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

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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).

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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.

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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

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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

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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

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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

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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

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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

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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
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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

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

Place : Ahmedabad
Date : 14 May, 2024

Place : Ahmedabad
Date : 14 May, 2024