending to acquire all the equity shares of its Subsidiary Company i.e. Welcast Steels Limited ("WSL") that are held by public shareholders and consequently voluntarily delist the equity shares of WSL from BSE Limited. The aforesaid voluntary delisting of equity shares has been approved by the Board of Directors of WSL on 18 December, 2023 and by the shareholders of WSL on 20 January, 2024. The in-principle approval has been received from BSE Limited on 26 April, 2024 and bidding window was opened from 07 May, 2024 to 13 May, 2024. As the Post Delisting Offer shareholding of the Company has not exceeded 90.00% of the total issued equity shares of WSL, the Delisting Offer is deemed to be unsuccessful in terms of Regulation 21 of the SEBI Delisting Regulations. The Company has deposited the above mentioned amount in an escrow account as per the applicable requirements.

NOTE 18 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current loans		
Loans to employees		
Secured, considered good	16.20	17.89
Unsecured, considered good	113.25	113.08
	129.45	130.97

NOTE 19 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with bank in fixed deposits (Original maturity more than 12 months)	21,456.49	-
Export incentives receivable	1,526.11	1,245.51
Interest accrued on fixed deposits	-	1,329.25
Security deposits (unsecured, considered good)	248.35	226.87
Contractually Reimbursable Expenses (refer Note 45D)	1,172.85	905.01
Derivatives	331.98	219.88
	24,735.78	3,926.52

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances other than capital advances		
Advances to related parties (Refer note 45 D)	-	1.73
Other advances		
Advances to suppliers	5,175.91	4,258.93
Advances to staff	10.66	31.37
Others		
Balances with government authorities	5,070.59	5,641.98
Prepaid expenses	703.21	671.77
Prepaid leave encashment	150.96	164.77
	11,111.33	10,770.55

NOTE 21 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Authorised share capital		
23,00,00,000 (previous year: 23,00,00,000) 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		
9,43,20,370 equity shares (previous year: 9,43,20,370) 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	31 March, 2024		31 March, 2023	
	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 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	31 March, 2024		31 March, 2023	
	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, 2024 (CONTD.)

NOTE 21 SHARE CAPITAL (CONTD.)

(d) Shareholding of Promoters

Shares held by promoters at the end of the year 31 March, 2024

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	-
Total	**5,51,48,921**	**58.47**	

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	-
Total	5,51,48,921	58.47	

NOTE 22 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
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	5,00,826.47	4,12,325.89
Add: Profit for the year	1,12,944.99	96,882.56
Less: Remeasurement of defined benefit plan transferred from OCI	(17.76)	106.85
Less: Dividend on equity shares #	(15,091.26)	(8,488.83)
Balance at the end of the year	5,98,662.44	5,00,826.47
Total reserves and surplus (A)	**6,43,356.97**	5,45,521.00
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	(23.73)	142.79
Tax impact on above [refer Note 40 (c)]	5.97	(35.94)
Less: Transferred to retained earnings	17.76	(106.85)
Balance at the end of the year	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 22 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Items that will be reclassified to statement of profit and loss		
(b) Cash flow hedge reserve:		
Balance at the beginning of the year	361.14	506.14
Recognised in statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	112.09	335.86
Restatements of trade receivables to the extent of hedging	249.75	(529.63)
	361.84	(193.77)
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)]	(28.22)	(84.53)
Tax on Restatements of trade receivables to the extent of hedging	(62.86)	133.30
Tax of earlier years transferred to Hedge Reserve	-	-
Net tax in OCI	(91.08)	48.77
Balance at the end of the year	631.90	361.14
(c) Fair value through other comprehensive income		
Balance at the beginning of the year	(467.63)	75.56
Recognised in statement of profit and loss	235.09	(725.87)
Tax impact on above	(59.17)	182.68
Balance at the end of the year	(291.71)	(467.63)
Total other comprehensive income (B)	**340.19**	(106.49)
Total other equity (A+B)	**6,43,697.16**	5,45,414.51

Note: 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, 2024	As at 31 March, 2023
Final dividend for the financial year 2023-24 [₹ 16 (previous year: ₹ 9) per equity share of ₹ 2 each]	15,091.26	8,488.83

Note:

Board of Directors of the Company have proposed final dividend of ₹ 16 per equity share for the financial year 2023-24. 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, 2024. No interim dividend was declared and paid during the financial year 2023-24.

NOTE 23 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non current lease liabilities	340.50	292.26
	340.50	292.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 24 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current provisions		
Provision for warranties	516.40	514.59
	516.40	514.59
Movement in provision for warranties		
Balance at the beginning of the year	712.81	736.50
Utilisation during the year	(44.34)	(20.24)
Provision for the year #	203.58	97.65
Written back during the year	(161.71)	(101.10)
Balance at the end of the year	**710.34**	712.81
Non-current	516.40	514.59
Current (refer note 30)	193.94	198.22
	710.34	712.81

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 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 period upto 4 years.

NOTE 25 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current borrowings		
Loans from Banks repayable on demand		
Secured	7,723.90	7,700.00
Unsecured	37,735.60	41,900.00
	45,459.50	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 5.40% to 5.70% during the year (Previous Year 3.80% to 5.60%) against first charge over entire current assets of the Company including stock of raw material, work in process, finished goods, stores and spares and goods in transit.
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 5.28% to 5.69% during the year (Previous Year 2.20% to 5.65%).
4. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 5.57% to 5.89% during the year (Previous Year 2.35% to 5.64%).
5. Unsecured Export Packing Credit ('EPC') facilities are availed from HDFC Bank Ltd.carrying interest rate ranging from 5.35% to 6.00% during the year (Previous Year Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 26 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current lease liabilities	281.68	326.26
	281.68	326.26

NOTE 27 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Total outstanding dues of micro enterprises and small enterprises #	1,928.15	2,606.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties [refer Note 45 D]	362.90	244.92
(ii) Due to others	10,252.26	18,054.53
	10,615.16	18,299.45
	12,543.31	20,905.59

Refer note 52 for ageing related disclosures.

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, 2024	As at 31 March, 2023
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)	2,101.44	3,045.49
Interest due thereon remaining unpaid to any supplier as at the end of the year	-	0.30
(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	0.55	-
(c) Amount of interest due and payable For the year 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.	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 28 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Salary, wages and bonus payable (refer note 45 D)	1,463.34	1,426.41
Unpaid dividends *	8.26	10.25
Interest accrued on borrowings	-	57.33
Capital creditors #	901.45	779.04
Amount received under channel financing arrangement	218.84	-
Other payables	40.52	40.52
	2,632.41	2,313.55

* 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 ₹ 173.29 as at 31 March, 2024 (₹ 439.65 as 31 March, 2023).

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, 2024	As at 31 March, 2023
Contract liabilities		
Customer advances	818.73	1,736.46
Others		
Security deposits	1.01	21.12
Statutory dues and other payables	398.62	501.56
	1,218.36	2,259.14

NOTE 30 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current provisions		
Provision for warranties (refer Note 24)	193.94	198.22
Provision for employee benefits (refer Note 42)		
Gratuity	257.26	88.01
	451.20	286.23

NOTE 31 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for income tax (net)	1,038.93	1,535.71
	1,038.93	1,535.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 32 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Sale of products		
Export sales	2,76,941.76	2,75,384.06
Domestic sales	1,29,262.39	1,22,046.82
	4,06,204.15	3,97,430.88
Other operating revenue		
Exports incentives	7,027.24	5,697.71
Other sales	1,163.60	1,347.76
	8,190.84	7,045.47
	4,14,394.99	4,04,476.35

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Reconciliation of revenue from operations with the contracted price:		
Contracted price	4,06,710.53	3,98,965.64
Adjustments :		
- Discounts	(474.11)	(74.88)
- Sales return	(32.27)	(1,459.88)
Sale of products	4,06,204.15	3,97,430.88
Other operating revenue	8,190.84	7,045.47
Revenue from operations	**4,14,394.99**	4,04,476.35
Revenue disaggregation by geography:		
India	1,37,453.23	1,29,092.29
Outside India:		
U.A.E.	2,47,461.58	2,68,694.37
Others	29,480.18	6,689.69
	4,14,394.99	4,04,476.35

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, 2024	As at 31 March, 2023
Trade receivables	1,39,140.39	1,44,368.78
Contract assets	-	-
Contract liabilities		
Advance from customers	818.73	1,736.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 33 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest income from financial assets		
Interest income from financial assets measured at FVTOCI	12,054.49	7,134.88
Interest income from financial assets measured at amortised cost	7,119.73	3,269.50
Dividend Income	13,533.21	8,468.52
Other non-operating income		
Gain on sale of current investments	833.61	1,070.73
Gain on foreign exchange fluctuation (net)	4,689.41	10,757.26
Change in fair value of current investments	4,280.81	1,374.02
Allowance for expected credit loss written back (net)	42.16	40.23
Net gain on sale of property, plant and equipment / termination of leases	-	13.57
Provision for warranties written back (net)	-	3.45
Liabilities / provision no longer required written back	223.43	-
Corporate Guarantee Fees	35.04	-
Miscellaneous receipts	32.38	141.80
	42,844.27	32,273.96

NOTE 34 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening stock at the beginning of the year	16,069.22	17,521.09
Add: Purchases during the year	2,02,139.34	2,00,043.11
Less: Closing stock at the end of the year	25,934.84	16,069.22
	1,92,273.72	2,01,494.98

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening stock		
Work-in-progress	22,927.91	17,822.53
Finished goods	13,973.81	18,362.72
	36,901.72	36,185.25
Closing stock		
Work-in-progress	22,009.79	22,927.91
Finished goods	10,786.76	13,973.81
	32,796.55	36,901.72
	4,105.17	(716.47)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Salaries, wages and bonus	10,938.75	9,764.48
Contribution to provident and other funds	696.16	630.72
Expenses related to post employment defined benefit plans [refer Note 42 (iv)]	233.53	230.80
Staff welfare expenses	408.39	414.39
	12,276.83	11,040.39

NOTE 37 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest on:		
Bank borrowings measured at amortised cost	2,761.65	1,551.99
Income Tax	-	219.45
Lease liabilities	52.52	56.01
Others	11.90	17.91
	2,826.07	1,845.36

NOTE 38 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Depreciation of property, plant and equipment (refer Note 4)	9,399.67	8,724.24
Depreciation of Right of use assets (refer Note 5)	331.01	305.67
Amortisation of intangible assets (refer Note 7)	90.83	85.42
	9,821.51	9,115.33

NOTE 39 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Consumption of stores	29,292.35	30,844.00
Power and Fuel	34,780.83	36,431.41
Contract labour charges	8,737.94	7,406.44
Repairs and maintenance		
- Buildings	338.52	249.24
- Plant and machineries	1,152.99	1,176.73
- Others	830.18	776.23
Lease rent (refer Note 5)	73.88	3.22
Insurance	681.56	617.16
Rates and taxes	133.05	120.20
Security expenses	705.33	551.25
Printing, stationery and communication expenses	142.07	123.55
Travelling and conveyance expense	1,280.27	916.82
Advertisement and sales promotion	20.30	37.05

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 39 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Freight outward expenses (Net of Recoveries)	5,595.43	2,389.19
Royalty expenses	320.72	700.66
Commission expenses	1,133.72	934.05
Warranty expenses	41.87	-
Directors' sitting fees	13.90	8.75
Payments to auditors		
- Statutory audit fees	23.00	21.50
- Quarterly Limited reviews	28.50	26.85
- Certification and other services	3.50	2.30
- Reimbursement of expenses	3.09	2.89
Legal and professional consultancy fees	1,650.97	1,615.84
Bank commission charges	114.16	132.27
Donation	2.48	1.02
Corporate social responsibility expenses (refer Note 53)	1,652.10	1,289.32
Net loss on sale of property, plant and equipment / termination of leases	136.04	-
Bad debts	13.84	82.82
Other miscellaneous expenses	572.55	449.95
	89,475.14	86,910.71

NOTE 40 TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Tax expense		
Provision for current tax	31,890.95	29,309.44
(Excess) / Short provision for tax of earlier years	(194.43)	10.49
Net deferred tax [refer note 40(c)]	1,819.31	505.87
Tax expense for the year	**33,515.83**	29,825.80
(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	7,415.95	5,596.64
Fair valuation of current investments	619.28	560.11
Hedge reserve balance	83.51	55.29
	8,118.74	6,212.04
Deferred tax assets		
Hedge reserve balance	-	-
Others	-	-
	-	-
Deferred tax liabilities (net) [refer Note 40(c)]	**8,118.74**	6,212.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 40 TAX EXPENSES (CONTD.)

(c) Movement in deferred tax

(₹ in Lakhs)

Particulars	Opening balance as at 01 April	Standalone Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2023-24				
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	1,819.31	-	7,415.95
Change in fair value of current investments	560.11	-	59.17	619.28
Hedge reserve balance	55.29	-	28.22	83.51
Deferred tax liabilities (net)	**6,212.04**	**1,819.31**	**87.39**	**8,118.74**

(₹ in Lakhs)

Particulars	Opening balance as at 01 April	Standalone 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
Change in fair value 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

(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	As at 31 March, 2024	As at 31 March, 2023
Profit before tax for the year	1,46,460.82	1,26,708.36
Tax at statutory income tax rate of 25.168% in India	36,861.26	31,889.96
Adjustments:		
Exempted Dividend income from subsidiary not charged to tax	(3,406.04)	(2,131.36)
Income from long term / short term investment taxed at lower rate	(161.46)	(312.97)
Non-deductible expenses for tax purposes	416.50	369.68
Short / (Excess) provision for tax of earlier years	(194.43)	10.49
Tax expense reported in the statement of profit and loss	**33,515.83**	29,825.80

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 41 EARNINGS PER SHARE

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,12,944.99	96,882.56
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 (₹)	119.75	102.72

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	Year ended 31 March, 2024	Year ended 31 March, 2023
Employer's contribution to provident fund	541.19	548.87

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 75 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 government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	**2022-23**
Defined benefit obligation at the beginning of the year	3,311.51	3,212.80
Recognised in statement of profit and loss:		
Current service cost	235.75	229.50
Interest cost	233.68	202.41
Actuarial (gain) / loss recognised in other comprehensive income:		
Due to change in financial assumptions	80.63	(156.17)
Due to change in demographic assumptions	-	-
Due to experience adjustments	(36.57)	22.22
Benefits paid	(165.26)	(199.25)
Defined benefit obligation at the end of the year	**3,659.74**	3,311.51

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	**2022-23**
Fair value of plan assets at the beginning of the year	3,223.50	3,079.34
Interest income	235.90	201.11
Return on plan assets excluding amounts included in interest income	20.33	8.84
Contributions by the employer	88.01	133.46
Benefits paid	(165.26)	(199.25)
Fair value of plan assets at the end of the year	**3,402.48**	3,223.50
Actual return on plan assets	256.23	209.95

(iv) Expense recognised during the year:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	**2022-23**
Current service cost	235.75	229.50
Net interest cost	(2.22)	1.30
Net value of remeasurement on the obligation and plan assets	-	-
Net cost recognised in statement of profit and loss	**233.53**	230.80
Components of actuarial gains / (losses):		
Due to change in financial assumptions	80.63	(156.17)
Due to experience adjustments	(36.57)	22.22
Due to change in demographic assumptions	-	-
Return on plan assets excluding amounts included in interest income	(20.33)	(8.84)
Net cost recognised in other comprehensive income	**23.73**	(142.79)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Present value of obligation	3,659.74	3,311.51
Fair value of plan assets	3,402.48	3,223.50
Net defined benefit liability at end of the year	**257.26**	88.01

(vi) Composition of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Investment funds		
Insurance policies	100%	100%

(vii) Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Financial assumptions		
Discount rate	7.20%	7.45%
Expected rate of return on plan assets	7.20%	7.45%
Salary growth rate	8.50%	8.50%
Weighted average duration	9.06	9.25
Demographic assumptions		
Withdrawal rate	5% at younger ages reducing to 1% at older ages	
Mortality table	Indian assured lives mortality (2012-14)	

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

(viii) Sensitivity analysis:

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

Impact on defined benefit obligations - Gratuity:

(₹ in Lakhs)

Particulars	Increase in assumption		Decrease in assumption	
	2023-24	2022-23	2023-24	2022-23
Discount rate				
Change in assumption by 0.50%	(4.32%)	(4.37%)	4.67%	4.72%
Salary growth rate				
Change in assumption by 0.50%	4.56%	4.62%	(4.27%)	(4.32%)
Withdrawal rate				
Change in assumption by 0.10%	(0.18%)	(0.15%)	0.18%	0.14%

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

(ix) Maturity profile of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	2.83	3.49
25 to 35	230.13	238.59
35 to 45	1,091.54	952.41
45 to 55	1,142.95	1,068.54
above 55	1,192.29	1,048.48
	3,659.74	3,311.51
Past service wise distribution of defined benefit obligation		
Service period in years		
0 to 4	54.67	56.53
4 to 10	282.90	244.72
10 to 15	584.84	690.54
15 and above	2,737.33	2,319.72
	3,659.74	3,311.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

C. Other long-term employee benefits

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

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

Salary for encashment	Basic salary
Salary for availment	Cost to company
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	98
Benefit formula	(Leave days) x (Basic salary) / (Leave denominator)
Leave denominator	30
Leave credited annually	30
Retirement age	58, 60, 62 , 65 or 75 years

Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Leave encashment (funded)	
	2023-24	2022-23
Financial assumptions		
Discount rate	7.20%	7.45%
Expected rate of return on plan assets	7.20%	7.45%
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)	

Leave encashment expenses recognised during the year in the standalone statement of profit and loss amounts to ₹ 206.79 Lakhs (previous year ₹ 111.27 Lakhs)

D. Company's estimate of contributions expected to be paid during financial year 2024-25 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity	257.26
(iii) Other long-term employee benefits	
(a) Leave encashment	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
(a) Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Central Excise, Service tax and Goods and Services tax	205.25	117.74
Income tax		
In High Court (Decision is received in favor of company in ITAT and Income Tax Department has appealed decision of ITAT in High Court).	11,473.81	11,473.81
In Income Tax Appellate Tribunal (ITAT)	219.21	-
In Commissioner of Income-tax (CIT)	21,598.60	15,797.31
Total Income tax	**33,291.62**	27,271.12
Sales tax / VAT	21.70	18.63
Guarantees:		
Outstanding bank guarantees	14,768.30	14,718.29
Outstanding corporate guarantees given to customers / Subsidiary	2,190.34	1,063.26
Letter of Credit	924.13	1,076.93
Others matters including claims related to ESIC, Electricity and Ex-employees	599.26	599.26
	52,000.60	44,865.23
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	5,422.85	10,222.59
	5,422.85	10,222.59

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. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

(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.

NOTE 44 ANTI- DUMPING DUTY

Canada : During the year, the Canada Border Services Agency, after completing the re-investigation review, 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. As per the Order, no anti-dumping duty is leviable if the FOB Value of the goods is above the prescribed prices for certain defined grades and it will be 15.70% for grades other than those specifically defined in the Order. A separate Countervailing Duty of ₹ 3874 per MT continues to be levied on all imports of defined Grinding Media.

Brazil : During the year, The Department of Trade Defense (DECOM), Brazil, has initiated a sun set review of the prevailing anti-dumping duty on grinding media imported into Brazil from India. The Company has submitted its response and the final Order is currently awaited. The Department of Trade Defense (DECOM), Brazil, has initiated a sun set review of the prevailing Countervailing duty on grinding media imported into Brazil from India. The Company is in the process of submitting its response.

USA : Subsequent to 31 March, 2024, the Company and VEGA USA have received a notice from the United States International Trade Commission, seeking some information from the Company and VEGA USA, in relation to the investigations around alleged dumping and subsidising of certain grinding media from India based on complaint filed by Magotteux Inc. The Company and VEGA USA are in the process of taking the required steps for defending the matter in due course.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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, 2024	% of holding as at 31 March, 2023
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 Ltd.*	Australia	100.00%	100.00%
12	Vega Industries Peru Limited****	Peru	100.00%	0.00%

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

** Wholly owned subsidiary of Vega Industries Limited, U.K. (till 16 August, 2023)

*** 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.

**** 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 (w.e.from 01 August, 2023)

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

(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

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	

* Non-Executive director of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 45 RELATED PARTY DISCLOSURES

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, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
1	Sale of products (inclusive of taxes)	2,47,531.38	2,68,802.11	-	-	-	-	27,100.98	23,884.97	-	-	-	-
2	Recovery of freight charges	8,352.84	24,869.09	-	-	-	-	-	-	-	-	-	-
3	Corporate Guarantee Fees	35.04	35.92	-	-	-	-	-	-	-	-	-	-
4	Dividend received	13,533.21	8,468.52	-	-	-	-	-	-	-	-	-	-
5	Insurance premium on ECGC	221.59	192.23	-	-	-	-	-	-	-	-	-	-
6	Recovery of travelling expenses	72.70	42.38	-	-	-	-						
7	Recovery of professional consultancy fees	27.25	98.33	-	-	-	-	-	-	-	-	-	-
8	Purchase of goods (inclusive of taxes)	1,057.45	442.54	-	-	-	-	4,062.24	4,477.01	-	-	-	-
9	Commission expense on sales	24.84	18.85	-	-	-	-	-	-	-	-	-	-
10	CSR expenses	916.80	725.07	-	-	-	-	-	-	-	-	-	-
11	Commission expense on purchases	-	-	-	-	-	-	110.44	90.35	-	-	-	-
12	SAP ERP functional and technical support	-	-	-	-	-	-	99.34	94.58	-	-	-	-
13	Salary, bonus and perquisites	-	-	-	-	-	-	-	-	1.54	1.54	-	-
14	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	88.01	133.46
15	Rent, rates and taxes	-	-	-	-	-	-	-	-	4.22	4.22	-	-
16	Travelling expenses	-	-	-	-	-	-	176.10	153.79	-	-	-	-
17	Directors' remuneration and perquisites	-	-	159.30	141.44	-	-	-	-	-	-	-	-
18	Sitting fees paid	-	-	-	-	10.45	7.25	-	-	3.45	1.50	-	-
19	Commission to Directors	-	-	-	-	22.00	22.00	-	-	18.00	18.00	-	-
	Total	**2,71,773.10**	3,03,695.04	**159.30**	141.44	**32.45**	29.25	**31,549.10**	28,700.70	**27.21**	25.26	**88.01**	133.46
Outstanding balance receivable at year end		**1,19,044.09**	1,23,123.26	-	-	-	-	-	1.73	-	-	-	-
Outstanding balance payable at year end		**25.07**	18.77	**6.44**	6.87	**19.80**	19.80	**317.62**	204.35	**0.41**	0.41	**257.26**	88.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 45 RELATED PARTY DISCLOSURES

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, 2024	31 March, 2023
1	Sale of products (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	2,47,461.58	2,68,694.37
		Welcast Steels Limited	69.80	107.74
		AB Tradelink Private Limited	27,100.98	23,884.97
2	Recovery of freight charges	Vega Industries (Middle East) F.Z.C.	8,352.84	24,869.09
3	Corporate Guarantee Fees	Vega Industries (Middle East) F.Z.C.	35.04	35.92
4	Dividend received	Vega Industries (Middle East) F.Z.C.	13,521.27	8,468.52
		Welcast Steels Limited	11.94	-
5	Insurance premium on ECGC	Vega Industries (Middle East) F.Z.C.	221.59	192.23
6	Purchase of goods (inclusive of taxes)	Welcast Steels Limited	1,037.44	442.54
		Wuxi Vega Trade Co. Limited	20.01	-
		Harsha Engineers International Limited	4,062.24	4,477.01
7	Recovery of travelling expenses	Vega Industries (Middle East) F.Z.C.	72.70	42.38
8	Recovery of professional consultancy fees	Vega Industries (Middle East) F.Z.C.	27.25	98.33
9	Commission expense on sales	Vega Industries (Middle East) F.Z.C.	24.84	18.85
10	CSR expenses	AIA CSR Foundation	916.80	725.07
11	Commission expense on purchases	AB Tradelink Private Limited	110.44	90.35
12	SAP ERP functional and technical support	Discus IT Private Limited	99.34	94.58
13	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
14	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	88.01	133.46
15	Rent, rates and taxes	Mrs. Giraben K. Shah	4.22	4.22
16	Travelling expenses	Vee Connect Travel Private Limited	176.10	153.79
17	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	128.98	111.12
		Mr. Yashwant M. Patel	30.32	30.32
18	Sitting fees paid	Mr. Rajendra S. Shah	2.60	1.75
		Mr. Sanjay S. Majmudar	2.60	1.75
		Mr. Dileep C. Choksi	1.45	1.00
		Mr. Rajan Harivallabhdas	2.20	1.75
		Mrs. Janaki Udayanbhai Shah	1.60	1.00
		Mrs. Khushali Samip Solanki	1.60	0.50
		Mrs. Bhumika Shyamal Shodhan	1.85	1.00
19	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
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 45 RELATED PARTY DISCLOSURES

D The details of amounts due to or due from related parties as at 31 March are as follows:

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2024	31 March, 2023
1	**Trade receivables**			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,15,678.09	1,12,655.23
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	2,193.15	9,563.02
			1,17,871.24	1,22,218.25
2	**Contractually Reimbursable Expenses**			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,172.85	905.01
			1,172.85	905.01
3	**Trade payables**			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	25.07	18.77
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	33.43	8.92
		Harsha Engineers International Limited	270.25	195.43
		Vee Connect Travels Private Limited	13.94	-
	Independent directors	Mr. Sanjay S. Majmudar	**19.80**	19.80
	Relatives of key managerial personnel	Mrs. Giraben K. Shah	0.32	0.32
		Mrs. Gitaben B. Shah	0.09	0.09
			362.90	243.33
4	**Provision for employee benefits**			
	Post employment benefit plan of the Company	AIA Employee's Gratuity Trust Fund, India	257.26	88.01
			257.26	88.01
5	**Advances**			
	Enterprise over which key managerial personnel or close member of their family exercise control	Vee Connect Travels Private Limited	-	1.73
			-	1.73
6	**Bank guarantees**			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,666.93	821.10
			1,666.93	821.10
7	**Other financial liabilities**			
	Key managerial personnel	Mr. Bhadresh K. Shah	4.45	5.00
		Mr. Yashwant M. Patel	1.99	1.87
			6.44	6.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 45 RELATED PARTY DISCLOSURES

E Breakup of compensation paid to key managerial personnel:

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2024	31 March, 2023
1	Short-term employee benefits	Mr. Bhadresh K. Shah	128.98	111.12
		Mr. Yashwant M. Patel	30.32	30.32
			159.30	141.44

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, 2024	31 March, 2023
(1) Revenues from external customers including operating revenue:		
India	1,37,453.23	1,29,092.29
U.A.E. [revenue from Vega Industries (Middle East) F.Z.C.]	2,47,461.58	2,68,694.37
Others	29,480.18	6,689.69
(2) Non-current assets (excluding financial assets and tax assets).:		
India	1,22,751.00	1,11,703.57
Others	-	-

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
(a) Breakup of revenues :		
Revenue from operations	4,06,204.15	3,97,430.88
Other operating revenue	8,190.84	7,045.47
(b) Non-current assets		
Non-current assets (excluding financial instruments and tax assets). All non-current assets of the Company are located in India	1,22,751.00	1,11,703.57

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 FOR THE YEAR ENDED 31 MARCH, 2024 (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, 2023. The management believes that the Company's international transactions with associated enterprises post 31 March, 2023 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 2023-24 and the amount of provision for taxation as at 31 March, 2024.

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 analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

(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>

Movement in allowance for impairment of Trade receivables is as below:

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Balance at the Beginning	95.82	136.05
Impairment loss reversed	(42.16)	(40.23)
Amounts written off	-	-
Balance at the end	**53.66**	95.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

Loss allowance as on 31 March, 2024 and 31 March, 2023 was determined as follows :

As at 31 March, 2024	Weighted Average Loss Rate	Gross Carring Amount	Loss allowance
Unbilled	0.00%	-	-
Not Due	0.02%	15,344.48	3.27
Less than 6 months	0.04%	7,161.98	3.05
6 months - 1 year	0.50%	664.61	3.31
1-2 years	3.57%	193.94	6.92
2-3 years	18.73%	81.88	15.34
More than 3 years	31.52%	69.07	21.77
Gross carrying amount - Direct Customer		23,515.96	53.66
Gross carrying amount - Subsidiary	0.00%	1,15,678.09	-
Total Gross carrying amount		**1,39,194.05**	53.66

As at 31 March, 2023	Weighted Average Loss Rate	Gross Carring Amount	Loss allowance
Unbilled	0.00%	-	-
Not Due	0.03%	19,316.17	6.35
Less than 6 months	0.05%	11,897.33	6.33
6 months - 1 year	0.69%	230.06	1.58
1-2 years	5.66%	103.67	5.87
2-3 years	14.85%	104.21	15.47
More than 3 years	38.13%	157.93	60.22
Gross carrying amount - Direct Customer		31,809.37	95.82
Gross carrying amount - Subsidiary	0.00%	1,12,655.23	-
Total Gross carrying amount		1,44,464.60	95.82

Expected credit loss for loans and deposits:

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, 2024					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	12,750.49	-	-	12,750.49
	Deposits	779.98	-	-	779.98
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
As at 31 March, 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	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

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, 2024	31 March, 2023
Not due	99,919.19	1,02,298.75
0 - 3 months	19,004.66	5,679.38
3 - 6 months	16,117.20	26,416.94
6 - 12 months	3,808.11	9,703.72
Beyond 12 months	344.89	365.81
Gross carrying amount	1,39,194.05	1,44,464.60
Expected credit loss	(53.66)	(95.82)
Net carrying amount	**1,39,140.39**	1,44,368.78

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, 2024	As at 31 March, 2023
0-1 Year	329.79	372.55
2-5 Years	368.77	316.88
Above 5 Years	-	-
Total	**698.56**	689.43

Financing arrangements

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

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Fund and non-fund based facilities	70,012.60	63,604.77

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, 2024			
Non-derivative financial liabilities			
Short term borrowings	45,459.50	-	45,459.50
Trade payables	12,543.31	-	12,543.31
Other financial liabilities	2,632.41	-	2,632.41
Total	**60,635.22**	**-**	**60,635.22**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	0-1 years	1-5 years	Total
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	-	-	-
As at 31 March, 2023			
Non-derivative financial liabilities			
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	-	-	-

Note: Guarantees issued by the Company aggregating to ₹ 1,666.93 Lakhs (previous year: ₹ 821.10 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the Company does not have any present obligation to third parties in relation to such guarantees.

Market risk - interest rate

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to 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.

Interest rate sensitivity

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Borrowings bearing fixed rate of interest	-	-
Borrowings bearing variable rate of interest	45,459.50	49,600.00

Exposure to interest rate risk

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

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Movement - effects on profit before tax		
50 bp increase-decrease in profits	(227.30)	(248.00)
50 bp decrease-increase in profits	227.30	248.00

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

Foreign currency exposure:

Particulars	USD	EURO	ZAR	CAD	AUD	GBP
As at 31 March, 2024:						
Trade receivables (net of hedge) (a)	7,70,02,662	1,33,71,819	1,48,43,872	15,05,140	2,18,35,217	-
Bank balances in EEFC accounts (b)	26,80,562	2,84,876	50	42	23,586	-
Exposure to foreign currency risk (assets) (a+b)	7,96,83,224	1,36,56,695	1,48,43,922	15,05,182	2,18,58,803	-
Trade payables (c)	1,94,381	1,55,019	-	6,704	-	13,027
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	1,94,381	1,55,019	-	6,704	-	13,027
As at 31 March, 2023:						
Trade receivables (net of hedge) (a)	7,46,68,912	1,21,69,407	1,89,36,720	12,79,712	4,20,18,708	-
Bank balances in EEFC accounts (b)	90,47,656	12,94,657	50	42	19,47,466	-
Exposure to foreign currency risk (assets) (a+b)	8,37,16,568	1,34,64,064	1,89,36,770	12,79,754	4,39,66,174	-
Trade payables (c)	5,47,432	19,313	-	-	-	38,150
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	5,47,432	19,313	-	-	-	38,150

Foreign currency risk sensitivity

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
USD sensitivity						
INR / USD- increase by	1.00	1.00	662.51	682.90	529.30	545.59
INR / USD- decrease by	1.00	1.00	(662.51)	(682.90)	(529.30)	(545.59)
Euro sensitivity						
INR / Euro- increase by	1.00	1.00	121.66	106.59	97.19	85.16
INR / Euro- decrease by	1.00	1.00	(121.66)	(106.59)	(97.19)	(85.16)
ZAR sensitivity						
INR / ZAR- increase by	1.00	1.00	6.56	8.77	5.24	7.00
INR / ZAR- decrease by	1.00	1.00	(6.56)	(8.77)	(5.24)	(7.00)
CAD sensitivity						
INR / CAD- increase by	1.00	1.00	9.22	7.77	7.37	6.21
INR / CAD- decrease by	1.00	1.00	(9.22)	(7.77)	(7.37)	(6.21)
AUD sensitivity						
INR / AUD- increase by	1.00	1.00	118.84	241.99	94.95	193.33
INR / AUD- decrease by	1.00	1.00	(118.84)	(241.99)	(94.95)	(193.33)
GBP sensitivity						
INR / GBP- increase by	1.00	1.00	(0.14)	(0.39)	(0.11)	(0.31)
INR / GBP- decrease by	1.00	1.00	0.14	0.39	0.11	0.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

The following significant exchange rates have been applied during the year

Rupees	Average rate		Year-end spot rate	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
USD	82.70	80.04	83.35	82.11
EUR	89.66	83.59	90.10	79.28
ZAR	4.43	4.77	4.42	4.63
CAD	61.33	60.73	61.55	60.70
GBP	103.61	97.60	105.23	101.56
AUD	54.39	55.04	54.37	55.04
AED	22.52	21.80	22.69	22.36
CNY	11.59	11.72	11.54	11.95
RUB	0.94	1.20	0.90	1.06
CLP	0.10	0.09	0.09	0.10
IDR	0.01	0.01	0.01	0.01
GHS	7.06	8.28	6.32	7.11

Derivative financial instruments

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

Cash flow hedge:

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

Currency - sold / bought	Exposure to buy / sell	No. of contracts	Net position		Fair value gain / (loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2024					
USD / INR	Sell	208	2,37,50,000	19,794.82	44.98
AUD / INR		111	1,82,00,000	9,894.92	287.00
					331.98
		Less : Deferred tax			83.55
		Balance in cash flow hedge reserve			**248.43**
31 March, 2023					
USD / INR	Sell	151	1,65,00,000	13,548.61	95.24
AUD/ INR		43	55,50,000	3,054.63	124.45
					219.69
		Less : Deferred tax			55.29
		Balance in cash flow hedge reserve			164.40

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at the beginning of the year (net of tax)	164.40	(86.93)
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	84.03	251.33
Balance at the end of the year (net of tax)	**248.43**	164.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 FINANCIAL RISK MANAGEMENT (CONTD.)

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:

Particulars	(Qty. in MT)	
	2023-24	2022-23
Metal scrap	2,25,206	2,16,410
Ferro chrome	43,485	66,401

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	2023-24	2022-23
Re. 1 increase in commodity price	(2,686.90)	(2,828.11)
Re. 1 decrease in commodity price	2,686.90	2,828.11

(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	2023-24	2022-23
Debt	45,459.50	49,600.00
Total equity	6,45,583.57	5,47,300.92
Debt to total equity	0.07	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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, 2024						
Non-current investments #	8	83.66	-	-	83.66	83.66
Current investments	15	1,03,991.43	1,87,126.99	-	2,91,118.42	1,03,991.43
Trade receivables	9,16	-	-	1,39,140.39	1,39,140.39	-
Loans	10,18	-	-	12,750.49	12,750.49	-
Cash and cash equivalents	17	-	-	5,004.76	5,004.76	-
Bank balances other than above	11,17	-	-	37,206.67	37,206.67	-
Other financial assets	19	331.98	-	24,935.43	25,267.41	331.98
Total		**1,04,407.07**	**1,87,126.99**	**2,19,037.74**	**5,10,571.80**	**1,04,407.07**
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	-
Other financial assets	19	219.88	-	4,158.54	4,378.42	219.88
Total		46,471.97	1,73,006.54	2,22,555.46	4,42,033.97	46,471.97

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 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, 2024						
Borrowings	25	-	-	45,459.50	45,459.50	-
Trade payables	27	-	-	12,543.31	12,543.31	-
Other financial liabilities	28	-	-	2,632.41	2,632.41	-
Total		**-**	**-**	**60,635.22**	**60,635.22**	**-**
As at 31 March, 2023						
Borrowings	25	-	-	49,600.00	49,600.00	-
Trade payables	27	-	-	20,905.59	20,905.59	-
Other financial liabilities	28	-	-	2,313.55	2,313.55	-
Total		**-**	**-**	72,819.14	72,819.14	**-**

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, 2024					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		71,423.16	71,423.16	-	-
Investments in bonds (quoted)		1,91,428.58	1,91,428.58	-	-
Investment in commercial paper (quoted)		19,574.78	-	-	-
Investment in government securities (quoted)		8,691.90	-	-	-
Other Financial assets					
Derivatives		331.98	-	331.98	-
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	-	-
Other Financial assets					
Derivatives		219.88	-	219.88	-

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 50 AGEING OF NON-CURRENT TRADE RECEIVABLES

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	3.47	22.39	6.19	23.47	10.02	65.54
(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	-	-	-	-	-	-	-	-
Total	**-**	**-**	**3.47**	**22.39**	**6.19**	**23.47**	**10.02**	**65.54**

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			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	-	-	-	-	-	-	-	-
Total	-	-	2.64	1.50	3.27	2.44	1.40	11.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 51 AGEING OF CURRENT TRADE RECEIVABLES

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	99,915.92	35,115.34	3,782.41	180.83	43.07	37.28	1,39,074.85
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	3.27	3.05	3.31	6.92	15.34	21.77	53.66
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**99,919.19**	**35,118.39**	**3,785.72**	**187.75**	**58.41**	**59.05**	**1,39,128.51**

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			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	-	-	-	-	-	-	-	-
Total	-	1,02,298.75	32,093.68	9,702.22	100.40	101.77	156.53	1,44,453.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 52 AGEING OF TRADE PAYABLES

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,864.22	63.93	-	-	-	1,928.15
(ii) Others	2,881.68	4,839.84	2,761.34	113.50	15.41	3.39	10,615.16
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**2,881.68**	**6,704.06**	**2,825.27**	**113.50**	**15.41**	**3.39**	**12,543.31**

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			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	-	-	-	-	-	-	-
Total	7,083.01	11,200.07	2,590.67	23.29	3.06	5.49	20,905.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 53 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, 2024	31 March, 2023
1	Corporate Social Responsibility expenses for the year	1,652.10	1,289.32
2	Various Head of expenses included in above:		
	Eradicating hunger, poverty and malnutrition	145.00	35.00
	Promoting healthcare including preventing health care	385.00	222.00
	Promoting education	111.80	156.00
	Heritage, art and culture	65.00	40.25
	Contributions to Indian Institute of Technology (IITs)	8.00	100.00
	Protection of environment and Animal welfare	5.50	11.00
	Promotion of sports	15.00	-
	Contribution to AIA CSR Foundation as per Schedule 7 of the Companies Act, 2013 (refer 3 below)	916.80	725.07
	Gross amount required to be spent by the Company during the year.	1,652.10	1,289.32
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	1,652.10	1,289.32
3	Details of Related party transactions	916.80	725.07
4	Provision for CSR Expenses		
	Opening balance	-	12.12
	Add : Provision created during the year	-	-
	Less : Provision utilised during the year	-	12.12
	Closing balance	-	-
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	0.00	0.00
6	The total of previous years' shortfall amounts	-	-
7	The reason for above shortfalls by way of a note	Not Applicable	
8	The nature of CSR activities undertaken by the Company	As per Schedule VII of the Companies Act, 2013	

NOTE 54 RATIOS

Particulars	31 March, 2024	31 March, 2023	Variance	Remarks
Liquidity Ratio				
(a) Current Ratio (times)	9.08	6.51	39.61%	Increased on account of increase in Investment.
Solvency Ratio				
(a) Debt-Equity Ratio (times)	0.07	0.09	(22.30%)	
(b) Debt Service Coverage Ratio (times)	38.21	48.26	(20.82%)	
Profitability ratio				
(a) Net Profit Ratio (%)	27.80	24.38	14.06%	
(b) Return on Equity Ratio (%)	18.94	19.25	(1.61%)	
(c) Return on Capital employed (%)	21.38	21.34	0.16%	
(d) Return on Investment (%)	7.85	5.96	31.67%	Increased on account of increase in rate of interest.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 54 RATIOS (CONTD.)

Particulars	31 March, 2024	31 March, 2023	Variance	Remarks
Utilisation Ratio				
(a) Trade Receivables turnover ratio (times)	2.92	2.75	6.05%	
(b) Inventory turnover ratio (times)	6.14	6.33	(2.95%)	
(c) Trade payables turnover ratio (times)	23.17	13.70	69.14%	Increased on account of decrease in trade payable.
(d) Net capital turnover ratio (times)	0.79	0.93	(15.49%)	

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

NOTE 55 RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Lakhs)

Sr. no.	Name of struck of companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off company
			31 March, 2024	31 March, 2023	
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 56 (A)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 56 (B)

In accordance with the requirements stipulated under the provisions of Companies Act, 2013 for maintenance of Audit Trail for books of accounts with effect from 01 April, 2023, the Company has enabled the Audit Trail feature at the application level of Accounting Software SAP, except for a few fields/tables pertaining to revenue, purchase and other processes which were inadvertently not enabled but which the management is in the process of updating the system settings to enable this, going forward.

Further, in as much as enabling the feature of recording Audit Trail at the data base level to log any direct data changes, the Company is in the process of discussing the feasibility of doing so with the SAP and other service providers so as to evaluate measures that can be put in place to enable the Audit Trail at the data base level.

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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

Place : Ahmedabad
Date : 14 May, 2024

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

Place : Ahmedabad
Date : 14 May, 2024

INDEPENDENT AUDITOR'S 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") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2024, 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 material 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 and joint venture 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 and its joint venture as at 31 March 2024, 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 and its joint venture 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 judgement, 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 32 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;

INDEPENDENT AUDITORS' REPORT (CONTD.)

The key audit matter	How the matter was addressed in our audit
	• Testing of revenue recognized near the year-end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on 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; • 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 including its joint venture 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 and of its joint venture 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 and of its joint venture 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 and of its joint venture 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

INDEPENDENT AUDITORS' REPORT (CONTD.)

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:

- 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 and its joint venture 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 and its joint venture 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 8 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 251,373.67 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 441,279.39 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 6,605.14 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated

INDEPENDENT AUDITORS' REPORT (CONTD.)

financial statements also include the Group's share of net profit after tax (and other comprehensive income, before consolidation adjustments) of Rs. 233.47 lakhs for the year ended 31 March 2024, in respect of a joint venture, whose financial statements have not been audited by us. 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 joint venture, 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 and joint venture is based solely on the reports of the other auditors.

Certain of these subsidiaries and a joint venture 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 and a joint venture 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 and a joint venture 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 4 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 9,741.62 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 10,991.35 lakhs and net cash inflows (before consolidation adjustments) amounting to Rs. 154.23 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. These unaudited financial information 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 such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are 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, incorporated in India, 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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.

INDEPENDENT AUDITORS' REPORT (CONTD.)

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 Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 and a joint venture, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 43 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 2024.

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 2024.

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 46 (a) 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 46 (a) 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.

INDEPENDENT AUDITORS' REPORT (CONTD.)

e. The final dividend paid by the Holding Company and its subsidiary companies incorporated in India during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

   As stated in Note 22 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks and procedures performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below in case of the Holding Company, the Holding Company and its subsidiary companies have used accounting softwares for maintaining the books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares.

   i. The feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

   ii. The feature of recording audit trail was not enabled at the application layer of the accounting software for a few fields/tables pertaining to revenue, purchase and other processes.

   iii. In the absence of independent auditors' report for the period 21 December 2023 to 31 March 2024 in relation to controls at a service organisation for accounting software used for maintaining the books of account relating to payroll process, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature of the said software was enabled and operated for the period 21 December 2023 to 31 March 2024 for all relevant transactions recorded in the software.

   Further, for the period audit trail (edit log) facility was enabled we did not come across any instance of the audit trail feature being tampered with except, in case of the Holding Company, for the accounting software relating to payroll process where we are unable to comment on whether the audit trail feature was tampered with in absence of such comment by the independent auditors' in their report on the controls at the service organization for the period from 1 April 2023 to 20 December 2023. For matters covered in (i) and (ii) above, the question of audit trail feature being tampered with does not arise as the audit trail (edit log) facility was not enabled and for matter covered in (iii) above, we are unable to comment on whether the audit trail feature was tampered with - Refer Note 46 (b) to the consolidated financial statements.

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:24116240BKGSOR6069

Place: Ahmedabad
Date: 14 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(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
Membership No.: 116240
ICAI UDIN:24116240BKGSOR6069

Place: Ahmedabad
Date: 14 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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 1 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 2024, 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 2024, 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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:24116240BKGSOR6069

Place: Ahmedabad
Date: 14 May 2024

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2024

(₹ in Lakhs)

Particulars			Note	As at 31 March, 2024	As at 31 March, 2023
ASSETS					
Non-current assets					
(a)	Property, plant and equipment		4	1,03,524.96	94,526.30
(b)	Right of use assets		5	5,190.18	3,438.51
(c)	Capital work-in-progress		6	9,216.99	10,744.32
(d)	Goodwill		7	460.69	460.69
(e)	Goodwill on consolidation		7	1,528.79	1,528.79
(f)	Other intangible assets		7	324.74	320.50
(g)	Financial assets				
	(i)	Investments	8	6,649.43	79.89
	(ii)	Trade receivables	9	65.54	11.25
	(iii)	Loans	10	12,623.73	12,655.20
	(iv)	Other financial assets	11	794.23	685.07
(h)	Deferred tax assets		41 (b)	99.30	73.46
(i)	Other tax assets (net)		12	4,267.75	4,386.17
(j)	Other non-current assets		13	4,908.74	2,963.82
Total non-current assets				**1,49,655.07**	1,31,873.97
Current assets					
(a)	Inventories		14	1,20,466.04	1,21,802.15
(b)	Financial assets				
	(i)	Investments	15	2,97,661.28	2,25,351.89
	(ii)	Trade receivables	16	88,031.33	86,083.65
	(iii)	Cash and cash equivalents	17	18,032.70	30,747.67
	(iv)	Bank balances other than (iii) above	17	37,326.84	49,850.95
	(v)	Loans	18	204.87	220.47
	(vi)	Other financial assets	19	23,713.14	3,209.48
(c)	Other current assets		20	14,425.27	13,979.60
Total current assets				**5,99,861.47**	5,31,245.86
Total assets				**7,49,516.54**	6,63,119.83
EQUITY AND LIABILITIES					
EQUITY					
(a)	Equity share capital		21	1,886.41	1,886.41
(b)	Other equity		22	6,63,887.78	5,67,246.19
	Equity attributable to owners of the Company			**6,65,774.19**	5,69,132.60
(c)	Non-controlling interest			1,028.94	893.61
Total equity				**6,66,803.13**	5,70,026.21
LIABILITIES					
Non-current liabilities					
(a)	Financial liabilities				
	(i)	Lease liabilities	23	340.50	299.59
(b)	Provisions		24	1,706.50	1,308.63
(c)	Deferred tax liabilities (net)		40(b)	5,809.02	3,986.20
Total non-current liabilities				**7,856.02**	5,594.42
Current liabilities					
(a)	Financial liabilities				
	(i)	Borrowings	25	45,459.50	49,600.00
	(ii)	Lease Liabilities	26	306.02	355.55
	(iii)	Trade payables	27		
		Total outstanding dues of micro and small enterprises		2,061.72	2,664.80
		Total outstanding dues of creditors other than micro and small enterprises		15,801.81	23,472.16
	(iv)	Other financial liabilities	28	2,727.10	2,385.97
(b)	Other current liabilities		29	5,563.62	6,397.56
(c)	Provisions		30	720.51	807.99
(d)	Current tax liabilities (net)		31	2,217.11	1,815.17
Total current liabilities				**74,857.39**	87,499.20
Total liabilities				**82,713.41**	93,093.62
Total equity and liabilities				**7,49,516.54**	6,63,119.83

The accompanying notes are integral part of these consolidated financial statements. **2 - 54**

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in Lakhs)

Particulars	Note	Year ended 31 March, 2024	Year ended 31 March, 2023
Income			
Revenue from operations	32	4,85,376.13	4,90,876.87
Other income	33	28,140.12	23,453.94
Total income		**5,13,516.25**	5,14,330.81
Expenses			
Cost of materials consumed	34	1,95,693.83	2,04,076.00
Changes in inventories of finished goods and work-in-progress	35	11,571.32	2,506.02
Employee benefits expense	36	17,140.29	15,190.16
Finance costs	37	2,837.87	2,010.39
Depreciation and amortisation expense	38	10,027.15	9,304.01
Other expenses	39	1,27,595.10	1,45,040.61
Total expenses		**3,64,865.56**	3,78,127.19
Profit before share of profit of joint venture and tax		**1,48,650.69**	1,36,203.62
Share of profit of joint venture, Net of Tax		**151.23**	-
Profit before tax		**1,48,801.92**	1,36,203.62
Tax expense	40 (a)		
Current tax		32,750.09	29,872.66
Short provision for tax of earlier years		640.46	539.97
Deferred tax		1,712.13	140.96
Total tax expense		**35,102.68**	30,553.59
Profit for the year		**1,13,699.24**	1,05,650.03
Other Comprehensive Income / (Loss) ('OCI')			
A Items that will not be reclassified to profit and loss	42 (iv)		
(i) Remeasurement of defined employee benefit plan		(35.36)	162.63
(ii) Income tax relating to items that will not be reclassified to profit and loss		8.90	(40.93)
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		361.84	(193.77)
(ii) Fair value changes on debt instrument through OCI		235.09	(725.87)
(iii) Loss on account of translating the financial statements of foreign operations		(2,250.93)	(2,917.56)
(iv) Income tax relating to items that will be reclassified to profit and loss		(150.25)	231.45
Other comprehensive Income / (Loss) for the year (net of taxes)		**(1,830.71)**	(3,484.05)
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**1,11,868.53**	1,02,165.98
Profit for the year attributable to :			
- Owners of the Holding Company		1,13,557.33	1,05,592.89
- Non-controlling interests		141.91	57.14
Other comprehensive income / (loss) for the year attributable to :			
- Owners of the Holding Company		(1,828.89)	(3,487.78)
- Non-controlling interests		(1.82)	3.73
Total comprehensive income for the year attributable to :			
- Owners of the Holding Company		1,11,728.44	1,02,105.11
- Non-controlling interests		140.09	60.87
Earnings per equity share of par value of ₹ 2 each:			
Basic and diluted	41	120.40	111.95
The accompanying notes are integral part of these consolidated financial statements.	**2 - 54**		

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2024

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
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 01 April, 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, 2023											
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 owners of the group											
Contributions and 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
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

B. Other equity (Contd.)

(₹ 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 01 April, 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
Total Comprehensive income for the year ended 31 March, 2023											
Profit for the year	-	-	-	-	1,13,557.33	-	-	-	1,13,557.33	141.91	1,13,699.24
Other Comprehensive income for the year	-	-	-	-	(24.27)	270.76	-	175.92	422.41	(2.19)	420.22
Exchange differences on translation of foreign operations	3.89	-	-	0.15	-	-	(2,250.93)	-	(2,246.89)	(0.38)	(2,247.27)
Transactions with owners of the group											
Contributions and distributions											
Dividend	-	-	-	-	(15,091.26)	-	-	-	(15,091.26)	(4.01)	(15,095.27)
Balance as at 31 March, 2024	**26,877.77**	**1,925.74**	**16,467.61**	**10.11**	**6,30,507.41**	**631.90**	**(12,241.05)**	**(291.71)**	**6,63,887.78**	**1,028.94**	**6,64,916.72**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 Group has recognised Capital Redemption Reserve on redemption of Cumulative Redeemable Preference Shares. This can be utilised in accordance with the provisions of Companies Act, 2013.

(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. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(e) Retained earnings: Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

(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 - 54**

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in Lakhs)

	Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
A.	**Cash flow from operating activities:**		
	Profit before tax	**1,48,801.92**	1,36,203.62
	Adjustments for :		
	Interest income from financial assets measured at FVTOCI	(12,054.49)	(7,134.88)
	Interest income from financial assets measured at amortised cost	(7,466.95)	(3,297.84)
	Interest income from financial assets measured at FVTPL	(264.13)	(276.49)
	Interest income on refund of income tax	(1.42)	-
	Gain on sale of current investments	(915.60)	(1,073.13)
	Change in fair value of current investments	(4,440.16)	(1,195.64)
	Unrealised Loss on foreign exchange fluctuation (net)	15.42	1,033.01
	Net loss / (gain) on sale of property, plant and equipment / termination of leases	145.19	(16.92)
	Bad debts	26.37	82.57
	Depreciation and amortisation expense	10,027.15	9,304.01
	Finance costs	2,837.87	2,010.39
	Provision for warranties made / (written back) (net)	319.37	(234.36)
	Allowance for expected credit loss written back (net)	(52.01)	(40.23)
	Liabilities / provision no longer required written back	(429.87)	(51.47)
	Share of profit of joint venture, Net of Tax	(151.23)	-
	Foreign currency fluctuation on translation of foreign operations	(2,247.27)	(2,912.03)
		1,34,150.16	1,32,400.61
	Changes in working capital:		
	(Increase) in trade receivables	(1,687.77)	(6,766.47)
	Decrease / (Increase) in loans	47.07	(12,518.56)
	Decrease in inventories	1,336.11	798.79
	Increase in other financial assets	(432.37)	(78.01)
	Increase in other non current and current assets	(350.53)	(3,441.86)
	Increase in provisions	162.10	415.41
	(Decrease) / Increase in trade payables	(8,235.18)	6,501.55
	Increase in other financial liabilities	277.83	122.94
	Decrease in other current liabilities	(2,237.63)	(248.55)
	Cash generated from operations	**1,23,029.79**	1,17,185.85
	Income taxes paid (net of refunds)	(32,758.22)	(30,413.89)
	Net cash generated from operating activities (A)	**90,271.57**	86,771.96
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress, leasehold land and other intangibles	(21,075.73)	(19,478.41)
	Proceeds from sale of property, plant and equipment	120.87	240.19
	Purchase of investments (net)	(73,065.32)	(1,13,548.90)
	(Investment in) / Redemption of fixed deposits with bank (net)	(5,956.35)	6,088.01
	Amount deposited in escrow account towards voluntary delisting of equity shares of Welcast Steels Limited	(621.94)	-
	Interest income	18,747.73	5,868.80
	Net cash used in investing activities (B)	**(81,850.74)**	(1,20,830.31)
C.	**Cash flow from financing activities:**		
	(Repayment) / Proceeds from of current borrowings (net)	(4,305.03)	49,443.00
	(Repayment) non-current borrowings	-	(127.00)
	Dividends paid (Net of TDS)	(13,687.57)	(7,706.32)
	Dividends paid to minority shareholders (Net of TDS)	(4.01)	-
	Finance cost paid	(2,676.87)	(1,675.14)
	Interest paid on lease liabilities	(53.80)	(58.47)
	Principal repayment of lease liabilities	(371.01)	(375.78)
	Net cash (used in) / generated from financing activities (C)	**(21,098.29)**	39,500.29
D.	**Net (decrease) / increase in cash and cash equivalents (A+B+C)**	**(12,677.46)**	5,441.94
E.	**Add : Cash and cash equivalents at the beginning of the year**	**30,747.67**	25,670.86
F.	**Less: Effect of movements in exchange rates on cash held**	**(37.51)**	(365.13)
G.	**Cash and cash equivalents at the end of the year (refer note 2 below)**	**18,032.70**	30,747.67

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

Note:

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

2 Cash and cash equivalents include:

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with banks	16,999.52	30,720.34
Balances with banks in fixed deposit accounts (Original maturity less than 3 months)	1,000.38	-
Cash on hand	32.80	27.33
	18,032.70	30,747.67

3 Movement in financial liabilities and financial assets arising from financing activities :

(₹ in Lakhs)

Particulars	Non-Current borrowings	Current borrowings (Note 25)	Lease liabilities (Note 23 and 26)	Dividends paid (Net of TDS) (Note 22)	Finance Cost
Balance as at 01 April, 2022	127.00	157.00	699.13	-	-
Proceeds from borrowings	-	49,443.00	-	-	-
Repayment of borrowings	(127.00)	-	-	-	-
Dividends paid (Net of TDS)	-	-	-	(7706.32)	-
Interest paid	-	-	(58.47)	-	(1,675.14)
Amount paid during the year	-	-	(375.78)	-	-
Net movement 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
Repayment of borrowings	-	(4,305.03)	-	-	-
Dividends paid (Net of TDS)	-	-	-	(13,687.57)	-
Interest paid	-	-	(53.80)	-	(2,676.87)
Amount paid during the year	-	-	(371.01)	-	-
Net movement during the year	**-**	**(4,305.03)**	**(424.81)**	**(13,687.57)**	**(2,676.87)**
Remeasurement of lease liability	-	-	370.17	-	-
Foreign exchange difference	-	-	(7.78)	-	-
Charge to consolidated statement of profit and loss	-	-	53.80	-	2,784.07
Balance as at 31 March, 2024	**-**	**45,294.97**	**646.52**	**-**	**164.53**

The accompanying notes are integral part of these consolidated financial statements. **2 - 54**

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

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") and Group's interest in joint ventures for the year ended 31 March, 2024. 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, 2024, 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 material 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 14 May, 2024.

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 40 (b) and (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;
- **Notes 9, 16 and 49** – measurement of expected credit loss allowance

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- **Note 23 and 26** – Lease Liabilities: key assumptions about reasonable certainty of the Company exercising renewal options under the agreement.
- **Note 8** - investments accounted for using the equity method: whether the Group has joint control over an investee;

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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:

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified 12 months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and Group's interest in joint ventures.

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.

Joint Venture:

The Group's interests in equity accounted investees comprises interests in joint venture.

Joint ventures is an arrangement in which the Group has joint control, whereby the Group has rights to net assets of arrangement, rather than rights of his assets and obligation for its liabilities.

Interest in Joint venture are accounted for using equity method. They are initially recognised at cost, which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

Non-controlling interests (NCI):

NCI are measured initially at their proportionate share of acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in subsidiary that do not result in loss of control are accounted for as equity transaction.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 and joint ventures, the subsidiary and joint ventures, 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, and joint ventures, 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). Unrealised gains arising from transaction with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. 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 Incorporation	Ownership interest held by the Group		Proportion of ownership interests and voting rights held by non-controlling interests	
		31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
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 (VEGA ME)	U.A.E.	100%	100%	-	-
Indirect subsidiaries					
Vega Industries Limited [(1)]	U.K.	100%	100%	-	-
Vega Industries Limited (VEGA USA)[(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 Ltd[(1)]	Australia	100%	100%	-	-
Vega Industries Peru Limited[(4)]	Peru	100%	-	-	-
Joint Venture:					
Vega MPS Pty. Ltd [(5)]	Australia	43%	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(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.

(5) 43% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 57% is held by promoters of Vega MPS Pty. Ltd , a newly incorporated company, created by promoters of MPS (Mining Products and Service Pty. Ltd.), Australia.

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 MATERIAL 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. A trade receivable without a significant financing component is initially measured at the transaction price.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Financial assets at FVTOCI	These assets are subsequently measured at fair value. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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.

Transition to Ind AS

The cost of property, plant and equipment as at 1 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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)	Useful lives (years)
Companies Act		
Buildings	3 – 60	3 – 60
Plant and equipments	7 – 22	15 – 22
Furniture and fixtures	10	10
Vehicles	8 – 10	6 – 10
Office equipments	5	5
Others – laboratory equipments	10	10
Others – computer hardware	3 – 6	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 determined as per technical estimate.
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Name of entity	Method of depreciation
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.

Transition to Ind AS

The cost of intangible assets as at 1 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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 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 conditions 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 a financial asset 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 is not recognised for:

- Temporary differences on the initial recognition of assets and liabilities in a transaction that:
    - is not a business combination and
    - at the time of transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- Temporary differences related to investments in subsidiaries and joint arrangements to the extent the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future and
- Taxable temporary differences arising on the initial recognition of goodwill.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 48.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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) Changes in material accounting policies

Material accounting policy information

The Group adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April, 2023. Although the amendments did not result in any changes in accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

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 01 April, 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)
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
Exchange differences on translation of foreign operations	-	-	-	2.52	2.09	(10.49)	3.25	(2.63)
Additions during the year	-	3,796.63	14,023.57	256.57	239.51	182.95	348.04	18,847.27
Disposal / Adjustments during the year	-	(262.66)	(567.71)	(5.19)	(45.89)	(8.59)	(77.64)	(967.68)
As at 31 March, 2024	**5,214.51**	**48,481.30**	**1,15,765.71**	**1,787.47**	**546.71**	**1,104.75**	**2,389.47**	**1,75,289.92**
Accumulated depreciation :								
As at 01 April, 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)
As at 31 March, 2023	-	10,463.66	49,382.42	883.70	208.71	600.32	1,347.85	62,886.66
Exchange differences on translation of foreign operations	-	-	-	2.23	1.85	(0.51)	2.54	6.11
Depreciation for the year	-	1,629.70	7,427.60	121.45	46.97	116.66	231.42	9,573.80
Disposal / Adjustments during the year	-	(94.08)	(516.54)	(1.17)	(35.35)	(7.47)	(47.00)	(701.61)
As at 31 March, 2024	**-**	**11,999.28**	**56,293.48**	**1,006.21**	**222.18**	**709.00**	**1,534.81**	**71,764.96**
Carrying amount :								
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
As at 31 March, 2024	**5,214.51**	**36,482.02**	**59,472.23**	**781.26**	**324.53**	**395.75**	**854.66**	**1,03,524.96**

* Others include laboratory equipments and computer hardware.

Notes:

1. There have been no charge over immovable properties of the Group.
2. Refer note 43 (b) for contractual commitments with respect to property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Cost:			
As at 01 April, 2022	3,235.27	1,585.07	4,820.34
Exchange differences on translation of foreign operations	-	4.72	4.72
Additions during 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
Exchange differences on translation of foreign operations	-	(7.78)	(7.78)
Additions during the year	1,751.70	377.46	2,129.16
Deductions / adjustments during the year	-	(14.55)	(14.55)
As at 31 March, 2024	**4,801.97**	**2,271.99**	**7,073.96**
Depreciation:			
As at 01 April, 2022	160.56	1,020.41	1,180.97
Depreciation 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
Depreciation for the year	33.60	328.82	362.42
Deductions / adjustments during the year	-	(7.26)	(7.26)
As at 31 March, 2024	**211.02**	**1,672.76**	**1,883.78**
Carrying amount:			
As at 31 March, 2023	2,872.85	565.66	3,438.51
As at 31 March, 2024	**4,590.95**	**599.23**	**5,190.18**

Notes:

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 ₹ 269.24 Lakhs (previous year: ₹ 150.76 Lakhs) is recognised in consolidated statement of profit and loss towards short-term lease and 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 49) and Consolidated statement of cash flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	10,744.32	21,023.40
Additions during the year	16,971.90	18,122.69
Capitalisation during the year	(18,499.23)	(28,401.77)
Balance at the end of the year	**9,216.99**	10,744.32

Notes:

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 equipment.

CWIP aging schedule As at 31 March, 2024

(₹ 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	8,686.72	499.37	3.40	27.50	9,216.99
Projects temporarily suspended	-	-	-	-	-
Total	**8,686.72**	**499.37**	**3.40**	**27.50**	**9,216.99**

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	-	-	-	-	-
Total	10,358.10	202.81	141.70	41.71	10,744.32

CWIP - Completion Schedule of capital working in progress as at 31 March, 2024

(₹ 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 ((Phase III)	8,417.48	-	-	-	8,417.48
Kerala Grinding Media Project ((Phase III)	320.03	-	-	-	320.03
Completion is not overdue:					
Other Projects	479.48	-	-	-	479.48
Total	**9,216.99**	**-**	**-**	**-**	**9,216.99**

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 6 CAPITAL WORK-IN-PROGRESS (CONTD.)

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 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
Completion is not overdue:					
Other Projects	627.60	-	-	-	627.60
Total	10,744.32	-	-	-	10,744.32

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

NOTE 7 GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note (a))	Goodwill on consolidation
	Software	Patents and Copyrights	Total		
Cost:					
As at 01 April, 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	-	-	-	-	-
As at 31 March, 2023	1,122.88	104.62	1,227.50	460.69	1,528.79
Exchange differences on translation of foreign operations	-	-	-	-	
Additions during the year	77.90	17.29	95.19	-	-
Disposal / adjustments during the year	-	-	-	-	-
As at 31 March, 2024	**1,200.78**	**121.91**	**1,322.69**	**460.69**	**1,528.79**
Amortisation:					
Balance as at 01 April, 2022	794.82	26.16	820.98	-	-
Amortisation for the year	81.28	4.74	86.02	-	-
Disposal / adjustments during the year	-	-	-	-	-
As at 31 March, 2023	876.10	30.90	907.00	-	-
Amortisation for the year	85.27	5.68	90.95	-	-
Disposal / adjustments during the year	-	-	-	-	-
As at 31 March, 2024	**961.37**	**36.58**	**997.95**	**-**	**-**
Carrying amount:					
As at 31 March, 2023	246.78	73.72	320.50	460.69	1,528.79
As at 31 March, 2024	**239.41**	**85.33**	**324.74**	**460.69**	**1,528.79**

Note (a):

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current investments (unquoted)		
Investment in equity instruments of		
Joint Venture accounted for using equity method*		
129 (Previous year: NIL) equity shares of Vega MPS Pty. Ltd of face value AUD 1/- each, fully paid up	6,565.77	-
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: 422,300) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up #	42.23	42.23
(c) 24,478 (Previous year: 24,478) equity shares of Clean Max Meridius Private Limited of face value ₹ 10/- each, fully paid up	41.40	37.63
	6,649.43	79.89
Aggregate amount of unquoted investments	6,649.43	79.89

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.

* During the year ended 31 March, 2024, Vega Industries (Middle East) FZC, UAE, ("VEGA ME"), a wholly owned subsidiary of the Company, has entered into a Share Purchase Agreement and Shareholder's Agreement on 03 August, 2023, with the promoters of Vega MPS Pty. Ltd.(VMPS), Australia, a newly incorporated company, created by promoters of MPS to acquire 30% stake in the business of Mining Products and Service Pty. Ltd., (MPS), Australia. The mining products business of MPS, Australia has been transferred to VMPS, Australia and VEGA ME has acquired 30% stake in VMPS Australia on 11 October, 2023, for a total consideration of AUD 7.86 million and has acquired 13% stake in VMPS, Australia on 15 February, 2024 for consideration of AUD 3.99 million. VEGA ME has an option to acquire additional 27% shares of VMPS, Australia over a period of 3 years.

(₹ in Lakhs)

Investment in Joint Venture accounted for using equity method	As at 31 March, 2024	As at 31 March, 2023
Percentage of ownership interest	43%	-
Non-current assets	111.44	-
Current assets	5,922.20	-
Non-current Liabilities	0.00	-
Current Liabilities	(5351.31)	-
Net assets	682.33	-
Group's share of net assets	293.40	-
Elimination of unrealised profit on downstream sales	(80.02)	-
Goodwill	6,038.24	-
Identifiable Intangible Assets - Non compete	314.15	-
Carrying amount of interest in joint venture	**6,565.77**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 8 INVESTMENTS (CONTD.)

(₹ in Lakhs)

Investment in Joint Venture accounted for using equity method	As at 31 March, 2024	As at 31 March, 2023
Revenue	9,132.95	-
Deprecation and amortisation	6.49	-
Income tax expense	273.97	-
Profit	675.26	-
Total Comprehensive income	675.26	-
Group's share of profit (30% from 01 October to 13 February, 2024 and (43% from 14 February, 2024 onwards)	231.25	-
Elimination of unrealised profit on downstream sales	(80.02)	-
Group's share of total comprehensive income	**151.23**	**-**

NOTE 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current trade receivables (unsecured)		
Considered good *	65.54	11.25
Significant increase in credit risk	-	-
Credit impaired	-	-
	65.54	11.25

Refer note 51 for ageing related disclosures.

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

NOTE 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current loans		
Loans to employees		
Secured, considered good	32.13	46.37
Unsecured, considered good	91.60	108.83
Inter corporate deposit (secured)#		
Others	12,500.00	12,500.00
	12,623.73	12,655.20

Amount has been given to a body corporate, for general corporate purpose repayable after 3 years at an interest rate of 10%(Previous Year 10%) per annum.

NOTE 11 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	40.15	10.95
Interest accrued on fixed deposits	-	0.57
Security deposits (unsecured, considered good)	754.08	673.55
	794.23	685.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 12 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance income tax / tax deducted at source	4,267.75	4,386.17
	4,267.75	4,386.17

NOTE 13 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital advances	4,575.77	2,535.71
Others		
Balance with government authorities	6.48	101.62
Advance paid under protest	326.49	326.49
	4,908.74	2,963.82

NOTE 14 INVENTORIES *

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Raw materials	25,187.72	11,762.38
Raw materials in transit	1,276.71	4,945.10
Work-in-progress	22,157.68	23,076.38
Finished goods	60,872.30	71,943.56
Stores and spares	10,943.57	10,030.62
Stores and spares in transit	28.06	44.11
	1,20,466.04	1,21,802.15

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

NOTE 15 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current investments		
Measured at FVTPL		
Investment in mutual funds (quoted)	71,628.26	15,977.17
Investments in bonds (quoted)	38,906.03	36,368.18
Measured at FVTOCI		
Investment in bonds (quoted)	1,58,860.31	1,73,006.54
Investment in commercial paper (quoted)	19,574.78	-
Investment in government securities (quoted)	8,691.90	-
	2,97,661.28	2,25,351.89
Aggregate amount of quoted investments	2,97,661.28	2,25,351.89
Aggregate market value of quoted investments	2,97,661.28	2,25,351.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 16 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current trade receivables (unsecured)		
Considered good * #	88,031.33	86,083.65
Significant increase in credit risk	-	-
Credit impaired	53.66	105.59
	88,084.99	86,189.24
Less: Allowance for expected credit loss	(53.66)	(105.59)
	88,031.33	86,083.65

Refer note 52 for ageing related disclosures.

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

Includes trade receivable from related parties (refer note 47 D).

The average credit period on sale of goods is 0 - 180 days.

NOTE 17 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents		
Balances with banks	16,999.52	30,720.34
Balances with banks in fixed deposit (Original maturity of less than 3 months)	1,000.38	-
Cash on hand	32.80	27.33
	18,032.70	30,747.67
Other bank balances		
Balances with bank in fixed deposit (Original maturity within 3 to 12 months)	35,937.95	49,315.45
Balances with bank in fixed deposit as a margin money Original maturity within 3 to 12 months)	757.15	523.92
Earmarked balances with banks (unpaid dividend) *	9.80	11.58
Earmarked balances with bank **	621.94	-
	37,326.84	49,850.95
	55,359.54	80,598.62

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

** The Holding Company has made an Initial Public Announcement on 13 December, 2023, intending to acquire all the equity shares of its Subsidiary Company i.e. Welcast Steels Limited ("WSL") that are held by public shareholders and consequently voluntarily delist the equity shares of WSL from BSE Limited. The aforesaid voluntary delisting of equity shares has been approved by the Board of Directors of WSL on 18 December, 2023 and by the shareholders of WSL on 20 January, 2024. The in-principle approval has been received from BSE Limited on 26 April, 2024 and bidding window was opened from 07 May, 2024 to 13 May, 2024. As the Post Delisting Offer shareholding of the Company has not exceeded 90.00% of the total issued equity shares of WSL, the Delisting Offer is deemed to be unsuccessful in terms of Regulation 21 of the SEBI Delisting Regulations.The Holding Company has deposited the above mentioned amount in an escrow account as per the applicable requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 18 LOANS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current loans		
Loan to a minority shareholder (unsecured, considered good)	70.54	83.33
Loans to employees		
Secured, considered good	16.20	17.89
Unsecured, considered good	118.13	119.25
	204.87	220.47

NOTE 19 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with bank in fixed deposits (Original maturity more than 12 months)	21,456.49	-
Export incentives receivable	1,526.11	1,245.51
Interest accrued on fixed deposits	-	1,416.77
Security deposits (unsecured, considered good)	398.56	327.32
Derivatives	331.98	219.88
	23,713.14	3,209.48

NOTE 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances other than capital advances		
Advance to a related parties (refer note 47 D)	-	16.25
Other Advances		
Advances to suppliers	5,724.80	5,049.50
Advances to employees	131.13	170.51
Others		
Balances with government authorities	7,435.17	7,709.88
Prepaid expenses	983.21	851.54
Prepaid leave encashment (refer note 42)	150.96	164.77
Prepaid Gratuity (refer note 42)	-	17.15
	14,425.27	13,979.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 21 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
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	31 March, 2024		31 March, 2023	
	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	31 March, 2024		31 March, 2023	
	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%

(d) Shareholding of Promoters

Shares held by promoters at the end of the year 31 March, 2024

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	-
Total	**5,51,48,921**	**58.47**	

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	-
Total	5,51,48,921	58.47	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 22 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Reserves and surplus		
(a) Securities premium		
Balance at the beginning of the year	26,873.88	26,854.32
Adjustment on account of translating the financial statements of foreign operations	3.89	19.56
Balance at the end of the year	26,877.77	26,873.88
(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	9.96	9.21
Adjustment on account of translating the financial statements of foreign operations	0.15	0.75
Balance at the end of the year	10.11	9.96
(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	5,32,065.61	4,34,843.58
Add: Profit for the year	1,13,557.33	1,05,592.89
Less: Remeasurement of defined benefit plan transferred from OCI	(24.27)	117.97
Less: Dividend on equity shares #	(15091.26)	(8,488.83)
Balance at the end of the year	6,30,507.41	5,32,065.61
Total reserves and surplus (A)	**6,75,788.64**	5,77,342.80
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	(35.36)	162.63
Tax impact on above [refer Note 40 (c)]	8.90	(40.93)
Less: Transferred to minority interest	2.19	(3.73)
Less: Transfer to retained earnings	24.27	(117.97)
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	361.14	506.14
Recognised in consolidated statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	112.09	335.86
Restatements of trade receivables to the extent of hedging	249.75	(529.63)
	361.84	(193.77)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 22 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
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)]	(28.22)	(84.53)
Tax on Restatements of trade receivables to the extent of hedging	(62.86)	133.30
Net tax in OCI	(91.08)	48.77
Balance at the end of the year	631.90	361.14
(c) Gain and losses on account of translating the financial statements of foreign operations		
Balance at the beginning of the year	(9,990.12)	(7,072.56)
Recognised in consolidated statement of profit and loss	(2,250.93)	(2,917.56)
Balance at the end of the year	(12,241.05)	(9,990.12)
(d) Fair value through other comprehensive income		
Balance at the beginning of the year	(467.63)	75.56
Recognised in statement of profit and loss	235.09	(725.87)
Tax impact on above	(59.17)	182.68
Balance at the end of the year	(291.71)	(467.63)
Total other comprehensive income (B)	**(11,900.86)**	(10,096.61)
Total other equity (A + B)	**6,63,887.78**	5,67,246.19

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, 2024	As at 31 March, 2023
Final dividend for the financial year 2022-23 [₹ 16 (previous year: ₹ 9) per equity share of ₹ 2 each]	15,091.26	8,488.83

Note:

Board of Directors of the Holding Company have proposed final dividend of ₹ 16 per equity share for the financial year 2023-24. 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, 2024. No interim dividend was declared and paid during the financial year 2023-24.

NOTE 23 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current Lease liabilities	340.50	299.59
	340.50	299.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 24 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current provisions		
Provision for warranties	1,410.35	1,082.13
Provision for employee benefits (refer note 42)		
Gratuity	251.68	178.20
Leave encashment	44.47	48.30
	1,706.50	1,308.63

Movement in Provisions	Provision for Warranties		Provision for Litigations *	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Balance at the beginning of the year	1,548.82	1,727.50	206.42	-
Utilisation during the year	(44.34)	(20.24)	-	-
Provision for the year # (net of provision written back)	481.08	405.43	-	206.42
Exchange differences on translation of foreign operations	14.62	75.92	-	-
Written back during the period	(161.71)	(639.80)	(206.42)	-
Balance at the end of the year	**1,838.47**	1,548.82	-	206.42
Non-current	1,410.35	1,082.13	-	-
Current (refer note 30)	428.12	466.69	-	206.42
	1,838.47	1,548.82	-	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 0.10% of sales for the year and is carried in the books for a period upto 4 years.

* Provision for litigation written back pertains to reversal of provision of earlier year for service tax demand and interest thereon amounting to ₹ 206.42 Lakhs of Welcast Steels Ltd. consequent to favourable order received from Tribunal (CESTAT) on 08 September, 2023.

NOTE 25 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current borrowings		
Loans repayable on demand		
Secured	7,723.90	7,700.00
Unsecured	37,735.60	41,900.00
	45,459.50	49,600.00

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 5.40% to 5.70% during the year (Previous Year 3.80% to 5.60%) against first charge over entire current assets of the Company including stock of raw material, work in process, finished goods, stores and spares and goods in transit.
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 5.28% to 5.69% during the year (Previous Year 2.20% to 5.65%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 25 BORROWINGS (CONTD.)

4. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 5.57% to 5.89% during the year (Previous Year 2.35% to 5.64%)

5. Unsecured Export Packing Credit ('EPC') facilities are availed from HDFC Bank Ltd. carrying interest rate ranging from 5.35% to 6.00% during the year (Previous Year Nil)

NOTE 26 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current lease liabilities	306.02	355.55
	306.02	355.55

NOTE 27 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Total outstanding dues of micro enterprises and small enterprises #	2,061.72	2,664.80
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties [refer note 47 D]	346.02	226.16
(ii) Due to others	15,455.79	23,246.00
	15,801.81	23,472.16
	17,863.53	26,136.96

Refer note 53 for ageing related disclosures.

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, 2024	As at 31 March, 2023
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)	2,235.01	3,104.15
Interest due thereon remaining unpaid to any supplier as at the end of the year	0.55	0.30
(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	-	-
(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.	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2024 (CONTD.)

NOTE 28 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Salary, wages and bonus payable (refer note 47 D)	1,556.49	1,497.50
Unpaid dividends *	9.80	11.58
Interest accrued on borrowings	-	57.33
Capital creditors#	901.45	779.04
Amount received under channel financing arrangement	218.84	-
Other payables	40.52	40.52
	2,727.10	2,385.97

* 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 ₹ 173.29 Lakhs as at 31 March, 2024 (₹ 439.65 Lakhs as at 31 March, 2023)

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, 2024	As at 31 March, 2023
Contract liabilities		
Customer advances (refer note 47 D)	4,778.58	5,411.67
Others		
Fund held in corpus donation	138.51	142.62
Security deposits	1.01	21.12
Statutory dues and other payables	645.52	822.15
	5,563.62	6,397.56

NOTE 30 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current provisions		
Provision for warranties (refer note 24)	428.12	466.69
Provision for employee benefits (refer note 42)		
Gratuity	264.91	119.46
Leave encashment	27.48	15.42
Provision for litigations (refer note 24)	-	206.42
	720.51	807.99

NOTE 31 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for income tax (net)	2,217.11	1,815.17
	2,217.11	1,815.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 32 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Sale of products		
Export sales	3,39,753.93	3,52,859.12
Domestic sales	1,37,428.33	1,30,943.36
	4,77,182.26	4,83,802.48
Other operating revenue		
Export incentives	7,027.24	5,697.71
Other sales	1,166.63	1,376.68
	8,193.87	7,074.39
	4,85,376.13	4,90,876.87

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Reconciliation of revenue from operations with the contracted price:		
Contracted price	4,77,738.04	4,83,892.91
Adjustments :		
- Discounts	(476.38)	(77.56)
- Sales return	(79.40)	(12.87)
Sale of products	4,77,182.26	4,83,802.48
Other operating revenue	8,193.87	7,074.39
Revenue from operations	**4,85,376.13**	4,90,876.87
Revenue disaggregation by geography:		
India	1,45,622.20	1,38,017.75
Outside India :		
Australia	48,539.49	57,303.12
United States of America	56,539.80	58,361.05
Others	2,34,674.64	2,37,194.95
	4,85,376.13	4,90,876.87

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, 2024	As at 31 March, 2023
Trade receivables	88,096.87	86,094.90
Contract assets	-	-
Contract liabilities		
Advance from customers	4,778.58	5,411.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 33 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest income from financial assets		
Interest income from financial assets measured at amortised cost	7,466.95	3,297.84
Interest income from financial assets measured at FVTPL	264.13	276.49
Interest income from financial assets measured at FVTOCI	12,054.49	7,134.88
Interest income on refund of income tax	1.42	-
Other non-operating income		
Gain on sale of current investments	915.60	1,073.13
Gain on foreign exchange fluctuation (net)	2,362.77	9,973.90
Change in fair value of current investments	4,440.16	1,195.64
Allowance for expected credit loss written back (net)	52.01	40.23
Net loss on sale of property, plant and equipment / termination of leases	-	16.92
Liabilities / provision no longer required written back	429.87	-
Provision for warranties written back (net)	-	234.36
Miscellaneous receipts	152.72	210.55
	28,140.12	23,453.94

NOTE 34 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening stock at the beginning of the year	16,707.48	18,084.37
Add: Purchases during the year	2,05,450.78	2,02,699.11
Less: Closing stock at the end of the year	(26464.43)	(16707.48)
	1,95,693.83	2,04,076.00

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening stock:		
Work-in-progress	23,076.38	18,056.58
Finished goods	71,943.56	76,874.38
	95,019.94	94,930.96
Closing stock:		
Work-in-progress	22,157.68	23,076.38
Finished goods	60,872.30	71,943.56
	83,029.98	95,019.94
Exchange differences on translation of foreign operations	418.64	(2,595.00)
	11,571.32	2,506.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Salaries, wages and bonus	15,386.37	13,611.41
Contribution to provident and other funds	730.96	638.05
Expenses related to post employment defined benefit plans [refer note 42 (iv)]	288.93	291.72
Staff welfare expenses	734.03	648.98
	17,140.29	15,190.16

NOTE 37 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest on:		
Bank borrowings measured at amortised cost	2,761.65	1,567.52
Income-tax	-	219.45
Lease liabilities	53.80	58.47
Others	22.42	164.95
	2,837.87	2,010.39

NOTE 38 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Depreciation of property, plant and equipment (refer note 4)	9,573.78	8,870.34
Depreciation of Right of use assets (refer note 5)	362.42	347.65
Amortisation of intangible assets (refer note 7)	90.95	86.02
	10,027.15	9,304.01

NOTE 39 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Consumption of stores	29,791.29	31,534.80
Power and fuel	36,027.94	37,659.43
Contract labour charges	8,980.35	7,602.38
Repairs and maintenance		
- Buildings	351.58	261.16
- Plant and machineries	1,214.13	1,205.41
- Others	890.59	836.39
Lease rent (refer Note 5)	269.24	150.76
Insurance	1,113.01	1,028.34
Rates and taxes	207.04	231.53
Security expenses	745.11	586.82
Printing, stationery and communication expenses	331.74	291.84
Travelling and conveyance	3,753.91	2,510.48
Advertisement and sales promotion	115.82	116.99
Freight outward expenses (including duties)	28,122.99	47,654.25
Royalty expenses	320.72	700.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 39 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Commission expenses	6,246.33	5,325.33
Warranty expenses	319.37	-
Directors' sitting fees	20.65	14.70
Payments to auditors		
- Statutory audit fees	122.86	122.51
- Quarterly Limited reviews	29.50	27.85
- Certification and other services	5.00	3.80
- Reimbursement of expenses	3.09	2.89
Legal and professional consultancy fees	5,330.31	4,616.19
Bank commission charges	505.23	473.28
Donation	2.48	1.02
Corporate social responsibility expenses	1,652.11	1,289.32
Net loss on sale of property, plant and equipment / termination of leases	145.19	-
Bad debts	26.37	82.57
Other miscellaneous expenses	951.15	709.91
	1,27,595.10	1,45,040.61

NOTE 40 TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Tax expense		
Provision for current tax	32,750.09	29,872.66
Short provision for current tax of earlier years written back	640.46	539.97
Net deferred tax [refer note 40(c)]	1,712.13	140.96
Tax expense for the year	**35,102.68**	30,553.59
(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	7,357.66	5,601.19
Change in fair value of current investments	619.28	560.11
Hedge reserve balance	83.51	55.29
Foreign currency translation reserve	(2.15)	0.39
	8,058.30	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	8.49	7.21
Unrealised profit on intra group inventory	2,314.92	2,220.92
Others	25.17	76.11
	2,348.58	2,304.24
Deferred tax liabilities (net) [refer note 40(c)]	**5,709.72**	3,912.74

* A new corporate tax regime has been put in place in UAE which would be applicable to Vega ME w.e.f. 01 April, 2024. However, basis a preliminary assessment carried out by Vega ME management, this new tax regime is not expected to have a material impact on the Company and hence no deferred tax has been recognised in Vega ME's financials as at 31 March, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 40 TAX EXPENSES (CONTD.)

(c) Movement in deferred tax

(₹ in Lakhs)

Particulars	Opening balance as at 01 April	Consolidated Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2023-24				
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	1,756.47	-	7,357.66
Foreign currency translation reserve	0.39	-	(2.54)	(2.15)
Change in fair value of current investments	560.11	-	59.17	619.28
Hedge reserve balance	55.29	-	28.22	83.51
	6,216.98	**1,756.47**	**84.85**	**8,058.30**
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	1.28	-	8.49
Unrealised profit on intra group inventory	2,220.92	94.00	-	2,314.92
Others	76.11	(50.94)	-	25.17
	2,304.24	**44.34**	**-**	**2,348.58**
Deferred tax liabilities (net)	**3,912.74**	**1,712.13**	**84.85**	**5,709.72**

(₹ in Lakhs)

Particulars	Opening balance as at 01 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 40 TAX EXPENSES (CONTD.)

(d) Effective tax reconciliation

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

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Profit before tax for the year	1,48,801.92	1,36,203.62
Tax at statutory income tax rate of 25.168% (previous year: 25.168%) in India	37,450.47	34,279.73
Adjustments:		
Tax component of unrecognised unabsorbed losses of earlier years	-	(91.80)
Income from long term / short term investment taxed at lower rate	(161.47)	(306.89)
Non-deductible expenses for tax purposes	416.50	369.68
Difference in tax rate of subsidiary companies	(3,111.22)	(3,919.71)
Share of profit of joint venture, Net of Tax	(38.06)	-
Tax impact on intra-group stock reserve	(94.00)	(317.39)
Short / (Excess) provision for tax of earlier years	640.46	539.97
Tax expense reported in the consolidated statement of profit and loss	**35,102.68**	30,553.59

The Group has ongoing disputes 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

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,13,557.33	1,05,592.89
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 (₹)	120.40	111.95

NOTE 42 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	Year ended 31 March, 2024	Year ended 31 March, 2023
Employer's contribution to provident and other funds	608.53	626.67

B. Defined benefit plans

Gratuity: The employees' gratuity fund scheme of the Holding Company is funded with Life Insurance Corporation of India and managed by a Trust, for subsidiary company incorporated in India, it is funded with Life Insurance Corporation of India and for one wholly owned overseas subsidiary company it is unfunded. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

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 75 years

(i) Risks associated to the defined benefit plans:

a. Actuarial risk: Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
b. Investment risk: Risks due to significant changes in discounting rate during the inter-valuation period.
c. Liquidity risk: Risks on account of Employees resign/retire from the Group and as result strain on the cash flow arises.
d. Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
e. Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (Unfunded)#	
	2023-24	2022-23	2023-24	2022-23
Defined benefit obligation at the beginning of the year	3,599.89	3,519.37	209.65	168.66
Recognised in consolidated statement of profit and loss:				
Current service cost	253.98	246.41	39.06	40.99
Past service cost	-	5.94	-	-
Interest cost	252.83	220.40	-	-
Actuarial (gain) / loss recognised in other comprehensive income:				
Due to change in financial assumptions	84.66	(166.71)	-	-
Due to change in demographic assumptions	-	-	-	-
Due to experience adjustments	(28.56)	10.69	-	-
Benefits paid from Plan asset	(165.26)	(199.25)	-	-
Benefits directly paid by group	-	(36.96)	-	-
Adjustment on account of translating the financial statements of foreign operations	-	-	2.97	-
Defined benefit obligation at the end of the year	**3,997.54**	3,599.89	**251.68**	209.65

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (Unfunded)#	
	2023-24	2022-23	2023-24	2022-23
Fair value of plan assets at the beginning of the year	3,529.03	3,420.05	-	-
Transfer in\(out) plan assets	-	-	-	-
Interest income	256.94	222.02	-	-
Return on plan assets excluding amounts included in interest income	20.74	6.61	-	-
Contributions by the employer	91.18	134.26	-	-
Benefits paid	(165.26)	(253.91)	-	-
Fair value of plan assets at the end of the year	**3,732.63**	3,529.03	-	-
Actual return on plan assets	277.68	228.63	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

(iv) Expense recognised during the year.

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (Unfunded)#	
	2023-24	2022-23	2023-24	2022-23
Current service cost	253.98	246.41	39.06	40.99
Past service cost	-	5.94	-	-
Net interest cost	(4.11)	(1.62)	-	-
Net cost recognised in consolidated statement of profit and loss	**249.87**	250.73	**39.06**	40.99
Components of actuarial gains / (losses):				
Due to change in financial assumptions	84.66	(166.71)	-	-
Due to change in demographic assumptions	-	-	-	-
Due to experience adjustments	(28.56)	10.69	-	-
Return on plan assets excluding amounts included in interest income	(20.74)	(6.61)	-	-
Net cost recognised in other comprehensive income	**35.36**	(162.63)	-	-

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (Unfunded)#	
	2023-24	2022-23	2023-24	2022-23
Present value of obligation	3,997.54	3,599.89	251.68	209.65
Fair value of plan assets	3,732.63	3,529.03	-	-
Net defined benefit liability at end of the year*	**264.91**	70.86	**251.68**	209.65

*Net defined benefit liability as at 31 March, 2024 is net of Liability of ₹ 516.59 Lakhs (previous year - ₹ 88.01 Lakhs) and advance paid of ₹ Nil (previous year - ₹ 17.15 Lakhs)

(vi) Composition of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Investment funds		
Insurance policies	100%	100%

(vii) Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Financial assumptions		
Discount rate	7.20%	7.40% - 7.45%
Expected rate of return on plan assets	7.20%	7.40% - 7.45%
Salary growth rate	7.00% - 8.50%	7.00% - 8.50%
Weighted average duration (in years)	6.08 to 9.06	6.56 to 9.25
Demographic assumptions		
Withdrawal rate	5% - 10% at younger ages reducing to 1% at older ages	
Mortality table	Indian assured lives mortality (2012-14)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

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.

Impact on defined benefit obligations - Gratuity:

(₹ in Lakhs)

Particulars	Increase in assumption		Decrease in assumption	
	2023-24	2022-23	2023-24	2022-23
Discount rate				
Change in assumption by 0.50%	(4.20%)	(3.99%)	4.54%	4.92%
Salary growth rate				
Change in assumption by 0.50%	4.44%	4.83%	(4.16%)	(3.95%)
Withdrawal rate				
Change in assumption by 0.10%	(0.16%)	0.16%	0.16%	0.42%

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

(ix) Maturity profile of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	2.97	3.67
25 to 35	232.00	240.31
35 to 45	1,188.77	1,037.88
45 to 55	1,261.24	1,186.09
above 55	1,312.56	1,131.94
	3,997.54	3,599.89
Past service wise distribution of defined benefit obligation		
Service period in years		
0 to 4	55.23	57.09
4 to 10	291.91	252.60
10 to 15	618.47	723.27
15 and above	3,031.92	2,566.93
	3,997.53	3,599.89

Gratuity (unfunded) represents defined benefit plan in a wholly owned overseas subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 42 EMPLOYEE BENEFITS (CONTD.)

C. Other long-term employee benefits

Leave encashment: The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each 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, 65 or 75 years

Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Leave encashment (funded)	
	2023-24	2022-23
Financial assumptions		
Discount rate	7.20%	7.40% - 7.45%
Expected rate of return on plan assets	7.20%	7.40% - 7.45%
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	
Mortality table	Indian assured lives mortality (2012-14)	

Leave encashment expenses recognised during the year in the consolidated statement of profit and loss amounts to ₹ 218.10 Lakhs (previous year ₹ 123.19 Lakhs).

D. Estimate of contributions expected to be paid during financial year 2024-25 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity	264.91
(b) Gratuity (Unfunded)	37.75
	302.66
(iii) Other long-term employee benefits	
(a) Leave encashment	27.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
(a) Contingent liabilities		
Claims against the group not acknowledged as debts:		
Central Excise, Service tax and Goods and Services tax	205.25	117.74
Custom duty related dispute (Decision is received in favor of group in high court and Department has appealed decision of high court in Supreme Court)	1,100.84	1,056.52
Income tax		
In High Court (Decision is received in favor of group in ITAT and Income Tax Department has appealed decision of ITAT in High Court)	11,473.81	11,473.81
In Income Tax Appellate Tribunal (ITAT)	219.21	-
In Commissioner of Income tax (CIT)	21,598.60	15,797.31
Total Income tax	**33,291.62**	27,271.12
Sales tax / VAT	21.70	18.63
Guarantees:		
Outstanding bank guarantees	15,798.40	14,979.51
Outstanding corporate guarantees given to customers / subsidiaries	2,190.34	1,063.26
Letter of Credit	924.13	1,076.93
Others matters including claims related to ESIC, Electricity and Ex-employees	861.19	836.83
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	
	54,393.47	46,420.54
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	5,422.85	10,223.50
	5,422.85	10,223.50

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) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

NOTE 44 RELATIONSHIP WITH STRUCK OFF COMPANIES:

(₹ in Lakhs)

Name of struck of companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off group
		31 March, 2024	31 March, 2023	
Grippon Profiles & Engg Private Limited (Advance was given in Mar - 2014 and legal case is filed against vendor)	Purchase	**4.43**	4.43	None

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 45 ANTI-DUMPING DUTY

Canada : During the year, the Canada Border Services Agency, after completing the re-investigation review, 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. As per the Order, no anti-dumping duty is leviable if the FOB Value of the goods is above the prescribed prices for certain defined grades and it will be 15.70% for grades other than those specifically defined in the Order. A separate Countervailing Duty of ₹ 3874 per MT continues to be levied on all imports of defined Grinding Media.

Brazil : During the year, The Department of Trade Defense (DECOM), Brazil, has initiated a sun set review of the prevailing anti-dumping duty on grinding media imported into Brazil from India. The Company has submitted its response and the final Order is currently awaited. The Department of Trade Defense (DECOM), Brazil, has initiated a sun set review of the prevailing Countervailing duty on grinding media imported into Brazil from India. The Company is in the process of submitting its response.

USA : Subsequent to 31 March, 2024, the Holding Company and VEGA USA have received a notice from the United States International Trade Commission, seeking some information from the Holding Company and VEGA USA, in relation to the investigations around alleged dumping and subsidising of certain grinding media from India based on complaint filed by Magotteux Inc. The Holding Company and VEGA USA are in the process of taking the required steps for defending the matter in due course.

NOTE 46 (A)

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 46 (B)

In accordance with the requirements stipulated under the provisions of Companies Act, 2013 for maintenance of Audit Trail for books of accounts with effect from 01 April, 2023, the Holding Company has enabled the Audit Trail feature at the application level of Accounting Software SAP, except for a few fields/tables pertaining to revenue, purchase and other processes which were inadvertently not enabled but which the management is in the process of updating the system settings to enable this, going forward.

Further, in as much as enabling the feature of recording Audit Trail at the data base level to log any direct data changes, the Holding Company is in the process of discussing the feasibility of doing so with the SAP and other service providers so as to evaluate measures that can be put in place to enable the Audit Trail at the data base level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 47 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
KMP of subsidiary companies:		
1	Mr. D. P. Dhanuka	Chairman, Welcast Steels Limited
2	Mr. Mohona Rao VVR	Chief Executive Officer, Welcast Steels Limited
3	Mr. Jerry Andersson	Chief Executive Officer and Director, Vega Industries (Middle East) F.Z.C.
4	Mr. Paryank R. Shah	Director, Vega Industries (Middle East) F.Z.C. and its subsidiaries
5	Mr. R. A. Gilani	
6	Mr. Himanshu K. Patel	
7	Mr. David Hurlock	
8	Mr. Vivek S. Rathaur	

Controlling party. Refer Note 21 for shareholding pattern.

(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 (Upto 13 October, 2022)	
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	Vega MPS Pty. Ltd	Joint Venture of Vega Industries (Middle East) F.Z.C.
4	Mrs. Giraben K. Shah	Relatives of key managerial personnel
5	Mrs. Gitaben B. Shah	
6	Mrs. Khushali Samip Solanki *	
7	Mrs. Bhumika Shyamal Shodhan *	
8	Mrs. Tayaramma	
9	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
10	Vee Connect Travels Private Limited	
11	Discus IT Private Limited	
13	Harsha Engineers International Limited	

* Non-executive director of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 47 RELATED PARTY DISCLOSURES (CONTD.)

B Details of related party transactions during the year.

(₹ in Lakhs)

Sr. no.	Nature of transaction	Joint Venture		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, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
1	Sale of products (inclusive of taxes)	3,425.52	-	-	-	-	-	27,100.98	23,884.97	-	-	-	-
2	Purchase of goods (inclusive of taxes)	-	-	-	-	-	-	4,062.24	4,477.01	-	-	-	-
3	Commission expense on purchases	-	-	-	-	-	-	110.44	90.35	-	-	-	-
4	SAP ERP functional and technical support	-	-	-	-	-	-	99.34	94.58	-	-	-	-
5	Salary, bonus and perquisites	-	-	34.34	32.90	-	-	-	-	1.54	1.54	-	-
6	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	91.18	171.22
7	Rent, rates and taxes	-	-	-	-	-	-	-	-	6.42	6.06	-	-
8	Travelling expenses	-	-	-	-	-	-	493.35	354.54	-	-	-	-
9	Directors' remuneration and perquisites	-	-	725.50	737.65	-	-	-	-	-	-	-	-
10	Sitting fees paid	-	-	1.25	1.00	15.20	11.75	-	-	4.20	1.95	-	-
11	Commission to Director	-	-	-	-	22.00	22.00	-	-	18.00	18.00	-	-
12	Reimbursement received from gratuity fund	-	-	-	-	-	-	-	-	-	-	-	54.59
		3,425.52	-	**761.09**	771.55	**37.20**	33.75	**31,866.35**	28,901.45	**30.16**	27.55	**91.18**	225.81
Outstanding balance receivable at year end		**-**	-	**-**	-	**-**	-	**2,193.15**	9,579.27	**-**	-	**-**	17.15
Outstanding balance payable at year end		**913.90**	-	**11.05**	11.25	**19.80**	19.80	**325.81**	204.35	**0.41**	0.41	**264.91**	96.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 47 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, 2024	31 March, 2023
1	Sale of products (inclusive of taxes)	AB Tradelink Private Limited	27,100.98	23,884.97
		Vega MPS Pty Ltd	3,425.52	-
2	Purchase of goods (inclusive of taxes)	Harsha Engineers International Limited	4,062.24	4,477.01
3	Commission expense on purchases	AB Tradelink Private Limited	110.44	90.35
4	SAP ERP functional and technical support	Discus IT Private Limited	99.34	94.58
5	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
		Mr. Mohona Rao VVR	34.34	32.90
6	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	88.01	133.46
		Welcast Steels Employees Gratuity fund trust	3.17	37.76
7	Rent, rates and taxes	Mrs. Giraben K. Shah	4.22	4.22
		Mrs. Tayaramma	2.20	1.84
8	Travelling expenses	Vee Connect Travel Private Limited	493.35	354.54
9	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	128.98	111.12
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Paryank R. Shah	84.38	81.91
		Mr. R. A. Gilani	117.54	136.35
		Mr. Himanshu K. Patel	109.83	101.04
		Mr. David Hurlock	94.78	84.45
		Mr. Jerry Andersson	211.99	238.36
		Mr. Vivek S. Rathore	42.46	38.55
10	Sitting fees paid	Mr. Rajendra S. Shah	2.60	2.25
		Mr. Bhadresh K. Shah	1.25	1.00
		Mr. Sanjay S. Majmudar	3.60	2.75
		Mr. Dileep C. Choksi	1.45	1.00
		Mr. Rajan Harivallabhdas	2.20	1.75
		Mrs. Janaki Udayanbhai Shah	1.60	1.00
		Mrs. Khushali Samip Solanki	2.35	0.95
		Mrs. Bhumika Shyamal Shodhan	1.85	1.00
		Mr. D.P Dhanuka	1.25	1.00
		Mr. Pradip R.Shah	1.25	1.00
		Mr. Ashok Nichani	1.25	1.00
11	Commission to Director	Mr.Sanjay S.Majmudar	22.00	22.00
		Mrs. Khushali Samip Solanki	18.00	18.00
12	Reimbursement received from gratuity fund	Welcast Steels Employees Gratuity fund trust	-	54.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 47 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, 2024	31 March, 2023
1	**Other financial liabilities**			
	Key managerial personnel	Mr. Bhadresh K. Shah	4.45	5.00
		Mr. Yashwant M. Patel	1.99	1.87
		Mr. Mohona Rao VVR	4.61	4.38
			11.05	11.25
2	**Trade payables**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	33.43	8.92
		Harsha Engineers International Limited	270.25	195.43
		Vee Connect Travels Private Limited	22.13	-
	Relative of Key managerial personnel	Mrs. Giraben K. Shah	0.32	0.32
		Mrs. Gitaben B. Shah	0.09	0.09
	Independent director	Mr. Sanjay S. Majmudar	19.80	19.80
			346.02	224.56
3	**Trade receivable**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	2,193.15	9,563.02
			2,193.15	9,563.02
4	**Provision for employee benefits**			
	Post employment benefit plan of the Group	AIA Employee's Gratuity Trust Fund, India	257.26	96.21
		Welcast Steels Employees Gratuity fund trust	7.65	-
			264.91	96.21
5	**Amount due from Gratuity Trust**			
	Post employment benefit plan of the Group	Welcast Steels Employees Gratuity fund trust	-	17.15
			-	17.15
6	**Advances**			
	Enterprise over which key managerial personnel or close member of their family exercise control	Vee Connect Travels Private Limited	-	16.25
			-	16.25
7	**Other Current Liabilities**			
	Joint Venture	Vega MPS Pty Ltd	913.90	-
			913.90	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 47 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, 2024	31 March, 2023
1	Short-term employee benefits	Mr. Bhadresh K. Shah	128.98	111.12
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Mohona Rao VVR	34.34	32.90
		Mr. Paryank R. Shah	84.38	81.91
		Mr. R. A .Gilani	117.54	136.35
		Mr. Himanshu K. Patel	109.83	101.04
		Mr. David Hurlock	94.78	84.45
		Mr. Jerry Andersson	211.99	238.36
		Mr. Vivek S. Rathaur	42.46	38.55
			854.62	855.00

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 48 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, 2024	31 March, 2023
(1) Revenues from external customers including operating revenue		
India	1,45,622.20	1,38,017.75
Australia	48,539.49	57,303.12
United States of America	56,539.80	58,361.05
Others	2,34,674.64	2,37,194.95
(2) Non-current assets (excluding financial assets and tax assets)		
India	1,24,697.60	1,13,700.28
Outside India	457.49	282.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 48 OPERATING SEGMENTS (CONTD.)

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
(a) Breakup of revenues :		
Revenue from operations	4,77,182.26	4,83,802.48
Other operating revenue	8,193.87	7,074.39
(b) Non-current assets		
Non-current assets (excluding financial assets and tax assets)	1,25,155.09	1,13,982.93

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 49 FINANCIAL RISK MANAGEMENT

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

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

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

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis, Credit rating	Credit limit set and aging analysis protect group from potential losses due to excess credit to the customers. Further the group has also obtained ECGC insurance cover for export sales.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in ₹	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 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 considers a loan or receivable for write off review when contractual payments pasts greater than one year from due date. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement of profit and loss.

Provision for expected credit losses:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

Movement in allowance for impairment of Trade receivables is as below:

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Balance at the Beginning	105.59	145.08
Impairment loss reversed	(52.01)	(40.23)
Loss / (Gain) on account of translation of foreign operation	0.08	0.74
Amounts written off	-	-
Balance at the end	**53.66**	105.59

Loss allowance as on 31 March, 2024 and 31 March, 2023 was determined as follows :

As at 31 March, 2024	Weighted Average Loss Rate	Gross Carring Amount	Loss allowance
Unbilled	0.00%	-	-
Not Due	0.01%	60,538.59	3.27
Less than 6 months	0.01%	25,943.92	3.05
6 months - 1 year	0.26%	1,262.93	3.31
1-2 years	2.74%	252.81	6.92
2-3 years	18.43%	83.20	15.34
More than 3 years	31.52%	69.07	21.77
Gross carrying amount		**88,150.53**	**53.66**

As at 31 March, 2023	Weighted Average Loss Rate	Gross Carring Amount	Loss allowance
Unbilled	-	-	-
Not Due	0.01%	57,085.71	6.35
Less than 6 months	0.02%	28,481.66	6.33
6 months - 1 year	0.61%	258.67	1.58
1-2 years	5.37%	109.39	5.87
2-3 years	23.79%	106.09	25.24
More than 3 years	37.88%	158.97	60.22
Gross carrying amount		86,200.49	105.59

Expected credit loss for loans and deposits:

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, 2024					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	12,828.60	-	-	12,828.60
	Deposits	1,152.64	-	-	1,152.64
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	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

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	-	-	-	-

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, 2024	31 March, 2023
Not due	60,538.59	57,085.71
0 - 3 months	22,561.17	26,572.93
3 - 6 months	3,382.75	1,908.72
6 - 12 months	1,262.93	258.67
Beyond 12 months	405.08	374.46
Gross carrying amount	88,150.53	86,200.49
Expected credit loss	(53.66)	(105.59)
Net carrying amount	**88,096.87**	86,094.90

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 grouping for Liquidity risk relating to lease liabilities (without discounting) is as under:

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
0-1 Year	336.45	399.94
2-5 Years	368.77	323.54
Above 5 Years	-	-
Total	**705.22**	723.48

Financing arrangements

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

(₹ in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Fund and non-fund based facilities	73,247.07	67,651.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

The table below analyses derivative and non-derivative financial liabilities of the Group 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, 2024			
Non-derivative financial liabilities			
Short term borrowings	45,459.50	-	45,459.50
Trade payables	17,863.53	-	17,863.53
Other financial liabilities	2,727.10		2,727.10
Total	**66,050.13**	**-**	**66,050.13**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	-	-	-
As at 31 March, 2023			
Non-derivative financial liabilities			
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
Total	78,122.93	-	78,122.93
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	-	-	-

Note: Guarantees issued by the Group aggregating to ₹ 1,666.93 Lakhs (previous year: ₹ 821.10 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the group does not have any present obligation to third parties in relation to such guarantees.

Market risk - interest rate

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

Interest rate sensitivity

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Borrowings bearing fixed rate of interest	-	-
Borrowings bearing variable rate of interest	45,459.50	49,600.00

Exposure to interest rate risk

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

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Movement - effects on profit before tax		
50 bp increase-decrease in profits	(227.30)	(248.00)
50 bp decrease-increase in profits	227.30	248.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

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, 2024:						
USD	6,35,89,877	1,25,65,826	56,13,054	8,17,68,757	39,84,854	39,84,854
EURO	33,86,057	15,19,913	-	49,05,970	3,50,164	3,50,164
ZAR	60,52,312	33,41,097	-	93,93,409	4,89,387	4,89,387
GBP	-	60,728	-	60,728	14,594	14,594
CAD	65,368	3,92,115	-	4,57,483	52,307	52,307
AUD	75,03,142	14,24,145	-	89,27,287	4,64,285	4,64,285
AED	-	2,31,890	-	2,31,890	1,44,387	1,44,387
CNY	14,85,800	38,53,427	-	53,39,227	72,125	72,125
CLP	1,32,34,80,630	63,01,84,654	-	1,95,36,65,284	2,00,60,816	2,00,60,816
IDR	33,44,08,39,746	11,18,02,48,731	-	44,62,10,88,477	28,43,54,334	28,43,54,334
GHC	-	8,28,748	-	8,28,748	86,988	86,988
SOL	-	12,842	-	12,842	-	-
As at 31 March, 2023:						
USD	4,71,73,177	1,83,58,373	53,95,363	7,09,26,913	38,73,226	38,73,226
EURO	63,40,703	30,35,293	-	93,75,996	3,42,173	3,42,173
ZAR	46,05,160	1,25,35,121	-	1,71,40,281	1,96,567	1,96,567
GBP	-	1,00,410	-	1,00,410	36,150	36,150
CAD	91,205	11,81,540	-	12,72,745	9,935	9,935
AUD	75,84,516	1,46,10,779	-	2,21,95,295	9,39,213	9,39,213
AED	-	1,82,556	-	1,82,556	-	-
CNY	8,51,400	16,91,453	-	25,42,853	-	-
CLP	2,02,85,93,154	28,92,39,642	-	2,31,78,32,796	2,14,31,566	2,14,31,566
IDR	71,22,74,51,838	7,79,08,08,553	-	79,01,82,60,391	-	-
GHS	-	19,25,881	-	19,25,881	22,50,451	22,50,451
SOL	-	-	-	-	-	-

Foreign currency risk sensitivity

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
USD sensitivity						
INR / USD- increase by	1.00	1.00	648.30	550.60	517.95	439.89
INR / USD- decrease by	1.00	1.00	(648.30)	(550.60)	(517.95)	(439.89)
Euro sensitivity						
INR / Euro- increase by	1.00	1.00	41.05	80.65	32.80	64.43
INR / Euro- decrease by	1.00	1.00	(41.05)	(80.65)	(32.80)	(64.43)
ZAR sensitivity						
INR / ZAR- increase by	1.00	1.00	3.93	7.84	3.14	6.27
INR / ZAR- decrease by	1.00	1.00	(3.93)	(7.84)	(3.14)	(6.27)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
GBP sensitivity						
INR / GBP- increase by	1.00	1.00	0.48	0.65	0.39	0.52
INR / GBP- decrease by	1.00	1.00	(0.48)	(0.65)	(0.39)	(0.52)
CAD sensitivity						
INR / CAD- increase by	1.00	1.00	2.49	7.67	1.99	6.13
INR / CAD- decrease by	1.00	1.00	(2.49)	(7.67)	(1.99)	(6.13)
AUD sensitivity						
INR / AUD- increase by	1.00	1.00	46.01	116.99	36.76	93.47
INR / AUD- decrease by	1.00	1.00	(46.01)	(116.99)	(36.76)	(93.47)
AED sensitivity						
INR / AED- increase by	1.00	1.00	0.20	0.41	0.16	0.33
INR / AED- decrease by	1.00	1.00	(0.20)	(0.41)	(0.16)	(0.33)
CNY sensitivity						
INR / CNY- increase by	1.00	1.00	6.08	3.04	4.86	2.43
INR / CNY- decrease by	1.00	1.00	(6.08)	(3.04)	(4.86)	(2.43)
CLP sensitivity						
INR / CLP- increase by	1.00	1.00	16.45	23.79	13.15	19.01
INR / CLP- decrease by	1.00	1.00	(16.45)	(23.79)	(13.15)	(19.01)
IDR sensitivity						
INR / IDR- increase by	1.00	1.00	23.50	43.46	18.77	34.72
INR / IDR- decrease by	1.00	1.00	(23.50)	(43.46)	(18.77)	(34.72)
GHS sensitivity						
INR / GHS- increase by	1.00	1.00	(0.47)	(0.23)	(0.37)	(0.18)
INR / GHS- decrease by	1.00	1.00	0.47	0.23	0.37	0.18
SOL sensitivity						
INR / SOL- increase by	1.00	1.00	(0.03)	-	(0.02)	-
INR / SOL- decrease by	1.00	1.00	0.03	-	0.02	-

The following significant exchange rates have been applied during the year

Rupees	Average rate		Year-end spot rate	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
USD	82.70	80.04	83.35	82.11
EUR	89.66	83.59	90.10	89.28
ZAR	4.43	4.77	4.42	4.63
CAD	61.33	60.73	61.55	60.70
GBP	103.61	97.60	105.23	101.56
AUD	54.39	55.04	54.37	55.04
AED	22.52	21.80	22.69	22.36
CNY	11.59	11.72	11.54	11.95
RUB	0.94	1.20	0.90	1.06
CLP	0.10	0.09	0.09	0.10
IDR	0.01	0.01	0.01	0.01
GHS	7.06	8.28	6.32	7.11
SOL	22.41	21.84	22.41	21.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

Derivative financial instruments

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

Cash flow hedge:

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

Currency - sold / bought	Exposure to buy / sell	No. of contracts	Net position		Fair value gain / (loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2024					
USD / INR	Sell	208	2,37,50,000	19,794.82	44.98
AUD / INR		111	1,82,00,000	9,894.92	287.00
					331.98
		Less : Deferred tax			83.55
		Balance in cash flow hedge reserve			**248.43**
31 March, 2023					
USD / INR	Sell	151	1,65,00,000	13,548.61	95.24
AUD/ INR		43	55,50,000	3,054.63	124.45
					219.69
		Less : Deferred tax			55.29
		Balance in cash flow hedge reserve			164.40

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

(₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at the beginning of the year (net of tax)	164.40	(86.93)
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	84.03	251.33
Balance at the end of the year (net of tax)	**248.43**	164.40

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 49 FINANCIAL RISK MANAGEMENT (CONTD.)

Consumption details of Metal scrap and Ferro chrome:

Particulars	(Qty. in MT)	
	2023-24	2022-23
Metal scrap	2,32,838	2,23,039
Ferro chrome	45,531	68,350

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	2023-24	2022-23
Re. 1 increase in commodity price	(2,783.69)	(2,913.89)
Re. 1 decrease in commodity price	2,783.69	2,913.89

(B) Capital management

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

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

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

(₹ in Lakhs)

Particulars	2023-24	2022-23
Debt	45,459.50	49,600.00
Total equity	6,65,774.19	5,69,132.60
Debt to total equity	0.07	0.09

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. Group's Dividend policy is to distribute 10-25% of its consolidated net profit as dividend.

NOTE 50 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 50 FAIR VALUE MEASUREMENTS (CONTD.)

A. Financial assets :

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL#	FVTOCI	Amortised cost		
As at 31 March, 2024						
Non-current investments #	8	83.66	-	-	83.66	83.66
Current investments	15	1,10,534.29	1,87,126.99	-	2,97,661.28	1,10,534.29
Trade receivables	9, 16	-	-	88,096.87	88,096.87	-
Loans	10, 18	-	-	12,828.60	12,828.60	-
Cash and cash equivalents	17	-	-	18,032.70	18,032.70	-
Bank balances other than above	11,17	-	-	37,366.99	37,366.99	-
Other financial assets	19	331.98	-	24,135.24	24,467.22	331.98
		1,10,949.93	**1,87,126.99**	**1,80,460.40**	**4,78,537.32**	**1,10,949.93**
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	-
Cash and cash equivalents	17	-	-	30,747.67	30,747.67	-
Bank balances other than above	17	-	-	49,861.90	49,861.90	-
Other financial assets	19	219.88	-	3,663.72	3,883.60	219.88
Total		52,607.49	1,73,006.54	1,83,281.49	4,08,895.52	52,607.49

Investments in unquoted equity shares of entities other than subsidiaries and joint venture 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, 2024						
Borrowings	25	-	-	45,459.50	45,459.50	-
Trade payables	27	-	-	17,863.53	17,863.53	-
Other financial liabilities	28	-	-	2,727.10	2,727.10	-
Total		**-**	**-**	**66,050.13**	**66,050.13**	**-**
As at 31 March, 2023						
Borrowings	25	-	-	49,600.00	49,600.00	-
Trade payables	27	-	-	26,136.96	26,136.96	-
Other financial liabilities	28	-	-	2,385.97	2,385.97	-
Total		**-**	**-**	78,122.93	78,122.93	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 50 FAIR VALUE MEASUREMENTS (CONTD.)

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, 2024					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		71,628.26	71,628.26	-	-
Investments in bonds (quoted)		1,97,766.34	1,97,766.34	-	-
Investment in commercial paper (quoted)		19,574.78	19,574.78	-	-
Investment in government securities (quoted)		8,691.90	8,691.90	-	-
Other Financial assets					
Derivatives		331.98	-	331.98	-
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	-	-
Other Financial assets					
Derivatives		219.88	-	219.88	-

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

NOTE 51 AGEING OF NON-CURRENT TRADE RECEIVABLES

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	3.46	22.39	6.19	23.47	10.02	65.54
(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	-	-	-	-	-	-	-	-
Total	**-**	**-**	**3.46**	**22.39**	**6.19**	**23.47**	**10.02**	**65.54**

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			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	-	-	-	-	-	-	-	-
Total	-	-	2.64	1.50	3.27	2.44	1.40	11.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 52 AGEING OF CURRENT TRADE RECEIVABLES

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	60,535.32	25,937.41	1,237.23	239.70	44.39	37.28	88,031.33
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	3.27	3.05	3.31	6.92	15.34	21.77	53.66
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**60,538.59**	**25,940.46**	**1,240.54**	**246.62**	**59.73**	**59.05**	**88,084.99**

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			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	-	-	-	-	-	-	-	-
Total	-	57,085.71	28,479.02	257.17	106.12	103.65	157.57	86,189.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH, 2024 (CONTD.)

NOTE 53 AGEING OF TRADE PAYABLES

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,997.79	63.93	-	-	-	2,061.72
(ii) Others	3,804.51	5,371.77	4,869.61	650.86	512.01	593.05	15,801.81
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**3,804.51**	**7,369.56**	**4,933.54**	**650.86**	**512.01**	**593.05**	**17,863.53**

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			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	-	-	-	-	-	-	-
Total	7,775.43	11,840.72	5,120.75	644.46	491.43	264.17	26,136.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 54 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013:

(₹ in Lakhs)

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorporation	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, 2024									
Holding Company									
AIA Engineering Limited	India	6,45,583.57	96.97%	1,12,944.99	99.46%	428.92	(23.45%)	1,13,373.91	101.47%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	4,031.28	0.61%	524.85	0.46%	(8.7)	0.48%	516.15	0.46%
AIA CSR Foundation	India	1.00	0.00%	-	0.00%	-	0.00%	-	0.00%
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	29,703.09	4.46%	14,696.55	12.94%	-	0.00%	14,696.55	13.15%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	818.17	0.12%	806.77	0.71%	-	0.00%	806.77	0.72%
Vega Industries Limited	U. S. A.	2,863.00	0.43%	784.29	0.69%	-	0.00%	784.29	0.70%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	59.37	0.01%	39.07	0.03%	-	0.00%	39.07	0.03%
Wuxi Vega Trade Co. Limited	China	428.69	0.06%	279.48	0.25%	-	0.00%	279.48	0.25%
PT. Vega Industries Indonesia	Indonesia	(874.58)	(0.13%)	194.88	0.17%	-	0.00%	194.88	0.17%
Vega Industries Chile SpA	Chile	(711.15)	(0.11%)	(691.89)	(0.61%)	-	0.00%	(691.89)	(0.62%)
AIA Ghana Limited	Ghana	(2,443.79)	(0.37%)	(346.68)	(0.31%)	-	0.00%	(346.68)	(0.31%)
Vega Industries Australia PTY Limited	Australia	1,056.03	0.16%	437.44	0.39%	-	0.00%	437.44	0.39%
Vega Industries Peru Limited	Peru	(11.07)	(0.00%)	(93.07)	(0.08%)	-	0.00%	(93.07)	(0.08%)
Foreign Joint Venture									
Vega MPS Pty. Ltd	Australia	-	0.00%	231.25	0.20%	-	0.00%	231.25	0.21%
Add / (less):									
Adjustment arising out of consolidation		(13,700.47)	(2.06%)	(16,108.69)	(14.19%)	-	0.00%	(16,108.69)	(14.42%)
Exchange differences on translation of foreign operations		-	0.00%	-	0.00%	(2,250.93)	123.08%	(2,250.93)	(2.01%)
Non-controlling interests in:									
Welcast Steels Limited		(1,013.89)	(0.15%)	(132.00)	(0.12%)	2.19	(0.12%)	(129.81)	(0.12%)
Vega Steel Industries (RSA) Proprietary Limited		(15.06)	0.00%	(9.91)	(0.01%)	(0.37)	0.02%	(10.28)	(0.01%)
		6,65,774.19	**100.00%**	**1,13,557.33**	**100.00%**	**(1,828.89)**	**100.00%**	**1,11,728.44**	**100.00%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 54 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013: (CONTD.)

(₹ in Lakhs)

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorpo-ration	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	0.00%	-	0.00%	-	0.00%	-	0.00%
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	28,016.88	4.92%	13,298.98	12.59%	-	0.00%	13,298.98	13.02%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	1,249.75	0.22%	25.66	0.02%	-	0.00%	25.66	0.03%
Vega Industries Limited	U. S. A.	2,041.97	0.36%	456.48	0.43%	-	0.00%	456.48	0.45%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	27.27	0.00%	(36.51)	(0.03%)	-	0.00%	(36.51)	(0.04%)
Wuxi Vega Trade Co. Limited	China	154.54	0.03%	(106.26)	(0.10%)	-	0.00%	(106.26)	(0.10%)
PT. Vega Industries Indonesia	Indonesia	(1,109.91)	(0.20%)	(1,109.65)	(1.05%)	-	0.00%	(1,109.65)	(1.09%)
Vega Industries Chile SpA	Chile	(126.14)	(0.02%)	(64.90)	(0.06%)	-	0.00%	(64.90)	(0.06%)
AIA Ghana Limited	Ghana	(2,063.32)	(0.36%)	(290.31)	(0.27%)	-	0.00%	(290.31)	(0.28%)
Vega Industries Australia PTY Limited	Australia	627.10	0.11%	381.56	0.36%		0.00%	381.56	0.37%
Add / (less):									
Adjustment arising out of consolidation		(9,624.95)	(1.69%)	(4,051.60)	(3.84%)	-	0.00%	(4,051.60)	(3.97%)
Exchange differences on translation of foreign operations		-	-	-	0.00%	(2,917.56)	83.65%	(2,917.56)	(2.86%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

NOTE 54 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013: (CONTD.)

(₹ in Lakhs)

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorpo-ration	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
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)	0.00%	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%

As per our report of even date attached.

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

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 14 May, 2024

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 : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024

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NOTICE

Notice is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Members of **AIA ENGINEERING LIMITED** will be held on Monday, the 9 September, 2024 at 11.00 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, 2024 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, 2024.

3. To appoint a Director in place of Mrs. Bhumika Shyamal Shodhan (DIN: 02099400), who retires by rotation and being eligible, offers herself 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 2024-25.

   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."

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

   "**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17(1A), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment thereof, for the time being in force), Mrs. Janaki Udyanbhai Shah (DIN: 00343343), who was appointed as an Independent Director for first term of five (5) consecutive years from 12 August, 2019 to 11 August, 2024 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 12 August, 2024 even after she attains the age of seventy five years."

By Order of the Board of Directors,

S. N. Jetheliya
Company Secretary

Place: Ahmedabad
Date: 7 August, 2024

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 8 April, 2020, No.17/2020 dated 13 April, 2020, No. 20/2020 dated 5 May, 2020, No. 02/2021 dated 13 January, 2021, No. 21/2021 dated 14 December, 2021, No. 2/2022 dated 5 May, 2022, No. 10/2022 dated 28 December, 2022 and No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (collectively referred to as MCA Circulars), the Company is convening the 34th 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, 5 January, 2023 and 7 October, 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 34th AGM of the Company is being held through VC/OAVM on Monday, 9 September, 2024 at 11:00 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 Company has fixed Tuesday, 20 August, 2024 as the 'Record Date' for determining entitlement of members to receive dividend for the Financial Year 2023-24, if declared at the AGM.

4. A Dividend of ₹ 16/- per share (800%) has been recommended by the Board of Directors for the year ended 31 March, 2024 for the approval of the members at the ensuing AGM and if approved by the members, it will be paid on or before 8 October, 2024.

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 1 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 20 June, 2024 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, 2024. Any communication received after 31 July, 2024 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 2 September, 2024 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 2023-24 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	Final Dividend	20 September, 2024
2.	2017-18	Interim Dividend	28 April, 2025
3.	2018-19	Final Dividend	18 September, 2026
4.	2019-20	Interim Dividend	15 April, 2027
5.	2020-21	Final Dividend	10 October, 2028
6.	2021-22	Final Dividend	19 October, 2029
7.	2022-23	Final Dividend	26 October, 2030

   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/MIRSD-PoD-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 3 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 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. 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.

12. **Re-appointment of Director:**

    Mrs. Bhumika Shyamal Shodhan (DIN: 02099400), Non-Independent Non-Executive Director of the Company will retire by rotation at the ensuing 34th Annual General Meeting of the members of the Company and being eligible, has offered herself for re-appointment.

    Mrs. Janaki U. Shah (DIN - 00343343) has been appointed as an Independent Director for a period of 5 consecutive years from 12 August, 2019 to 11 August, 2024. The Board, on the recommendation of Nomination and Remuneration Committee, has re-appointed her as an Independent Director for a further period of 5 consecutive years from 12 August, 2024 and proposed a resolution for member's approval at the ensuing Annual General Meeting.

    Pursuant to the requirements under SEBI LODR Regulations relating to Corporate Governance, a Statement containing brief resume of the above Directors together with the details of shares held by them, 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. 2 September, 2024 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 8 April, 2020, Circular No.17/2020 dated 13 April, 2020 and Circular No. 20/2020 dated 5 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 8 April, 2020, 13 April, 2020 and 5 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 8 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 8 April, 2020 and MCA Circular No. 17/2020 dated 13 April, 2020 and MCA Circular No. 20/2020 dated 5 May, 2020.

8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 5 May, 2022, General Circular No. 10/2022 dated 28 December, 2022 and General Circular No. 09/2023 dated 25 September, 2023 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30 September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 5 May, 2020.

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 5 September, 2024 at 9.00 a.m. and ends on 8 September, 2024 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. 2 September, 2024 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 9 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 9 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 & 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.
	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 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.

Type of shareholders	Login Method
	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: 022 - 4886 7000 and 022 - 2499 7000 .

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 **Physical Shareholders and shareholders other than individual shareholders holding shares in Demat form**

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 Physical Shareholders and shareholders other than individual shareholders holding shares in Demat 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 – 240627001** - 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 FOR 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 2024-25 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 2024-25.

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.

ITEM NO. 5.

Mrs. Janaki Udayanbhai Shah (DIN: 00343343) was appointed as Non-Executive Independent Director by the members of the Company in their Twenty Ninth Annual General Meeting of the Company held on 12 August, 2019 for a term of five (5) consecutive years with effect from 12 August, 2019 to 11 August, 2024.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mrs. Janaki Udayanbhai Shah as an Independent Director for a second term of five (5) consecutive years with effect from 12 August, 2024.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given her background and rich experience and valuable contribution made by her during her tenure, the continued association of Mrs. Janaki Udayanbhai Shah would be beneficial to the Company and it is desirable to continue to avail her service as an Independent Director. Accordingly, it is proposed to re-appoint Mrs. Janaki Udayanbhai Shah as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years with effect from 12 August, 2024.

Mrs. Janaki Udayanbhai Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given her consent to act as a Director.

The Company has also received declaration from Mrs. Janaki Udayanbhai Shah that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16 of SEBI LODR Regulations. Mrs. Janaki Udayanbhai Shah is independent of the management.

As per Regulation 17(1A) of SEBI LODR Regulations, no listed Company shall appoint or continue the directorship of any person effective from 1 April, 2019 as a non-executive director who has attained the age of seventy five years unless a Special Resolution is passed to that effect. During her second tenure as an Independent Director, Mrs. Janaki Udayanbhai Shah will attain the age of seventy five years, it is required to obtain approval of shareholders by passing a Special Resolution.

Accordingly, this Special Resolution shall also be treated as the Special Resolution to be passed under Regulation 17(1A) of SEBI LODR Regulations.

Relevant details as stipulated under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of Mrs. Janaki Udayanbhai Shah are annexed to the Notice.

Copy of the draft letter of appointment of Mrs. Janaki Udayanbhai Shah setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

Mrs. Janaki Udayanbhai Shah does not hold by herself or together with her relatives two percent or more of the total voting power of the Company.

Mrs. Janaki Udayanbhai Shah is interested in the Resolution set out at Item No. 5 of the Notice with regard to her reappointment. Relatives of Mrs. Janaki Udayanbhai Shah may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

By Order of the Board of Directors,

S. N. Jetheliya
Company Secretary

Place: Ahmedabad
Date: 7 August, 2024

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 Directors seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting (Refer Item No. 3 & 5)

Item No. 3

Name of the Director	Mrs. Bhumika S. Shodhan
Age	41 years
Date of first appointment on the Board of the Company	7 November, 2014
Qualification	Diploma in Fashion Designing
Experience (brief resume)	She possesses rich and varied experience in Marketing, Administration and Accounts.
Disclosure of Relationship	She is a daughter of Mr. Bhadresh K. Shah (MD) and sister of Mrs. Khushali S. Solanki (Non-Executive Director).
No. of shares in listed company	10,005
Terms and Conditions of Re-appointment	As per Resolution at Item No. 3 of the Notice convening this Annual General Meeting, Mrs. Bhumika S. Shodhan 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)	₹ 1.85 Lakhs (Sitting Fee)
Remuneration proposed to be paid	She shall be paid remuneration by way of sitting fee.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of Financial Year 2023-24.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	

Item No. 5

Name of the Director	Mrs. Janaki Udyan Shah
Age	72 Years
Date of first appointment on the Board of the Company	26 March, 2019.
Qualification	Bachelor of Arts (Economics)
Experience (brief resume)	She has more than Twenty Five years of experience including 10 years experience in the field of textiles manufacturing and computer education. She was the Managing Director of the Ahmedabad Kaiser-I-Hind Mills Limited as part of family owned composite textiles mills from 1988 to 1997 looking after spinning department and maintenance. She was a director of Shri Murli Packing and Trading Private Limited from 1971 to 2017 which was thereafter converted into Shri Murli Packing and Trading LLP. She was a director in On Line Software Private Limited from 1995 to 2000 and actively involved in the field of Computer Education as franchisee of TATA UNISYS LIMITED Education Centre – TULEC. She is designated partner in On Line Services LLP from 2017.
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. 5 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mrs. Janaki Udayan Shah is proposed to be appointed as an Independent Director of the Company for a 5 (five) consecutive years with effect from 12 August, 2024.
Remuneration last drawn (including sitting fee if any)	₹ 1.60 Lakhs (sitting fee)
Remuneration proposed to be paid	She shall be paid remuneration by way of sitting fee.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of Financial Year 2023-24.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	

By Order of the Board of Directors,

Place: Ahmedabad
Date: 7 August, 2024

S. N. Jetheliya
Company Secretary

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