NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. BACKGROUND

AIA Engineering Ltd. (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone Ind AS financial statements of the Company comprises, the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "standalone financial statements"). These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on 22 June 2020.

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 plans	Plan assets measured at fair value less present value of defined benefit obligation

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 Group and that are reasonable under the circumstances As more fully explained in Note 45, the ongoing pandemic relating to COVID-19 may have an impact on the use of assumptions and judgements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

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

- **Note 49** – determining the amount of expected credit loss on financial assets (including trade receivables) and
- **Note 48** – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- **Note 4, 5 and 7** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and other intangible assets, impairment of goodwill;
- **Note 40 (c)** – recognition of deferred tax liabilities;
- **Note 42** – measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 24, 30, 43 and 44** – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 49** – impairment of financial assets.

2.4 Measurement of fair values

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

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

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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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency transactions

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

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

b) Financial instruments

Recognition and initial measurement

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

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

Financial assets - classification and subsequent measurement

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

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

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

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

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

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

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Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

Financial liabilities

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

Offsetting

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

c) Derivative instruments and hedge accounting

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

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

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

Recognition and measurement of cash flow hedge:

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

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

Derecognition:

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

d) Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent measurement

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

Depreciation

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

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

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

Leasehold land is amortised over the lease period

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.

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The estimated useful lives of intangibles are as per below:

Software - 6 years Patent - 20 years

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

Impairment

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

f) Inventories

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

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

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

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

g) Impairment

Impairment of financial assets

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write off

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

Impairment of non-financial assets

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

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

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

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

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

h) Employee benefits

Defined benefit plans

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

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

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

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

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government

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administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

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

Short-term employee benefits

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

Other long-term employee benefits

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

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.

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

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

Warranties

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

Onerous contracts

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

Contingent liability

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

Contingent assets

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

j) Revenue

Sale of goods

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

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

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

Other operating revenue – export incentives

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

k) Other income

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

Dividend income is recognised when the Company's right to receive the payment is established, 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 has adopted Ind AS 116-Leases effective 01 April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (01 April, 2019). Accordingly, previous period information has not been restated.

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

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

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

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

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

Lease liability and ROU asset have been separately presented in the Standalone Balance Sheet and lease payments have been classified as cash flows from financing activities.

Leases (under Ind AS 17 - Leases)

Asset held under lease

In the previous year, leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. For finance leases, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under operating leases are neither recognised in (in case the Company is lessee) nor derecognised (in case the Company is lessor) from the Standalone balance sheet.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

Lease payments

Payments made under operating leases are generally recognised in consolidated statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

m) Income taxes

Current tax

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

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

Deferred tax

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

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

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

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

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

n) Borrowing cost

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

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 47.

p) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement 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 statement of profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

r) Events after reporting date

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

s) 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.

t) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April, 2020.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others *	Total
Gross block:									
As at 1 April 2018	2,990.53	2,998.62	31,801.20	42,812.68	1,340.28	212.83	261.61	865.72	83,283.47
Additions during the year	219.77	-	2,626.59	21,694.52	57.21	12.13	45.90	201.43	24,857.55
Disposals / adjustments during the year	-	-	-	(565.29)	(5.13)	(28.04)	(14.35)	(1.95)	(614.76)
As at 31 March 2019	3,210.30	2,998.62	34,427.79	63,941.91	1,392.36	196.92	293.16	1,065.20	1,07,526.26
Transfer on adoption of Ind AS 116	-	(2,998.62)	-	-	-	-	-	-	(2,998.62)
Additions during the year	525.88	-	1,218.50	9,945.90	61.10	34.20	61.75	133.56	11,980.89
Disposals / adjustments during the year	-	-	-	(104.78)	-	(5.34)	-	-	(110.12)
As at 31 March 2020	**3,736.18**	**-**	**35,646.29**	**73,783.03**	**1,453.46**	**225.78**	**354.91**	**1,198.76**	**1,16,398.41**
Accumulated depreciation:									
As at 1 April 2018	-	93.12	3,150.04	14,606.74	494.47	20.87	130.69	358.04	18,853.97
Charge for the year	-	16.86	1,275.51	6,043.91	162.10	32.46	43.31	138.04	7,712.19
Disposals / adjustments during the year	-		-	(522.87)	(3.95)	(15.77)	(13.11)	(1.40)	(557.10)
As at 31 March 2019	-	109.98	4,425.55	20,127.78	652.62	37.56	160.89	494.68	26,009.06
Transfer on adoption of Ind AS 116	-	(109.98)	-	-	-	-	-	-	(109.98)
Charge for the year	-	-	1,354.96	7,329.22	137.45	33.25	48.64	165.61	9,069.13
Disposals / adjustments during the year	-	-	-	(86.68)	-	(4.87)	-	-	(91.55)
As at 31 March 2020	-	-	5,780.51	27,370.32	790.07	65.94	209.53	660.29	34,876.66
Net Block									
As at 31 March 2019	3,210.30	2,888.64	30,002.24	43,814.13	739.74	159.36	132.27	570.52	81,517.20
As at 31 March 2020	**3,736.18**	**-**	**29,865.78**	**46,412.71**	**663.39**	**159.84**	**145.38**	**538.47**	**81,521.75**

* Others include laboratory equipments and computer hardware.

Notes:

1. Out of total assets, identified assets comprising factory land, buildings and plant and machineries of the Company are mortgaged / hypothecated to State Bank of India for availing various working capital facilities to the tune of ₹ 8,000.00 lakhs.
2. Refer Note 43 (b) for contractual commitments with respect to property, plant and equipments.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 5 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
Gross block:			
As at 01 April 2019 (on adoption of Ind AS 116)	2,998.62	1,325.66	4,324.28
Additions during the year	-	369.19	369.19
Deductions / adjustments during the year	-	-	-
As at 31 March 2020	**2,998.62**	**1,694.85**	**4,693.47**
Accumulated depreciation:			
As at 01 April 2019 (on adoption of Ind AS 116)	109.98	-	109.98
Depreciation for the year	16.86	395.18	412.04
Deductions / adjustments during the year	-	-	-
As at 31 March 2020	**126.84**	**395.18**	**522.02**
Net block:			
As at 31 March 2019	-	-	-
As at 31 March 2020	**2,871.78**	**1,299.67**	**4,171.45**

1. Lease contracts entered by the Company majority pertains for land and buildings taken on lease to conduct business activity in ordinary course of business.
2. Lease expense of ₹ 29.94 lakhs is recognized in statement of profit and loss for the year ended 31 March 2020 towards short term lease, lease of low value assets (refer note 39).
3. Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
4. Lease Obligation, interest expense on lease maturity profile of lease obligation and payment of lease obligation are disclosed respectively in lease liabilities (refer note 23 & 26), Finance Costs (refer note 37), Liquidity risk (refer note 48) and Standalone Statement of Cash Flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no right to receive or obligation to pay the agreed lease rentals in case of termination.

NOTE - 6 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	5,975.34	9,514.07
Additions during the year	3,134.94	6,053.39
Capitalisation during the year	(5,875.35)	(9,592.12)
Balance at the end of the year	3,234.93	5,975.34

Note:

1. The year end balance of capital work-in-progress primarily consist of mining liner capacity expansion at Kerala GIDC, Ahmedabad.
2. Refer Note 43 (b) for contractual commitments with respect to property, plant and equipments.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 7 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note (a)
	Software	Patents and Copyrights	Total	
Gross block:				
As at 1 April 2018	693.16	39.11	732.27	460.69
Additions during the year	55.22	24.66	79.88	-
Disposals / adjustments during the year	-	-	-	-
As at 31 March 2019	748.38	63.77	812.15	460.69
Additions during the year	154.58	9.10	163.68	-
Disposals / adjustments during the year	-	-	-	-
As at 31 March 2020	**902.96**	**72.87**	**975.83**	**460.69**
Amortisation:				
As at 1 April 2018	492.59	11.02	503.61	-
Charge for the year	54.25	3.15	57.40	-
Disposal / Adjustments	-	-	-	-
As at 31 March 2019	546.84	14.17	561.01	-
Charge for the year	66.46	3.61	70.07	-
Disposal / Adjustments	-	-	-	-
As at 31 March 2020	**613.30**	**17.78**	**631.08**	**-**
Net Block				
As at 31 March 2019	201.54	49.60	251.14	460.69
As at 31 March 2020	**289.66**	**55.09**	**344.75**	**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.

NOTE - 8 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current investments (unquoted)		
A. Investment in equity instruments		
Subsidiaries (measured at cost):		
(i) Fully paid equity shares (quoted)		
477,661 (previous year: 477,661) equity shares of Welcast Steels Limited of ₹ 10/- each fully paid up	1,341.05	1,341.05
(b) Fully paid equity shares (Unquoted)		
(a) 32,500 (previous year: 32,500) equity shares of Vega Industries (Middle East) F.Z.C., U.A.E. of face value US$ 10/- each	149.39	149.39
(b) 2,000 (previous year: 2,000) equity shares of PT. Vega Industries Indonesia of face value IDR 13,116/- each	1.30	1.30
(c) 10,000 (previous year: 10,000) equity shares of AIA CSR Foundation of face value ₹ 10/- each	1.00	1.00

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
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) 857,919 (previous year: 855,501) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up	85.79	85.55
B. Investment in Government Securities (unquoted) (measured at cost)		
National Savings Certificates (Unquoted)	0.06	0.06
Total	**1,578.62**	1,578.38
Aggregate amount of quoted investments - at cost	1,341.05	1,341.05
Aggregate amount of quoted investments - at market value	1,443.97	2,807.45
Aggregate amount of unquoted investments - at cost	237.57	237.33

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

NOTE - 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current trade receivables (unsecured)		
Considered good *	264.77	389.28
Significant increase in credit risk	-	-
Credit impaired	-	-
Total	**264.77**	389.28

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

NOTE - 10 LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current loans		
Security deposits (unsecured, considered good)	465.53	432.85
Loans to staff		
Secured, considered good	31.49	56.87
Unsecured, considered good	87.34	95.21
Total	**584.36**	584.93

NOTE - 11 OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax / tax deducted at source (net of provision for tax)	2,416.53	2,414.44
Total	**2,416.53**	2,414.44

NOTE - 12 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	4,742.51	1,710.40
Others		
Balance with government authorities	56.41	939.23
Advance paid under protest	326.49	326.49
Total	**5,125.41**	2,976.12

NOTE - 13 INVENTORIES *
(VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	6,710.67	5,555.59
Raw materials in transit	2,348.92	1,797.84
Work-in-progress	15,940.02	19,262.80
Finished goods	8,026.88	9,159.36
Stores and spares	10,472.48	9,724.89
Stores and spares in transit	5.12	271.05
Total	**43,504.09**	45,771.53

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

NOTE - 14 INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current investments		
Measured at FVTPL		
Investment in mutual funds (quoted)	1,11,172.42	90,550.14
Investment in bonds (quoted)	20,591.13	14,796.10
Measured at Amortised cost		
Investment in non-convertible debentures (unquoted)		
500 (previous year: 250) 6.60% (previous year: 7.85%) Debentures of ₹ 1,000,000 each	5,000.00	2,500.00
500 (previous year: Nil) 6.20% (previous year: Nil%) Debentures of ₹ 1,000,000 each	5,000.00	-
Total	**1,41,763.55**	1,07,846.24
Aggregate amount of quoted investments - at cost	1,07,736.70	1,01,550.00
Aggregate amount of quoted investments - at market value	1,31,763.55	1,05,346.24
Aggregate amount of unquoted investments - at cost	10,000.00	2,500.00
Aggregate amount of unquoted investments - at market value	10,000.00	2,500.00

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 15 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current trade receivables (unsecured)		
Considered good * #	96,831.22	90,075.15
Significant increase in credit risk	190.10	63.01
Credit impaired	-	-
Total	**97,021.32**	90,138.16
Less: Provision for doubtful receivables	(190.10)	(63.01)
	96,831.22	90,075.15
* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 25).		
# Includes trade receivable from related parties (refer Note 46 (d)).	84,786.54	75,222.63

NOTE - 16 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Balances with banks	3,870.44	2,061.52
Cash on hand	10.66	4.95
Sub Total (a)	**3,881.10**	2,066.47
Other bank balances		
Balances with bank in fixed deposit accounts (maturity within 3-12 months from reporting date)	566.27	625.75
Earmarked balances with bank (unpaid dividend) *	12.36	8.07
Sub Total (a)	**578.63**	633.82
Total (a + b)	**4,459.73**	2,700.29

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

NOTE - 17 LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current loans		
Security deposits (unsecured, considered good)	108.12	80.80
Loans to staff		
Secured, considered good	27.56	22.63
Unsecured, considered good	97.35	85.60
Total	**233.03**	189.03

NOTE - 18 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Export incentives receivable	3,640.32	6,426.34
Interest accrued on fixed deposit and debentures	221.15	41.89
Total	**3,861.47**	6,468.23

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 19 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances other than capital advances		
Advances to related parties	10.75	5.78
Other advances		
Advances to suppliers	2,781.52	2,741.15
Advances to staff	47.16	34.40
Others		
Balance with government authorities	6,051.54	7,692.44
Prepaid expenses	190.93	212.94
Total	**9,081.90**	10,686.71

NOTE - 20 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised share capital		
230,000,000 (previous year: 230,000,000) equity shares of face value ₹ 2/- each.	4,600.00	4,600.00
Issued, subscribed and fully paid up share capital	**4,600.00**	4,600.00
94,320,370 equity shares (previous year: 94,320,370) of face value ₹ 2/- each, fully paid up	1,886.41	1,886.41
Total	**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:

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	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 :

(₹ in Lakhs)

Name of the shareholders	As at 31 March 2020		As at 31 March 2019	
	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 2020 (Contd.)

NOTE - 21 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Reserves and surplus		
(a). Securities premium reserve		
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	2,70,586.28	2,29,117.13
Add: Profit for the year	83,252.97	41,482.17
Less: Remeasurement of defined benefit plan transferred from OCI	(287.76)	(13.02)
Less: Dividend on equity shares #	(33,955.33)	-
Less: Tax on dividend #	(5,939.70)	-
Balance at the end of the year	3,13,656.46	2,70,586.28
Total reserves and surplus (A)	**3,58,350.99**	3,15,280.81
Other comprehensive income (OCI)		
(a). Cash flow hedge reserve:		
Balance at the beginning of the year	437.39	329.21
Recognised in statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	(1,870.37)	1,198.96
Restatements of trade receivables to the extent of hedging	2,518.02	(1,032.71)
	647.65	166.25
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)]	568.18	(171.41)
Tax on Restatements of trade receivables to the extent of hedging	(665.46)	360.90
Tax of earlier years transferred to Hedge Reserve	-	(247.56)
Net tax in OCI	(97.28)	(58.07)
Balance at the end of the year	987.76	437.39
(b). Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in statement of profit and loss	(287.76)	(13.02)
Less: Transferred to retained earnings	287.76	13.02
Balance at the end of the year	-	-
Total other comprehensive income (B)	**987.76**	437.39
Total other equity (A+B)	**3,59,338.75**	3,15,718.20

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

NOTE - 21 OTHER EQUITY (Contd.)

 # Dividend on equity shares paid during the year:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Final dividend for the financial year 2018-19 [₹ 9 (previous year: nil) per equity share of ₹ 2 each]	8,488.83	-
Dividend distribution tax on final dividend	1,495.26	-
Interim dividend for the financial year 2019-20 [₹ 27 (previous year: nil) per equity share of ₹ 2 each]	25,466.50	-
Dividend distribution tax on interim dividend	4,444.45	-

Note:

Board of Directors had proposed final dividend of ₹ 9/- per equity share for the financial year 2018-19 and the said dividend was approved at the last Annual General Meeting and paid accordingly during the financial year 2019-20. Interim dividend of ₹ 27/- per equity share was declared by the Board of Directors and paid during the financial year 2019-20.

NOTE - 22 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current borrowings (unsecured)		
Borrowings from bank #	-	1,500.00
Total	**-**	1,500.00

Unsecured term loan from Citi Bank N.A. carrying interest rate of 8.50% is repayable in single bullet payment at the end of two years from disbursement, i.e. in financial year 2020 - 21.

NOTE - 23 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non current lease liabilities	1,044.54	-
Total	**1,044.54**	-

NOTE - 24 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current provisions		
Provision for warranties	725.13	578.77
Total	**725.13**	578.77

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 24 PROVISIONS (Contd.)

Movement in provision for warranties

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	680.22	700.46
Utilisation during the year	(7.41)	(5.64)
Provision for the year #	210.13	236.49
Written back during the year	(101.46)	(251.09)
Balance at the end of the year	**781.48**	680.22
Non-current	725.13	578.77
Current (refer note 30)	56.35	101.45
Total	**781.48**	680.22

'#'The Company provides standard warranty to all its customers for any manufacturing defects in the products sold by the Company. Generally, the time period of warranty is linked to the hours which has been assured by the Company towards performance of the product under normal mill operation. Based on evaluation made by Company's technical team and the Company's historic experience of claims, the Company provides for warranty @ 0.20% of domestic sales and 0.05% of export sales for the year and is carried in the books for a period upto 5 years.

NOTE - 25 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current borrowings		
Loans repayable on demand		
Secured loans from banks *	9,294.66	11,169.31
Total	**9,294.66**	11,169.31

* Nature of security

1. Packing Credit in Foreign Currency ('PCFC') carrying interest rate ranging from 2.13% - 3.89% (previous year: 5.25% - 5.50%) and Export Packing Credit ('EPC') facilities carrying interest rate of 3.5% (previous year : 4.60% - 5.05%), both facilities from Citi Bank N.A., are secured by:
   - Pari passu charge over inventories and book debts of the Company to the extent of ₹ 15,000 lakhs, and
   - Demand Promissory Note and Letter of Continuity for ₹ 15,000 lakhs.
2. Export Packing Credit ('EPC') facility from State Bank of India in previous year carrying interest rate of 5.25% is hypothecated against entire chargeable current assets of the Company including inventories and receivables on pari passu basis.

NOTE - 26 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current lease liabilities	363.87	-
Total	**363.87**	-

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 27 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises #	1,354.62	1,669.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to related parties [refer Note 46 (d)]	979.03	1,221.71
Due to others	9184.05	12,274.72
Total	**11,517.70**	15,165.87

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount due to micro and small enterprise	1,342.17	1,649.65
Interest due on above	12.45	19.79
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the principal amount of the payment made to the supplier beyond the appointed day during the period.	-	-
Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	12.45	19.79
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note:

The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006. Dues to micro and small enterprises have been determined to the extent confirmations received by the Company from its vendors. This has been relied upon by the auditors.

NOTE - 28 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long term debt (refer note 22)	1,500.00	21.87
Unpaid dividends *	12.36	8.07
Interest accrued on borrowings	13.31	15.57
Capital creditors	945.77	1,370.43
Other payables	85.79	83.84
Total	**2,557.23**	1,499.78

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

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2020 (Contd.)

NOTE - 29 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Customer advances	1,389.15	1,164.67
Others		
Security deposits	5.50	17.14
Salary, wages and bonus payable	1,272.08	1,139.05
Statutory dues and other payables	376.75	582.18
Total	**3,043.48**	2,903.04

NOTE - 30 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current provisions		
Provision for employee benefits (refer Note 42)		
Gratuity	478.92	181.44
Leave encashment	110.13	77.31
Provision for warranties (refer Note 24)	56.35	101.45
Total	**645.40**	360.20

NOTE - 31 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for income tax (net of advance tax and tax deducted at source)	378.16	-
Total	**378.16**	-

NOTE - 32 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Export sales	1,93,303.97	2,07,549.52
Domestic sales	56,502.47	66,167.19
Sub Total (a)	**2,49,806.44**	2,73,716.71
Other operating revenue		
Exports incentives	8,956.00	10,041.79
Total (b)		
Total (a+b)	**2,58,762.44**	2,83,758.50

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 32 REVENUE FROM OPERATIONS (Contd.)

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

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of revenue from operations with the contracted price:		
Contracted price	2,50,355.96	2,74,234.72
Adjustments :		
- Discounts	(160.92)	(205.98)
- Sales return	(388.60)	(312.03)
Sale of products	2,49,806.44	2,73,716.71
Other operating revenue - export incentives	8,956.00	10,041.79
Revenue from operations	2,58,762.44	2,83,758.50
Revenue disaggregation by geography:		
India	65,458.47	76,208.98
Outside India:		
U.A.E.	1,89,799.46	2,04,980.48
Others	3,504.51	2,569.04
Total	**2,58,762.44**	2,83,758.50

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 2020	As at 31 March 2019
Trade receivables	97,286.09	90,527.44
Contract assets	-	-
Contract liabilities		
Advance from customers	**1,389.15**	1,164.67

NOTE - 33 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income from financial assets	1,588.24	1,142.14
Dividend Income	33,974.07	9.55
Other non-operating income		
Profit on sale of mutual fund units	3,216.11	4,294.60
Gain on foreign exchange fluctuation (net)	5,733.40	3,216.16
Fair value of current investments	3,831.49	2,821.15
Profit on sale of assets (net)	6.87	-
Warranties written back (net)	-	14.60
Miscellaneous receipts	198.27	123.38
Total	**48,548.45**	11,621.58

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 34 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock at the beginning of the year	7,353.43	6,591.91
Add: Purchases during the year	1,04,648.71	1,24,852.16
Less: Closing stock at the end of the year	9,059.59	7,353.43
Total	**1,02,942.55**	1,24,090.64

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

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock		
Work-in-progress	19,262.80	11,350.80
Finished goods	9,159.36	8,224.59
Sub Total (a)	**28,422.16**	19,575.39
Closing stock		
Work-in-progress	15,940.02	19,262.80
Finished goods	8,026.88	9,159.36
Sub Total (b)	**23,966.90**	28,422.16
(a) - (b)	**4,455.26**	(8,846.77)

NOTE - 36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	9,093.99	8,333.49
Contribution to provident and other funds	596.49	503.98
Expenses related to post employment defined benefit plans [refer Note 42 (iv)]	191.16	168.42
Staff welfare expenses	71.40	83.25
Total	**9,953.04**	9,089.14

NOTE - 37 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on:		
Bank borrowings	343.59	553.79
Lease liabilities	139.60	-
Others	6.87	52.52
Foreign exchange adjustments to borrowing costs	29.83	112.74
Total	**519.89**	719.05

NOTE - 38 DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer Note 4)	9,069.13	7,712.19
Amortisation of intangible assets (refer Note 6)	70.07	57.40
Depreciation of Right of Use assets (refer Note 5)	412.04	-
Total	**9,551.24**	7,769.59

NOTE - 39 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of stores	25,734.13	28,708.07
Power and Fuel	27,492.89	29,933.63
Contract labour charges	7,159.08	7,235.82
Repairs and maintenance		
- Buildings	212.39	176.35
- Plant and machineries	753.00	673.84
- Others	612.13	605.74
Lease Rent	29.94	266.32
Insurance	620.00	505.78
Rates and taxes	141.35	101.65
Excise expense [refer note 43 (iii)]	1,090.38	-
Security expenses	457.93	416.27
Printing, stationery and communication expenses	141.09	179.54
Travelling and conveyance expense	713.86	837.72
Advertisement and sales promotion	21.81	23.12
Bad debts	11.06	164.80
Clearing, forwarding and freight outward expenses	4,315.24	4,228.24
Royalty expenses	294.42	-
Commission expenses	545.05	380.47
Warranty expenses	108.67	-
Directors' sitting fees	5.75	4.25
Payments to auditors		
- Statutory audit fees	17.50	16.50
- Others services	25.67	16.20
- Reimbursement of expenses	0.67	0.98
Legal and professional consultancy fees	1,764.89	2,042.23
Bank commission charges	153.00	118.04
Donation	12.31	2.85
Corporate social responsibility expenses (refer Note 51)	977.82	1,378.51
Loss on sale of assets (net)	-	34.48
Sundry balances written off	-	3.14
Provision for doubtful trade receivables (net)	127.09	-
Other miscellaneous expenses	405.32	404.32
Total	**73,944.44**	78,458.86

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 40 TAX EXPENSES

(₹ in Lakhs)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
(a)	**Income tax expense**		
	Current tax		
	Provision for current tax	**14,250.45**	17,210.87
	Excess provision for current tax of earlier years written back	-	(247.56)
	Net deferred tax [refer Note 40(c)]	**(1,762.39)**	1,745.93
	Income tax expense for the year	**12,488.06**	18,709.24
(b)	**Deferred tax**		
	Deferred tax liabilities		
	Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,103.14	6,676.64
	Fair valuation of current investments	2,885.84	3,074.73
	Hedge reserve balance	-	348.24
	Sub Total (a)	**7,988.98**	10,099.61
	Deferred tax assets		
	Hedge reserve balance	219.94	-
	Others	-	-
	Sub Total (b)	**219.94**	-
	Deferred tax liabilities (net) [refer Note 40(c)] (a) - (b)	**7,769.04**	10,099.61

(c) Movement in deferred tax

(₹ in Lakhs)

Particulars		Opening balance as at 1 April	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
2019-20					
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		6,676.64	(1,573.50)	-	5,103.14
Fair valuation of current investments		3,074.73	(188.89)	-	2,885.84
Hedge reserve balance		348.24	-	(348.24)	-
	Sub Total (a)	**10,099.61**	**(1,762.39)**	**(348.24)**	7,988.98
Deferred tax assets					
Hedge reserve balance		-	-	219.94	219.94
Others		-	-	-	-
	Sub Total (b)	**-**	**-**	**219.94**	219.94
Deferred tax liabilities (net)	**(a) - (b)**	**10,099.61**	**(1,762.39)**	**(568.18)**	7,769.04
2018-19					
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		4,688.28	1,988.36	-	6,676.64
Fair valuation of current investments		3,317.62	(242.89)	-	3,074.73
Hedge reserve balance		176.83	-	171.41	348.24
	Sub Total (a)	**8,182.73**	**1,745.47**	**171.41**	10,099.61

NOTE - 40 TAX EXPENSES (Contd.)

(₹ in Lakhs)

Particulars		Opening balance as at 1 April	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March
Deferred tax assets					
Others		0.46	(0.46)	-	-
	Sub Total (b)	0.46	(0.46)	-	-
Deferred tax liabilities (net)	**(a) - (b)**	8,182.27	1,745.93	171.41	10,099.61

(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	31 March 2020	31 March 2019
Profit before tax for the year	95,741.03	60,191.41
Tax at statutory income tax rate of 25.168% (previous year: 34.944%) in India	24,096.10	21,033.29
Adjustments:		
Tax on Foreign Dividend not charged to Profit & Loss	(8,550.44)	-
Income from long term investment taxed at lower rate	(1,140.02)	(2,261.62)
Non-deductible expenses for tax purposes	183.99	178.68
Benefit from change in tax rate	(2,066.17)	-
Tax of earlier years written back	-	(247.56)
Others	(35.40)	6.45
Income tax expense reported in the statement of profit and loss	**12,488.06**	18,709.24

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

NOTE - 41 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit attributable to the equity shareholders (₹ in lakhs)	83,252.97	41,482.17
Weighted average number of equity shares outstanding during the period (nos.)	9,43,20,370	9,43,20,370
Nominal value of equity share (₹)	2.00	2.00
Basic and diluted earnings per share (₹)	88.27	43.98

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	31 March 2020	31 March 2019
Employer's contribution to provident fund	512.99	443.33

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (Contd.)

B. Defined benefit plans

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

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

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

(i) Risks associated to the defined benefit plans:

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

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

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

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

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

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	**2018-19**
Defined benefit obligation at the beginning of the year	2,515.96	2,227.57
Recognised in statement of profit and loss:		
Current service cost	184.38	165.70
Interest cost	178.84	157.43
Actuarial (gain) / loss recognised in other comprehensive income:		
Due to change in financial assumptions	275.15	(1.02)
Due to change in demographic assumptions	0.12	-
Due to experience adjustments	2.37	38.36
Benefits paid	(125.17)	(72.08)
Defined benefit obligation at the end of the year	**3,031.65**	2,515.96

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	**2018-19**
Fair value of plan assets at the beginning of the year	2,334.52	2,108.93
Interest income	172.05	154.71
Return on plan assets excluding amounts included in interest income	(10.12)	24.31
Contributions by the employer	181.44	118.65
Benefits paid	(125.17)	(72.08)
Fair value of plan assets at the end of the year	**2,552.72**	2,334.52
Actual return on plan assets	161.93	179.02

NOTE - 42 EMPLOYEE BENEFITS (Contd.)

(iv) Expense recognised during the year:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	**2018-19**
Current service cost	184.38	165.70
Net interest cost	6.78	2.72
Net value of remeasurement on the obligation and plan assets	-	-
Net cost recognised in statement of profit and loss	**191.16**	168.42
Components of actuarial gains / (losses):		
Due to change in financial assumptions	275.15	(1.02)
Due to experience adjustments	2.37	38.36
Due to change in demographic assumptions	0.12	-
Return on plan assets excluding amounts included in interest income	10.12	(24.31)
	287.76	13.03

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	**2018-19**
Present value of obligation	3,031.65	2,515.96
Fair value of plan assets	2,552.72	2,334.52
Net defined benefit liability at end of the year	**478.92**	181.44

(vi) Composition of plan assets:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	**2018-19**
Debt instruments		
Government of India securities	-	-
High quality corporate bonds	-	-
State Government securities	-	-
Cash and cash equivalents		
Bank balances	2%	2%
Special deposit scheme	-	1%
Investment funds		
Insurance policies	98%	96%
Others	-	1%
Total	**100%**	100%

(vii) Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	**2018-19**
Financial assumptions		
Discount rate	6.55%	7.60%
Expected rate of return on plan assets	6.55%	7.60%
Salary growth rate	8.50%	8.50%
Demographic assumptions		
Withdrawal rate	5% at younger ages reducing to 1% at older ages	
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2006-08)

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (Contd.)

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

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

(viii) Sensitivity analysis:

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

(₹ in Lakhs)

Particulars	Increase in assumption		Decrease in assumption	
	2019-20	2018-19	2019-20	2018-19
Discount rate				
Change in assumption by 0.50%	-4.51%	-4.12%	4.90%	4.54%
Salary growth rate				
Change in assumption by 0.50%	4.76%	4.45%	-4.43%	-4.08%
Withdrawal rate				
Change in assumption by 0.10%	-0.31%	-0.09%	0.31%	0.17%

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

(ix) Maturity profile of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	2018-19
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	6.23	4.25
25 to 35	333.79	277.46
35 to 45	776.81	525.28
45 to 55	1,100.79	959.11
above 55	799.56	726.46
Accrued gratuity for left employees	14.47	23.40
Total	**3,031.65**	2,515.96
Past service wise distribution of defined benefit obligation		
Service period in years		
0 to 4	50.36	38.00
4 to 10	385.11	310.37
10 to 15	852.57	614.81
15 and above	1,729.14	1,529.38
Accrued gratuity for left employees	14.47	23.40
Total	**3,031.65**	2,515.96

C. Other long-term employee benefits

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

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 42 EMPLOYEE BENEFITS (Contd.)

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

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

Key actuarial assumptions:

(₹ in Lakhs)

Particulars	Leave encashment (funded)	
	2019-20	**2018-19**
Financial assumptions		
Discount rate	6.55%	7.60%
Expected rate of return on plan assets	6.55%	7.60%
Salary growth rate	8.50%	8.50%
Demographic assumptions		
Withdrawal rate	5% at younger ages reducing to 1% at older ages	
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2006-08)

Leave encashment recognised during the year in the standalone statement of profit and loss amounts to ₹ 239.44 lakhs (previous year ₹ 198.86 lakhs)

D. Company's estimate of contributions expected to be paid during financial year 2020-21 is as under:

(i)	Defined contribution plan:	
	(a) Employer's contribution to provident fund	12% of salary
(ii)	Defined benefit plan:	
	(a) Gratuity	478.92
(iii)	Other long-term employee benefits	
	(a) Leave encashment	110.13

NOTE - 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
(a) Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Central Excise and Service tax	173.27	2,713.46
Income tax	16,754.71	15,200.53
Sales tax / VAT	76.29	52.42
Guarantees:		
Outstanding bank guarantees	15,432.21	14,308.54
Outstanding corporate guarantees given to customers	246.63	451.79
Letter of Credit	2,788.61	48.50
Others matters including claims related to ESIC, Electricity and Ex-employees	607.90	603.89
Total	**36,079.62**	33,379.13

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 43 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (Contd.)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	6,893.94	1,292.94
Total	**6,893.94**	1,292.94

Notes:

(i). Most of the issue 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 standalone financial statements of the Company.

(ii). Sales tax/Central Sales tax 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 given in minor impact if any, shall be the year of final outcome of respective matter in appeal.

(iii). As on 31 March 2019, the Company carried an amount of ₹ 2,713.46 lakhs in its books as contingent liability that may occur in the future as a result of pending indirect tax litigations between the tax authorities and the Company. During the year, the Company has applied in Sabka Vishwas (Legacy Dispute Resolution) Scheme (SVLDRS) for full and final settlement of indentified matters involving ₹ 2,523.04 lakhs. Accordingly, the Company has paid ₹ 1,090.38 lakhs (including earlier payments of ₹ 887 lakhs) towards various tax demands and has received discharge certificates amounting to ₹ 1,090.38 lakhs. The said amount is shown as Excise expense in Note 39.

(iv). The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon'ble Supreme Court vide its ruling in February 2019 for prior years, in relation to the timing, extent and scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

NOTE - 44 ARBITRATION MATTER

On termination of Joint Venture and Shareholders' Agreement, a Settlement Deed dated 16 February 2000 was executed between Mr. Bhadresh K. Shah, and Magotteaux International S.A. Belgium (Magotteaux). Under the arbitral mechanism provided in Settlement Deed, Magotteaux has initiated arbitral proceedings against Mr. Bhadresh K. Shah and the Company before the International Chamber of Commerce, London (ICC) claiming damages inter alia alleging infringement of its patent by the Company (in relation to the Company's Sintercast Product) and breach of the Settlement Deed (in relation to Company's Sintercast product). However, the Company disputed the arbitration request and denied the allegations made therein. On 2nd August 2019, the three member Arbitration Tribunal passed a unanimous Award declining jurisdiction to hear the dispute and dismissing claims of Magotteaux. Aggrieved by this decision, Magotteaux has preferred an appeal before the Commercial Court of England (QBD) for partial award passed by the Arbitration Tribunal. However, the management is confident of successfully defending the matter in accordance with law. Accordingly, no provision is made in the books of account of the Company.

NOTE - 45 COVID-19

The Company's manufacturing facilities, which had to suspend operations temporarily, due to the Government's directives relating to COVID-19, have since resumed operations, as per the guidelines and norms prescribed by the Government authorities. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on carrying amounts of property, plant and equipment, trade receivable and inventories. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial results and has used internal and external sources of information to the extent determined by it. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

NOTE - 46 RELATED PARTY DISCLOSURES

A List of related parties:

(i) Subsidiaries:

(₹ in Lakhs)

Sr. no.	Name of entity	Country of incorporation	% of holding as at 31 March 2020	% of holding as at 31 March 2019
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%	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.

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

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

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

Sr. no.	Name	Designation
1	Mr. Rajendra S. Shah	Chairman
2	Mr. Bhadresh K. Shah #	Managing Director
3	Mr. Yashwant M. Patel	Whole-time Director
4	Mr. S. N. Jetheliya	Company Secretary
5	Mr. Bhupesh P. Porwal	Chief Financial Officer (up to 31st July 2019)
6	Mr. Viren K.Thakkar	Chief Financial Officer (w.e.f. 1st August 2019)

Controlling party. Refer Note 20 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

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 46 RELATED PARTY DISCLOSURES (Contd.)

(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 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 Limited	
10	RNCA & Associates	

* Non-Executive director of the Company.

NOTE - 46 RELATED PARTY DISCLOSURES (Contd.)

B Details of related party transactions during the year:

(₹ in Lakhs)

Sr. no.	Nature of transaction	Subsidiaries		Key Managerial Personnel		Independent Directors		Enterprise over which key managerial personnel or close member of their family exercise control		Relatives of key managerial personnel		Post employment benefit plan of the Company	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1	Sale of products (inclusive of taxes)	1,90,114.24	2,05,260.37	-	-	-	-	-	-	-	-	-	-
2	Recovery of freight charges	4,856.48	4,524.71	-	-	-	-	-	-	-	-	-	-
3	Miscellaneous receipt of Income	60.89	47.40	-	-	-	-	-	-	-	-	-	-
4	Purchase of goods (inclusive of taxes)	12,978.64	28,462.63	-	-	-	-	2,603.09	3,668.74	-	-	-	-
5	Recovery of travelling expenses	177.93	152.17	-	-	-	-	-	-	-	-	-	-
6	CSR expenses	300.00	328.25	-	-	-	-	-	-	-	-	-	-
7	Commission expense on purchases	-	-	-	-	-	-	77.34	110.74	-	-	-	-
8	Commission expense on sales	115.75	101.28	-	-	-	-	-	-	-	-	-	-
9	Legal and professional consultancy fees	-	-	-	-	-	-	10.48	7.59	-	-	-	-
10	SAP ERP functional and technical support	-	-	-	-	-	-	88.94	91.58	-	-	-	-
11	Salary, bonus and perquisites	-	-	145.30	132.85	-	-	-	-	1.54	1.54	-	-
12	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	181.44	118.65
13	Rent, rates and taxes	-	-	-	-	-	-	-	-	3.84	2.33	-	-
14	Travelling expenses	-	-	-	-	-	-	175.88	184.24	-	-	-	-
15	Telephone expenses	1.63	2.37	-	-	-	-	-	-	-	-	-	-
16	Professional tax	0.07	0.10	-	-	-	-	-	-	-	-	-	-
17	Interest & finance charges	0.02	0.07	-	-	-	-	-	-	-	-	-	-
18	Dividend received	33,973.45	9.55	-	-	-	-	-	-	-	-	-	-
19	Directors' remuneration and perquisites	-	-	125.85	127.31	-	-	-	-	-	-	-	-
20	Sitting fees paid	-	-	-	-	4.40	3.20	-	-	1.35	1.05	-	-
21	Commission to Directors	-	-	-	-	22.50	22.50	-	-	-	-	-	-
	Total	**2,42,579.10**	2,38,888.80	**271.15**	260.16	**26.90**	25.70	**2,955.73**	4,062.89	**6.73**	4.92	**181.44**	118.65
Outstanding balance receivable at year end		84,786.54	75,222.63	-	-	-	-	2,487.13	2,076.06	-	-	-	-
Outstanding balance payable at year end		824.51	1,041.46	18.35	17.73	20.25	20.25	133.98	159.78	0.29	0.22	478.92	181.44

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 46 RELATED PARTY DISCLOSURES (Contd.)

C Disclosures in respect of transactions with related parties during the year:

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March 2020	31 March 2019
1	Sale of products (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	1,89,799.46	2,04,980.48
		Welcast Steels Limited	314.78	279.89
2	Recovery of freight charges	Vega Industries (Middle East) F.Z.C.	4,856.48	4,524.71
3	Miscellaneous receipt of Income	Vega Industries (Middle East) F.Z.C.	18.51	12.80
		Vega Industries Limited, U.K.	18.51	17.30
		Vega Industries Limited, U.S.A.	5.36	-
		Wuxi Vega Trade Co. Limited	18.51	17.30
4	Purchase of goods (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	-	79.00
		Welcast Steels Limited	12,978.64	28,383.63
		Harsha Engineers Limited	2,603.09	3,668.74
5	Commission expense on sales	Vega Industries (Middle East) F.Z.C.	115.75	101.28
6	Recovery of travelling expenses	Vega Industries (Middle East) F.Z.C.	177.93	152.17
7	CSR expenses	AIA CSR Foundation	300.00	328.25
8	Commission expense on purchases	AB Tradelink Limited	77.34	110.74
9	Legal and professional consultancy fees	RNCA & Associates	10.48	7.59
10	SAP ERP functional and technical support	Discus IT Private Limited	88.94	91.58
11	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
		Mr. S. N. Jetheliya	63.55	53.78
		Mr. Bhupesh Porwal (Up to 31st July, 2019)	30.57	79.07
		Mr. Viren K.Thakkar (w.e.f. 1st August, 2019)	51.18	-
12	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	181.44	118.65
13	Rent, rates and taxes	Mrs. Giraben K. Shah	3.84	2.33
14	Travelling expenses	Vee Connect Travel Private Limited	175.88	184.24
15	Telephone expenses	Welcast Steels Limited	1.63	2.37
16	Interest to others	Welcast Steels Limited	0.02	0.07
17	Professional tax	Welcast Steels Limited	0.07	0.10
18	Dividend received	Vega Industries (Middle East) F.Z.C.	33,961.51	-
		Welcast Steels Limited	11.94	9.55
19	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	111.13	112.59
		Mr. Yashwant M. Patel	14.72	14.72
20	Sitting fees paid	Mr. Rajendra S. Shah	1.15	0.75
		Mr. Sanjay S. Majmudar	1.15	1.00
		Mr. Dileep C. Choksi	0.60	0.45
		Mr. Rajan Harivallabhdas	0.90	1.00
		Mrs. Janaki Udayanbhai Shah	0.60	-
		Mrs. Khushali Samip Solanki	0.60	0.60
		Mrs. Bhumika Shyamal Shodhan	0.75	0.45
21	Commission to Directors	Mr. Sanjay S. Majmudar	22.50	22.50

NOTE - 46 RELATED PARTY DISCLOSURES (Contd.)

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

(₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March 2020	31 March 2019
1	**Trade receivables**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	84,743.41	75,185.59
		Wuxi Vega Trade Co., Limited	18.84	17.30
		Vega Industries Limited, U.K.	18.84	17.30
		Vega Industries Limited, U.S.A.	5.45	-
		Welcast Steels Limited	-	2.44
		Total	**84,786.54**	75,222.63
2	**Trade payables**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	115.75	59.58
		Welcast Steels Limited	708.76	981.88
	(b) Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Limited	11.17	1.89
		RNCA & Associates	3.08	0.08
		Harsha Engineers Limited	119.73	157.81
	(c) Independent directors	Mr. Sanjay S. Majmudar	20.25	20.25
	(d) Relatives of key managerial personnel	Mrs. Giraben K. Shah	0.29	0.22
		Total	**979.03**	1,221.71
3	**Provision for employee benefits (Current)**			
	Post employment benefit plan of the Company	AIA Employee's Gratuity Trust Fund, India	478.92	181.44
		Total	**478.92**	181.44
4	**Advances**			
	(a) Enterprise over which key managerial personnel or close member of their family exercise control	Discus IT Private Limited	0.74	3.43
		Vee Connect Travels Private Limited	10.01	2.35
		Total	**10.75**	5.78
5	**Bank guarantees**			
	(a) Subsidiaries	Vega Industries Limited, U.K.	753.68	692.02
		Vega Industries (Middle East) F.Z.C.	753.68	692.02
		Wuxi Vega Trade Co. Limited	753.68	692.02
		Total	**2,261.04**	2,076.06
6	**Other current liabilities**			
	(a) Key managerial personnel	Mr. Bhadresh K. Shah	6.00	6.00
		Mr. Yashwant M. Patel	1.20	1.20
		Mr. S. N. Jetheliya	4.93	3.94
		Mr. Viren K.Thakkar	6.21	-
		Mr. Bhupesh Porwal	-	6.59
		Total	**18.35**	17.73

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 46 RELATED PARTY DISCLOSURES (Contd.)

E Breakup of compensation paid to key managerial personnel:

(₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March 2020	31 March 2019
1	Short-term employee benefits	Mr. Bhadresh K. Shah	111.13	112.59
		Mr. Yashwant M. Patel	14.72	14.72
		Mr. Bhupesh Porwal (Up to 31st July, 2019)	30.57	79.07
		Mr. Viren K.Thakkar (w.e.f. 1st August, 2019)	51.18	-
		Mr. S. N. Jetheliya	63.55	53.78
		Sub Total (a)	**271.15**	260.16
2	Post-employment benefits	Mr. Bhupesh P. Porwal	0.51	1.49
		Mr. Viren K.Thakkar (w.e.f. 1st August, 2019)	1.06	-
		Mr. S. N. Jetheliya	1.66	1.52
		Sub Total (b)	**3.23**	3.01
		Total (a + b)	**274.38**	263.17

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

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

NOTE - 47 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 2020	31 March 2019
(1).	Revenues from external customers including operating revenue:		
	India	65,458.47	76,208.98
	U.A.E. [revenue from Vega Industries (Middle East) F.Z.C.]	1,89,799.46	2,04,980.48
	Others	3,504.51	2,569.04
(2).	Non-current assets:		
	India	94,858.98	91,180.49
	Others	-	-

NOTE - 47 OPERATING SEGMENTS (Contd.)

(₹ in Lakhs)

	Particulars	31 March 2020	31 March 2019
(a)	Breakup of revenues :		
	Revenue from operations	2,49,806.44	2,73,716.71
	Other operating revenue	8,956.00	10,041.79
(b).	Non-current assets		
	Non-current assets (excluding financial instruments and tax assets). All non-current assets of the Company are located in India	94,858.98	91,180.49

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

NOTE - 48

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 2019. The management believes that the Company's international transactions with associated enterprises post 31 March 2019 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 2019-20 and the amount of provision for taxation as at 31 March 2020.

NOTE - 49 FINANCIAL RISK MANAGEMENT

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

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

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

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortized cost	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 recognized financial assets and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Commodity risk	Purchase of raw material	Fluctuation in imported metal scrap and ferro chrome prices and currency rates	Procurement and inventory strategy

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

Credit risk

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

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

(i) Actual or expected significant adverse changes in business

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

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

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

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

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

Provision for expected credit losses:

<table>
<tr><th rowspan="2">Description of category</th><th rowspan="2">Category</th><th colspan="3">Basis for recognition of expected credit loss</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>

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

Expected credit loss for loans and deposits:

(₹ in Lakhs)

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March 2020					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	243.74	-	-	243.74
	Deposits	573.65	-	-	573.65
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 2019					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	260.31	-	-	260.31
	Deposits	513.65	-	-	513.65
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Not due	37,897.35	38,193.00
0 - 3 months	42,397.38	24,937.29
3 - 6 months	12,982.93	18,280.67
6 - 12 months	3,508.15	8,717.43
Beyond 12 months	500.28	399.05
Gross carrying amount	**97,286.09**	90,527.44
Expected credit loss	(190.10)	(63.01)
Net carrying amount	**97,095.99**	90,464.43

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 as under:

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

(₹ in Lakhs)

Particulars	31 March 2020
0-1 Year	363.87
1-5 Years	924.51
Above 5 Years	120.03
Total	**1,408.41**

Financing arrangements

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Fund and non-fund based facilities	59,284.52	59,474.00

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

(₹ in Lakhs)

Particulars	0-1 years	1-5 years	Total
As at 31 March 2020			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	1,500.00	-	1,500.00
Short term borrowings	9,294.66	-	9,294.66
Trade payables	11,517.70	-	11,517.70
Other financial liabilities	1,057.23	-	1,057.23
Total	**23,369.59**	**-**	**23,369.59**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	873.88	-	873.88
As at 31 March 2019			
Non-derivative financial liabilities			
Long term borrowings (including current maturity of long term debt)	21.87	1,500.00	1,521.87
Short term borrowings	11,169.31	-	11,169.31
Trade payables	15,165.87	-	15,165.87
Other financial liabilities	1,477.91	-	1,477.91
Total	**27,834.96**	**1,500.00**	**29,334.96**
Derivative financial liabilities			
Forward exchange contracts used for hedging inflows	-	-	-

Note: Guarantees issued by the Company aggregating to ₹ 2,487.13 lakhs (previous year: ₹ 2,076.07 lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the Company does not have any present obligation to third parties in relation to such guarantees.

Market risk - interest rate

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

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Borrowings bearing fixed rate of interest	10,794.66	12,669.31
Borrowings bearing variable rate of interest	-	-

Interest rate sensitivity

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Movement - effects on profit before tax		
50 bp increase-decrease in profits	-	-
50 bp decrease-increase in profits	-	-

Market risk - Foreign currency risk

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

Foreign currency exposure:

(₹ in Lakhs)

Particulars	USD	EURO	ZAR	CAD	AUD	RUB	GBP
Trade receivables (net of hedge) (a)	4,02,90,746	1,02,82,015	10,15,54,709	9,40,015	34,26,198	25,49,630	-
Bank balances in EEFC accounts (b)	34,63,376	53,990	16,55,549	42	-	-	-
Exposure to foreign currency risk (assets) (a+b)	4,37,54,122	1,03,36,005	10,32,10,258	9,40,057	34,26,198	25,49,630	-
Trade payables (c)	2,893	1,08,011	-	-	-	-	39,964
Foreign currency loans (d)	87,50,000	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	87,52,893	1,08,011	-	-	-	-	39,964
As at 31 March 2019:							
Trade receivables (net of hedge) (a)	5,89,48,040	68,59,576	12,85,58,594	15,25,368	-	-	-
Bank balances in EEFC accounts (b)	4,65,259	48,308	2,44,944	42	-	-	-
Exposure to foreign currency risk (assets) (a+b)	5,94,13,299	69,07,884	12,88,03,538	15,25,410	-	-	-
Trade payables (c)	1,74,445	1,13,238	-	-	-	-	-
Foreign currency loans (d)	1,32,50,000	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	1,34,24,445	1,13,238	-	-	-	-	-

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

Foreign currency risk sensitivity

(₹ in Lakhs)

Particulars	Movement (%)		Effect on profit before tax		Effect on cost of assets	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
USD sensitivity						
INR / USD- increase by	1.00	1.00	263.80	318.25	-	-
INR / USD- decrease by	1.00	1.00	(263.80)	(318.25)	-	-
Euro sensitivity						
INR / Euro- increase by	1.00	1.00	84.98	52.76	-	-
INR / Euro- decrease by	1.00	1.00	(84.98)	(52.76)	-	-
ZAR sensitivity						
INR / ZAR- increase by	1.00	1.00	43.74	61.49	-	-
INR / ZAR- decrease by	1.00	1.00	(43.74)	(61.49)	-	-
CAD sensitivity						
INR / CAD- increase by	1.00	1.00	5.02	7.91	-	-
INR / CAD- decrease by	1.00	1.00	(5.02)	(7.91)	-	-
AUD sensitivity						
INR / AUD- increase by	1.00	1.00	15.86	-	-	-
INR / AUD- decrease by	1.00	1.00	(15.86)	-	-	-
RUB sensitivity						
INR / RUB- increase by	1.00	1.00	0.24	-	-	-
INR / RUB- decrease by	1.00	1.00	(0.24)	-	-	-
GBP sensitivity						
INR / GBP- increase by	1.00	1.00	(0.38)	-	-	-
INR / GBP- decrease by	1.00	1.00	0.38	-	-	-

The following significant exchange rates have been applied during the year

(₹ in Lakhs)

Rupees	Average rate		Year-end spot rate	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
USD	70.54	69.89	75.37	69.20
EUR	78.46	78.97	83.08	77.65
ZAR	4.80	5.14	4.24	4.77
CAD	53.20	51.19	53.39	51.87
GBP	90.06	90.81	93.87	90.36
AUD	48.39	49.60	46.28	49.16
RUB	1.10	0.97	0.97	0.96

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:

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

(₹ in Lakhs)

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 2020					
USD / INR	Sell	171	5,01,75,000	37,815.64	(1,168.67)
ZAR / INR		24	3,90,00,000	1,652.86	294.79
					(873.88)
		Less : Deferred tax			(219.94)
		Balance in cash flow hedge reserve			(653.94)
31 March 2019					
USD / INR	Sell	77	2,60,00,000	17,992.62	652.64
ZAR / INR		96	9,60,00,000	4,583.33	343.85
					996.49
		Less : Deferred tax			(348.21)
		Balance in cash flow hedge reserve			648.28

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year (net of tax)	648.28	(131.72)
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(1,302.22)	780.00
Balance at the end of the year (net of tax)	**(653.94)**	**648.28**

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:

(₹ in Lakhs)

	(Qty. in MT)	
Particulars	**2019-20**	**2018-19**
Metal scrap	1,94,755	1,97,612
Ferro chrome	59,956	59,708

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 49 FINANCIAL RISK MANAGEMENT (Contd.)

Commodity price sensitivity:

Increase / (decrease) in prices of metal scrap / ferro chrome by Re. 1 per kg would have following impact on profit before tax:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Re. 1 increase in commodity price	(2,547.11)	(2,573.20)
Re. 1 decrease in commodity price	2,547.11	2,573.20

(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	2019-20	2018-19
Debt *	10,794.66	12,691.18
Total equity	3,61,225.16	3,17,604.61
Debt to total equity	0.03	0.04

* Debt includes borrowings and current maturities of long term debt in other financial liabilities.

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 (including dividend distribution tax).

NOTE - 50 FAIR VALUE MEASUREMENTS

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

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

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

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

A. Financial assets :

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March 2020						
Non-current investments #	8	85.82	-	-	85.82	85.82
Current investments	14	1,31,763.55	-	10,000.00	1,41,763.55	1,31,763.55
Trade receivables	9,15	-	-	97,095.99	97,095.99	-
Loans	10,17	-	-	817.39	817.39	-

NOTE - 50 FAIR VALUE MEASUREMENTS (Contd.)

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
Cash and cash equivalents	16	-	-	3,881.10	3,881.10	-
Bank balances other than above	16	-	-	578.63	578.63	-
Other financial assets	18	-	-	3,861.47	3,861.47	-
Total		**1,31,849.37**	**-**	**1,16,234.58**	**2,48,083.95**	**1,31,849.37**
As at 31 March 2019						
Non-current investments #	8	85.58	-	-	85.58	85.58
Current investments	14	1,05,346.24	-	2,500.00	1,07,846.24	1,05,346.24
Trade receivables	9,15	-	-	90,464.43	90,464.43	-
Loans	10,17	-	-	773.96	773.96	-
Cash and cash equivalents	16	-	-	2,066.47	2,066.47	-
Bank balances other than above	16	-	-	633.82	633.82	-
Derivatives		996.49	-	-	996.49	996.49
Other financial assets	18	-	-	6,468.23	6,468.23	-
Total		**1,06,428.31**	**-**	**1,02,906.91**	**2,09,335.22**	**1,06,428.31**

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

B. Financial liabilities :

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March 2020						
Borrowings	22, 25	-	-	9,294.66	9,294.66	-
Trade payables	27	-	-	11,517.70	11,517.70	-
Derivatives		873.88	-	-	873.88	873.88
Other financial liabilities	28	-	-	2,557.23	2,557.23	-
Total		**873.88**	**-**	**23,369.59**	**24,243.47**	**873.88**
As at 31 March 2019						
Borrowings	22, 25	-	-	12,669.31	12,669.31	-
Trade payables	27	-	-	15,165.87	15,165.87	-
Other financial liabilities	28	-	-	1,499.78	1,499.78	-
Total		**-**	**-**	**29,334.96**	**29,334.96**	**-**

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

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 50 FAIR VALUE MEASUREMENTS (Contd.)

(₹ in Lakhs)

Particulars	Note	Fair value	Level 1	Level 2	Level 3
As at 31 March 2020					
Financial assets					
Current investments	14				
Investments in mutual funds (quoted)		1,11,172.42	1,11,172.42	-	-
Investments in bonds (quoted)		20,591.13	20,591.13		-
Financial liabilities					
Derivatives		873.88	-	873.88	-
As at 31 March 2019					
Financial assets					
Current investments	14				
Investments in mutual funds (quoted)		90,550.14	90,550.14	-	-
Investments in bonds (quoted)		14,796.10	14,796.10		-
Derivatives		996.49	-	996.49	-
Financial liabilities		-		-	

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

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

NOTE - 51 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 2020	31 March 2019
1	Gross amount required to be spent by the Company during the year	1,121.83	1,063.59
2	Details of amount spent during the year:		
	Eradicating hunger, poverty and malnutrition	9.00	21.00
	Promoting healthcare including preventing health care	49.57	242.00
	Promoting education	239.00	231.00
	Ensuring environmental sustainability	-	527.75
	Protection of National Heritage, art and culture	380.25	28.51
	Contribution to AIA CSR Foundation as per Schedule 7 of the Companies Act, 2013 (refer 3 below)	300.00	328.25
	Total amount spent during the year	**977.82**	1,378.51
3	Related party transactions in relation to CSR expenses: Contribution to AIA CSR Foundation	300.00	328.25
4	Amount unspent, if any.	444.01	13.33
5	Provision movement during the year:		
	Opening provision	-	-
	Additions during the year	977.82	1,378.51
	Utilised during the year *	(977.82)	(1,378.51)
	Closing provision	-	-

* Represents actual outflow during the year.

NOTE - 52 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached.

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

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

NIRAV PATEL
Partner
Membership No: 113327

Place : Mumbai
Date : 22 June 2020

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

VIREN K. THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 22 June 2020

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

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

Place : Ahmedabad
Date : 22 June 2020