



## AIA Engineering Limited

August 21, 2025

To,  
The Manager (Listing),  
**The BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**Script Code: 532683**

To,  
The Manager (Listing),  
**National Stock Exchange of India Limited**  
“Exchange Plaza”, C-1 , Block – G,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051  
**Script Code: AIAENG**

Dear Sir / Madam,

### **Sub: Annual Report for the Financial Year ended 31<sup>st</sup> March, 2025**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Notice of Annual General Meeting (including e-voting instructions) along with Annual Report 2024-25 of the Company, which is also being sent through electronic mode to the members as per the circulars from Ministry of Corporate Affairs and Securities and Exchange Board of India.

Important details with regard to AGM are as under:

Sr. No.	Particulars	Details
1.	AGM Details	Day: Monday Date: 15 <sup>th</sup> September, 2025 Time : 11.00 a.m. (IST) Through Video Conference/Other Audio Visual Means
2.	Record Date	Friday, September 5, 2025
3.	Cut-off date for e-voting	Monday, September 8, 2025
4.	Remote e-voting start time, day and date	9.00 a.m. Thursday, 11 <sup>th</sup> September, 2025
5.	Remote e-voting end time, day and date	5.00 p.m. Sunday, 14 <sup>th</sup> September, 2025
6.	E-voting website of CDSL	<a href="https://www.cdslindia.com">https://www.cdslindia.com</a>

**CIN : L29259GJ1991PLC015182**

**An ISO 9001 Certified Company**

**Corporate Office :** 11-12, Sigma Corporates, B/h. HOF Showroom, Off S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054. Gujarat, INDIA. Ph.: +91-79-66047800 Fax: +91-79-29900194

**Registered Office :** 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad - 382415. Gujarat, INDIA. Ph.: +91-79-22901078 Fax : +91-79-22901077 | [www.aiaengineering.com](http://www.aiaengineering.com), E-mail : [ric@aiaengineering.com](mailto:ric@aiaengineering.com)

The Annual Report containing the Notice of Annual General Meeting is also uploaded on the Company's website at [www.aiaengineering.com](http://www.aiaengineering.com).

You are requested to take the same on your record.

Thanking you.

Yours faithfully,  
**For AIA Engineering Limited**

**S. N. Jetheliya**  
**Company Secretary**

Encl.: As above



*[Handwritten signature]*





# Scaling up with Capabilities and Commitment



# Across the Pages

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## Investor Information

Market Capitalisation		
as of 31 March, 2025	:	₹ 31,237.59 Crores
CIN	:	L29259GJ1991PLC015182
BSE Code	:	532683
NSE Symbol	:	AIAENG
Bloomberg Code	:	AIAE:IN
AGM Date	:	15 September, 2025
AGM Mode	:	Video Conferencing (VC) and Other Audio-Visual Means (OAVM)



For more investor-related information, please visit:

<https://aiaengineering.com/investor-financials/>

Or simply scan the QR code

### Disclaimer

This document contains statements about expected future events of AIA Engineering Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. The numbers presented in this Report pertain to 2024-25 unless specifically mentioned otherwise. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



# Scaling up with Capabilities and Commitment

It started with a simple yet important understanding that scale isn't just about size. It's about being closer to the customer, staying flexible, and responding quickly when the landscape gets complicated. Over the past year, AIA Engineering made that shift real. With global freight costs swinging wildly and trade rules in flux, we moved beyond the traditional approach of manufacturing entirely in India. Instead, we began building closer to where our customers are. Two new plants, one in China and the other in Ghana, are now underway. These locations help us cut delivery times, reduce costs, and respond faster to market needs. At the same time, we kept strengthening our foundation in India. We set up a new facility for rubber and composite liners, backed by in-house R&D which is already

delivering results. This adds depth to our portfolio and puts us in a stronger position to serve mining clients with complete, high-performance solutions. These were not one-off moves. They were part of a deliberate plan, shaped by what we have always done well: technical precision, disciplined execution, and long-term thinking. We didn't wait for the future to arrive. We built towards it, step by step. This is what it means to scale up with capabilities and commitment. To expand not just outward, but forward. To back every decision with purpose and to grow with the kind of confidence that comes from knowing exactly what we can offer for value-accretive growth for both our clients and stakeholders.



## Highlights of The Year

# Milestones

## that Strengthen Our Global Ambition

### Financial

At AIA, we remain agile in the face of evolving business conditions, consistently delivering strong outcomes. Our resilient financial performance in 2024-25 underscores our ability to navigate challenges while capitalising on opportunities for sustainable growth.



**₹ 4,28,744 Lakhs**

Revenue from Operations

**35.31%**

EBITDA Margin

**₹ 1,49,260 Lakhs**

EBITDA

**25.09%**

PAT Margin

**₹ 1,06,074 Lakhs**

PAT

### Our Workforce

We recognise our employees as the key drivers of our success, and prioritise their growth, well-being and engagement. Our commitment to diversity and inclusion is reflected in a workplace culture that values different perspectives and actively promotes equal opportunity for all.



**1,306**

Permanent Employees



## Marketing and Distribution

At AIA, we are expanding our distribution network to enhance accessibility for consumers in a variety of markets. These initiatives are designed to guarantee exceptional service quality.



### Focussed

Team of Experienced Logistics Personnel

### 10+

Warehouses

### 5

Manufacturing Clusters

## Governance

We understand the crucial role of a robust governance framework in guiding our success. Through a well-defined structure, we uphold the highest standards of accountability and integrity, adhering to rigorous policies that align with our long-term objectives and stakeholder expectations.



### 40 Years

Average Experience of Directors in the Company

### 3

Independent Directors on the Board



# AIA Building Global Reach

AIA Engineering Limited ('AIA Engineering,' 'AIA,' 'The Company' or 'We') specialises in the design, development, production, installation, and servicing of high-chromium, wear-resistant parts for grinding equipment used in the cement, mining, and quarry industries.

We provide custom-designed solutions with the ideal metallurgy for each application, along with process optimisation services driven by in-depth technical assessments tailored to our customers' requirements. With over 40 years of experience in India and a global presence through our marketing arm, Vega Industries, we have consistently set industry benchmarks in quality, service, and innovation, earning recognition as a trusted global solutions partner.

## Industries Served



Mining



Thermal



## Our Values



Ownership



Adaptability



Drive



Engage



Mutual Respect



Cement



Quarry



Teamwork



Trust



Service-oriented Approach



Cost-conscious Operations

## Milestones

# Our Pillars of Progress

**1978**

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

**1979**

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

**1985**

Started the production of high-chrome grinding media

**1989**

Commenced producing high chrome liners, level control diaphragms, and other diaphragms

**1991**

Amalgamated Ahmedabad Induction Alloys Private Limited with the Company

**2011**

Commissioned a new plant for mining liners and vertical mill parts

**2005**

Listed on the Indian stock exchanges

**2003**

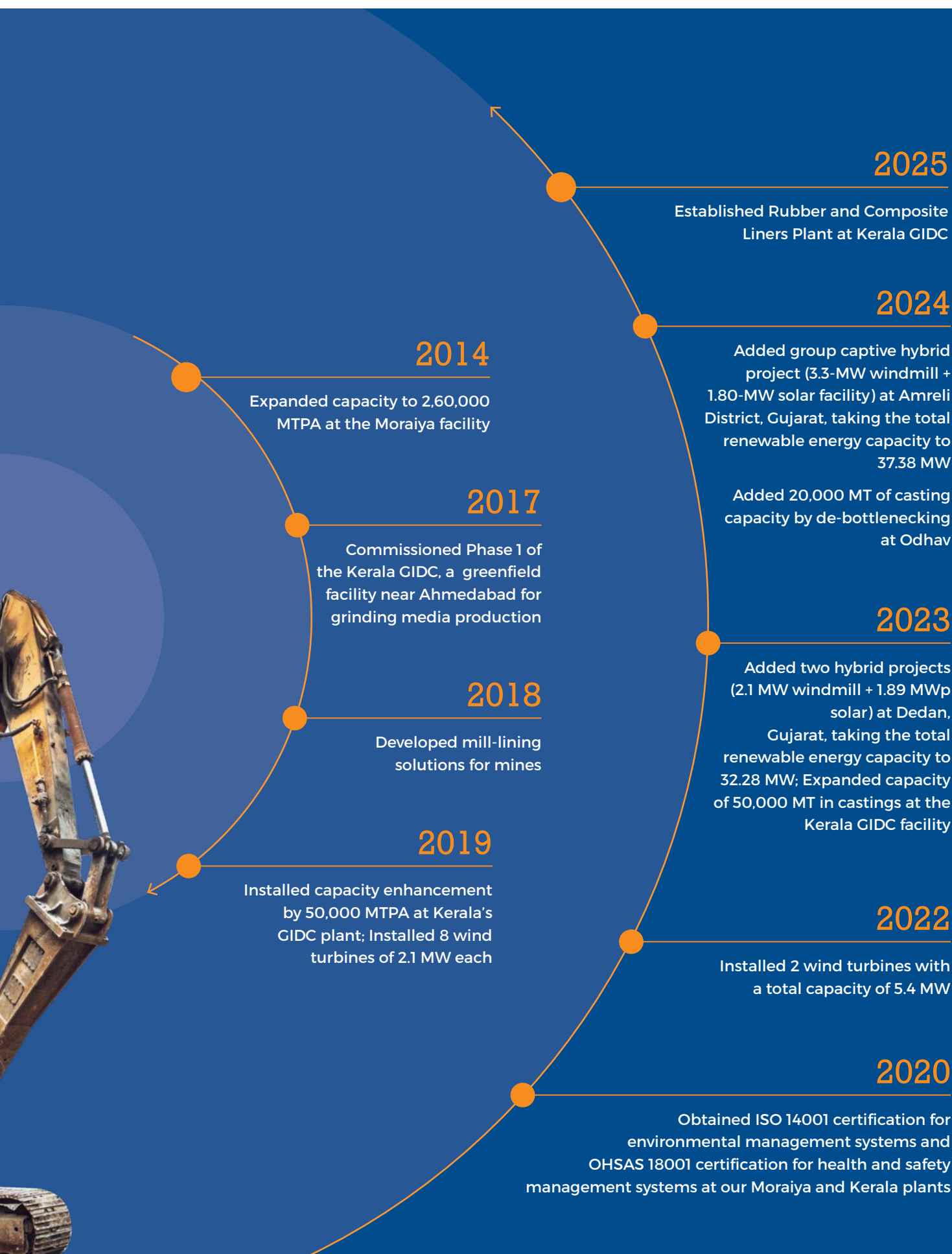
Incorporated Vega ME as a wholly owned subsidiary

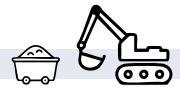
**1996**

Received ISO 9001 certification for Quality Management Systems









## Our Presence

# Mapping Our Global Presence

AIA has built a strong reputation as a trusted leader in delivering high-performance wear components and innovative technologies. Leveraging our deep expertise in metallurgy, grinding systems, and component design, we specialise in producing precision-engineered parts for tube mills, vertical mills, pulverisers, and a wide range of industrial applications. Our commitment to technical excellence and operational precision enables us to provide tailored solutions that enhance performance, improve reliability and maximise lifecycle value across every project.



## Facts in Brief

**120+**

Countries

**130+**

Ports

### Focussed Team

of Experienced Logistics  
Personnel

### Direct Contracts

with Shipping Lines

### Environmentally Compliant

Packing

### Meticulous

Documentation

### Robust

Product Packaging

## Logistics Network Warehouse

- › South Africa
- › USA
- › Netherlands
- › Australia
- › Ghana
- › Chile
- › Indonesia



## Subsidiary and Representative Offices

- |                |             |
|----------------|-------------|
| › USA          | › China     |
| › UK           | › Chile     |
| › UAE          | › Indonesia |
| › Australia    | › Ghana     |
| › South Africa | › Peru      |

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



# Our Strategic Edge in Industry Solutions



## Key Drivers of Our Value Creation

- › Conducting pilot mill tests to determine optimal ball size, improving energy efficiency
- › Enhancing flotation performance through research to identify the ideal high-chrome alloy for maximum metal recovery
- › Using Bond's Work Index Mill to calculate the Bond Work Index (BWI) and estimate grinding mill parameters
- › Performing regular mill audits to uncover opportunities for improving grinding efficiency and optimising operations
- › Offering on-site support from experienced engineers for seamless and timely installations
- › Monitoring wear profiles to plan maintenance schedules and adjust designs for extended liner lifespan



## Outputs

# 2,48,200 tonnes

Total Weight

## Industries We Serve



Cement Industry



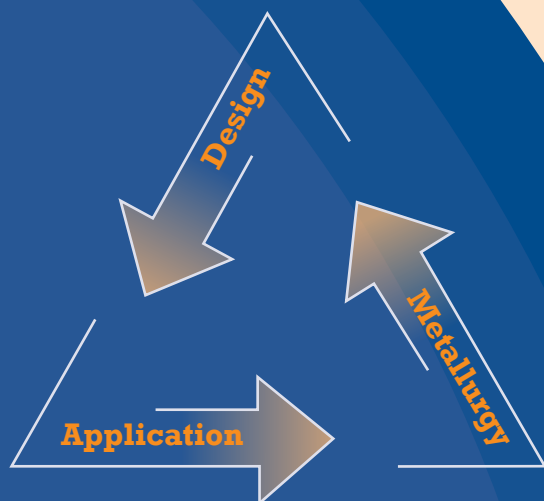
Mining Industry



Thermal Industry



Quarry Industry



## The Golden Triangle

The Golden Triangle of AIA/Vega Industries forms the foundation of our innovation strategy, guiding the development of solutions that optimise customer processes and reflect a deep knowledge framework that underpins our distinct value proposition:



Reduction in Operational Costs



Enhancing Throughput



Improving Recovery for Mining Companies

## Solutions Offered

# Pioneering Solutions for a Better Tomorrow

At AIA, we deliver integrated solutions that enhance productivity and support sustainability across diverse industrial sectors.

## Mining Industry

### Product Portfolio

Grinding media and mill liners specifically engineered for ore grinding applications.

### Application

Utilised in ore processing mills to crush and grind raw ore into fine particles; a crucial step in the extraction of minerals and metals.

### Value Proposition

AIA's high-performance solutions improve grinding efficiency, extend equipment lifespan, and lower operational costs, thereby enhancing the overall productivity and profitability of mining operations.



## Thermal Industry

### Product Portfolio

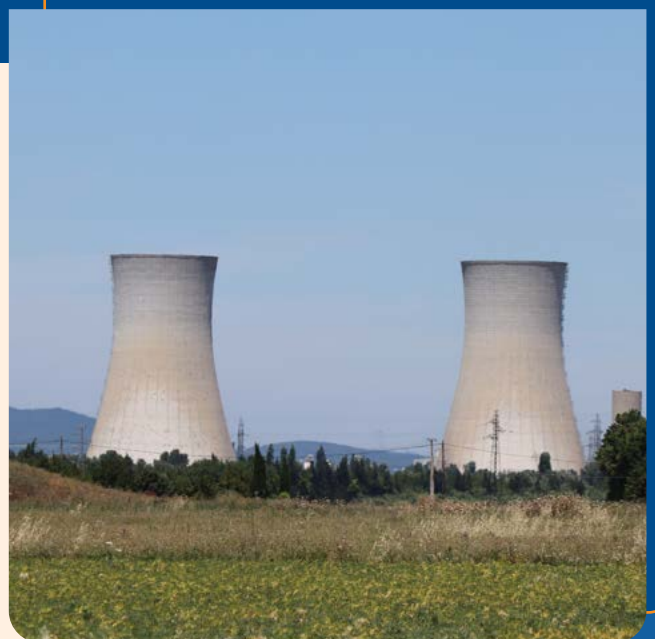
Specialised grinding media and wear-resistant components tailored for coal pulverising mills.

### Application

Integral to the process of converting coal into fine powder, enabling efficient and stable combustion in thermal power plants.

### Value Proposition

AIA's engineered solutions deliver superior wear resistance, enhancing the durability and reliability of coal mills. This results in lower maintenance needs, minimised downtime, and improved efficiency in power generation operations.







## Cement Industry

### Product Portfolio

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

### Application

Deployed in cement grinding mills to process raw materials and clinker into finer particles. These components enhance grinding efficiency, directly impacting the performance and output quality of cement production.

### Value Proposition

Our HCMI solutions deliver exceptional wear resistance and significantly longer service life compared to conventional steel components. As a result, cement manufacturers benefit from reduced maintenance cycles, minimised downtime and improved operational efficiency.



## Quarry Industry

### Product Portfolio

Durable wear parts engineered for high-impact applications, including:

- › Blow Bars
- › Hammers
- › Impellers
- › Anvils
- › Feed Disks
- › Frame Liners

### Application

Critical components used in the crushing and processing of aggregates for construction, infrastructure, and road-building projects.

### Value Proposition

Engineered using advanced wear- and impact-resistant alloys, our products deliver outstanding durability, reliable performance and extended service life. This enables reduced unplanned maintenance, lower downtime and greater efficiency across crushing operations.



## Capital Allocation and Investments

While our international projects take shape, we continue to invest in strengthening our operations in India. Our annual maintenance CAPEX is estimated at ₹ 100-130 Crores, covering:

- › Operational upgrades
- › Renewable energy initiatives
- › Residual investments in plant enhancements and land acquisition

## Welcast Limited: Steady Contribution

Our subsidiary Welcast Limited, in which we hold a 74.85% stake, continues to support our operations. Although the recent delisting proposal did not materialise, we continue to source from Welcast, albeit at slightly lower volumes, while we evaluate the next phase of our strategic direction.

## Looking Ahead

We are confident that this transition to a globally distributed manufacturing model will not only help us remain competitive but also enhance our agility in responding to customer needs and shifting market conditions. As we move forward, we remain guided by our core values of excellence, innovation, and responsibility, with a continued commitment to generating sustainable value for all our stakeholders.

# 3,40,000 MT

Total Production Capacity of Grinding Media as of 31 March, 2025

# 1,20,000 MT

Total Production Capacity of Castings as of 31 March, 2025

# 4,60,000 MT

Total Production Capacity of Grinding Media and Castings as of 31 March, 2025





## Our Plants



**Ahmedabad**



**Nagpur**



**Bengaluru**



**Trichy**

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# Building with Precision to Power Better Performance

At AIA, our enduring value proposition lies in our relentless focus on precision-led solutions, ongoing innovation, and deep customer alignment. Through a combination of research-backed design, real-time performance monitoring, and comprehensive technical support, we deliver not just products, but sustained value over the long term. Here is how our differentiated approach creates a compelling investment opportunity.







### ... Drive Productivity through Precision

Our pilot-scale mill testing capabilities enable us to determine the optimal ball size for each customer's specific operating conditions. This scientific approach significantly improves energy efficiency and maximises throughput, thereby offering measurable gains for our clients and sustainable returns for investors.



### ... Maximise Recovery with Custom Metallurgy

By leveraging intensive R&D, we formulate the ideal high-chrome alloys tailored to unique flotation environments. This enhances metal recovery rates, making us a preferred partner in high-performance, cost-effective mineral processing solutions.



### ... Lead with Research and Data

Using Bond's Work Index Mill, we determine precise grindability metrics that guide optimal mill configuration and energy usage. Our data-driven methodology ensures every recommendation is grounded in reliable scientific insights.



### ... Enable Operational Excellence

Our routine mill audits uncover operational inefficiencies and deliver actionable recommendations to improve grinding performance, reduce wear, and lower total cost of ownership.



### ... Deliver Trusted and On-Site Support

Our global team of experienced engineers provides on-ground support during installation, commissioning, and throughout the product lifecycle. This ensures that our solutions perform as promised, right from the start.



### ... Extend Product Life and Predictability

Through regular scanning of wear profiles and liner conditions, we help customers plan maintenance effectively and fine-tune design for extended liner lifespan. This helps in minimising downtime and improving asset productivity.

# Delivering Value and Defining Growth



**AIA Engineering remains committed to harnessing India's growth momentum by driving operational excellence, deepening our innovation agenda, and expanding our presence both within the country and in key international markets.**



## Dear Shareholders and Stakeholders,

It is with great pride and a deep sense of responsibility that I present to you the Annual Report for 2024-25. This year has marked a period of strategic evolution, operational strength and forward-looking investment.

India continues to assert its position as the world's fastest-growing major economy, and is on track to become the fourth-largest economy by the end of 2025, according to the

International Monetary Fund's World Economic Outlook. The Indian economy is expected to grow at a robust rate of 6.5% in 2025-26, outperforming global peers despite a challenging and unpredictable international landscape.

This sustained growth is underpinned by several key drivers: strong government spending, supportive monetary policy with relatively low interest rates, resilience in rural consumption, and a gradual

revival of urban consumer demand. The government's fiscal space allows for increased capital expenditure, which is expected to further accelerate infrastructure development and economic momentum. These factors collectively contribute to India's economic resilience amid global uncertainties such as trade tensions and fluctuating financial markets.

However, challenges remain. The economy faces headwinds including tepid urban consumer



demand, muted private investment, persistent food inflation, stagnant job growth, and a widening trade deficit. Achieving India's ambitious aspiration of becoming a developed nation by 2047, with sustained annual growth of 8% or more, will require comprehensive structural reforms, particularly to attract foreign direct investment and strengthen the manufacturing sector.

In this dynamic economic landscape, AIA Engineering remains committed to harnessing India's growth momentum by driving operational excellence, deepening our innovation agenda, and expanding our presence both within the country and in key international markets. We are confident that the ongoing economic transformation will create a conducive environment for long-term business growth and sustainable value creation for all our stakeholders.

## Our Financial Performance

We closed the year with total sales tonnage of 2,55,443 tonnes. This translated into a total revenue of ₹4,227 Crores for the year. While this reflects a 14% decline in top-line performance compared to the previous fiscal, our profit decreased by only 6.5%, highlighting the underlying strength and resilience of our operating margins.

Our EBITDA stood at ₹ 1,493 Crores, reflecting an EBITDA margin in the range of 34-35%. Even when excluding treasury-

related other income and forex gains, we maintained a healthy core operating margin of around 28%, reflecting our strong operational discipline and consistent ability to manage input costs, streamline efficiencies and safeguard profitability. Consequently, profit after tax (PAT) stood at ₹ 1,060 Crores, highlighting the strength and consistency of our earnings engine.

We also recorded other operating income of ₹ 61 Crores, which included operating benefits such as duty drawbacks and RoDTEP incentives, in addition to treasury income and some favourable foreign exchange movements.

Our working capital position remained stable, reflecting our continued focus on prudent financial management, inventory controls, and receivables efficiency.

## Our Operational Highlights

While grinding media remains our primary volume driver, the mill liner business is gaining momentum, now contributing a double-digit share to our total annual volumes. Our unique value proposition continues to

emphasise grinding process optimisation and operational efficiency over price-based competition.

Our market focus continues to be centred on copper, gold, and iron ore mining sectors, with particular emphasis on expanding our footprint in South America, including Chile and Peru. The cement segment remains significant domestically, although global growth is relatively moderate and closely linked to capacity additions within the sector.

On the regulatory front, we faced several trade-related challenges. In the US, anti-dumping and countervailing duties totalling 10.07%, along with Section 232 tariffs, remain applicable to our products. We continue to engage in ongoing cooperation with investigations, and active bilateral discussions between India and the US are underway to seek greater duty clarity and stability. In Brazil, the withdrawal of the anti-dumping duty validates our fair pricing stance, with countervailing duty adjudicated at 2.9% bringing total duty down from 12.97% to 2.9%. We are comfortable with duty structures in Canada and Brazil, and



**In response to significant challenges posed by rising freight costs and geopolitical uncertainties, we undertook a strategic shift from our traditional 'Make in India, Ship to the World' approach.**



continue to maintain a healthy and stable market presence.

While we continue to strengthen our Indian manufacturing footprint, the Board also decided to explore satellite manufacturing operations outside of India and have shortlisted China and Ghana as the first two countries in that direction. Both projects are currently at an exploratory stage.

From an operational perspective, working capital remained largely steady, with a slight uptick attributable to seasonal inventory adjustments. Raw material costs began to stabilise in the latter half of the year. The proposed delisting of our subsidiary, Welcast Limited, did not proceed, and sourcing from Welcast continues at a reduced scale. We are actively exploring strategic alternatives with respect to the entity.

## CSR Initiatives

At AIA, our approach to CSR is rooted in the belief that true progress stems from inclusive growth and sustainable impact. Guided by our commitment to active citizenship, we undertake a range of initiatives that empower communities through education, healthcare, environmental stewardship, and cultural enrichment.

Education is a cornerstone of our CSR efforts. Through the Gyan Deep Programme and the AIA CSR Foundation, we aim to bridge educational gaps for marginalised communities by supporting both foundational

learning and holistic development.

Complementing these efforts, the Chetana Empowerment Foundation (CEF) instils a curated set of 50 core values, such as respect, compassion, and honesty, among students from Grades 5 to 8, shaping responsible and empathetic future citizens.

In healthcare, we focus on expanding access to quality medical services by partnering with reputed institutions, including the Marengo Asia Foundation (CIMS), Nihar Charitable Trust, and the Gujarat Cancer Society. These collaborations aim to deliver critical healthcare interventions to underserved populations.

Our environmental initiatives are driven by a commitment to ecological balance. In partnership with the ARC Foundation, we have planted approximately 60,142 trees across various locations, contributing to green-cover enhancement and carbon footprint reduction.

To promote cultural inclusion, AIA has collaborated with Darpana, introducing Indian folk-dance lessons to children aged 8 to 14 in

underprivileged schools. This helps in fostering creative expression, cultural pride, and physical well-being.

Furthering our commitment to child nutrition and education, our longstanding partnership with the Akshaya Patra Foundation supports the provision of mid-day meals to students enrolled in government and government-aided schools, ensuring that hunger does not hinder learning.

## Way Forward

We remain extremely bullish on the long-term growth prospects, given the huge headroom for conversion available in our targeted Mining markets and given the strength and efficacy of our solutions; and maintain our stance on all fronts, aiming to increase sales by 30,000-40,000 tonnes annually. As we explore numerous opportunities, particularly in driving customer transition from forged to high-chrome media, our modular approach remains strategic and reflects our intent to enable sustained growth. Despite the challenges, we remain confident in our long-term outlook and



**Our market focus continues to be centred on copper, gold, and iron ore mining sectors, with particular emphasis on expanding our footprint in South America, including Chile and Peru.**







**Our ability to sustain profitability, even in a year marked by volume degrowth, is a testament to the strength of our business model, the agility of our operations, and the long-standing trust of our customers.**



prepared to navigate obstacles with resolve and focus.

### Closing Note

As we close the chapter on 2024-25, we reflect with pride on our resilience, adaptability, and continued pursuit of excellence, even amid a complex global environment. Despite facing headwinds such as logistical disruptions, volatile freight dynamics, and geopolitical uncertainties, AIA has remained steadfast in delivering value to all stakeholders through robust margins, product innovation, and strategic foresight.

Our ability to sustain profitability, even in a year marked by volume degrowth, is a testament to the strength of our business model, the agility of our operations, and the long-standing trust of our customers. Our investments in global manufacturing facilities, product diversification (including composite mill liners), and market-specific strategies will enable us to strengthen supply chains, accelerate customer acquisition, and create

differentiated value in the years ahead.

Looking forward, we are committed to scaling sustainably and strategically. Our focus remains on driving predictable volume growth, deepening our presence in key mining regions, enhancing supply chain efficiency, and delivering process-led solutions across our grinding media and mill liner portfolio. With continued emphasis on innovation, operational excellence, and stakeholder responsibility, we are poised to navigate the evolving landscape and seize the opportunities that lie ahead.

Best Regards,

**Bhadresh K. Shah**

Managing Director,  
AIA Engineering Limited

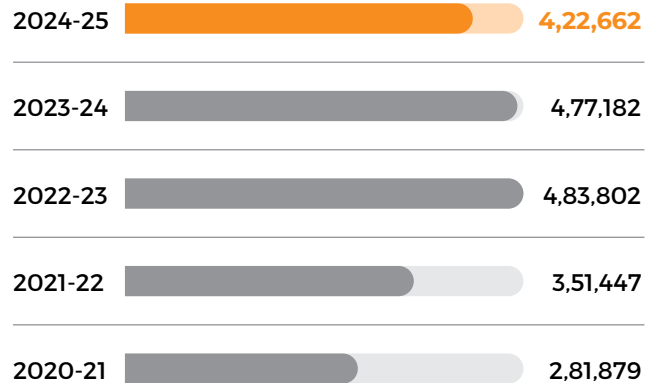
## Financial Highlights

# Numbers that Define Our Progress

AIA's resilient business model continues to drive strong financial performance, underpinned by our disciplined approach to risk management and value-focused investment strategies. Our ability to consistently generate sustainable profits reflects our strategic foresight and operational discipline. This financial strength enables us to honour our commitments and deliver long-term value for all stakeholders across the engineering value chain.

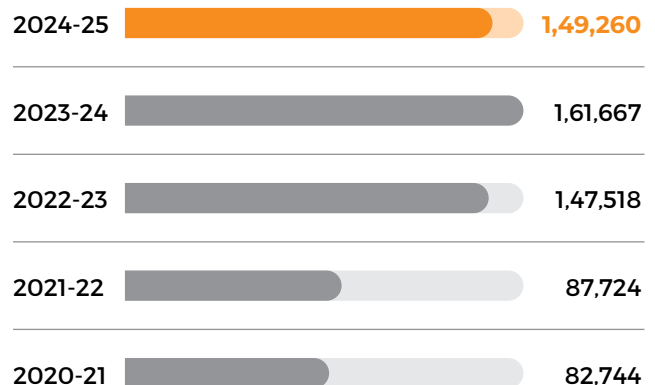
### Net Sales

(₹ Lakhs)



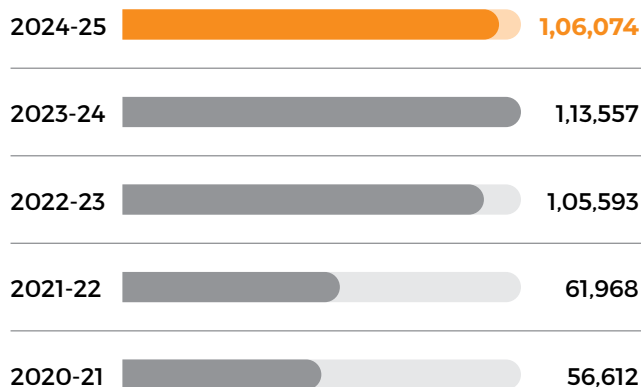
### EBITDA

(₹ Lakhs)

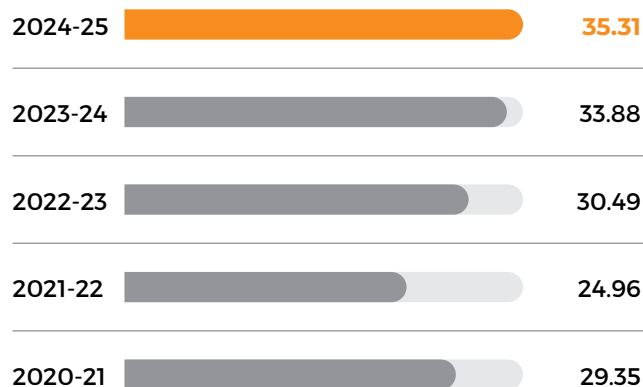


**Profit After Tax****(After Minority Interest)**

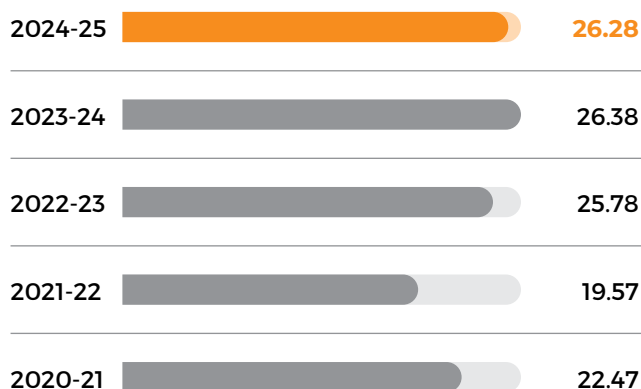
(₹ Lakhs)

**EBITDA Margin**

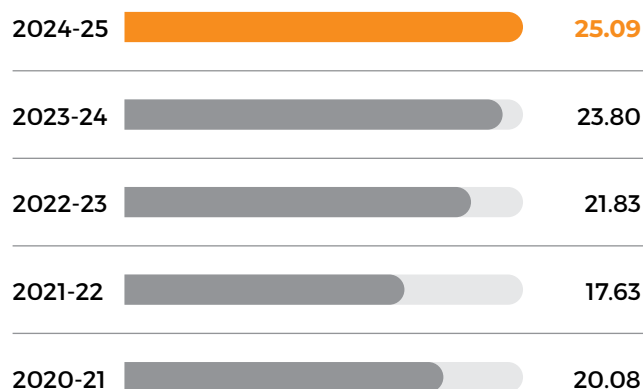
(%)

**Operating Profit Margin**

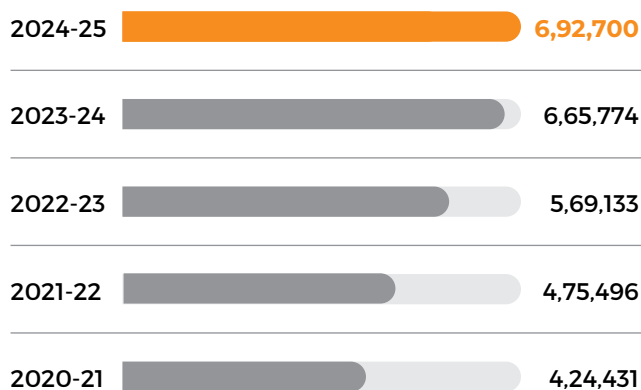
(%)

**Profit Margin**

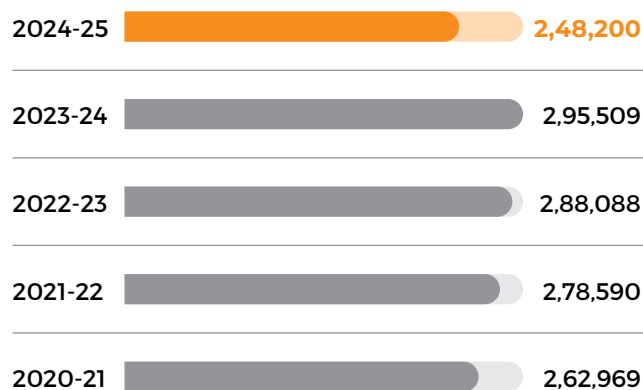
(%)

**Net Worth**

(₹ Lakhs)

**Production Volume**

(MT)





## Case Studies

# Turning Vision into Reality

## Business Case Study and Report - 1

### Challenges

- › Increase in SAG mill throughput
- › Reduction in specific power consumption
- › Enhancement of liner life

### Mitigation

- › Design conversion of discharge system
- › Introduction of next-gen discharge system
- › Design modification of liners

### Benefits Achieved

- › Improvement in SAG mill throughput by **8.4%**
- › Reduction in specific power consumption by **13%**
- › Increase in liner life by **20%**

**3.6 MTPA**

Plant Capacity

**Gold**

Ore

**~ USD 22.29 million**

Opportunity Realisation (Annualised)

## Business Case Study and Report - 2

### Challenges

- › Improvement in liner life of a SAG mill
- › Reduction in installation time

### Mitigation

- › Design modification of liners

### Benefits Achieved

- › Improvement in Liner Life by 25%
- › Reduction in shell liner pieces by 33.3%, resulting in installation time reduction

**12 MTPA**

Plant Capacity

**Gold**

Ore

**~USD 10.98 million**

Opportunity Realisation (Annualised)





## Business Case Study and Report - 3

### Challenges

- › Increase in SAG mill throughput
- › Liner life Improvement

### Mitigation

- › Design conversion of discharge system
- › Introduction of next-gen discharge system
- › Design modification of liners

### Benefits Achieved

- › Improvement in SAG mill throughput by 1.8% (potential to increase up to 5%)
- › Reduction in specific power consumption by 12%
- › Increase in shell liner life by 60%

# 8.5 MTPA

Plant Capacity

# Gold

Ore

# ~USD 25.34 million

Opportunity Realisation  
(Annualised)



# Engineering a Sustainable Tomorrow

At AIA, environmental stewardship is a fundamental part of how we operate. We are committed to integrating the principles of Reduce, Reuse, and Recycle across our processes, with the ultimate goal of advancing circularity and reducing long-term dependence on fossil fuels.

## Our Commitment

We remain deeply committed to mitigating the environmental impact of our operations. Across our facilities, we continuously strive to improve resource efficiency, lower emissions and ensure full compliance with applicable environmental standards.

## Process Efficiency

Operational efficiency lies at the heart of our sustainability agenda. By deploying advanced technologies and energy-efficient systems, we consistently work to enhance operational performance while minimising the environmental footprint of our engineering processes.

## Compliance and Governance

We maintain stringent environmental protocols, guided by robust management systems. Our plants comply with all applicable Environmental, Health and Safety (EHS) standards as prescribed under Indian law. We also conduct annual Environmental Impact Assessments (EIAs) at key manufacturing sites to proactively identify risks and implement targeted improvements.

## Our Initiatives

### Heat Treatment

At all our foundries, we use direct energy systems for heat treatment, choosing Piped Natural Gas (PNG) over conventional fossil fuels to reduce Scope 1 emissions. Flue gas recuperators installed across our gas-fired heat treatment furnaces recover waste heat, which is then utilised to preheat combustion air, significantly improving thermal efficiency and reducing overall energy consumption.

### Melting Techniques

Our melting processes rely on induction furnaces powered by electricity. Through a closed-loop system, we are able to minimise energy loss and reduce overall greenhouse gas emissions.





## Energy Reduction

We have implemented several initiatives to cut energy consumption and enhance system efficiency:

- › Replaced standard ID fans with high-efficiency induced draft fans
- › Substituted 40 HP pumps with energy-efficient 15 HP alternatives
- › Replaced older electrical motors with IE-3 class high-efficiency motors
- › Installed wind turbines to increase the share of renewables in our energy mix



## Renewable Energy

We have laid out a comprehensive long-term plan to reduce our carbon footprint by integrating renewable energy into our operations.

## Emissions

- › We are vigilant about our emissions and ensure all required safeguards are in place
- › All our stacks are compliant with prescribed height norms, with key stacks linked to online monitoring systems
- › We engage third-party experts to validate air quality parameters as per the State Pollution Control Board guidelines
- › The Company has developed an automated dust and fume extraction system; any operational fault triggers an alarm and halts production to prevent pollutant release

## Water Management

Water plays a critical role in our industrial processes: from cooling systems to canteen and sanitation use. We have implemented a comprehensive water management strategy focused on conservation, reuse and efficiency across all operations.

### Our Initiative

- › Conducting annual water audits across all plants, implementing high-priority recommendations without delay
- › Regularly training employees on water conservation practices
- › Establishing rainwater harvesting systems to recharge groundwater via rooftop collection and runoff
- › Maintaining zero liquid discharge (ZLD) status: Water is treated and reused within the plant. Dry-type cooling towers help minimise blow-down, and grey/sewage water is processed in our STP with ultra-filtration units



## Waste and Circular Economy

We are transitioning from a linear to a circular business model to ensure resources are used efficiently and responsibly throughout their lifecycle.

### Our Initiative

- › Applying a waste hierarchy: Reduce, Reuse, Recycle, and Recover; we consistently look for ways to repurpose waste and integrate recycled materials
- › Managing hazardous waste, e-waste, and used batteries in strict compliance with regulatory norms
- › Remelting all recyclable waste in our furnaces or processing through certified vendors, ensuring responsible and lawful disposal



# Empowering Communities to Enrich Lives

At AIA, our approach to CSR stems from a deep sense of corporate citizenship and a belief that true sustainability extends beyond business. We are committed to building a resilient future not only for our Company but also for the communities we serve, ensuring that progress and prosperity go hand in hand.

A CSR contribution of ₹ 2,096.55 Lakhs in various fields including:

## Education: ₹ 1,435.88 Lakhs

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

## Environment and Animal Welfare: ₹ 188.10 Lakhs

- › ARC Foundation
- › Shree Sidhhi Bhuvan Manohar Jain Panjrapole
- › Chain Bihari Ashray Foundation

## National Heritage/ Art/Culture: ₹ 63 Lakhs

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

## Contribution to Public Funded Universities: ₹ 203.94 Lakhs

- › Gujarat Technological University

## Healthcare: ₹ 154 Lakhs

- › Marengo Asia Foundation (CIMS)
- › Karuna Kare Foundation
- › Vithaldas Tulsidas Charity Trust
- › Nihar Charitable Trust
- › Sadvichar Parivar
- › Zydus Foundation

## Promotion of Sports: ₹ 5.63 Lakhs

- › Foundation for Promotion of Sports and Games

## Eradicating Hunger: ₹ 46 Lakhs

- › Tulsi Vallabh Nidhi
- › Akshay Patra Foundation
- › Rahi Foundation







## Educational Initiatives

### Gyan Deep Programme

Under our flagship 'Gyan Deep' initiative, we collaborate with 11 Government Primary Schools across Changodar, Odhav, and nearby areas to support underprivileged students. The programme focuses on Foundational Literacy and Numeracy (FLN), Nature Education, Value Education, Life Skills, and Citizenship Training—aligned with the goals of NIPUN Bharat under NEP 2020. With Jeevantirth as our implementation and knowledge partner, we deploy trained educational volunteers to bridge critical learning gaps and support the holistic development of students.

### Yuva Unstoppable

Through our partnership with Yuva Unstoppable, we are building digitally enabled school environments by integrating Information and Communication Technology (ICT) tools in Government schools. This includes the provision of ICT devices, internet access, and teacher training. The initiative promotes digital literacy, supports student-centred learning, and nurtures analytical and critical thinking abilities in students.

### Jeevantirth VaaGaLe Utsav

The VaaGaLe Utsav project, implemented by Jeevantirth, brings joy back into learning. Focussed on student engagement and experiential education, the initiative strengthens child-centred learning in government schools across Ahmedabad. With tools like activity sheets, working materials, science fairs, and creative workshops, students are encouraged to learn by doing, improving both understanding and retention.

### Chetana Empowerment Foundation

Supported by the AIA CSR Foundation, this transformative initiative addresses the erosion of values among adolescents. Implemented across Grades 5 to 8 in ten schools in Ahmedabad, it instills 50 essential values, such as respect, empathy, and teamwork, through an engaging blend of online content, films, group discussions, and offline cultural and environmental activities.

The programme has already benefitted over 2,263 students. Assessments show enhanced academic focus, emotional maturity, and stronger interpersonal relationships among participants. Teacher training is a key component, ensuring the sustainability of this impactful programme.

### Jan Jagrati Sevarth Sansthan

We support Jan Jagrati Sevarth Sansthan, a non-profit organisation dedicated to uplifting marginalised communities through education, health, and skill development. The organisation is currently developing an English-medium co-educational school in rural Rajasthan to improve literacy, hygiene and overall well-being in underserved areas.

### IIT Kanpur

We support IIT Kanpur to construct a new Hall of Residence to house 360 rooms, accommodating up to 667 students. This edifice will serve as a pivotal centre within our community, nurturing learning, development and collaboration among esteemed students. The Hall of Residence will stand as a testament to modernity and sustainability, boasting state-of-the-art amenities, including expansive common spaces, recreational areas and guest facilities. It will be a vibrant hub where students from diverse backgrounds converge to live, learn and flourish together.



Architectural Image

## Healthcare Initiative

We have partnered with esteemed healthcare institutions including the Marengo Asia Foundation (CIMS), Nihar Charitable Trust, Sadvichar Parivar and Gujarat Cancer Society. These collaborations focus on improving access to quality healthcare, diagnostics, and patient support services, particularly for underserved populations.



## Plantation and Grass Work Initiative

In collaboration with the ARC Foundation, AIA has planted approximately 60,142 trees across multiple locations including the Chiloda Air Force Colony, Military Cantonments in Gandhinagar, Vadsar, Ahmedabad, Baroda and Deesa BSF. These efforts contribute to carbon sequestration, biodiversity conservation, and the greening of public spaces.

A total area of 76,680 square feet has been planted with grass at South West Command Air Force Station Chiloda during the year 2024-25.





## Art and Culture Initiative

Through our partnership with Darpana Academy of Performing Arts, we bring Indian folk-dance education to underprivileged children aged 8-14. Operating in six schools across Sanand and Nikol, the Nritya Parichay programme enhances students' physical wellness, cognitive skills, leadership, and self-expression, reinforcing the integral role of culture in education.



## Eradicating Hunger Initiative

We support the Akshaya Patra Foundation in its mission to eradicate classroom hunger. Through our collaboration, thousands of children in government and government-aided schools receive nutritious mid-day meals, improving their attendance, health, and learning outcomes.







# Corporate Information

## Board of Directors

### Mr. Rajendra S. Shah

Chairman: Non-Independent, Non-Executive Director

### Mr. Bhadresh K. Shah

Managing Director: Executive-Promoter

### Mr. Sanjay S. Majmudar

Non-Independent Director, Non-Executive Director

### Mr. Yashwant M. Patel

Whole-Time Director

### Mr. Piyush B. Shah

Independent Director

### Mrs. Khushali S. Solanki

Non-Independent, Non-Executive Director

### Mrs. Bhumika S. Shodhan

Non-Independent, Non-Executive Director

### Mr. Rajan R. Harivallabhdas

Independent Director

### Mrs. Janaki U. Shah

Independent Director

## Chief Financial Officer

### Mr. Viren K. Thakkar

## Company Secretary

### Mr. S. N. Jetheliya

## Statutory Auditors

### B S R & CO. LLP

Chartered Accountants

## Cost Auditors

### Kiran J. Mehta & Co.

Cost Accountants

## Secretarial Auditors

### Tushar Vora & Associates

Company Secretaries

## Registered Office

115, GVMM Estate,  
Odhav Road, Odhav, Ahmedabad – 382 415

## Corporate Office

11-12, Sigma Corporates,  
B/h. HOF Show Room, Off. S.G. Highway,  
Sindhu Bhavan Road, Bodakdev,  
Ahmedabad – 380 054

## Registrar and Share Transfer Agent

### MUFG Intime India Private Limited,

C 101, 247 Park, L B S Marg,  
Vikhroli (W), Mumbai – 400 083  
Phone No.: 022-4918 6270  
Fax No.: 022-4918 6060  
Email: [rnt.helpdesk@in.mpms.mufig.com](mailto:rnt.helpdesk@in.mpms.mufig.com)

## Bankers

### State Bank of India

### Citibank N.A.

### JPMorgan Chase Bank N.A.

### HSBC Bank Limited

### AXIS Bank Limited

### IDBI Bank Limited

### HDFC Bank Limited

### ICICI Bank Limited



# Business Responsibility & Sustainability Report



**Annexure-“C”** to Board's Report



## SECTION A > GENERAL DISCLOSURES

### I. Details of the listed entity

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

L29259GJ1991PLC015182

#### I-2 Name of the listed entity

AIA ENGINEERING LIMITED

#### I-3 Year of incorporation

11/03/1991

#### I-4 Registered office address

115, G.V.M.M. ESTATE, ODAV ROAD, ODHAV,  
AHMEDABAD - 382415

#### I-5 Corporate address

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

#### I-6 E-mail

info@aiaengineering.com

#### I-7 Telephone

+91-79-66047800

#### I-8 Website

www.aiaengineering.com

#### I-9 Financial year for which reporting is being done

2024-2025

#### I-10 Name of the Stock Exchange(s) where shares are listed

BOMBAY STOCK EXCHANGE LIMITED (BSE)  
NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

#### I-11 Paid-up Capital

₹ 186,640,740

#### I-12 Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.

PARESH SHUKLA  
E-MAIL : paresh.shukla@aiaengineering.com  
Phone : +91-79-66047890

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

Standalone Basis

#### I-14 Name of assurance provider

Shailesh Haribhakti and Associates

#### I-15 Type of assurance obtained

Reasonable assurance







## II. Products/services

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

Description of main activity	Description of business activity	% of turnover of the entity
Manufacturing	Metal and metal products	100

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

Product/Service	NIC Code	% of total Turnover contributed
Manufacturing of other iron and steel casting and products thereof	24319	100

## III. Operations

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

Location	National
Number of plants	5
Number of offices	2
Total	7



Location	International
Number of plants	0
Number of offices	10
Total	10



Disclaimer: This map is a simplified representation for illustrative purposes only and is not intended for precise reference or navigation.

### III-19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	120

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

58.28%

#### c. A brief on types of customers

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

## IV. EMPLOYEES

### IV-20. Details as at the end of Financial Year

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Employees						
1	Permanent (D)	1,207	1,202	99.59%	5	0.41%
2	Other than Permanent (E)	113	110	97.35%	3	2.65%
3	Total employees (D + E)	1,320	1,312	99.40%	8	0.60%
Workers						
1	Permanent (F)	99	99	100.00%	0	0.00%
2	Other than Permanent (G)	2,267	2,247	99.12%	20	0.88%
3	Total Workers (F + G)	2,366	2,346	99.15%	20	0.85%

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)	9	9	100.00%	0	0.00%
2	Other than Permanent (E)	1	1	100.00%	0	0.00%
3	Total differently abled employees (D + E)	10	10	100.00%	0	0.00%
Differently Abled Workers						
1	Permanent (F)	1	1	100.00%	0	0.00%
2	Other than Permanent (G)	36	36	100.00%	0	0.00%
3	Total Workers (F + G)	37	37	100.00%	0	0.00%

**IV-21. Participation/Inclusion/Representation of women**

Board of Directors		
Total(A)	No. and percentage of females	
	No(B)	%(B/A)
<b>9</b>	<b>3</b>	<b>33.33%</b>

Key Management Personnel		
Total(A)	No. and percentage of females	
	No(B)	%(B/A)
<b>4</b>	<b>0</b>	<b>0.00%</b>

**IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)**

	2024-25 (Turnover rate in current FY)			2023-24 (Turnover rate in previous FY)			2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.56%	0.00%	10.55%	4.90%	0.00%	4.80%	9.46%	0.00%	9.41%
Permanent Workers	5.97%	0.00%	5.97%	0.00%	0.00%	0.00%	1.93%	0.00%	1.93%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****V-23. (a) Names of holding / subsidiary / associate companies / joint ventures.**

S. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Welcast Steels Ltd.	Subsidiary	74.85%	No
2	AIA CSR Foundation	Wholly-Owned Subsidiary	100%	No
3	Vega Industries (Middle East) FZC - UAE	Wholly-Owned Subsidiary	100%	No
4	Vega Industries Ltd. – UK	Wholly-Owned Subsidiary	100% by Vega ME	No
5	Vega Industries Ltd. – USA	Wholly-Owned Subsidiary	100% by Vega ME	No
6	Vega Steel Industries (RSA) (Pty) Ltd.	Subsidiary	74.63% by Vega ME	No
7	Wuxi Vega Trade Co. Ltd.	Wholly-Owned Subsidiary	100% by Vega ME	No
8	PT. Vega Industries Indonesia	Wholly-Owned Subsidiary	99% by Vega ME & 1% by AIA	No



S. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
9	VEGA Industries Chile SpA	Wholly-Owned Subsidiary	100% by Vega ME	No
10	AIA Ghana Limited	Wholly-Owned Subsidiary	100% by Vega ME	No
11	VEGA Industries Australia Pty. Ltd.	Wholly-Owned Subsidiary	100% by Vega ME	No
12	VEGA Middle East (DFTZ) FZE - UAE	Wholly-Owned Subsidiary	100% by Vega ME	No
13	Vega Industries Peru Limited	Wholly-Owned Subsidiary	99% by Vega ME & 1% by AIA	No
14	Clean Max Meridius Private Limited	Associate Company	26%	No
15	VEGA MPS Pty Limited	Joint Venture	56% by Vega ME	No

## VI. CSR Details

### VI-24. Provide the following CSR details








- i Whether CSR is applicable as per Section 135 of Companies Act, 2013 **▶ YES**
- ii Turnover (in ₹) **▶ 34,86,44,76,091**
- iii Net worth (in ₹) **▶ 67,06,20,95,651**





## VII. Transparency and Disclosures Compliances

## VII-25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2024-25			2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Communities	Yes <a href="https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf</a>	0	0	NA	0	0	NA
 Investors (other than shareholders)	Yes <a href="https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf</a>	0	0	NA	0	0	NA
 Shareholders	Yes <a href="https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf</a>	0	0	NA	0	0	NA
 Employees and workers	Yes <a href="https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf</a>	0	0	NA	0	0	NA
 Customers	The SOP is communicated and maintained internally	23	5	NA	27	6	NA
 Value chain partners	The SOP is communicated and maintained internally	0	0	NA	0	0	NA
 Other (please specify)	-	-	-	-	-	-	-

**VII-26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Board Governance, Ethics, And Compliance	Opportunity	Our brand and reputation are among our most critical assets. As our business operations, societal impact, and stakeholder interactions are subject to ongoing scrutiny, maintaining the highest standards of ethics and governance is essential to preserving stakeholder trust and protecting our corporate reputation.		Positive
2	Employee Health And Safety	Risk	AIA Engineering employs a substantial workforce for its operations, involving activities like heavy machinery and industrial equipment, conditions that inherently carry occupational risks. Acknowledging this, we have identified employee health and safety as a material topic within our sustainability framework.	<p>To uphold the highest standards of occupational health and safety, AIA Engineering has implemented a robust and structured Health &amp; Safety Management System across all operational sites. Our approach is both preventive and participatory, aimed at minimising risks, ensuring legal compliance, and fostering a culture of safety and well-being throughout the organisation.</p> <p>Key elements of our Health &amp; Safety framework include:</p> <ul style="list-style-type: none"> <li>- Adoption of ISO 45001:2018 – We have implemented the ISO 45001:2018 Occupational Health and Safety Management System, which provides a formal structure for managing risks and improving overall safety performance.</li> <li>- Policy Implementation – A well-defined Occupational Health and Safety Policy guides all our safety-related initiatives and compliance efforts.</li> <li>- Defined Roles and Accountability – Clear roles, responsibilities, and accountabilities are established across all levels of the organisation to ensure consistent enforcement and ownership of safety practices.</li> </ul>	Negative



S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> <li>- Comprehensive Safety Training – All employees and contract workers undergo mandatory Safety Induction Training upon joining, followed by periodic refresher and reorientation programs to reinforce safety protocols.</li> <li>- Worker Participation – We actively involve employees and contract workers through participation in regular safety committee meetings, encouraging open dialogue on safety-related matters.</li> <li>- Ongoing Safety Reviews – Periodic safety audits and reviews are conducted across all units to assess performance, identify gaps, and implement continuous improvements.</li> </ul>	
3	Energy Management	Opportunity	<p>Metal product processes such as melting, moulding, heat treatment, and machining, requires significant energy input, making it inherently energy-intensive. At AIA Engineering, we recognise the critical importance of managing energy consumption efficiently, both from an environmental and operational standpoint.</p> <p>Additionally, we view energy efficiency not just as a sustainability imperative but also as a key lever for enhancing cost-effectiveness. By optimising energy use across our value chain, we are able to reduce our overall energy footprint while simultaneously improving production economics.</p>	<p>We have implemented structured energy management practices that focus on improving equipment efficiency, reducing process-level energy wastage, and transitioning towards cleaner energy sources. These ongoing efforts are central to our strategy for reducing greenhouse gas (GHG) emissions across our operations.</p> <p>Our major initiatives include the installation of 11 Wind Energy Turbines + 3 Hybrid (Wind + Solar energy) at the Kutch and Jamjodhpur sites, which have an installed capacity of 37.38 MW (31.80 MW Windmill + 5.58 MW Solar) of renewable energy.</p> <p>We are proud to share that we have already exceeded the 2027 electricity target, and currently approximately 29% of our overall electricity requirements are supported by Renewable sources.</p> <p>In addition to lowering our environmental footprint, these measures also contribute to improved cost efficiency.</p>	Positive

S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>Through regular energy audits, equipment upgrades, and process optimisation, we have been able to achieve measurable improvements in our specific energy consumption. This directly supports our broader climate strategy by curbing greenhouse gas emissions associated with energy use.</p> <p>Our approach integrates both technological interventions and behavioral improvements on the shop floor, aligning with our long-term goal of building a more energy-resilient and environmentally responsible manufacturing ecosystem.</p>	
4	Training And Development	Opportunity	<p>Every employee, whether new or experienced, undergoes structured training modules covering equipment operation, safety protocols, site orientation, and emergency response procedures. These programmes are continuously updated to reflect the latest industry standards, regulatory requirements, and technological advancements.</p> <p>- Beyond safety and operational training, we are committed to building a future-ready workforce. We regularly conduct skill enhancement workshops, technical upskilling sessions, leadership development programmes, and knowledge-sharing forums. We ensure that all our employees remain aligned with evolving industry best practices.</p> <p>- Our comprehensive approach not only ensures smooth plant operations but also supports long-term business growth, fosters individual development, and enhances career progression opportunities. Training and development are the embedded practices that define our commitment to excellence.</p>		Positive





S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Materials Sourcing	Risk	As a manufacturer of engineered metal products, we are highly dependent on the uninterrupted supply of quality raw materials such as metal scrap and alloys. Any fluctuation in raw material availability, pricing volatility, supply chain disruption, or inconsistency in material quality can have a direct impact on our production efficiency, cost structure, and delivery commitments.	<p>Given its criticality to our operations, we have established a structured vendor classification system based on the nature of products and services provided. Each vendor is evaluated against a defined set of performance parameters to ensure supply chain stability and reliability.</p> <p>- To strengthen our procurement risk management framework, we conduct periodic assessments of critical vendors. This allows us to proactively identify vulnerabilities and take corrective actions to avoid potential disruptions.</p> <p>- Beginning this year, we have further enhanced our vendor evaluation process by integrating ESG (Environmental, Social, and Governance) parameters into our assessments. These include factors such as regulatory compliance, ethical practices, environmental performance, and social responsibility. Insights from these assessments are now being incorporated into procurement decision-making to promote responsible sourcing and build a more resilient and sustainable supply chain.</p>	Negative
6	Local Communities	Opportunity	Our manufacturing units are primarily situated in rural and industrial areas, and we acknowledge our responsibility towards the communities around us. We are dedicated to making a positive impact through targeted community engagement initiatives under CSR, which encompass education, healthcare, and livelihood development. We aim to build lasting, meaningful relationships with local communities near our manufacturing areas, ensuring that our growth is inclusive and aligned with broader social development objectives.		Positive

S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Greenhouse Gas Emissions	Risk	AIA Engineering operates in an energy-intensive manufacturing sector, with large-scale operations that primarily depend on non-renewable fuel sources. This reliance significantly contributes to our greenhouse gas (GHG) emissions, making emissions management a critical environmental and operational concern.	<p>We have implemented structured energy management practices that focus on improving equipment efficiency, reducing process-level energy wastage, and transitioning towards cleaner energy sources. These ongoing efforts are central to our strategy for reducing greenhouse gas (GHG) emissions across our operations.</p> <p>- Our major initiatives include the installation of 11 Wind Energy Turbines + 3 Hybrid (Wind + Solar energy) at the Kutch and Jamjodhpur sites, which have an installed capacity of 37.38 MW (31.80 MW Windmill + 5.58 MW Solar) of renewable energy.</p> <p>- We are proud to share that we have already exceeded the 2027 electricity target, and currently approximately 29% of our overall electricity requirements are supported by renewable sources.</p> <p>In addition to lowering our environmental footprint, these measures also contribute to improved cost efficiency.</p> <p>Through regular energy audits, equipment upgrades, and process optimisation, we have been able to achieve measurable improvements in our specific energy consumption. This directly supports our broader climate strategy by curbing greenhouse gas emissions associated with energy use.</p> <p>Our approach integrates both technological interventions and behavioural improvements on the shop floor, aligning with our long-term goal of building a more energy-resilient and environmentally responsible manufacturing ecosystem.</p>	Negative



S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Air Quality	Risk	As a manufacturing company operating in an emission-intensive sector, we recognise that our operations, if not properly controlled, have the potential to contribute to air pollution through fugitive emissions, process exhaust, and combustion-related discharges.	<p>We are conscious of the ecosystem and communities in which we operate. AIA Engineering proactively invested in air filtration and emission monitoring infrastructure to ensure that our manufacturing activities do not adversely impact ambient air quality.</p> <p>Air emissions from our operations are routinely monitored by accredited third-party agencies, and all parameters consistently remain well within the regulatory limits prescribed by environmental authorities. To further strengthen our monitoring capabilities, we have implemented online continuous stack monitoring systems (OCEMS) for stacks classified as critical, enabling real-time tracking and control of key air pollutants.</p>	Negative
9	Waste Management	Risk	As part of our manufacturing operations, a considerable volume of waste, both hazardous and non-hazardous, is generated across various stages of production. Recognising the environmental implications of industrial waste, we have identified this topic as material.	<p>Our goal is to reduce the amount of waste we produce and make sure that it is reused or recycled for the same or a different purpose. A 'waste hierarchical approach' is applied, to reduce, reuse, recycle and recover waste products in preference to disposal of waste in alignment with the circular economy. Where possible, we explore opportunities for use of recycled material and reuse of waste by us or other companies through co-processing of foundry waste and other waste as alternative raw material or fuel. It presents opportunities for environmental stewardship and helps us manage raw material well. The Company takes waste management seriously and works towards reducing, reusing, and recycling its waste wherever possible. We optimise the use of key resources, including minerals and ensure waste minimisation at sources and facilitate recovery, and recycling. We follow waste management standards that meet or exceed applicable legal requirements and we incorporate industry best practices into our operations and services. We recognise the negative impact of improper waste disposal on the environment and as a result, put in place strong mechanisms to treat and dispose of the generated waste. We ensure that all waste from our activities is either remelted in the furnace or recycled through authorised recyclers and vendors, in line with the principles of a circular economy.</p>	Negative

S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Water and Effluent Management	Opportunity	<p>Water is a critical input for our manufacturing - operations, and we recognise its importance both as an operational necessity and a shared environmental resource. Given our high dependency on water, AIA Engineering is committed to responsible water management across all our facilities.</p> <p>All our operational units are equipped with fully functional Sewage Treatment Systems (STPs), enabling us to treat domestic waste water and recycle 100% of it. We operate under a 100% Zero Liquid Discharge (ZLD) framework, ensuring that no treated or untreated wastewater is released into the environment. This closed-loop system supports our commitment to water circularity and reduces the burden on freshwater resources.</p> <p>In addition to operational efficiency, we actively invest in water conservation and replenishment projects. These include the implementation of rainwater harvesting systems within our plants, and the construction of groundwater recharge wells not only within our premises but also in surrounding communities. These recharge structures contribute to replenishing aquifers, enhancing local water tables, and improving long-term water availability for both the Company and nearby communities.</p>		Positive





S. No.	Parameter	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Diversity, Equity, and Inclusion	Opportunity	Given the nature of our industry, there is a prevailing trend of significantly higher male representation in the workforce, particularly in operational and shop-floor roles. AIA Engineering acknowledges this imbalance and is committed to building a more inclusive and equitable workplace.		Positive
12	Anti-Corruption	Risk	At AIA Engineering, we take a firm stand against corruption in any form. Upholding our business reputation is critical, and we ensure this by promoting a culture of integrity and accountability. Clear policies, regular internal checks, and awareness among employees help us stay aligned with legal and ethical expectations. Everyone associated with us is expected to follow our Code of Conduct and act transparently in all business dealings.	We have instituted well-defined policies applicable to all internal and external stakeholders, outlining expectations around ethical conduct, transparency, and professional integrity. These policies are reviewed and approved by the Board of Directors as part of our governance oversight. Non-compliance with these provisions may lead to disciplinary action, depending on the severity and nature of the violation.	Negative
13	Employment Factors	Opportunity	At AIA Engineering, employment is not merely about staffing roles, it is about fostering long-term associations. We value our people and operate with a clear purpose: to grow together. In turn, we invest in their development and well-being. Our consistently low attrition rate, along with the fact that a majority of our team members have been with us for over a decade, reflects the trust, stability, and inclusive culture we have built over the years. Given its direct impact on organisational continuity, workforce morale, and social well-being, employment is considered a material topic for us under the social pillar of sustainability.		Positive

## SECTION B > MANAGEMENT AND PROCESS DISCLOSURES

### Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
1. c. Web Link of the Policies, if available	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Code-of-Practice-and-Procedures-for-Fair-Disclosure-of-UPS.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Code-of-Practice-and-Procedures-for-Fair-Disclosure-of-UPS.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Sustainability-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Sustainability-Policy.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Waste-Management-Circular-Economy-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Waste-Management-Circular-Economy-Policy.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/CSR-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/CSR-Policy.pdf</a>	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf</a>
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015	-	ISO 45001:2018	-	ISO 45001:2018	ISO 14001:2015	-	-	ISO 9001:2015
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Commitment: Yes</p> <p>Goal: To assess and enhance employee well-being.</p> <p>Specific Target: Achieve zero theft incidents involving truck drivers.</p> <p>Defined Timeline: March 2027.</p>	<p>Commitment: Yes</p> <p>Goal: To make our production processes more sustainable.</p> <p>Target: Vendor Assessment: We aim to assess 75% of our value chain partners through a phased approach.</p> <p>Phase 1: Focussed on assessing upstream value chain partners (suppliers).</p> <p>Phase 2: Scope to be expanded to include downstream value chain partners in the coming years.</p>	<p>Commitment: Yes</p> <p>Committed Goal: To understand the current status of employee well-being.</p> <p>Specific Target: To carry out an Employee Satisfaction Survey (Target: At least 80%)</p> <p>Define Timeline: 2027.</p>	<p>Commitment: Yes</p> <p>Committed Goal: To ensure that all the concerns or interests of stakeholders are addressed and resolved.</p> <p>Specific Target: To enhance the customer satisfaction index to 98%.</p> <p>Defined Timeline: By 2027.</p>	<p>Commitment: Yes</p> <p>Goal: To ensure protection of human rights at critical MSME vendor sites.</p> <p>Specific Target: To ensure no child labour/forced labour or inhuman working is found in at least top 50 MSME vendors.</p> <p>Defined Timeline: By 2027.</p>	<p>Commitment: Yes</p> <p>Committed Goal: To contribute and make efforts towards protecting and restoring the environment committed.</p> <p>Specific Targets: - Eliminate single-use plastic in packaging and drinking water bottles.</p> <p>Increase usage of renewable energy from 17% to 27% of total electricity requirement.</p> <p>Produce 100,000 bricks and paver blocks using discarded sand, dust, and plastic by 2030.</p> <p>Gradually upgrade IE2 motors to IE4 motors (more energy-efficient).</p> <p>Transition employee transportation from diesel buses to electric/hybrid vehicles.</p>	<p>Commitment: Yes</p> <p>Committed Goal: To increase engagement with associations and contribute in influencing public and regulatory policy</p> <p>Specific Target: To become more participative in CII, FICCI and IIF To become the lead representative in these forums for alloy steel castings.</p> <p>Defined Timeline: by 2030.</p>	<p>Commitment: Yes</p> <p>Committed Goal: To support start-ups and entrepreneurs to manufacture recyclable material in an environmentally friendly manner in order to develop economical and viable glass drinking water bottle.</p> <p>To support selective MSME vendors to adopt sustainable initiatives in their business.</p> <p>Define Timeline: By 2030.</p>	<p>Commitment: Yes</p> <p>Committed Goal: To enhance the customer satisfaction index to 98%.</p> <p>Defined Timeline: By 2030.</p>

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>Target Status: The initiative is actively underway and monitored on an annual basis. Regular awareness programmes for truck drivers are already being conducted, with plans to further scale up these efforts to reinforce preventive measures and progress towards the target.</p>	<p>Target Status: As part of our ongoing commitment to responsible sourcing, we have successfully assessed our major and critical suppliers based on defined ESG criteria. To date, 62% of our top suppliers have been evaluated, with plans in place to progressively expand (including major and critical upstream and downstream partners) coverage in the coming years, ensuring a more comprehensive and sustainable value chain.</p>	<p>Target Status: The objective is in progress. We are collecting feedback from employees to better understand their needs and concerns.</p>	<p>Target Status: The initiative is ongoing and monitored annually. Currently, our customer satisfaction index stands strong at 97.6%. Ongoing efforts are being made across departments to improve responsiveness and strengthen stakeholder engagement.</p>	<p>Target Status: The initiative is ongoing and monitored through regular audits and vendor engagement. So far, we have assessed 62% of our vendors and have started conducting awareness sessions and providing guidance to them. This includes educating vendors on how to align with human rights standards, operate responsibly, and work towards compliance with relevant certifications.</p>	<p>Target Status: 1. Elimination of Single-Use Plastic: - We have successfully eliminated the use of single-use plastics in our packaging. Status: Achieved. -We are currently also making efforts to avoid single-use plastic bottles at our corporate and operational sites. Status: Ongoing. 2. Increased Use of Renewable Electricity: Our initial target was to increase renewable electricity usage from 17% to 20%, and then to 27% by 2026-27. We are proud to share that we have already exceeded the 2027 target ahead of schedule, achieving 29.3% renewable electricity usage this year, with a total generation of 86,112,347 kwh. Given that the target has already been reached, we have planned to maintain this status. Status: Achieved 3. Sustainable Brick Production: This year, we produced approximately 55,000 bricks using discarded sand, dust, and plastic. We are committed to scaling this effort year-on-year and continue to work as part of our sustainable materials initiative towards increasing production volumes.</p>	<p>Target Status: The objective is ongoing and there is continued monitoring of the participation of our nominees in various bodies.</p>	<p>Target Status: The objective is in progress and will be tracked annually through a structured action plan. Initial engagements and identification of potential collaborators are underway, with a focus on aligning support with long-term sustainability outcomes.</p>	<p>Target Status: The initiative is ongoing and monitored annually. Currently, our customer satisfaction index stands strong at 97.6%. Ongoing efforts are being made across departments to improve our index further.</p>





## Governance, leadership and oversight

### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

As a member of the Board of Directors responsible for our Business Responsibility & Sustainability Report, I am pleased to share our progress and outlook for the coming year. Our commitment to providing optimised solutions through the technical evaluation of our customers' requirements remains steadfast. By offering specifically designed solutions in ideal metallurgy and process optimisation services globally, we continue to lead in Quality, Services, and Innovation within our field. Our reputation for providing global solutions to local requirements is unmatched.

#### ESG: A Business Necessity

The integration of Environmental, Social, and Governance (ESG) principles into our operations is now embedded as a core business imperative.

Over the past year, we have taken decisive steps to strengthen our sustainability performance, guided by a robust ESG governance framework. Our most significant progress has been in environmental impact reduction. We are proud to have surpassed our renewable energy target ahead of schedule; achieving 29.3% of our total electricity consumption through clean energy sources. This milestone reaffirms our commitment to energy transition and emissions reduction. In parallel, we have made strong headway in reducing plastic waste, having eliminated single-use plastics from packaging and initiated similar transitions across our facilities and corporate houses. Circularity is another area where we are actively innovating. Through our sustainable materials initiative, we have produced bricks and paver blocks using discarded sand, dust, and plastic, converting waste into value. The Company has integrated mechanical and thermal reclaimers to recycle its moulding sand, reducing the requirement for silica sand by 80%. We also collaborated with our value chain partners to co-process our waste silica sand from foundry operations in cement kilns. We are constantly working towards making our products more sustainable. These efforts will continue to scale in the years ahead. We are also working closely with critical vendors to drive responsible practices through structured assessments and ongoing engagement. While the journey is gradual, we are deeply committed to building a more inclusive and sustainable value chain.

We continue to place strong emphasis on the social and governance dimensions of our ESG strategy. Our workforce is supported through comprehensive benefits, ongoing dialogue, and a robust health and safety framework that ensures a secure and enabling work environment. Customer satisfaction remains central to our ethos, currently at a strong ~98% with focussed efforts underway to enhance this further. From a governance perspective, the Board is actively driving transformative decisions aimed at operational excellence and long-term value creation. This includes strategic investments in advanced machinery, automated systems, energy-efficient technologies, capital infrastructure, and the transition to cleaner fuels and greener transportation. We are also expanding our commitment to afforestation and ecological restoration as part of our broader environmental agenda. This fiscal year, we also collaborated with universities to foster innovation and R&D through joint projects. Furthermore, we also established the Skill Development Centre at GPERI, Mehsana, (Gujarat Technological University - AIA Foundry) to enhance industry-readiness among youth. Across all these fronts, specific actions are being taken to embed sustainability more deeply and systematically into the fabric of our business. Thank you.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

**Board of Directors**

1. Mr. Rajendra S. Shah (DIN 00061922) Category: (Chairman / NED / NID)
2. Mr. Bhadresh K. Shah (DIN 00058177) Category: (ED)
3. Mr. Rajan R. Harivallabhdas (DIN 00014265) Category: (NED / ID)
4. Mr. Yashwant M. Patel (DIN 02103312) Category: (ED)
5. Mrs. Khushali S. Solanki (DIN 07008918) Category: (NED / NID)
6. Mrs. Bhumika S. Shodhan (DIN 02099400) Category: (NED / NID)
7. Mr. Sanjay S. Majmudar (DIN 00091305) Category: (NED / NID)
8. Mr. Piyush B. Shah (DIN 00155760) Category: (NED / ID)
9. Mrs. Janaki U. Shah (DIN 00343343) Category: (NED / ID)

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

Yes. The Company has an ESG Committee, led by the Managing Director, that provides strategic direction, reviews progress, and oversees ESG initiatives. An ESG Working Group supports the Committee and meets periodically to drive implementation, monitor compliance and data, engage with stakeholders, and support reporting and training activities.

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

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





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

S. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No	No	Yes	Yes	Yes	Yes	No	No	Yes

Remarks: ISO 9001 – Lloyd's Register,  
ISO 9001, ISO 45001 & ISO 14001 – BUREAU VERITAS, INDIA (BVQI)

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

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

Not Applicable



## SECTION C > PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1

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

#### Essential Indicators

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

Segment		Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors		4	<ol style="list-style-type: none"> <li>1. Financial Performance, Budgeting and Planning</li> <li>2. Orientation on Statutory Compliance as a Board Member</li> </ol>	<b>100.00%</b>
Key Managerial Personnel		4	All Principles	<b>100.00%</b>
Employees other than BoD and KMPs		105	Principles - 2, 3, 5 & 6 <ol style="list-style-type: none"> <li>1. EHS Awareness</li> <li>2. Awareness of Fire Prevention &amp; Protection Activities</li> <li>3. Staff Skill Upgradation</li> </ol>	<b>100.00%</b>
Workers		105	Principles - 2, 3, 5 & 6 <ol style="list-style-type: none"> <li>1. EHS Awareness</li> <li>2. Awareness of Fire Prevention &amp; Protection Activities</li> </ol>	<b>100.00%</b>





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

**Monetary**

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Stakeholder Engagement	Stock Exchanges	2,66,000	Delayed compliance occurred inadvertently in three cases due to a misinterpretation of the statutory provisions of SEBI LODR.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

**Non-Monetary**

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

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

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

**EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes.

AIA Engineering Limited has a dedicated Whistle-Blower and Vigil Mechanism Policy that outlines its commitment to anti-corruption and anti-bribery practices. The policy is applicable to all employees, directors, and third parties associated with the Company, and is aligned with the Companies Act, 2013, as well as key national and international anti-corruption frameworks, including the Prevention of Corruption (Amendment) Act, 2018, the U.S. Foreign Corrupt Practices Act, 1977, and the UK Bribery Act. It establishes formal channels for reporting unethical or unlawful conduct, and includes safeguards against retaliation and outlines a clear investigation and escalation process overseen by the Compliance Officer and Audit Committee.

<https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf>

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

Category	Current Financial Year	Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Category	Current Financial Year		Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

**EI-7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable, as no such instances were reported this financial year.

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

#### Current Financial Year

Number of days of accounts payables ► **23**

#### Previous Financial Year

Number of days of accounts payables ► **23**





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

Parameter	Metrics	2024-25	2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	12.78%	8.29%
	b. Number of trading houses where purchases are made from	22	20
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	91.89%	94.71%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0.00%	0.00%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.26%	0.46%
	b. Sales (Sales to related parties / Total Sales)	60.24%	61.23%
	c. Loans & advances (to related parties / total loans & advances)	0.00%	0.00%
	d. Investments (in related parties / total investments)	0.39%	0.51%

The figures have been revised in accordance with the guidance provided under SEBI's Industry Standards Note for BRSR Core. Kindly refer to the restated values presented above.

### Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	As part of our commitment to responsible business practices, a comprehensive training programme was conducted covering the fundamentals of ESG and sustainability reporting. The programme included orientation on all nine principles of the National Guidelines on Responsible Business Conduct (NGRBC), aligned with the BRSR framework. The sessions highlighted the critical role of the value chain in business sustainability and introduced a new value chain assessment module through a technical demonstration. In addition, several in-person engagement sessions were held with individual vendors to address current compliance issues, AIA requirements, and to build awareness around social and environmental standards. Vendors were guided on alignment strategies and process flows to support responsible and sustainable value chain integration.	27.53%

**LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, the Company has devised a Related Party Transactions (RPT) Policy as per the Companies Act, 2013 and SEBI LODR, which keeps check on conflict of interests involving Board members.

<https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Related-Party-Transction-1.pdf>



## PRINCIPLE 2

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

### Essential Indicators

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

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	-
Capex	0.32%	0.49%	We targeted funding towards renewable energy solutions, energy-saving technologies, pollution-control measures, robust fire safety protocols, LED lighting upgrades, and employee well being programmes, enhancing operational efficiency, safety, and workforce wellness.

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

Yes

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

47.39%

Additionally, the majority of raw materials used by AIA in production are reused. A significant portion of our input materials comprises metals, and in line with our sustainability-first approach, we primarily use scrap steel, which accounts for approximately 76.45% of our total product composition. Additionally, around 3–4% consists of other reused metals.

El-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for the following:

Category	Description
(a) Plastics (including packaging)	-
(b) E-waste	-
(c) Hazardous waste	-
(d) Other waste	-

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

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





**EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

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

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

### Leadership Indicators

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

S. No.	NIC Code	Name of product / service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
1	-	-	-	-	-	-

Remarks: No LCA was conducted this year.

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

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1	Not Applicable	-	-



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

S. No.	Indicate input material	Recycled or re-used input material to total material	
		2024-25	2023-24
1	Scrap (recycled or reused material)	76.45%	76.73%
2	Reused metal	3.35%	4.14%

Remarks: We have reported this based on the composition of the manufactured product: 79.8% (76.45% + 3.35%) consists of recycled materials, while only approximately 20% of the overall composition comprises fresh materials.

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

Category	2024-25			2023-24		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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

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

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	-	-

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







## PRINCIPLE 3

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

### Essential Indicators

#### EI-1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,202	1,202	100.00%	1,202	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	5	5	100.00%	5	100.00%	5	100.00%	0	0.00%	0	0.00%
Total	1,207	1,207	100.00%	1,207	100.00%	5	100.00%	0	0.00%	0	0.00%
Other than permanent employees											
Male	110	90	81.82%	110	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	3	3	100.00%	3	100.00%	3	100.00%	0	0.00%	0	0.00%
Total	113	93	82.30%	113	100.00%	3	100.00%	0	0.00%	0	0.00%

#### EI-1. b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	99	99	100.00%	99	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	99	99	100.00%	99	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than permanent workers											
Male	2,247	1,921	85.49%	2,247	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	20	15	75.00%	20	100.00%	20	100.00%	0	0.00%	0	0.00%
Total	2,267	1,936	85.40%	2,267	100.00%	20	100.00%	0	0.00%	0	0.00%

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

Current Financial Year	Previous Financial Year
<b>0.22%</b> Cost incurred on wellbeing measures as a % of total revenue of the Company	<b>0.19%</b> Cost incurred on wellbeing measures as a % of total revenue of the Company

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

No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	Benefits	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
91.77%	100.00%	Y	PF	96.93%	100.00%	Y
91.32%	100.00%	N.A.	Gratuity	96.78%	100.00%	N.A.
9.21%	75.48%	Y	ESI	12.79%	73.36%	Y
0.00%	0.00%	N.A.	Others – please specify	0.00%	0.00%	N.A.

**EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

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

**EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, AIA is an equal opportunity employer and has an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016, which is covered under its HR Manual. This HR Manual is an internal document and is communicated to new hires and relevant parties during the induction and orientation programme.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00%	0.00%	0.00%	0.00%
Female	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%

Remark: The return-to-work rate is 0% as no maternity leave was availed during the year.





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

**Category****Permanent Workers**

**Yes/No (If Yes, then give details of the mechanism in brief)**

Yes, AIA has a grievance redressal & works committee at every unit, which calls for the participation of both contract and permanent workers/employees, unit heads, functional heads, factory managers and HR managers. The grievance redressal mechanism operates as follows:

- Workers are empowered to approach the factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis.
- The worker submits a complaint (written/verbal) to the shift or department supervisor, who in turn reports it to his functional head. This is then reported to the factory manager and HR.
- Complaints are addressed and resolved on priority within a month.
- However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee, which meets quarterly.
- For sexual harassment, the Company has in place the said policy and required procedures, and a committee has been constituted to address any such issues.

**Category****Other than Permanent Workers**

**Yes/No (If Yes, then give details of the mechanism in brief)**

Yes, the Company has a grievance redressal & works committee at each unit, this calls for the participation of both contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal mechanism operates as follows:

- Workers have the authority to approach the factory manager or HR manager at their convenience; these managers maintain regular availability on the plant premises and shop floor.
- A worker submits a complaint (written or verbal) to their shift or department supervisor, who then escalates it to their functional head, subsequently reported to the Factory Manager and HR Manager.
- Complaints are prioritised and resolved promptly within one month.
- Complaints involving financial implications or necessitating policy changes are presented at quarterly grievance redressal committee meetings.
- AIA has established policies and procedures for addressing sexual harassment, with dedicated committees at the Moraiya and Kerala units to handle such issues.



### Category



### Permanent Employees

**Yes/No (If Yes, then give details of the mechanism in brief)**

Yes, at every unit, AIA maintains a grievance redressal & works committee involving contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal process functions as follows:

- Employees are encouraged to approach the factory manager or HR manager at their convenience; these managers maintain regular availability on the plant premises and shop floor.
- An employee submits a complaint (written or verbal) to their shift or department supervisor, who then escalates it to their functional head, and subsequently to the factory manager and HR.
- Complaints are prioritised and resolved promptly within a month.
- Complaints involving financial implications or necessitating policy changes are brought before the quarterly grievance redressal committee meeting.
- The Company has established policies and procedures to address sexual harassment, with dedicated committees at its Moraiya and Kerala units tasked with handling such issues.

### Category



### Other than Permanent Employees

**Yes/No (If Yes, then give details of the mechanism in brief)**

Yes, the Company has a grievance redressal and works committee at each unit, involving participation from both contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal mechanism is structured as follows:

- Employees have the authority to approach the factory manager or HR manager at their convenience, with both managers regularly available on the plant premises and shop floors.
- An employee submits a complaint (written or verbal) to their shift or department supervisor, who then reports it to their functional head. The issue is subsequently escalated to the factory manager and the HR department.
- Complaints are prioritised and resolved within a month.
- If complaints involve financial implications or necessitate policy changes, they are presented at quarterly meetings of the grievance redressal committee.
- For cases of sexual harassment, the Company has established policies and procedures. Committees at the Moraiya and Kerala Units are specifically formed to address such issues.

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

Category	2024-25			2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total permanent employees	1,207	0	0.00%	1,230	0	0.00%
Male	1,202	0	0.00%	1,226	0	0.00%
Female	5	0	0.00%	4	0	0.00%
Total permanent workers	99	36	36.36%	107	41	38.32%
Male	99	36	36.36%	107	41	38.32%
Female	0	0	0.00%	0	0	0.00%

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

Category	2024-25					2023-24				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,312	1,312	100.00%	724	55.18%	1,363	1,363	100.00%	636	46.66%
Female	8	8	100.00%	6	75.00%	5	5	100.00%	2	40.00%
Total	1,320	1,320	100.00%	730	55.64%	1,368	1,368	100.00%	638	46.64%
Workers										
Male	2,346	2,346	100.00%	1474	62.83%	2,870	2,870	100.00%	1,713	59.69%
Female	20	20	100.00%	7	35.00%	28	28	100.00%	9	32.14%
Total	2,366	2,366	100.00%	1481	62.59%	2,898	2,898	100.00%	1,722	59.42%

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

Category	2024-25			2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
<b>Employees</b>						
Male	1,312	1,207	91.99%	1,363	1,226	89.95%
Female	8	5	62.50%	5	4	80.00%
Total	1,320	1,212	91.81%	1,368	1,230	89.91%
<b>Workers</b>						
Male	2,346	94	4.01%	2,870	107	3.73%
Female	20	0	0.00%	28	0	0.00%
Total	2,366	94	3.98%	2,898	107	3.69%

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

Yes, the organisation is certified under ISO 45001:2018 for Occupational Health & Safety Management System. This certification covers two major plants for grinding media manufacturing located at Moraiya Village and the Kerala GIDC unit at Bavla District, Ahmedabad. The other unit, while not ISO 45001:2018 certified, also adheres to OHS protocols.

**EI-10. b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company uses the HIRA process, i.e., Hazard Identification and Risk Assessment, to identify work-related hazards and assess risks on a routine and non-routine basis, as per ISO 45001:2018.

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

Yes.

**EI-10. d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

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

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

<u>Safety Incident/Number</u>	<u>Category</u>	<u>2024-25</u>	<u>2023-24</u>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)		0.00	0.00
		1.09	1.11
Total recordable work-related injuries		0	0
		6	10
No. of fatalities		0	0
		0	0
High consequence work-related injury or ill-health (excluding fatalities)		0	0
		0	0

Employees

Workers



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

- Implemented the Occupational Health and Safety Policy and adopted the ISO 45001:2018 Occupational Health and Safety Management System.
- Established clear roles, responsibilities, and accountabilities for individuals and teams at all levels of the organisation.
- Training: Provided safety induction training to our workforce at the time of joining and conducted periodic reorientation.
- Ensured staff and workers' participation in safety committee meetings.
- Conducted safety reviews of the units/plants.
- Identified work-related hazards and assessed risk on an activity-wise basis through HIRA (Hazard Identification and Risk Assessment), as per ISO 45001:2018 (OH&SMS).
- Maintained a legal register and complied with applicable obligations.
- Reviewed and updated operational controls and procedures.
- Work permit system and logout: Followed tagout energy isolation system.
- Identified and eliminated hazards proactively.
- Emergency preparedness: Conducted personnel training on evacuation plans and emergency response plans, including periodic mock drills.
- Used labels and signs on shop floors.
- Established contractor management procedures.
- Ensured that the entire premises, plant periphery, walkways, and zebra crossings are well-defined for pedestrian movement.
- Established a process for incident investigation and corrective actions.
- Adopted good housekeeping practices, including 5S methodology.
- Carried out internal and external safety audits periodically.
- Ensured first aid boxes are available at prominent locations on shop floors and in occupational health centres.
- Installed fall prevention systems – fixed lifelines on roof access points.
- Covered the entire premises with fire hydrant systems and fire extinguishers.
- Installed smoke and heat detectors, along with manual call points.
- Installed CO<sub>2</sub> gas flooding systems in electrical panels.
- Provided PPE kits to all personnel.

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

Category	2024-25			2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

**EI-14. Assessments for the year:****Health and safety practices**

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

100%

**Working Conditions**

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

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

Not applicable as no such instances were reported this year.

**Leadership Indicators**

**LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the organisation provides life insurance or compensation packages in case of death for both employees and workers.

Employees are covered under benefits from the Employees' State Insurance Corporation (ESIC) and Provident Fund (PF), along with term-life insurance policies and group personal accident benefits where applicable. Similarly, workers are also covered under the ESIC and PF schemes.

**LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Regularly monitoring and clearance of GST, PF, and ESIC dues on a monthly basis.

**LI-3. Provide the number of employees or workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in EI-11 above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2024-25	2023-24	2024-25	2023-24
Employees	0	0	0	0
Workers	0	0	0	0

**LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

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

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



Remarks: The reported percentage reflects the share of upstream value chain partners (material suppliers) assessed during the year. In 2024-25, AIA initiated the assessment of its suppliers based on defined sustainability criteria as part of our ongoing commitment to responsible sourcing. Looking ahead, we plan to broaden the scope of these assessments to include downstream value chain partners in the coming years.

**LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Following the assessment of health and safety practices and working conditions among value chain partners, no significant risks or concerns were identified, and therefore, no corrective actions were required.



## PRINCIPLE 4

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

### Essential Indicators

#### EI-1. Describe the processes for identifying key stakeholder groups of the entity.

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

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

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

S. no.	Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
1	Employees	No	E-mail, SMS, and notice Board	As and when required	Well-being and occupational health and safety, training, employee satisfaction, grievances, communication on policies and SOPs, among others
2	Investors	No	Email, newspaper advertisements, SMS, and meetings	Quarterly, annually and event-based	To collect information, to provide the Company's overall status, to encourage them to give their assent or dissent, and to provide them with information about the corporate benefits available to them.
3	Customers	No	Through field engineers, sales order, E-mails, and SMS	As and when required	Technical specification, quality information on products, safety data and buy back policy.

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



**LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The consultation process between stakeholders and the Board occurs during the Annual General Meeting and Board Meetings, where stakeholder feedback is presented to the Board. Additionally, information from the Board to stakeholders is communicated through the Annual Report.

During the reporting period, no specific concerns were raised by stakeholder groups.

**LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. We have conducted a detailed digital materiality assessment that involved polling both internal and external stakeholders using the double materiality approach. The responses gathered were integrated into our ESG strategy.

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

No concerns raised by these groups.





## PRINCIPLE 5

Businesses should respect and promote human rights.

### Essential Indicators

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

Category	2024-25			2023-24		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
<b>Employees</b>						
Permanent	1,207	90	7.46%	1,230	102	8.29%
Other than permanent	113	5	4.42%	138	0	0.00%
Total employees	1,320	95	7.20%	1,368	102	7.46%
<b>Workers</b>						
Permanent	99	0	0.00%	107	0	0.00%
Other than permanent	2,267	6	0.26%	2,791	0	0.00%
Total workers	2,366	6	0.25%	2,898	0	0.00%

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

Category	2024-25					2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1,207	0	0.00%	1,207	100.00%	1,230	0	0.00%	1,230	100.00%
Male	1,202	0	0.00%	1,202	100.00%	1,226	0	0.00%	1,226	100.00%
Female	5	0	0.00%	5	100.00%	4	0	0.00%	4	100.00%
Other than permanent	113	16	14.16%	97	85.84%	138	31	22.46%	107	77.54%
Male	110	16	14.55%	94	85.45%	137	31	22.63%	106	77.37%
Female	3	0	0.00%	3	100.00%	1	0	0.00%	1	100.00%
Workers										
Permanent	99	0	0.00%	99	100.00%	107	0	0.00%	107	100.00%
Male	99	0	0.00%	99	100.00%	107	0	0.00%	107	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than permanent	2,267	2,254	99.43%	13	0.57%	2,791	2,774	99.39%	17	0.61%
Male	2,247	2,236	99.51%	11	0.49%	2,763	2,746	99.38%	17	0.62%
Female	20	18	90.00%	2	10.00%	28	28	100.00%	0	0.00%



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

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	14,60,000	3	3,20,000
Key Managerial Personnel	4	92,47,629	0	0
Employees other than BoD and KMP	1,308	5,35,727	8	8,57,751
Workers	2,346	1,42,800	20	1,51,944

**EI-3. b. Provide information on gross wages paid to females by the entity, in the following format:**

<b>0.48%</b> <b>Current Financial Year</b> Gross wages paid to females as % of total wages	<b>0.34%</b> <b>Previous Financial Year</b> Gross wages paid to females as % of total wages
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**EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

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

- Employees and workers have the option to approach the HR manager or factory manager at their convenience. These managers ensure regular availability at both the plant and shop floor.
- Complaints can be submitted in written or verbal form to the shift/department supervisor or functional head, who then escalate them to higher authorities, including the factory manager and HR department.
- Complaints are prioritised and resolved within a month.
- Issues involving financial implications or requiring policy changes are brought before the grievance redressal committee, which meets quarterly.
- Specific policies and procedures are implemented to address cases of sexual harassment, with dedicated committees established at the Moraiya and Kerala units. For more details on the Company's policies and procedures, please visit: <https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf>

**EI-6. Number of complaints on the following made**

Category	2024-25			2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

	Current Financial Year	Previous Financial Year
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0.00%	0.00%
Complaints on POSH upheld	0	0

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

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

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

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

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

Yes



#### EI-10. Assessments for the year:

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



#### EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not applicable as no such instances were reported this year.

### Leadership Indicators

#### LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

As there were no human rights grievances, no business process modification/introduction was required.

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

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

#### LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

Remarks: The entity's premises/offices comply with the provisions of the Rights of Persons with Disabilities Act, 2016, ensuring accessibility for differently abled visitors. They have installed ramps at several locations, provided a manlift, and ensured accessible restroom facilities.

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

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	62.75%
Discrimination at workplace	62.75%
Child labour	62.75%
Forced/involuntary labour	62.75%
Wages	62.75%
Others – please specify	-

Remarks: The reported percentage reflects the share of upstream value chain partners (material suppliers) assessed during the year. In 2024–25, AIA initiated the assessment of its suppliers based on defined sustainability criteria as part of our ongoing commitment to responsible sourcing. Looking ahead, we plan to broaden the scope of these assessments to include downstream value chain partners in the coming years.

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

Following the assessment of health and safety practices and working conditions among value chain partners, no significant risks or concerns were identified, and therefore, no corrective actions were required.





## PRINCIPLE 6

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

### Essential Indicators

El-1. Details of total energy consumption in GigaJoules (GJ), in the following format:

Parameter	2024-25	2023-24
<b>From renewable sources</b>		
Total electricity consumption (A)	3,10,004.45	3,06,457.92
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>3,10,004.45</b>	<b>3,06,457.92</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	7,47,945.90	9,60,197.05
Total fuel consumption (E)	4,93,062.76	5,36,487.43
Energy consumption through other sources (F)		
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>12,41,008.66</b>	<b>14,96,684.48</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>15,51,013.11</b>	<b>18,03,142.40</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Lakh)	4.45	4.35
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/Lakh USD)	91.91	89.90
Energy intensity in terms of physical output (GJ / MT Production)	6.50	6.30
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

El-1. Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. Shailesh Haribhakti and Associates.

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

Not Applicable

**EI-3. Provide details of the following disclosures related to water, in the following format:**

Parameter	2024-25	2023-24
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0.00	0.00
(ii) Groundwater	1,80,738.00	1,99,931.00
(iii) Third party water	68,840.00	71,120.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>2,49,578.00</b>	<b>271051.00</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2,90,947.00</b>	<b>313800.00</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover) (KL / Lakh)</b>	<b>0.83</b>	<b>0.76</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL / Lakh USD)</b>	<b>17.24</b>	<b>15.64</b>
<b>Water intensity in terms of physical output (KL / MT Production)</b>	<b>1.22</b>	<b>1.10</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity. KL / of</b>	<b>-</b>	<b>-</b>

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

Yes. Shailesh Haribhakti and Associates.

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

Parameter	2024-25	2023-24
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To surface water		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) To groundwater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) To seawater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(v) Others		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
<b>Total water discharged (in kilolitres)</b>	<b>0.00</b>	<b>0.00</b>

Remark: Please refer to P6-Ei-5.

**EI-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -**

Yes. Shailesh Haribhakti and Associates.

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

Yes, at AIA, we have 100% ZLD coverage across all our operating sites.

AIA is utilising all of its wastewater after treatment. Treated domestic wastewater is reused in cooling towers, gardening, and toilet flushing, while cooling tower blowdown is reused for slag and sand cooling. To reduce cooling tower blowdown, the Kerala GIDC unit has set up an air-type dry cooling tower for water cooling.

**EI-6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please Specify Unit	Current Financial Year	Previous Financial Year
NOx	ppm	9.4	4.94
SOx	ppm	13.03	10.73
Particulate matter (PM)	mg/Nm <sup>3</sup>	45.86	50.91
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify in the remark section	-	-	-

**EI-6. Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency:**

Yes. Shailesh Haribhakti and Associates.

**EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO<sub>2</sub>e, in the following format:**

Parameter	Unit	2024-25	2023-24
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	28,902.21	32,793.68
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	1,47,511.55	1,89,372.20
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO <sub>2</sub> e / rupee of turnover	0.51	0.5361
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO <sub>2</sub> e / Lakh USD	10.45	11.0763
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO <sub>2</sub> e / MT Production	0.74	0.7768
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

**EI-7. Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency: -**

Yes. Shailesh Haribhakti and Associates.

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

Yes, AIA in collaboration with ARC Foundation Gandhinagar have initiated massive tree plantation to reduce the GHG emissions. We planted 100,000 trees at the following sites: SWAC (South Western Air Command), BDE Chiloda Air-Force Colony, Ahmedabad Cantt, Deesa BSF, Vadsar, 11 ARTY BDE and ASF Harni. The assessment for this initiative is carried out quarterly. Furthermore, Tree Plantation is going on, and it is continuous program for AIA.

AIA has installed 11 Wind Energy Turbines + 3 Hybrid (Wind + Solar energy) at the Kutch and Jamjodhpur sites which has an installed capacity of 37.38 MW (31.80 MW Windmill + 5.58 MW Solar) of renewable energy. In 2024-25, AIA was able to generate 8,61,12,347 KWh of electricity from renewable sources and supply it to the grid.

**EI-9 Provide details related to waste management by the entity for the current financial year:**

Parameter	2024-25	2023-24
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	276.60	293.00
E-waste(B)	1.43	1.25
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	7.12	10.29
Radioactive waste (F)	0.00	0.00
Other hazardous waste. Please specify, if any. (G)	138.05	166.24
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,33,957.27	1,40,369.00
Total (A + B + C + D + E + F + G + H)	1,34,380.48	1,40,839.79
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT / Lakh)	0.3854	0.3399
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT / Lakh USD)	7.9631	7.0217
Waste intensity in terms of physical output (Total waste generated / Physical output) (MT / MT production)	0.5628	0.4924
Waste intensity (optional) the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste - Plastic</b>		
(i) Recycled	276.60	293.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total plastic waste recycled, re-used and other recovery operations</b>	<b>276.60</b>	<b>293.00</b>





Parameter	2024-25	2023-24
<b>Category of waste - E-waste</b>		
(i) Recycled	1.43	1.25
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total E-waste recycled, re-used and other recovery operations</b>	<b>1.43</b>	<b>1.25</b>
<b>Category of waste - Bio-medical waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total bio-medical waste recycled, re-used and other recovery operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Construction and demolition waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total construction waste recycled, re-used and other recovery operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Battery waste</b>		
(i) Recycled	7.12	10.29
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total battery waste recycled, re-used and other recovery operations</b>	<b>7.12</b>	<b>10.29</b>
<b>Category of waste - Radioactive waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total radioactive waste recycled, re-used and other recovery operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Other hazardous waste</b>		
(i) Recycled	76.88	103.52
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total other hazardous waste recycled, re-used and other recovery operations</b>	<b>76.88</b>	<b>103.52</b>

Parameter	2024-25	2023-24
<b>Category of waste - Other non-hazardous waste</b>		
(i) Recycled	1,085.21	16,307.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	10,620.58	12,922.00
<b>Total other non-hazardous waste recycled, re-used and other recovery operations</b>	<b>11,705.79</b>	<b>29,229.00</b>
<b>Total</b>	<b>12,067.82</b>	<b>29,637.06</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste - Plastic</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total plastic waste incineration, landfilling and other disposal operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - E-Waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total E-waste waste incineration, landfilling and other disposal operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Bio-medical waste</b>		
(i) Incineration	0.01	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total bio-medical waste incineration, landfilling and other disposal operations</b>	<b>0.01</b>	<b>0.01</b>
<b>Category of waste - Construction and demolition waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total construction waste incineration, landfilling and other disposal operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Battery</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total battery waste incineration, landfilling and Other disposal operations</b>	<b>0.00</b>	<b>0.00</b>



Parameter	2024-25	2023-24
<b>Category of waste - Radioactive</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total radioactive waste incineration, landfilling and other disposal operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Other hazardous waste. Please specify, if any</b>		
(i) Incineration	61.17	62.72
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total other hazardous waste incineration, landfilling and other disposal operations</b>	<b>61.17</b>	<b>62.72</b>
<b>Category of waste - Other non-hazardous waste generated</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	1,22,251.48	1,16,166.00
(iii) Other disposal operations	0.00	0.00
<b>Total other non-hazardous waste incineration, landfilling and other disposal operations</b>	<b>1,22,251.48</b>	<b>1,16,166.00</b>
<b>Total</b>	<b>1,22,312.66</b>	<b>1,16,228.73</b>

**EI-9. Indicate if any independent assessment/evaluation/assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:**

Yes. Shailesh Haribhakti & Associates.

**EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

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

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

## Specific Practices:

### Eco-friendly Brick Production:

Foundry waste materials, such as sand and plastics are used to manufacture eco-friendly bricks and paver blocks. This year, ~170 MT of waste was utilised to produce over 55,000 bricks and blocks.

### Co-processing of Waste Silica Sand:

We collaborated with our value chain partners to co-process waste silica sand from foundry operations in cement kilns. In 2024–25, 1,085.21 MT of silica sand was repurposed through this method, ensuring both environmental compliance and sustainable waste disposal.

### Organic Waste Utilisation:

We convert kitchen and canteen waste into organic manure through a combination of in-house composting systems and external waste management partners. In 2024–25, around 61 MT of organic waste was successfully processed into manure. Thus, supporting our commitment to sustainable waste management and circular resource use.

### Waste Sand Recycling:

The Company has integrated mechanical and thermal reclaimers to recycle its moulding sand, reducing the requirement for silica sand by 80%. The waste sand generated is used in co-processing in cement kilns and for making bricks and paver blocks.

### Slag Reprocessing:

Slag is reprocessed at our in-house slag processing facility to recover metal for reuse in foundry operations.

- In 2024–25: 10,620.5 tonnes of slag processed, yielding 885.3 tonnes of recovered metal.

### Non-Hazardous Waste Management:

Our practices for managing non-hazardous waste include:

1. Internal and external recycling of materials such as silica sand, slag, and refractory waste for applications like co-processing, brick manufacturing, and metal recovery.
2. Sale of commercial waste materials like paper, wood, and rubber to designated vendors for further processing or reuse.

Our waste management policies and practices are detailed in our Waste Management Circular Economy Policy, underscoring our commitment to sustainability and environmental responsibility.

### Hazardous Waste Management:

We promote a circular economy by prioritising the reuse and recycling of hazardous waste to minimise environmental impact. Our practices include:

1. Partnerships with authorised facilities for decontamination, recycling, and disposal of hazardous waste components like containers, oils, e-waste, batteries, and biomedical waste.
2. Ensuring that all hazardous waste is transported in registered vehicles and disposed of in full compliance with regulatory norms.
3. Giving preference to co-processing and recycling over TSDF (Treatment, Storage, and Disposal Facility) or incineration, wherever possible.
4. Maintaining an MoU with an SPCB-approved decontamination unit for container reuse and recycling of liners and plastic bags.
5. Selling used/waste oil, e-waste, and batteries exclusively to registered authorised recyclers.
6. Disposing biomedical waste from the Occupational Health Centre (OHC) through authorised biomedical waste incineration facilities.
7. Managing oily sludge and other oil-containing residues through SPCB-approved CHWIF (Common Hazardous Waste Incineration Facility).





**EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

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

**EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
None						

**EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, AIA is compliant with the applicable environmental laws.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

## Leadership Indicators

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

- (i) Name of the area: Not Applicable
- (ii) Nature of operations: Not Applicable
- (iii) Water withdrawal, consumption and discharge in areas of water stress (in kilolitres) for the current year: Water withdrawal, and discharge in the following format:

Parameter	2024-25	2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal(in kilolitres)	0	0
Total volume of water consumption (in kilolitres)	0	0

Parameter	2024-25	2023-24
Water intensity per rupee of turnover (Water consumed / turnover) (KL / Lakh)	0.0000	0.0000
Water intensity (optional) – the relevant metric may be selected by the entity. KL / of	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) Into groundwater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) Into seawater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(v) Others		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	0.00	0.00

LI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Remarks: Not Applicable





LI-2. Please provide details of total Scope 3 emissions (MTCO<sub>2</sub>E) & its intensity, in the following format:

Parameter	2024-25	2023-24
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	1,20,225.78	1,39,479
Total Scope 3 emissions per rupee of turnover (TCO <sub>2</sub> e / Lakh)	0.34	0.336
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity (TCO <sub>2</sub> e / MT Production)	0.62	0.49

LI-2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

No.

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

No, Not applicable

LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Medium frequency induction furnaces for all our melting operations	These furnaces operate on electricity. The process is designed to minimise energy loss and heat dissipation.	Reduced GHG emissions.
2	We utilise direct energy for the heat treatment process across all our foundry units	Transitioned to Piped Natural Gas (PNG) and Liquid Petroleum Gas (LPG). Implemented flue gas recuperators on all our PNG-fired heat treatment furnaces. These recuperators enhance furnace efficiency by recovering heat from flue gases. The recovered waste heat is then utilised to preheat the combustion air supplied to the burners.	Utilising cleaner fuel, improving process efficiency and reusing waste heat have helped reduce GHG emissions.
3	Generating renewable energy	AIA has installed 11 Wind Energy Turbines + 3 Hybrid (Wind + Solar energy) at the Kutch and Jamjodhpur sites which has an installed capacity of 37.38 MW (31.80 MW Windmill + 5.58 MW Solar) of renewable energy. In 2024-25, AIA was able to generate 8,61,12,347 KWh of electricity from renewable sources and supply it to the grid.	8,61,12,347 KWh of renewal energy was generated.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	Rainwater Harvesting	<p>The company has installed a rainwater harvesting system to recharge groundwater. Rooftop and run-off rainwater is being recharged through four recharge wells at Kerala GIDC Plant and two recharge wells at Moraiya plant along with a pre-filtration system within the plant premises.</p> <p>In addition, three recharge wells are constructed outside the premises - one at Chiloda Village and One at Moraiya Village to recharge groundwater. These recharge wells replenish the groundwater in the area where we operate.</p>	Estimated rooftop recharged water 82,708 KL
5	Zero Liquid Discharge	<p>Complete Zero Liquid Discharge (ZLD) is maintained at all the plants. Some initiatives taken to reduce water consumption are</p> <ul style="list-style-type: none"> <li>- A dry-type cooling tower is installed at Kerala GIDC Plant which reduces blow down drastically.</li> <li>- The cooling tower blow down is being reused for sand mould preparation, and sand/slag cooling purpose.</li> <li>- Greywater /sewage are treated in the STP plant. Treated water is reused in gardening, toilet flushing, and cooling towers.</li> <li>- Automatic/spring-operated water taps are being used to reduce the wastage of potable water.</li> <li>- At some plants, waterless urinals are installed.</li> </ul>	41,369 KL STP treated water reused at two major GM plant
6	Converting waste into wealth: Eco-friendly Bricks and Paver Blocks produced utilising waste material	<p>The brick and paver block making machine, with a capacity of 200 units per day and operating on average for 23 days per month, produces approximately 55,000 bricks and paver blocks annually. Each brick or paver block weighs an estimated 2.8 kg and is valued at ₹ 5.</p> <p>Waste Material Utilised:</p> <p><b>Plastic:</b> Approximately 48 tonnes of waste HDPE bags recycled.</p> <p><b>Sand:</b> Approximately 56 tonnes of waste silica sand recycled.</p> <p><b>Dust:</b> Approximately 56 tonnes of waste dust recycled.</p> <p><b>Revenue Generation</b></p> <p>The initiative generates revenue amounting to ₹ 2,75,000 through the conversion of waste into wealth (calculated at ₹ 5 per unit, with 55,000 units produced).</p>	Approx 170 MT waste reused, 55,000 bricks & blocks made, valued at ₹ 2,75,000





Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	Reuse of Foundry Sand in Cement Kiln through Co-processing	Discarded moulding sand from the foundries is a solid waste and a by-product of the production process. We have signed an MOU with a value chain partner to provide a sustainable business solution for the sand waste generated. The waste discarded sand is used in cement kiln technology (co-processing) in a manner that ensures regulatory compliance, clubbed with the highest standards in OH&S. The VC partner is safely consuming waste generated by AIA in its cement kilns at its plant.	1,085.21 MT waste sand from the foundry was used to produce cement.
8	Captive Slag Processing Plant	Slag is reprocessed in our captive slag processing plant. The recovered metal is reused as raw material in foundry operations, to produce castings.	10,620.5 MT slag processed and 885.3 MT metal recovered and reused in our plant.
9	Energy Reduction through process improvement and technology upgradation	<ol style="list-style-type: none"><li>1. Effective usages of machine leading to energy savings: 5,64,705 units saved (kWh)</li><li>2. Technology upgradation leading to energy savings: 1,10,410 units saved (KWh)</li></ol>	Saved 6,75,115 kWh.
10	Carbon reduction initiative	Innovative heaterless vaporisers in LPG installations at our major GM plants has resulted in an estimated accumulated carbon offset of 442 metric tonnes of CO2 per manifold per year.	Accumulated carbon offset 442 metric tonnes per year.



**LI-5. Does the entity have a business continuity and disaster management plan? If yes, please give details in 100 words or input web link.**

Yes, on-site emergency plan is prepared with the primary aim to protect all employees, persons in the vicinity and the Company property, against fire, explosion or other major accident which might occurs due to natural or man-made disaster. The success of this plan depends largely upon each individual carrying out his designated duties effectively and promptly. Considering the number of employees, material, process, and availability of resources, location of site, and the plan is prepared. Objectives of the emergency planning are as under:

- (a) To define and to assess emergencies, including risk and environmental impact assessment.
- (b) To prevent the emergency turning into a disaster.
- (c) To safeguard employees and people in vicinity.
- (d) To minimise damage to property or/and the environment.
- (e) To inform employees, the general public and the authority about the hazards/risks assessed, safe guards provided, residual risk if any and the role to be played by them in the event of emergency.
- (f) To be ready for 'Mutual Aid' if need arises to help neighbouring unit.
- (g) To inform authorities and mutual-aid centre to come for help.
- (h) Effective rescue and treatment of casualties.
- (i) To identify and list any dead injury.
- (j) To inform and help relatives.
- (k) To secure the safe rehabilitation of affected areas and to restore normalcy.
- (l) To provide authoritative information to the new media.
- (m) To preserve records, equipment etc. and to organise investigation into the cause of the emergency and preventive measures to stop its reoccurrence.
- (n) To ensure safety of the works before personnel re-enter and resume work.
- (o) To work out a plan with all provisions to handle emergencies and to provide for emergency preparedness and the periodical rehearsal of the plan.

For example: Disaster Management Plan for Information Technology (IT)

The current global environment poses severe cybersecurity threats of various kinds, such as ransomware, hacking, malware, and spoofing, among others. The Company has implemented several mitigation programmes; however, the continuous development of new cyber threats remains a concern.

It is not possible to fully secure the system due to limitations in knowledge about emerging viruses and cyber-attack techniques. The Company mitigates these risks to the extent possible. A disaster recovery mechanism has been established, enabling traffic to be redirected to the disaster recovery server (secondary server) to ensure uninterrupted operations.

Each quarter, the IT team conducts a Disaster Recovery (DR) drill, and the results have been satisfactory.

**LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant adverse effects were observed.

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

62.75%

During the reporting period, AIA began the assessment of its major and other critical value chain partners. These assessments focussed on evaluating compliance with applicable environmental and social regulations within their respective jurisdictions. Additionally, we reviewed whether partners had implemented ISO-certified management systems, such as ISO 14001 for Environmental Management and ISO 45001 for Occupational Health and Safety. While direct environmental impact assessments were not conducted, the process involved verifying the existence of relevant certifications and adherence to jurisdictional policies essential for operating sustainably.

**LI-8. How many Green Credits have been generated or procured?**

- a. Generated by the listed entity - 0
- b. Procured by the top ten (in terms of value of purchases and sales, respectively) value chain partners - 0



## PRINCIPLE 7

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

### Essential Indicators

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

5

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

● Name of the trade and industry chambers/associations

● Reach of trade and industry chambers/associations (State/ National/International)

1	National	FICCI
3	State	GCCI
5	State	MIDC

2	National	CII
4	National	EEPC

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

S. No.	Name of authority	Brief of the case	Corrective action taken
1	No issues related to anti-competitive conduct by the entity	NA	NA

### Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board	Web link, if available
1	No	No	No	Other	No

## PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

### Essential Indicators

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

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
1	NA	NA	NA	NA	NA	NA

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In ₹)
1	NA	NA	NA	0	0.00	0

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

The Company allows community members and other stakeholders to report grievances related to policy violations, fraud, or misconduct through email, drop box, or letter to the Compliance Officer. Complaints are reviewed and, if needed, investigated by the MD or Audit Committee, sometimes with support from external agencies. Confidentiality is maintained, and protection from retaliation is assured. Appropriate action is taken based on the findings, and all records are duly documented and retained in accordance with company policy.

The detailed policy can be accessed through the link at: <https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf>

**EI-4. Input material sourced from suppliers (by value):**

Current Financial Year	Category	Previous Financial Year
23.82%	Directly sourced from MSMEs/ small producers	25.64%
83.14%	Sourced directly from within India	100.00%

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

Location	2024-25	2023-24
Rural	45.31%	42.00%
Semi-Urban	0.00%	0.00%
Urban	0.00%	0.00%
Metropolitan	54.69%	58.00%





## Leadership Indicators

LI-1. If any Social Impact Assessments have been reported in EI-1, please provide details of actions taken to mitigate any negative social impacts identified:

S. No.	Details of negative social impact identified	Corrective action taken
1	NA	NA

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

S. No.	State	Aspirational District	Amount spent (In ₹)
1	NA	NA	0

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

NO

LI-3.b. From which marginalised /vulnerable groups do you procure? -

NA

LI-3.c. What percentage of total procurement (by value) does it constitute? -

NA

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	NA	-	-	-

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

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	NA	-	-

LI-6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Eradicating hunger, poverty and malnutrition	Not Ascertainable	100%
2	Promoting healthcare including preventive health care	Not Ascertainable	100%
3	Promoting education and vocational skill	5193	100%
4	Protection of heritage, art and culture	Not Ascertainable	Not Ascertainable
5	Protection of environment and animal welfare	Not Ascertainable	100%
6	Contributions to Indian Institute of Technology (IITs)	Not Ascertainable	Not Ascertainable
7	Promotion of sports	Not Ascertainable	Not Ascertainable

## PRINCIPLE 9

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

### Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

#### Customer Feedback Management:

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

#### Measuring Customer Satisfaction:

We have implemented a robust system to monitor customer perceptions of our products. Feedback is systematically collected to cover various aspects of our operations. Key attributes evaluated include delivery timelines, product performance, and aftersales service. Customer satisfaction levels are graded on a scale from 1 to 4. Using a weighted average method, we compute the Customer Satisfaction Index (CSI) annually. For the latest reporting period, our CSI score stood at 97.6%.

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

100%

Environmental and social parameters relevant to the product

100%

Safe and responsible usage

100%

Recycling and/or safe disposal

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

Category	2024-25			2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

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

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

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

Yes, we have a formal framework in place to address cybersecurity and data privacy risks. The policy is accessible to all employees through the Company's intranet.

**EI-6. Provide details of any corrective actions taken or underway on issues relating to any of the following: i. Advertising; ii. Delivery of essential services; iii. Cyber security and data privacy of customers; iv. Re-occurrence of instances of product recalls V. penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable, as no such instances were reported.

**EI-7. Provide the following information relating to data breaches:****a. Number of instances of data breaches**

0

**b. Percentage of data breaches involving personally identifiable information of customers**

0%

**c. Impact, if any, of the data breaches**

Not Applicable

**Leadership Indicators****LI-1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information is available on our website at: <https://aiaengineering.com/>

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

While our products are inherently safe, we take additional steps to promote responsible usage. We provide handling guidelines as needed and share Safety Data Sheets (SDS) upon request along with the consignment, ensuring customers have access to essential safety information.

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

Through efficient e-mail correspondence and direct communication facilitated by our field engineers.

**LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

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

# Independent Assurance Statement

**Independent Practitioners' Reasonable Assurance Report select Identified Sustainability Information disclosures in the Annual Report of in AIA Engineering Limited for the period from 1st April 2024 to 31st March 2025.**

## To The Board of Directors of AIA Engineering Limited

We have undertaken to perform a reasonable assurance engagement, for AIA Engineering Limited ('the Company') vide our agreement date April 08, 2025, in respect of select sustainability disclosures in the Annual Report prepared in accordance with the Business Responsibility and Sustainability Reporting (BRSR) framework (together called 'Identified Sustainability Information' (ISI), in accordance with the Criteria stated in the "Criteria" paragraph below, for the period from 1st April, 2024 to 31st March, 2025.

## IDENTIFIED SUSTAINABILITY INFORMATION

We have performed a reasonable assurance engagement on the Identified Sustainability Information (ISI) as detailed in the table below:

Identified Sustainability Information subject to assurance	Period subject to assurance	Reporting criteria
BRSR Core (Refer to Appendix A)	From 1st April, 2024 to 31st March, 2025	<ul style="list-style-type: none"> <li>Regulation 34(2) (f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR)</li> <li>Guidance note for BRSR format issued by SEBI in the Master Circular</li> </ul>

This assurance engagement has been carried out based on our professional experience and assurance practice, and the Standard on Sustainability Assurance Engagements, SSAE 3000 - Assurance Engagements on Sustainability Information issued by the Sustainability Reporting Standards Board (SRSB) of the Institute of Chartered Accountants of India (ICAI)

For the purposes of the remainder of our assurance report:

- 'Information subject to Reasonable Assurance' refers to the Identified Sustainability Information identified above that was subject to reasonable assurance.
- 'Assured Sustainability Information' refers to all Identified Sustainability Information subject to assurance; and

- 'Applicable Criteria' refers to the reporting criteria relevant to the information subject to assurance as identified above

## CRITERIA

The criteria used by the Company to prepare the Identified Sustainability Information summarised in Part A - "BRSR Core indicators" in Appendix A to this report, the criteria used is the "BRSR Core", which is a subset of the BRSR, consisting of a set of Key Performance Indicators ("KPIs")/ metrics under nine Environmental, Social and Governance ("ESG") attributes, as per the format of BRSR Core specified in Annexure 17A read with the format of BRSR and the Guidance Note given in Annexure 16 and 17, respectively, of the SEBI Master Circular for 'compliance with the provisions of the SEBI LODR Regulations, 2025 by listed entities' dated November 11, 2024, and the SEBI Circular on the 'Industry Standards on Reporting of BRSR Core' dated December 20, 2024 (collectively referred to as the "SEBI Circulars").

## PRACTITIONERS RESPONSIBILITY

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (SSAE) 3000, 'Assurance Engagements on Sustainability Information' and SAE 3410 'Assurance Engagements on Greenhouse Gas Statements' issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the 'Our responsibilities' section of our report.

We are required to comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI. Our firm applies Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements' issued by the ICAI. This standard requires the firm to maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.





Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and / or measurements of the Identified Sustainability Information.
- Made enquiries of Company's Management, including those responsible for Sustainability, Environmental Social Governance ('ESG'), Human Resources (HR), etc., and those with responsibility for managing the Company's Annual Report, which includes the BRSR.
- Performed substantive testing on a sample basis of the Identified Sustainability Information within the reporting boundary to verify that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data to establish an assurance trail.
- Assessed the level of adherence to the BRSR Core Indicators and internally defined criteria by the Management.
- Obtained written representations from the Company's Management.
- Planned and performed the engagement to obtain reasonable assurance about whether the Assured Sustainability Information is free from material misstatement, whether due to fraud or error.
- Formed an independent reasonable assurance opinion based on the procedures we have performed and the evidence we have obtained; and
- Reported our reasonable assurance opinion to the Board of Directors of the company.

#### MANAGEMENT'S RESPONSIBILITY

The management of the Company are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Assured Sustainability Information that is free from material misstatement, whether due to fraud or error.
- selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria; and
- preparing the Assured Sustainability Information in accordance with the Applicable Criteria
- determining the Reporting Boundary of the Identified Sustainability Information and for selecting or establishing suitable criteria for preparing the

Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circulars related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria.

Those charged with governance are responsible for overseeing the reporting process for the Company's Assured Sustainability Information.

#### OTHER INFORMATION

Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the ISI and assurance report thereon). The Company's Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance on BRSR Core attributes on the select BRSR attributes does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our assurance on the ISI, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the ISI, or our knowledge obtained in the assurance, or otherwise appears to be materially misstated.

#### INTENDED USE OR PURPOSE

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR attributes, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

#### EXCLUSIONS

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in Appendix A.
- Aspects of the BRSR attributes and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., financial year ended 31st March, 2025; and
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

## INHERENT LIMITATIONS

The preparation of the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain amounts and BRSR metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example Greenhouse Gas ("GHG") emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amount and metrics.

## SUMMARY OF THE WORK WE PERFORMED AS THE BASIS FOR OUR OPINION/CONCLUSION

We exercised professional judgement and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

## OPINION

Based on the procedures performed and the evidence obtained, the Company's Identified Sustainability Information summarised in Appendix A to this report and included in the Integrated Annual Report, for the financial year ended March 31, 2025, are prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

## RESTRICTION ON USE

This report has been prepared and addressed to the Board of Directors of AIA Engineering Limited at the request of the company solely to comply with the requirements of the SEBI Circulars and LODR Regulations, on reporting Company's sustainability performance and activities, and for publishing the same in the Company's Annual Report, which will be published on the Company's website. Accordingly, we accept no liability to anyone, other than the company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

**For Shailesh Haribhakti & Associates**  
Chartered Accountants  
(Firm's Registration No: 148136W)

**Shailesh Haribhakti**  
Proprietor  
Membership No: 030823  
UDIN: 25030823BMOFGC7015

Place : Mumbai  
Date : August 07, 2025

**Appendix A – BRSR Core attributes - Reasonable assurance - FY 2024-25**

Sr. No.	BRSR Core Indicator	Description of Indicator
1.	Section C – Principle 1 – E8	Number of days of accounts payable
2.	Section C – Principle 1 – E9	<ul style="list-style-type: none"> <li>- Concentration of purchases &amp; sales done with trading houses, dealers, and related parties</li> <li>- Loans and advances &amp; investments with related parties</li> </ul>
3.	Section C – Principle 3 – E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
4.	Section C – Principle 3 – E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
5.	Section C – Principle 5 – E3(b)	Gross wages paid to females as % of wages paid
6.	Section C – Principle 5 – E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld.
7.	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples) and its intensity
8.	Section C – Principle 6 – E3	Total volume of water withdrawal by source in Kilolitres and its intensity
9.	Section C – Principle 6 – E4	Water discharge by destination and level of treatment (in kilolitres)
10.	Section C – Principle 6 – E7	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity
11.	Section C – Principle 6 – E9	Details related to waste generated by category, waste recovered through recycling, re-using or other recovery operations, waste disposed by nature of disposal method and its intensity
12.	Section C – Principle 8 – E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/small producers and from within India
13.	Section C – Principle 8 – E5	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
14.	Section C – Principle 9 – E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events

# Board's Report

The Members,

**AIA Engineering Limited**

Ahmedabad

Your Directors take pleasure in submitting the 35th Annual Report and the Audited Annual Accounts of the Company for the year ended 31 March, 2025.

## 1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2025	Year ended 31 March, 2024	Year ended 31 March, 2025	Year ended 31 March, 2024
Revenue from Operations	3,42,564.41	4,06,204.15	4,22,662.27	4,77,182.26
Other Operating Income	6,080.35	8,190.84	6,082.12	8,193.87
<b>Total Revenue from Operations</b>	<b>3,48,644.76</b>	<b>4,14,394.99</b>	<b>4,28,744.39</b>	<b>4,85,376.13</b>
<b>Other Income</b>	<b>47,507.66</b>	<b>42,844.27</b>	<b>33,162.79</b>	<b>28,140.12</b>
<b>Total Income</b>	<b>3,96,152.42</b>	<b>4,57,239.26</b>	<b>4,61,907.18</b>	<b>5,13,516.25</b>
Profit before Finance Cost, Depreciation & Amortisation and Tax Expenses	1,44,216.19	1,59,108.40	1,48,084.41	1,61,515.71
Finance Cost	2,101.66	2,826.07	2,109.13	2,837.87
Depreciation & Amortisation	10,068.21	9,821.51	10,307.39	10,027.15
<b>Profit Before Share of Profit of Joint Venture and Tax</b>	<b>1,32,046.32</b>	<b>1,46,460.82</b>	<b>1,35,667.89</b>	<b>1,48,650.69</b>
Share of Profit of Joint Venture (Net of Tax)	-	-	1,175.13	151.23
<b>Profit Before Tax</b>	<b>1,32,046.32</b>	<b>1,46,460.82</b>	<b>1,36,843.02</b>	<b>1,48,801.92</b>
(i) Provision for Taxation (Current)	26,311.27	31,696.52	27,075.54	33,390.55
(ii) Deferred Tax	3,584.17	1,819.31	3,760.11	1,712.13
<b>Total Tax (i+ii)</b>	<b>29,895.44</b>	<b>33,515.83</b>	<b>30,835.65</b>	<b>35,102.68</b>
<b>Profit After Tax</b>	<b>1,02,150.88</b>	<b>1,12,944.99</b>	<b>1,06,007.37</b>	<b>1,13,699.24</b>
Non-Controlling Interest	-	-	(66.23)	141.91
<b>Net Profit after Non-Controlling Interest</b>	<b>1,02,150.88</b>	<b>1,12,944.99</b>	<b>1,06,073.60</b>	<b>1,13,557.33</b>
Other Comprehensive Income/ (Loss)(Net of Tax) (After Minority Interest)	(57.37)	428.92	(2,243.81)	(1,828.89)
<b>Total Comprehensive Income after Non-Controlling Interest</b>	<b>1,02,093.51</b>	<b>1,13,373.91</b>	<b>1,03,829.79</b>	<b>1,11,728.44</b>

### Standalone Operating Results:

During the year under review, the Revenue from Operations of the Company is ₹ 3,48,644.76 Lakhs as compared to ₹ 4,14,394.99 Lakhs in the previous Financial Year. Exports Turnover registered in the same period is ₹ 1,99,639.28 Lakhs as against the Export Turnover of ₹ 2,76,941.76 Lakhs in the previous Financial Year.

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹ 1,32,046.32 Lakhs and Profit After Tax (PAT) of ₹ 1,02,150.88 Lakhs as compared to PBT of ₹ 1,46,460.82 Lakhs and PAT of ₹ 1,12,944.99 Lakhs respectively in the previous Financial Year.

### Consolidated Operating Results:

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries and Joint Ventures) has earned Revenue from Operations of ₹ 4,28,744.39 Lakhs as compared to ₹ 4,85,376.13 Lakhs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 1,06,073.60 Lakhs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹ 1,13,557.33 Lakhs in the previous Financial Year.



**2. DIVIDEND:**

The Board of Directors is pleased to recommend a Dividend of ₹ 16.00 (800%) per Equity Share of the face value of ₹ 2/- each amounting to ₹ 149.31 Lakhs for the Financial Year 2024-25.

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

**3. SHARE CAPITAL:**

The paid up Equity Share Capital of the Company as on 31 March, 2025 is ₹ 1,866.41 Lakhs. However, during the year under review, Company has bought back 10,00,000 equity shares, the details of which is given as under :

**BUYBACK OF EQUITY SHARES:** The Board of Directors ("the Board") at its meeting held on 7 August, 2024 passed a resolution to buyback 10,00,000 (Ten Lakhs) equity shares of ₹ 2.00 (Rupee Two only) each fully paid-up, representing 1.06% of the total number of pre-buyback equity shares at a price of ₹ 5,000/- (Rupees Five Thousand only) aggregating to ₹ 500 Crores (Rupees Five Hundred Crores only), being 7.92% and 7.51% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the audited standalone and consolidated financial statements of the Company as at 31 March, 2024, respectively (which was within the statutory limits of 10% (ten percent) of the aggregate of the fully paid up equity share capital and free reserves of the Company, based on both standalone and consolidated financial statements of the Company, under the Board approval route as per the provisions of the Companies Act, 2013 ("Act") and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("the Buyback Regulations"), excluding the transaction cost relating to the buyback, from the members of the Company (including the promoters of the Company), on a proportionate basis under the tender offer route in accordance with the provisions of the Buyback Regulations and the Act and Rules made thereunder. Pursuant to and in compliance with the provisions of Section 68 of the Act read with Rule 17 of The Companies (Share Capital and Debentures) Rules, 2014 and the Buyback Regulations, the amount of buyback was distributed to the members on 9 September, 2024 and the corresponding equity shares were extinguished on 16 September, 2024. Pre and

Post Buyback shareholding structure is as under:

Pre buyback shareholding	No. of shares bought back	Post buyback shareholding
9,43,20,370 equity shares of ₹ 2/- each fully paid-up	10,00,000 equity shares of ₹ 2/- each fully paid-up	9,33,20,370 equity shares of ₹ 2/- each fully paid up

Pursuant to the buyback, the promoters' shareholding has been increased from 58.47% to 58.50% of the total post buyback paid-up share capital. Pursuant to and in compliance with the provisions of Section 69 of the Act, the Company has transferred an amount of ₹ 20.00 Lakhs (Rupees Twenty Lakhs only) to Capital Redemption Reserve which is equal to the nominal value of the equity shares bought back. The details thereof are disclosed in Note No. 22 of the Audited Standalone Financial Statements for the Financial Year ended on 31 March, 2025.

**4. FINANCE:**

Cash and cash equivalents as at 31 March, 2025 were ₹ 39,710.87 Lakhs. The Company continues to focus on judicious management of its Working Capital, Receivables, Inventories, while other Working Capital parameters were kept under strict check through continuous monitoring.

**Capital Expenditure Outlay:**

During the year under review, the Company has incurred Capex of ₹ 13,706.58 Lakhs (including work-in-progress).

**Deposits:**

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

**Particulars of Loans, Guarantees or Investments:**

During the year under review, Company has not provided any loan but it has provided a Guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The details of Guarantee provided and Investments made by the Company are given in the Notes to the Financial Statements.

**Internal Financial Control and Audit:**

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

### Related Party Transactions:

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

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

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz. <https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Related-Party-Transction-1.pdf>.

### Credit Rating:

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

Dun & Bradstreet Information India Private Limited (D&B) has evaluated the Company during September, 2024 and reassigned a Dun Bradstreet Rating of 5A I, which indicates that overall status of the Company is "Strong".

## 5. HUMAN RESOURCES:

Among the various resources essential for the success of any organisation, human capital stands as one of the most impactful. Recognising its significance, your Company dedicates considerable time and effort to nurturing and developing this invaluable asset, ensuring its optimal contribution to the Company's growth and success.

Every asset requires careful management, maintenance and development—human resources are no exception. Given its critical importance, Company continuously seeks innovative and efficient approaches to talent management. To achieve this, your Company collaborates with leading global agencies and consultants, ensuring access to top-tier professionals in its domain.

Securing exceptional talent is just the beginning; fostering growth through structured training is equally vital. Company upholds a corporate philosophy of

continuous improvement, offering comprehensive orientation programs and periodic skill enhancement initiatives. To facilitate this, it has established a dedicated training and development cell that systematically tailors programs based on individual skill mapping.

Employee safety and well-being are foundational to our corporate ethos. Company prioritises both physical and mental health by promoting safe work practices and championing holistic wellness. Regular wellness sessions, such as expert-led yoga workshops, underscore its commitment to the overall well-being of its workforce.

Just like any asset, employees have a lifecycle and optimising it is a scientific and strategic endeavor. Your Company meticulously structures each stage—onboarding, training, career progression and succession planning—to maximise value. Objective performance appraisal system of the Company ensures fairness, accountability and meaningful growth opportunities for all team members.

At the heart of its organisational philosophy lies continuous refinement of HR practices. Through collaboration with leading consultants, Company remains at the forefront of talent acquisition, organisational structuring and human resource management. While honoring the core values, Company embraces modern strategies and innovations to enhance operational efficiency, leveraging its carefully curated talent pool to propel its growth trajectory.

## 6. MATERIAL CHANGES, TRANSACTIONS AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of Financial Year on 31 March, 2025 to which the Financial Statements relates and the date of this Report.

## 7. BUSINESS PROSPECTS:

Company's future growth of business is always linked to growth of the industries like Mining, Cement and Thermal Power generation.

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



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

Major growth driver for Company continues to be the huge conversion opportunity available in the Mining Industry space. The addressable market opportunity is around 2 million tonnes (of annual consumption) for the three ores on which the Company is focused upon viz. Gold, Copper and Iron Ore. The level of penetration of High Chrome Grinding Media is less than 25%, which offers a significant opportunity for growth through conversion from Forged Grinding Media to High Chrome Grinding Media.

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

Company is addressing the mining opportunity of conversion through a combination of solutions based on the requirement of a mining customer. The focus is on improving Grinding efficiency through a unique solution based approach. This includes cost savings through lower wear rates and lower consumptions owing to the High Chrome advantage; Down process related benefits in the form of reduction in the cost of other expensive reagents/improvement of recoveries by use of High Chrome Grinding Media; and lastly unique Mill Lining solutions having the effect of increasing the throughput and reduction in the power cost. Company is also offering unique Mill Liners to the mining market and widening its wallet share and value addition with customers. Company's dedicated Greenfield Mining Liner plant coupled with the strategic stake acquired in Mill liner design centric Company-MPS, Australia is helping the Company in taking incremental market share in this segment, as well as offer higher cross selling opportunities for Grinding Media. Commissioning of said Mining Liner plant resulted in increase in capacity by 20,000 MT.

Going forward, Company continues to build on its competencies to offer material value addition to its

customers in form of increase in throughput, increase in yield of gold and copper ores and reduction in operating costs in terms of wear costs, power costs and reagent consumption. This value addition is offered by continuous and direct engagement with operations personnel at plants in different countries and ensuring that a custom designed solution is offered to meet their specific objectives and engage with them on a continuous improvement journey to measure and ensure the benefits accrue over the lifetime of our solution.

In F.Y. 2025, the world continues to battle economic shocks and uncertainty, and the Company is also affected by these global macro developments. Most importantly, regimes in many countries are advocating restricted market access for many product categories. Each country is going through its own upheaval in regards to this. Your Company is also affected by this uncertainty and has effectively re-worked the strategy of mitigating the same through a combination of positive steps, inter alia, including setting up of Satellite plants outside India- initially in China and Ghana, so as to overcome the Supply chain constraints and also unlock the regional growth opportunities in the key Global markets.

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

Company continues to maintain its significant market share as a supplier of large castings to the Thermal Power Plant Industry in India. Although this is relatively a smaller business, it is still an important business for the Company.

## 8. FUTURE EXPANSION:

Over the past years, Company has witnessed a positive trend in net cash generated from operating activities despite having challenges related to the metal prices, freight costs and global economic growth. This demonstrates our strong capital efficiency, i.e. effective conversion of operational performance into cash flows, which is vital for funding our growth initiatives and meeting our financial obligations. With a commitment to long-term growth, we have consistently prioritised

allocating substantial financial resources towards capital expenditure. These strategic investments are designed to enhance operational capabilities, support expansion plans and ensure a robust and sustainable future for your Company. Accordingly, the capex proposals are from internal cash accruals.

The Company's current capacity stands at 4,60,000 MT per annum.

Company is reviewing implementation of manufacturing plants at China and Ghana in phased manner. Company is also evaluating Indonesia, Thailand and other geographic locations for setting up of similar manufacturing facilities.

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

#### 9. SUBSIDIARY COMPANIES/ASSOCIATE COMPANY:

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

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

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

During the year under review, wholly owned subsidiary of the Company i.e. Vega Industries (Middle East) FZC has incorporated a wholly owned subsidiary in UAE viz. Vega Industries Middle East (DFTZ)FZE. Vega Industries (Middle East) FZC, UAE has additionally acquired 13% stake in the business of Vega MPS Pty Ltd., Australia making total stake of 56%.

#### 10. INSURANCE:

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

#### 11. INDUSTRIAL RELATIONS (IR):

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

#### 12. CORPORATE GOVERNANCE:

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

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

#### 13. MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

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

#### 14. RISK MANAGEMENT:

Risk Management Process is navigating a Dynamic Environment. The Company faces diverse risks in its operations and commitments. In response, Company has instituted a robust risk management process that empowers it to identify, assess and mitigate such risks proactively. The Risk Management approach of the Company is pivotal in protecting its stakeholder's interests, ensuring consistent and sustainable growth, augmenting its value and successfully realising its strategic objectives.

##### **Risk Management Process**

##### **Risk Identification:**

- Identifying potential events impacting the successful implementation of strategies or the achievement of objectives.
- Events can arise from internal or external factors.
- Identified risks are then classified into three categories: Unit risk, Industry risk and Macroeconomic risk.



**Risk Assessment and Mitigation**

- Perform risk assessment to evaluate the potential impact of identified risks on achieving objectives.
- Risks are classified as Low, Medium or High based on their assessed impact and likelihood.
- To address the risks, mitigation plans are developed with specific timelines for implementation.

**Creating and updating Risk Register**

- Identified risks and approved mitigation plans are recorded in risk registers.
- Risk registers are reviewed and updated every quarter.

**Risk Monitoring**

- Monitoring the approved mitigation plan closely.
- Providing regular updates on the progress of its execution.

**Review and Reporting**

- Periodically identify and report top-priority risks and any significant policy deviations.

**Risk Governance Structure****Board of Directors**

The highest level of authority responsible for overseeing the overall risk management activities of the organisation.

**Risk Management Committee (RMC)**

Key to guiding the development of the Risk Management framework; monitoring and reviewing the Risk Management Policy and reporting to the Board on Risk Management activities.

**Chief Risk Officer (CRO)**

The CRO oversees risk management processes at the management level, reviewing reports of Risk Champions for reporting to the RMC, ensuring alignment with the risk management framework objectives, serving as a communication link between the RMC and Risk Champions and recommending framework improvements in line with global best practices.

**Risk Champions**

Unit heads and Head of Departments designated as Risk Champions monitor the external, macro-economic and industry landscapes, identify and assess risks and develop appropriate mitigation strategies within their respective areas of responsibility.

**Risk Coordinators**

Individuals designated as Risk Coordinators work closely with Risk Champions to support risk management activities in monitoring risks, implementing mitigation strategies and ensuring effective communication within their designated areas.

**Enterprise Risk Management (ERM) Framework**

Company's robust ERM Framework guides its practices in identifying, mitigating and monitoring key business risks. Company's risk management framework is aligned with operational and strategic objectives to enhance operational efficiency and safeguard shareholder's value. The framework offers a holistic view of your Company's strategic and operational risk position, facilitating continuous assessment and monitoring of overall risk exposure.

**Aligning ERM with COSO framework**

Your Company's Risk Management Policy aligns its risk management framework with the globally recognised Committee of Sponsoring Organisations (COSO) Framework for Enterprise Risk Management, integrating risk with strategy and performance. This commitment has competitively positioned the Company in a dynamic market. By incorporating risk into strategy-setting, your Company makes informed decisions, strategically allocate capital, strengthen risk oversight and manage performance effectively. This approach empowers the Company to identify opportunities within its risk appetite, foster resilience and enhance its marketplace reputation.

**Internal Control Systems**

To supplement its ERM framework, the Company has implemented robust internal control systems to ensure efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliance with all applicable laws & regulations. The internal control system is aligned with the COSO Internal Control Integrated Framework. Well-defined Risk Control Matrices of the Company serve as the primary document for internal control assessment, categorised into entity and process-level controls and IT controls.

The design and operating effectiveness of internal controls are evaluated by the Internal Auditors (all controls) as well as by the Statutory Auditors (controls concerning financial statements). The findings are presented to the Audit Committee on a periodic basis.

**Key Risks**

Please refer to the Management Discussion and Analysis Section of this Report which describes key risks that may impact the operation of the Company.

**15. POLICIES:****(a) Vigil Mechanism / Whistle Blower Policy:**

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy through which the Company encourages employees to bring to the attention of Senior Management including Audit and Risk Management Committee, any unethical behavior

and improper practice and wrongful conduct taking place in the Company. The brief details of such vigil mechanism forms part of the Corporate Governance Report.

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

In line with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a policy for the same. The brief details of the said policy form part of the Corporate Governance Report of this Annual Report. The Company has not received any complaint during the Financial Year 2024-25 in this regard.

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

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

**(d) Policy for Business Responsibility and Sustainability Report:**

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

**(e) Dividend Distribution Policy:**

The Board of Directors had approved the Dividend Distribution Policy in line with SEBI LODR Regulations. The Policy is hosted on website of the Company at <https://aiaengineering.com/wp-content/uploads/2025/04/Dividend-Distribution-Policy.pdf>.

**16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

**(a) Board of Directors and KMP:**

The Board of Directors of the Company is led by the Non-Independent – Non Executive Chairman and comprises eight other Directors as on 31

March, 2025, including one Managing Director, one Whole-Time Director, three Independent Directors (including one Woman Independent Director) and three Non-Executive Directors (other than Independent Directors).

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

Considering the integrity, expertise and experience (including the proficiency), the Board of Directors recommends the reappointment of Mrs. Khushali Samip Solanki (DIN: 07008918), Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

The Board of Directors also recommends the reappointment of Mr. Yashwant Manubhai Patel (DIN: 02103312), a Whole-Time Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

During the year under review, Second consecutive term of office of Mr. Rajendra Shantilal Shah (DIN : 00061922), Mr. Dileep Chinubhai Choksi (DIN : 00016322) and Mr. Sanjay Shaileshbhai Majmudar (DIN: 00091305) as Independent Directors of the Company ended on 10 September, 2024.

Mrs. Janaki Udayan Shah (DIN: 00343343) who was appointed as an Independent Director for a period of 5 consecutive years from 12 August, 2019 to 11 August, 2024, has been re-appointed as an Independent Director for a second consecutive term of five years from 12 August, 2024 to 11 August, 2029.

Mr. Piyush Balvantlal Shah (DIN: 00155760) has been appointed as an Independent Director w.e.f. 9 September, 2024 for a first consecutive term of five years.

Mr. Rajendra Shantilal Shah (DIN: 00061922) and Mr. Sanjay Shaileshbhai Majmudar (DIN:00091305) have been appointed as Non-Executive and Non-Independent Directors of the Company w.e.f. 13 September, 2024. Appointments of Mr. Piyush Balvantlal Shah, Mr. Rajendra Shantilal Shah and Mr. Sanjay Shaileshbhai Majmudar have been approved by shareholders on 14 November, 2024.

The Board on recommendation of Nomination and Remuneration Committee, appointed Mr. Udayan Dileep Choksi (DIN: 02222020) as an Independent Director for the first consecutive term of 5 years from 20 September, 2025 and



proposed a resolution for members' approval at the ensuing Annual General Meeting.

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

**(b) Meetings:**

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

Mr. Rajan R. Harivallabhdas, Chairman

Mrs. Janaki U. Shah, Member

Mr. Sanjay S. Majmudar, Member

Mr. Piyush B. Shah, Member

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

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

**(c) Committees of the Board of Directors:**

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31 March, 2025.

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

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

**(d) Board Evaluation:**

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

**(e) Familiarisation Program for Independent Directors:**

The Independent Directors have been updated with their roles, rights and responsibilities in the

Company by specifying them in their Appointment Letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarisation programmes for Independent Directors is posted on the website of the Company and can be accessed at <https://aiaengineering.com/wp-content/uploads/2025/07/Independent-Director-Familiarization-Program-2024-25.pdf>.

**(f) Nomination and Remuneration Policy:**

The Board has on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report which is a Part of the Board's Report. The detailed Policy is placed on the website of the Company at <https://aiaengineering.com/wp-content/uploads/2025/04/Nomination-Remuneration-Policy.pdf>.

**(g) Directors' Responsibility Statement:**

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

- i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts on a going concern basis;
- v. the Directors have laid down Internal Financial Controls to be followed by the

Company and that such Internal Financial Controls are adequate and were operating effectively; and

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

## 17. AUDITORS:

### Statutory Auditors:

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

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

### Internal Auditors:

The Board of Directors at the recommendations of the Audit Committee appointed Talati & Talati LLP, Chartered Accountants as Internal Auditors of the Company and ADCS & Associates, Chartered Accountants as Internal Auditors for its Nagpur Unit for the Financial Year 2025-26.

On the recommendation of the Audit Committee, Board of Directors has also appointed Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors to carry out Internal Audit for the Procurement, Store Management and Finance & Accounts Functions of the Company for the F.Y. 2025-26.

### Cost Auditors:

The Cost Auditors has filed the Cost Audit Report with Ministry of Corporate Affairs for the Financial Year ended 31 March, 2024 on 21 August, 2024.

The Board of Directors on the recommendation of the Audit Committee has appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the Financial Year 2025-26. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly, a resolution seeking members' ratification to the remuneration payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 35th Annual General Meeting.

### Secretarial Auditors:

Pursuant to Regulation 24A of SEBI LODR Regulations, the Company has appointed, Mr. Tushar M. Vora, Practicing Company Secretary (Peer Review No. 1200/2021), Ahmedabad as Secretarial Auditors of the

Company for a term of five years to hold office from 1 April, 2025 to 31 March, 2030 to conduct Audit of the Company's Secretarial and other related records.

The Report on the Secretarial Audit for the year ended 31 March, 2025 is annexed herewith as Annexure "D" to this Board's Report. The remarks made in the Secretarial Report are self-explanatory.

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

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

## 19. CONSOLIDATED FINANCIAL STATEMENTS:

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

## 20. ANNUAL RETURN:

In accordance with the provisions of Section 92(3) of the Companies Act, 2013, Annual Return of the Company as on 31 March, 2025 is hosted on website of the Company at <https://aiaengineering.com/wp-content/uploads/2025/08/Annual-Return.pdf>.

## 21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the amount required to be spent on CSR activities during the year under review, was ₹ 2,096.55 Lakhs and the Company has spent ₹ 2,096.55 Lakhs during the Financial Year ended 31 March, 2025. The requisite details of CSR activities carried by the Company pursuant to Section 135 of the Companies Act, 2013 is annexed as Annexure "E".

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

## 22. PARTICULARS OF EMPLOYEES:

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



**23. ENVIRONMENT, HEALTH AND SAFETY:**

Your Company's environmental strategy is guided by the principles of the circular economy. Your Company is committed to minimising its environmental impact through responsible resource use, waste reduction, and pollution prevention.

**Key initiatives include:**

- **Elimination of plastic below 50 microns** across operations to reduce plastic pollution.
- **Waste to Wealth:** Transforming industrial waste into reusable resources through innovative recycling and recovery solutions.
- **Enhanced resource efficiency:** Prioritising better raw materials and technologies to reduce input consumption.
- **GHG emissions accounting across Scope 1, 2 and 3:** Since 2021, Company has been diligently estimating its GHG emissions, covering Scope 1, 2, and 3 categories. Currently, Company is exploring the feasibility of aligning with international guidelines by setting an emissions reduction target.
- **Investment in renewable energy** generation and low-carbon fuel adoption to lower carbon footprint.
- **Water conservation and energy optimisation** with continuous monitoring and improvement measures.

**HEALTH & SAFETY:**

Company is building a **zero-harm safety culture** anchored in **care, trust, and responsibility**. Its proactive approach aims at preventing incidents and protecting the physical and mental well-being of every employee.

The Health, Safety, and Environmental Management System at the Company epitomise its unwavering dedication to safeguarding the environment, fostering a conducive working atmosphere and ensuring the well-being and safety of all individuals, including employees, contractors, and visitors.

- Strong **safety governance framework**, ensuring compliance with all legal and company-specific standards.
- Regular **training, awareness programs** and behavior-based safety initiatives.

A culture that empowers employees to take ownership of their own and their colleagues' safety.

- Periodic **safety audits, risk assessments, and emergency preparedness drills** across all locations.
- Promotion of **occupational health** through health camps, medical check-ups and stress management initiatives.

**SUSTAINABILITY & SOCIAL RESPONSIBILITY:**

Your Company's approach to sustainability is holistic—integrating environmental, economic and social aspects for long-term value creation. The Company fosters an environment where the well being and safety of its workforce and community are of utmost importance. It believes collaborative approach is a prerequisite to success. It also believes in contributing to a **knowledge-based and inclusive society** through:

- **Collaboration with universities** to foster innovation and R & D through joint projects and applied learning.
- Establishment **Skill Development Centre** at GPERI, Mehsana, (Gujarat Technological University - AIA Foundry) to enhance industry-readiness among youth.
- Establishment of in-house **Knowledge Center** to enhance knowledge of workforce.
- **Evaluate the ESG health of the vendors:** Ensuring that supplier adheres to ethical and ESG standards through the supply chain by vendor assessment.
- Strategic **CSR investments** aimed at healthcare, education, livelihood and community infrastructure development.
- **Company is supporting its customers** in their Net Zero transition by providing sustainable and **efficiency-enhancing products**.

**24. SECRETARIAL STANDARDS:**

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

**25. ACKNOWLEDGEMENT:**

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

**For and on behalf of the Board,**

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)

Place: Ahmedabad  
Date: 23 May, 2025

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### A) CONSERVATION OF ENERGY:

1. Effective usages of Machines leading to energy savings of 5,64,705 Units.
2. Technology upgradation as mentioned below leading to energy savings of 1,10,410 Units :-
  - Use of medium frequency Induction furnace for all our melting operations and closed-loop process ensures minimum loss of energy.
  - Direct Energy like Piped Natural Gas (PNG) & Liquid Petroleum Gas (LPG) is used in the heat treatment process at all our foundry units. Company has also installed flue gas recuperates on all the gas (PNG) fired Heat Treatment Furnaces to improve furnace efficiency and recover heat from the flue gases, which is further used in preheating the combustion air supply to the burners.

#### Renewable Energy:

The Company has installed 11 Wind Energy Turbines at Kutch and Jamjodhpur sites and 3 sets of Hybrid (Wind+Solar) at Amreli, Gujarat which have total installed capacity of 37.38 MW of renewable energy. In Financial Year 2024-25, the Company was able to generate 86,112,347 MW through renewable energy sources.

### (I) POWER & FUEL CONSUMPTION:

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Electricity		
a) Purchased Units (In Lakhs)	2,949.54	3,518.49
Total Amount (₹ Lakhs)	22,013.41	26,567.11
Rate/Unit (₹)	7.46	7.55
b) Own Generation		
Through Diesel Generator Unit	1,61,625	1,90,126
Unit per Litre of Diesel Oil	2.09	2.01
Cost/Unit (₹)	43.38	45.87
c) Through Steam Turbine/Generator Units		
Units per Ltr. of Fuel/Oil/Gas	NA	NA
Cost/Unit (₹)	NA	NA
d) Coal (Specify Quantity and where used)		
Quantity (in Tons)	NA	NA
Total Cost (₹)	NA	NA
Average Rate(₹)	NA	NA
e) Light Diesel Oil/c9		
Quantity (in Ltrs)	1,00,840	5,01,473
Total Amount (₹ Lakhs)	55.09	271.29
Average Rate (₹)	54.63	54.10
f) PNG Consumption		
Quantity Unit (SCM)(In Lakhs)	94.35	71.62
Total Cost (₹ Lakhs)	5,030.83	4,751.57
Rate/Unit (₹)	53.52	66.34
g) LPG Consumption		
Quantity in Tons	2,991.32	5,746.01
Total Amount (₹ Lakhs)	1,869.74	3,458.38
Rate/Unit (₹)	62.51	60.19

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

Particulars	(₹ in Lakhs)	
	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Product:		
Casting Unit (Tonnes)	2,38,757	2,86,018
Electricity per Ton of Castings (Units)	1,235.37	1,230.83

**(B) TECHNOLOGY ABSORPTION:****RESEARCH & DEVELOPMENT (R. & D.)****a) Specific areas in which R. & D. carried out by the Company**

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

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

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

**c) Future plans of action**

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

**d) Expenditure on R. & D.**

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

**(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

- Efforts in brief made towards technology absorption, adaptation and innovation
  - Liners for vertical mills used in mining industry were developed in metal matrix ceramic composite material.
- Benefits derived as a result of the above efforts
  - Liners made in metal matrix ceramic composite material are expected to show improvement in wear life.
- Imported technology  
Nil

**(D) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
i) Total Foreign Exchange used	30,901.14	51,120.72
ii) Total Foreign Exchange earned	1,99,686.19	2,76,976.80

**For and on behalf of the Board,**

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)

Place: Ahmedabad  
Date: 23 May, 2025



## ANNEXURE-"A"

### FORM NO. AOC-2

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

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

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

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

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

i)	Name (s) of the Related Party and nature of Relationship	Vega Industries (Middle East) FZC, a Wholly-Owned Subsidiary of the Company	Welcast Steels Limited, a Subsidiary Company of the Company.
ii)	Nature of contract/arrangement/ transactions	Distribution Agreement	Contract Manufacturing Agreement
iii)	Duration of contract / arrangements / transactions	Till the Agreement is mutually terminated	5 Years from 1 January, 2024
iv)	Salient Terms of contract/ arrangements/ transactions including the value if any	Vega Industries (Middle East) FZC is a Global Distributor for the operations of the Company in the International Market including helping in developing and formulating the global market strategy, identifying and tracking the customers leads and converting the same into offers and firm orders, co-ordinating with the Company to ensure timely delivery of orders and also providing the support in relation to inventory and debtors management.	Welcast Steels Limited manufactures Grinding Media of different grades for AIA Engineering Ltd. ("AIA") according to the Purchase Orders placed by AIA from time to time as per the technical specifications and using the technical knowhow provided by AIA.
v)	Justification for entering into such contracts or arrangements or transactions	In order to optimise the Company's sales outside India, Vega Industries (Middle East) FZC acts as Global Distributor of the Company.	The Contract Manufacturing Arrangement was entered to fully utilise the installed capacity of Welcast Steels Limited.
vi)	Date(s) of approval by the Board	Being wholly owned subsidiary, approval of the Board is not required under Section 188(1) of the Companies Act, 2013.	14 May 2024
vii)	Amount paid as Advances, if any	NIL	NIL

For and on behalf of the Board,

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)

Place: Ahmedabad  
Date: 23 May, 2025





## FORM NO. AOC-1

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

## Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

## Part – "A": Subsidiaries

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

Name of the Subsidiary	Welcast Steels Limited - Ahmedabad	AIA CSR Foundation- Ahmedabad	Vega Industries (Middle East) FZC - UAE	Vega Middle East (DFTZ) FZE - UAE	Vega Industries Limited - UK	Vega Industries Limited - USA	Vega Steel Industries (RSA) Proprietary Limited - South Africa	Wuxi Vega Trade Co. Limited - China	PT Vega Industries Indonesia	VEGA Industries Chile SPA - Chile	AIA Ghana Limited- Ghana	VEGA Industries Australia Pty Limited - Australia	Vega Industries Peru Limited, Peru
The date since when subsidiary was acquired	28 September, 2005	23 October, 2015	20 December, 2003	2 July, 2024	31 October, 2004	31 October, 2004	25 March, 2009	28 August, 2010	31 July, 2015	22 May, 2017	01 March, 2018	12 June, 2018	31 July, 2023
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025	31 March, 2025
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of the Foreign Subsidiary.	INR	INR	USD	USD	GBP	USD	ZAR	CNY	IDR	CLP	USD	AUD	SOL
Share Capital	63.84	1	277.74	5.82	10.67	42.73	0.014	256.38	170.92	90.59	854.59	0.06	85.46
Reserves & Surplus	3,908.61	-	22,147.36	3,901.04	885.14	3,561.28	35.02	264.30	(1,439.94)	(1,007.16)	(2,645.37)	1,180.99	(312.75)
Total Assets	4,767.75	621.13	1,06,316.30	39,071.69	1,153.40	34,182.05	1,453.83	4,799.68	2,389.00	5,018.36	20,987.05	7,392.13	1,817.99
Total Liabilities	795.32	620.13	83,891.19	35,164.82	257.59	30,578.05	1,418.79	4,279.01	3,658.02	5,934.92	22,777.83	6,211.06	2,045.27
Investments	1,680.72	-	12,443.50	-	-	-	-	-	-	-	-	-	-
Turnover	8,450.30	-	1,79,281.92	40,288.89	569.26	52,777.93	2,523.62	5,053.35	1,630.78	3,810.62	26,788.51	31,355.54	-
Profit Before Taxation	(35.35)	-	7,426.18	3,865.13	25.00	873.69	(226.15)	86.74	(288.08)	(163.18)	420.93	212.78	(214.15)
Provision for Taxation	(1.61)	-	660.57	-	(12.18)	211.38	1.41	3.68	130.04	-	(287.42)	63.83	-
Profit After Taxation	(33.74)	-	6,765.60	3,865.13	37.19	662.31	(227.57)	83.05	(418.12)	(163.18)	708.35	148.95	(214.15)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Shareholding	74.85%	100%	100%	100% by Vega ME	100% by Vega ME	100% by Vega ME	74.63% by Vega ME	100% by Vega ME	99% by Vega ME & 1% by AIA	100% by Vega ME	100% by Vega ME	100% by Vega ME	99% by Vega ME & 1% by AIA

### Part – “B”: Associates & Joint Ventures

Name of Associates / Joint Ventures	Vega MPS Pty. Limited	Clean Max Meridius Private Limited
Latest Audited Balance Sheet Date	31 March, 2025	31 March, 2025
Shares of Associates / Joint Ventures held by the Company on the year end		
I. No.	168 Equity Shares	24,478 Equity Shares
II. Amount of Investment in Associate / Joint Venture	₹ 7,944.30 Lakhs	₹ 396.25 Lakhs
III. Extend of holding %	56% by Vega Industries (Middle East) FZC – UAE	26%
Description of how there is significant influence	As per Section 2(6) of the Companies Act, 2013	As per Section 2(6) of the Companies Act, 2013
Reason why the Associate / Joint Venture is not consolidated	AIA does not have any control in Management	AIA does not have any control in Management
Net Worth attributable to Shareholding as per latest audited Balance Sheet	₹ 9,271 Lakhs	-
Profit / Loss for the year		
I. Considered in Consolidation	Yes	NA
II. Not considered in Consolidation	NA	NA

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

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

#### For and on behalf of the Board of Directors

#### AIA Engineering Limited

CIN: L29259GJ1991PLC015182

#### BHADRESH K. SHAH

Managing Director  
(DIN: 00058177)

#### VIREN K. THAKKAR

Chief Financial Officer

Place: Ahmedabad

Date: 23 May, 2025

#### SANJAY S. MAJMUDAR

Non-Independent Non-Executive Director  
(DIN: 00091305)

#### S. N. JETHELIYA

Company Secretary  
(ACS: 5343)

Place: Ahmedabad

Date: 23 May, 2025

## ANNEXURE-“C”

Business Responsibility and Sustainability Report (BRSR) (Refer to page number 33-97)



# ANNEXURE-"D"

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2025

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

To,  
The Members,  
AIA Engineering Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion read with Annexure A forming part of this report, the Company has, during the audit period covering the financial year ended on 31 March, 2025, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of

1. Revised Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR 2015").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above. However, for below mentioned three non-compliances with the provisions of SEBI LODR, 2015, both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited have imposed fines and the same have been paid by the Company.

1. Requirements pertaining to the composition of the Board under regulation 17[1]; 2. Requirements pertaining to the composition of the audit committee of the Board of Directors under regulation 18[1]; and 3. Appointment of one Non-Executive Director having attained the age of seventy-five years, instead of taking prior approval of shareholders by way of special resolution in terms of regulation 17[1A], the Company has obtained the approval of shareholders within 3 months from the date of his appointment. The remarks mentioned in point 2 is also covered under the provisions of Section 177 of the Companies Act, 2013, however, there is no time limit prescribed for re-constitution of Audit Committee. In addition, there was a delay in capturing few events in the Structural Digital Database Software required to be maintained by the Company under the provisions of Rule 3[5] and 3[6] of SEBI [Prohibition of Insider Trading] Regulations, 2015, in digital form.

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

**We further report that**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b) Adequate notice is given at least seven days in advance to all directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the directors reasonably in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded, wherever applicable, as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. The Company has in terms of resolution passed at the meeting of the Board of Directors of the Company held on 7 August, 2024 and in terms of The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, the Company has bought back 10,00,000 equity shares of the Company from its members.
2. Shareholders' approval by way of a special resolution at 34th Annual General Meeting for re-appointment of independent directors namely - Mrs. Janaki Udyanbhai Shah (DIN: 00343343) on 9 September, 2024
3. Shareholders' approval by way of a special resolution passed through postal ballot has been obtained for appointment of Mr. Piyush B. Shah as an independent director on 15 November, 2024
4. Shareholders' approval by way of an ordinary resolution passed through postal ballot has been obtained for appointment of Mr. Sanjay Majmudar as a non-executive non-independent director on 15 November, 2024
5. Shareholders' approval by way of a special resolution passed through postal ballot has been obtained for appointment of Mr. Rajendra S. Shah as a non-executive non-independent director on 15 November, 2024.

**FOR TUSHAR VORA & ASSOCIATES**  
Company Secretaries

**TUSHAR M VORA**  
Proprietor

FCS No. 3459; C P No.: 1745

P R No.: 1200/2021

UDIN: F003459G000425199

Place: Ahmedabad

Date: 23 May, 2025



**Annexure A**

To

The Members

AIA Engineering Limited

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

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

**FOR TUSHAR VORA & ASSOCIATES**

Company Secretaries

**TUSHAR M VORA**

Proprietor

FCS No. 3459; C P No.: 1745

P R No.: 1200/2021

UDIN: F003459G000425199

Place: Ahmedabad

Date: 23 May, 2025

## ANNEXURE-“E”

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2024-25

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

\* Mr. Rajan R. Harivallabhdas appointed as member of the Committee with effect from 13 September, 2024.

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

Web-link where the composition of CSR Committee on the website of the Company	<a href="https://aiaengineering.com/bod/">https://aiaengineering.com/bod/</a>
Web-link where the CSR Policy on the website of the Company	<a href="https://aiaengineering.com/wp-content/uploads/2025/04/CSR-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2025/04/CSR-Policy.pdf</a>

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

5.
  - a. Average Net Profit of the Company as per Section 135(5) : ₹ 1,04,827.49 Lakhs
  - b. Two percent of average Net Profit of the Company as per Section 135 (5) : ₹ 2,096.55 Lakhs
  - c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
  - d. Amount required to be set off for the financial year, if any : NIL
  - e. Total CSR obligation for the financial year: ₹ 2,096.55 Lakhs
6.
  - (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project): ₹ 2,096.55 Lakhs.
  - (b) Amount spent in Administrative Overheads: NIL
  - (c) Amount spent on Impact Assessment, if applicable: Not Applicable
  - (d) Total amount spent for the Financial Year (a+b+c): ₹ 2,096.55 Lakhs
  - (e) CSR amount spent or unspent for the Financial Year

Total amount spent for the F. Y. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,096.55	NOT APPLICABLE		NOT APPLICABLE		



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

Sr. No.	Particulars	Amount ₹ in Lakhs
i.	Two percent of average net profit of the Company as per Section 135(5)	₹ 2,096.55 Lakhs
ii.	Total amount spent for the Financial Year	₹ 2,096.55 Lakhs
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub Section (6) of Section 135 (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹ Lakhs)	Amount Spent in the Financial Year (in ₹ Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ Lakhs)	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of Transfer		
1	2021-22	-	-	-	12.12	28 May, 2022	-	-
2	2022-23	-	-	-	-	-	-	-
3	2023-24	-	-	-	-	-	-	-

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

☐ Yes ☒ No

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

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number if Applicable	Name	Registered Address

Not Applicable

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

For and on behalf of the Board

**Bhadresh K. Shah**  
Managing Director and  
Chairman – CSR Committee  
(DIN: 00058177)

**Sanjay S. Majmudar**  
Member - CSR Committee  
(DIN: 00091305)

Place: Ahmedabad  
Date: 23 May, 2025



## ANNEXURE-"F"

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

1) THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR:

Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees
Mr. Bhadresh K. Shah	23.07
Mr. Yashwant M. Patel	5.80
Mr. Rajendra S. Shah	0.46
Mr. Sanjay S. Majmudar	4.99
Mr. Rajan Harivallabhdas	0.69
Mr. Dileep C. Choksi	0.31
Mrs. Khushali S. Solanki	3.97
Mrs. Bhumika S. Shodhan	0.54
Mrs. Janaki Udayan Shah	0.61
Mr. Piyush B. Shah	0.31

2) THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY IN THE FINANCIAL YEAR:

Name of the Director, CFO and Company Secretary	% increase in remuneration in the Financial Year
Mr. Bhadresh K. Shah	(6.38)
Mr. Yashwant M. Patel	-
Mr. Rajendra S. Shah	(7.69)
Mr. Sanjay S. Majmudar	38.46
Mr. Rajan Harivallabhdas	63.64
Mr. Dileep C. Choksi	10.34
Mrs. Khushali S. Solanki	75.00
Mrs. Bhumika S. Shodhan	51.35
Mrs. Janaki Udayan Shah	100.00
Mr. Piyush B. Shah	NA
Mr. Viren K. Thakkar – Chief Financial Officer	8.27
Mr. S. N. Jetheliya, Company Secretary	8.11

Note - Remuneration paid to all Non-Executive Directors except Mr. Sanjay Majmudar and Mrs. Khushali Solanki comprises sitting fees only. Hence, the increase in the remuneration of all Non-Executive Directors is due to increase in no. of meetings held and attended during the Financial Year 2024-25.

- The percentage increase in the median remuneration of employees in the Financial Year was 5.73%.
- There were 1306 permanent employees on the rolls of the Company as on 31 March, 2025.
- Average increase in the salaries of employees other than the managerial personnel in the last financial year was 5.62% whereas the average increase in the managerial remuneration was (5.17)%.
- The members have at the 31st Annual General Meeting of the Company held on 3 September, 2021 approved the payment of remuneration by way of commission to the Non-Executive Directors. The performance of the Company in terms of sales and profitability are the key parameters apart from the contributions of the Directors at the Board and the Committee meetings.
- The Company affirms that the remuneration is as per the remuneration policy of the company.

For and on behalf of the Board,

Place: Ahmedabad  
Date: 23 May, 2025

Rajendra S. Shah  
Chairman  
(DIN: 00061922)





# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

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

## I. BOARD OF DIRECTORS

### (A) COMPOSITION OF BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of provisions of Corporate Governance. The Board is headed by the Non-Executive Chairman Mr. Rajendra S. Shah. The present strength of the Board of Directors is 9 which include 1 Executive - Promoter Director, 1 Executive – Whole-Time Director, 3 Independent Directors and 4 Non-Independent - Non-Executive Directors in terms of the SEBI LODR Regulations. Board represents a balanced mix of professionalism, knowledge and expertise.

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

### (B) DETAILS OF BOARD MEETINGS:

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

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

Company's Board met 7 times during the Financial Year under review on 14 May, 2024, 7 August, 2024, 12 August, 2024, 9 September, 2024, 30 October, 2024, 16 January, 2025 and 7 February, 2025. The Company holds one Board Meeting in each quarter and the gap between any two Board meetings was not more than One Hundred and Twenty days as prescribed under the SEBI LODR Regulations.

Details of the Directors, their positions, attendance record at Board Meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships/ Chairmanships of Board Committees (only Audit Committee and Stakeholders Relationship Committee) other than your Company as on 31 March, 2025 are as follows:

Name of the Board Member	Category	Attendance at the Board of Directors Meeting held on							Attended AGM held on 9 Sept., 2024
		14 May, 2024	7 August, 2024	12 August, 2024	9 Sept, 2024	30, Oct., 2024	16 Jan., 2025	7 Feb., 2025	
Mr. Rajendra S. Shah (Chairman) # @	Non-Independent Non-Executive (Independent Director till 10.09.2024)	✓	✓	✓	✓	L.A.	✓	L.A.	✓
Mr. Bhadresh K. Shah (Managing Director)	Executive Director - Promoter	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sanjay S. Majmudar # *	Non-Independent Non-Executive (Independent Director till 10.09.2024)	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Yashwant M. Patel (Whole-Time Director)	Executive Director	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Dileep C. Choksi #	Independent Director	✓	✓	✓	L.A.	N.A.	N.A.	N.A.	L.A.
Mrs. Khushali S. Solanki	Non Independent - Non Executive	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Bhumika S. Shodhan	Non Independent - Non Executive	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rajan R. Harivallabhdas	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Janaki Udayan Shah	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Piyush B. Shah §	Independent Director	N.A.	N.A.	N.A.	N.A.	✓	✓	✓	N.A.

L.A. means Leave of Absence

N.A. - Not Applicable

§ Mr. Piyush B. Shah has been appointed as an Independent Director of the Company with effect from 9 September, 2024.

# Mr. Sanjay S. Majmudar, Mr. Rajendra S. Shah and Mr. Dileep C. Choksi ceased to be Independent Directors with effect from 11 September, 2024 due to expiry of their term.

@ Mr. Rajendra S. Shah has been appointed as a Non-Executive and Non-Independent Director as well as the Chairman of the Company with effect from 13 September, 2024.

\* Mr. Sanjay S. Majmudar has been appointed as a Non-Executive and Non-Independent Director with effect from 13 September, 2024.

As on 31 March, 2025, none of the Directors are related to each other except Mr. Bhadresh K. Shah, Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan. Mr. Bhadresh K. Shah is the father of Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan.

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

Name of the Director	Other Directorships		Committee Memberships *	Committee Chairmanships *
	Listed	Unlisted		
Mr. Rajendra S. Shah	4	1	3	2
Mr. Bhadresh K. Shah	2	1	3	-
Mr. Sanjay S. Majmudar	3	1	2	3
Mr. Yashwant M. Patel	-	-	-	-



Name of the Director	Other Directorships		Committee Memberships *	Committee Chairmanships *
	Listed	Unlisted		
Mrs. Khushali S. Solanki	1	-	-	-
Mrs. Bhumika S. Shodhan	-	-	-	-
Mr. Rajan R. Harivallabhdas	1	-	-	1
Mrs. Janaki U. Shah	-	-	-	-
Mr. Piyush B. Shah	1	-	2	-

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

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

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Rajendra S. Shah	Dishman Carbogen Amics Limited	Independent
	Transformers & Rectifiers (India) Limited	Independent
	Harsha Engineers International Limited	Executive Director – Chairman
	Ratnamani Metal & Tubes Limited	Independent
Mr. Bhadrash K. Shah	Welcast Steels Limited Zydus Lifesciences Limited	Non – Independent, Non-Executive Independent
Mr. Sanjay S. Majmudar	Welcast Steels Limited Ashima Limited Senores Pharmaceuticals Limited	Non – Independent, Non-Executive Independent Independent
Mr. Yashwant M. Patel	--	--
Mrs. Khushali S. Solanki	Welcast Steels Limited	Non – Independent, Non-Executive
Mrs. Bhumika S. Shodhan	--	--
Mr. Rajan R. Harivallabhdas	Welcast Steels Limited	Independent
Mrs. Janaki U. Shah	--	--
Mr. Piyush B. Shah	Welcast Steels Limited	Independent

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

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

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

**(C) CONFIRMATION OF INDEPENDENT DIRECTORS:**

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

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

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

Non-Executive Directors including Independent Directors are paid sitting fees in accordance with the applicable laws. The Company is paying sitting fees of ₹ 40,000 for attending a Board Meeting and ₹ 20,000 for attending an Audit Committee Meeting.

During the year, in addition to sitting fees, Mr. Sanjay S. Majmudar has been paid ₹ 22.50 Lakhs as a remuneration by way of Commission for the Financial Year 2023-24 for availing the Investors' Relationship Services from him.

In addition to sitting fees, Mrs. Khushali S. Solanki has been paid ₹ 18.00 Lakhs as a remuneration by way of Commission during the Financial Year 2024-25 for her role in Finance & Accounts functions of the Company and advising in Banking & Investment matters.

**(E) CODE OF CONDUCT:**

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company [www.aiaengineering.com](http://www.aiaengineering.com).

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

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

**(F) PROHIBITION OF INSIDER TRADING:**

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

**(G) VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

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

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

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

The Company is committed to create a healthy and conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a "Policy on Protection of Women against





Sexual Harassment at Work Place” and formed a Committee as prescribed in the Regulation. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints related to matters connected therewith or incidental thereto. During the year, no complaint was received under the Policy.

**(I) FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their Appointment Letters along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. Site visits to various plant locations are organised for the Directors to enable them to understand the operations of the Company. The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed <https://aiaengineering.com/wp-content/uploads/2025/07/Independent-Director-Familiarization-Program-2024-25.pdf>.

**II. COMMITTEES OF THE BOARD:**

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

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders Relationship Committee;
- d) Corporate Social Responsibility Committee; and
- e) Risk Management Committee

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

**a) AUDIT COMMITTEE:**

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

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

Brief description of Terms of Reference:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified Opinion(s) in the draft audit report.

- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (xvii) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- (xviii) Reviewing the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (xxi) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (xxii) Reviewing the Management Discussion and Analysis of financial condition and results of operations;
- (xxiii) Reviewing the appointment, removal and terms of remunerations of the Chief Internal Auditor
- (xxiv) Reviewing and discuss with the management the status and implications of major legal cases;
- (xxv) Reviewing the statements of significant related party transactions, management letters etc;
- (xxvi) Recommending the Board, the appointment of a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder;
- (xxvii) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year and shall verify that the system for internal control are adequate and are operating effectively.
- (xxviii) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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



During Financial Year 2024-25, four (4) Audit Committee Meetings were held on 14 May, 2024, 12 August, 2024, 30 October, 2024, and 7 February, 2025. Necessary quorum was present in all the meetings. The time gap between any two Audit Committee Meetings was not more than four months.

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

- |                                |   |          |
|--------------------------------|---|----------|
| 1. Mr. Rajan R. Harivallabhdas | – | Chairman |
| 2. Mr. Sanjay S. Majmudar      | – | Member   |
| 3. Mrs. Janaki U. Shah         | – | Member   |
| 4. Mr. Piyush B. Shah          | – | Member   |

**Meeting and Attendance during the year:**

Name of the Member / Chairman	Category	14 May, 2024	12 August, 2024	30 October, 2024	7 February, 2025
Mr. Rajan R. Harivallabhdas –Chairman #	Independent	✓	✓	✓	✓
Mr. Sanjay S. Majmudar @	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	✓	✓	✓
Mrs. Janaki U. Shah \$	Independent	N.A.	N.A.	✓	✓
Mr. Piyush B. Shah \$	Independent	N.A.	N.A.	✓	✓
Mr. Rajendra S. Shah *	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	✓	N.A.	N.A.
Mr. Bhadresh K. Shah %	Non-Executive, Non-Independent	✓	✓	N.A.	N.A.

N.A. - Not Applicable

# Mr. Rajan R. Harivallabhdas has been appointed as a Chairman of the Audit Committee with effect from 13 September, 2024.

@ Mr. Sanjay S. Majmudar ceased to be the chairman of the Audit Committee due to expiry of his term as an Independent Director, then he has been appointed as a Non-Executive and Non-Independent Director as well as member of the Audit Committee with effect from 13 September, 2024.

\$ Mrs. Janaki U. Shah and Mr. Piyush B, Shah have been appointed as members of the Audit Committee with effect from 13 September, 2024.

\* Mr. Rajendra S. Shah ceased to be a member of the Audit Committee with effect from 11 September, 2024 due to expiry of his term as an Independent Director of the Company.

% Mr. Bhadresh K. Shah ceased to be a member of the Audit Committee with effect from 13 September, 2024.

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

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

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

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

**b) NOMINATION AND REMUNERATION COMMITTEE:**

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

- identify persons who are qualified to become Directors and who may be appointed in Senior Management;
- recommend to the Board their appointment and removal;

- (iii) carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval;
- (iv) devise a policy on Board diversity;
- (v) formulate the criteria for determining qualifications, positive attributes and independence of a Director;

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

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

- (a) use the services of an external agencies, if required;
  - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (c) consider the time commitments of the candidates.
- (vi) recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and Other Employees;
  - (vii) administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme including:
    - (a) The quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;
    - (b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
    - (c) The exercise period within which the employee shall exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
    - (d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
    - (e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
    - (f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as right issues, bonus issues, merger, sale of division and others;
    - (g) The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
  - (viii) carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
  - (ix) perform such other functions as may be necessary or appropriate for the performance of its duties.
  - (x) recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee has considered the following at the time of formulation of Remuneration Policy of the Company:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmark;
- (c) remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- (d) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;
- (e) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;
- (f) percentage increase in the median remuneration of employees in the financial year;
- (g) the number of permanent employees on the roll of the Company;
- (h) the explanation on the relationship between average increase in remuneration and company performance;
- (i) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;



- (j) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- (k) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;
- (l) the key parameters for any variable component of remuneration availed by the Directors;
- (m) the ratio of the remuneration of the highest paid Director to that of the employee who are not Directors but receive remuneration in excess of the highest paid Director during the year;

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

1. Mr. Rajan R. Harivallabhdas – Chairman
2. Mrs. Khushali S. Solanki – Member
3. Mrs. Janaki U. Shah – Member

**Meeting and Attendance during the year:**

Name of the Member / Chairman	Category	Attendance at the Nomination and Remuneration Committee Meetings held on	
		13 May, 2024	9 September, 2024
Mr. Rajan R. Harivallabhdas – Chairman #	Independent	N.A.	✓
Mrs. Janaki U. Shah #	Independent	N.A.	✓
Mrs. Khushali S. Solanki	Non-Executive- Non - Independent	✓	✓
Mr. Sanjay S. Majmudar \$	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	N.A.
Mr. Rajendra S. Shah \$	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	N.A.

N.A. - Not Applicable

# Mr. Rajan R. Harivallabhdas and Mrs. Janaki U. Shah have been appointed as members of the Nomination and Remuneration Committee with effect from 7 August, 2024.

\$ Mr. Sanjay S. Majmudar and Mr. Rajendra S. Shah were ceased to be the members of the Nomination and Remuneration Committee due to expiry of their terms as Independent Directors with effect from 11 September, 2024.

**c) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

- (i) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc.;
- (ii) review of measures taken for effective exercise of voting rights by stakeholders;
- (iii) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (iv) review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/annual reports/statutory notices by the shareholders of the Company;

**Composition, Name of Members and Chairperson:**

1. Mr. Piyush B. Shah – Chairman
2. Mr. Bhadresh K. Shah – Member
3. Mr. Yashwant M. Patel – Member

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



#### Meetings and attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Stakeholders Relationship Committee Meetings held on			
		13 May, 2024	12 August, 2024	30 October, 2024	7 February, 2025
Mr. Piyush B. Shah - Chairman*	Independent	N.A.	N.A.	✓	✓
Mr. Bhadresh K. Shah	Executive	✓	✓	✓	✓
Mr. Yashwant M. Patel	Executive	✓	✓	✓	✓
Mr. Rajendra S. Shah #	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	✓	N.A.	N.A.

N.A. - Not Applicable

\* Mr. Piyush B. Shah has been appointed as a member of the Stakeholders Relationship Committee with effect from 13 September, 2024.

# Mr. Rajendra S. Shah ceased to be the member of the Stakeholders Relationship Committee due to expiry of his term as an Independent Director with effect from 11 September, 2024.

#### Number of Shareholders complaints received during the Financial Year:

During the period under review, Company has received two complaints from Shareholders which were resolved and there is no outstanding complaint as on 31 March, 2025.

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

#### d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

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

The Composition of the Corporate Social Responsibility Committee as on 31 March, 2025 and the details of members participation at the Meetings of the Committee are as under:

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

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

#### Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on			
		13 May, 2024	9 August, 2024	30 October, 2024	7 February, 2025
Mr. Bhadresh K. Shah - Chairman	Executive	✓	✓	✓	✓
Mr. Sanjay S. Majmudar*	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	✓	✓	✓
Mr. Yashwant M. Patel	Executive	✓	✓	✓	✓



Name of the Member / Chairman	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on			
		13 May, 2024	9 August, 2024	30 October, 2024	7 February, 2025
Mr. Rajendra S. Shah	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	✓	L.A.	L.A.
Mrs. Khushali S. Solanki	Non Independent	✓.	✓	✓	✓
Mrs. Bhumika S. Shodhan	Non Independent	✓	L.A.	✓	✓
Mr. Rajan R. Harivallabhdas #	Independent	N.A.	N.A.	✓	✓

L.A. means Leave of Absence.

N.A. - Not Applicable

\* Mr. Sanjay S. Majmudar ceased to be the member of the Corporate Social Responsibility Committee due to expiry of his term as an Independent Director. However, he has been appointed as a Non-Executive and Non-Independent Director as well as member of the Corporate Social Responsibility Committee with effect from 13 September, 2024.

# Mr. Rajan R. Harivallabhdas has been appointed as a member of the Corporate Social Responsibility Committee of the Company with effect from 13 September, 2024.

#### e) **RISK MANAGEMENT COMMITTEE:**

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

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

- (1) To formulate a detailed Risk Management Policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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

The key elements of the framework include:

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

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

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

Name of the Member/Chairman	Category	Attendance at the Risk Management Committee Meetings held on	
		1 May, 2024	30 October, 2024
Mr. Bhadresh K. Shah - Chairman	Executive	✓	✓
Mr. Yashwant M. Patel	Executive	✓	✓
Mr. Sanjay S. Majmudar*	Non-Executive, Non-Independent (Independent Director till 10.09.2024)	✓	✓
Mrs. Khushali S. Solanki	Non-Independent	✓	✓
Mrs. Bhumika S. Shodhan	Non-Independent	✓	✓
Mr. Piyush B. Shah #	Independent	N.A.	✓

N.A. - Not Applicable

\* Mr. Sanjay S. Majmudar ceased to be the member of the Risk Management Committee due to expiry of his term as an Independent Director. However, he has been appointed as a Non-Executive and Non-Independent Director as well as member of the Risk Management Committee with effect from 13 September, 2024.

# Mr. Piyush B. Shah has been appointed as a member of the Risk Management Committee of the Company with effect from 13 September, 2024.

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

### III. INDEPENDENT DIRECTORS' MEETING:

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

However, as per SEBI LODR (Third amendment) Regulation 2024 effective from 13.12.2024, the independent directors of top 2000 listed entities as per market capitalization shall endeavour to hold at least two meetings in a financial year.

During the year under review, the Independent Directors met on 14 May, 2024 and 7 February, 2025, inter alia, to discuss:

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

### IV. SUBSIDIARY COMPANIES:

Company has two Material Subsidiary Companies i.e. Vega Industries (Middle East) FZC. UAE and Vega Industries Limited, USA whose net worth exceeds 10% of the consolidated net worth of the Holding Company in the immediately preceding Accounting Year or has generated 10% of the consolidated income of the Company during the previous Financial Year. The Company has complied with all compliances related to its Material Subsidiary.

The Company has also formed a Policy on Material Subsidiary which has been placed at the website of Company <https://aiaengineering.com/wp-content/uploads/2025/04/Policy-for-determining-Material-Subsidiaries.pdf>.

The Company does not have any Unlisted Material Indian Subsidiary.

### V. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations during the Financial Year 2024-25 were in the Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the Notes to the Financial Statements. The Company has also formed a Policy on Related Party Transactions which has been placed at the website of Company <https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Related-Party-Transaction-1.pdf>.

**VI. DISCLOSURES:****(A) MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS:**

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

**(B) DISCLOSURE OF ACCOUNTING TREATMENT:**

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

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

**(C) POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP), SENIOR MANAGEMENT PERSONNEL AND THEIR REMUNERATION:**

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

**1. Criteria for Selection of Non-Executive Directors:**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independence nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. Nomination and Remuneration Committee ensures that the candidate identified for appointment / re-appointment as an Independent Director is not disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013.
- d. Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. Board of Directors takes into consideration the performance evaluation of the Directors and their engagement level.

**2. Remuneration:**

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

- i. A Non-Executive Director shall be entitled to receive sitting fees for each of the meeting of Board or Committee of the Board attended by him as approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non-Executive Director may be paid Commission of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee;
- iii. The total remuneration by way of commission payable to the Non-Executive Directors (including Independent Directors) shall not exceed 1.00% per annum of the Net Profit of the Company subject to the approval of the members of the Company;
- iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, pursuant to the provisions of Companies Act, 2013 and SEBI LODR Regulations.

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

- I. In determining the remuneration of the Senior Management Employees, the Nomination and Remuneration Committee shall ensure / consider the following:
  - the relationship of remuneration and performance benchmark;
  - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - the remuneration including annual increment and performance bonus is decided based on the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II. The Managing Director carries out the individual performance review based on the standard appraisal matrix and takes into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

### 4. Performance Evaluation:

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

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

The details of remunerations paid to the Managing Director and Whole-Time Director during the Financial Year 2024-2025 is given below:

(₹ Lakhs)			
Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	102.00	18.74	120.74
Mr. Yashwant M. Patel, Whole-Time Director	30.00	0.32	30.32

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

The details of Sitting Fees paid to the Non-Executive Directors for attending Board and Committee Meetings during the Financial Year 2024-2025 is given below:

(In ₹)		
Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	2,40,000
2.	Mr. Sanjay S. Majmudar*	3,60,000
3.	Mr. Dileep C. Choksi	1,60,000
4.	Mr. Rajan R. Harivallabhdas	3,60,000
5.	Mrs. Khushali S. Solanki**	2,80,000
6.	Mrs. Bhumika S. Shodhan	2,80,000
7.	Mrs. Janaki U. Shah	2,60,000
8.	Mr. Piyush B. Shah	1,60,000

\* In addition to sitting fees, ₹ 22.50 Lakhs has been paid as remuneration by way of Commission for the Financial Year 2023-24 for availing the Investors' Relationship services from him.





\*\* In addition to sitting fees, ₹ 18.00 Lakhs has been paid as remuneration by way of Commission during the Financial Year 2024-25 for her role in Finance & Accounts function of the Company and advising in Banking & Investment matters.

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

#### (D) MANAGEMENT

##### (i) Management Discussion and Analysis Report:

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

##### (ii) Disclosure of Material Financial and Commercial Transactions:

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

#### (E) SHAREHOLDERS:

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

Mrs. Khushali Samip Solanki (DIN : 07008918), Director of the Company will retire by rotation at the ensuing 35th Annual General Meeting of the Company and being eligible, has offered herself for re-appointment.

Mr. Yashwant Manubhai Patel (DIN: 02103312), Whole-Time Director of the Company will retire by rotation at the ensuing 35th Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Mr. Udayan Dileep Choksi (DIN: 02222020), is being appointed as an Independent Director for the first term of consecutive five years with effect from 20 September, 2025.

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

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

(iii) Shareholding of Directors as on 31 March, 2025 is as under:

Name of Director	Number of Shares
Mr. Bhadresh K. Shah	5,45,68,663
Mr. Yashwant M. Patel	NIL
Mr. Rajendra S. Shah	947
Mr. Sanjay S. Majmudar	NIL
Mr. Piyush B. Shah	NIL
Mr. Rajan R. Harivallabhdas	NIL
Mrs. Khushali S. Solanki	9,857
Mrs. Bhumika S. Shodhan	9,852
Mrs. Janaki U. Shah	NIL

#### (F) NON-COMPLIANCE BY THE COMPANY :

There was no non-compliance during the year and no penalty has been imposed or strictures have been passed on the Company by the SEBI and Registrar of Companies (ROC). However, during the year under review, both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited have imposed fines on the Company for non-compliances under SEBI LODR Regulations pertaining to (1) composition of Board under Regulation 17 [1]; (2) composition of Audit Committee of the Board of Directors under Regulation 18[1]; and (3) the appointment of one Non-Executive Director having attained the age of seventy-five years in which, instead of taking prior approval of shareholders by way of special resolution in terms of Regulation 17[1A], the Company has obtained the approval of shareholders within 3 months from the date of his appointment. The Company has obtained a Certificate from Tushar Vora & Associates, Practicing Company Secretaries on Corporate Governance and has attached the Certificate with the Board's Report which will be sent to all the Shareholders of the Company. The same certificate shall also be sent to all the concerned Stock Exchanges along with the Annual Report to be filed by the Company.

Subject to the above, the Company has complied with all the mandatory requirements of the SEBI LODR Regulations and no other penalty / fine or strictures have been imposed. During the last three years no penalties were imposed or strictures were passed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

## VII. CEO /CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31 March, 2025 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Regulations 33 of SEBI LODR Regulations.

## VIII. SENIOR MANAGEMENT:

Following are the senior management personnel of the Company:

Sr. No.	Name	Designation
1.	Mr. Viren K. Thakkar	Chief Financial Officer
2	Mr. S. N. Jetheliya	Company Secretary
3	Mr. Chetan V. Shah	Business Head
4	Mr. Vinod Kumar	Assistant Vice President
5	Mr. P. P. Jain	Controller (QA)
6	Mr. B. K. Reddy	Vice President (Development)
7	Mr. Achyut C. Parikh	Assistant Vice President (Administration & Legal)
8	Mr. Anurag Kothawala	Vice President - Commercial
9	Mr. Snehal Pancholi	Vice President - I.T. & HR
10	Mr. Kushal Bhupendra Shah	General Manager - Technical Services
11	Mr. Kunal D. Shah	Executive Director (Corporate Affairs)
12	Mr. Nilkamal Vakil	Executive Director (Commercial)
13	Mr. B. F. Shah	Executive Director (Commercial)
14	Mr. Amit Bhatt	Assistant General Manager (Planning)
15	Mr. H.T. Desai	Consultant
16	Mr. Sanjeev Srivastav	Consultant

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

## IX. MEANS OF COMMUNICATION:

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

## X. GENERAL BODY MEETINGS: (LAST THREE YEARS DISCLOSURES)

### ANNUAL GENERAL MEETING:

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

#### Location, date and time of last 3 Annual General Meetings:

Financial Year	Date	Venue	Time
2023-24	9 September, 2024	Through Video Conferencing / other Audio-Visual Means ("OAVM").	11.00 A.M.
2022-23	19 September, 2023	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.
2021-22	12 September, 2022	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.

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

#### Annual General Meeting held on 9 September, 2024:

1. Re-appointment of Mrs. Janaki Udyan Shah as an Independent Director for a second term of five years with effect from 12th August, 2024.

**Annual General Meeting held on 12 September, 2022:**

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

**POSTAL BALLOT:**

Special/Ordinary Resolutions passed through Postal Ballot (by way of remote e-Voting) during the year 2024-25:

During the year 2024-25, the Company obtained the approval of the Shareholders by means of a Special/Ordinary Resolutions through Postal Ballot Process through remote e-Voting for the appointment of Mr. Piyush B. Shah as an Independent Director, Mr. Rajendra S. Shah as a Non-Executive, Non-Independent Director and Mr. Sanjay S. Majnudar as a Non-Executive, Non-Independent Director. Tushar Vora & Associates, Practising Company Secretaries represented by its Proprietor – Mr. Tushar M. Vora was appointed as Scrutiniser and they conducted the Postal Ballot process through remote e-Voting, in a fair and transparent manner. The resolutions were carried by requisite majority and deemed to have been passed on the last date of the e-Voting i.e. November 15, 2024. The results of the Postal Ballot were declared on Monday, November 18, 2024 and also posted on the website of the Company [www.aiaengineering.com](http://www.aiaengineering.com).

**XI. GENERAL SHAREHOLDERS' INFORMATION:**

Day, Date and Time of 35th AGM	: Monday, 15 September, 2025 at 11.00 a.m.
Venue of AGM	: Through Video Conferencing
Financial Year	: 1 April, 2024 to 31 March, 2025
Record Date	: Friday, 5 September, 2025
Registered Office Address	: 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415
Dividend Payment Date	: On or before 14 October, 2025
Compliance Officer	: Mr. S. N. Jetheliya, Company Secretary
Email for redressal of Investors' Complaints	: <a href="mailto:ric@aiaengineering.com">ric@aiaengineering.com</a>
Website	: <a href="http://www.aiaengineering.com">www.aiaengineering.com</a>
Financial Calendar (subject to change) for Financial Year 2025-26:	
First Quarter Results	: On or before 14 August, 2025
Second Quarter/Half Yearly Results	: On or before 14 November, 2025
Third Quarter Results	: On or before 14 February, 2026
Audited Results for the Financial Year 2025-26	: On or before 30 May, 2026

**(a) Listing on Stock Exchanges:**

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

The listing fees for the Financial Year 2025-26 have been paid to both the Stock Exchanges.

**(b) Share Transfer System/ Dividend and Other Related Matters:****i. Share Transfers:**

In terms of amended Regulation 40 of SEBI LODR Regulations with effect from 1 April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. SEBI has further clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

**ii. Simplified Norms for processing Investor Service Request:**

SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated 16 March, 2023, (Now SEBI Master Circular dated 7 May, 2024) has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by e-mail from their registered e-mail id to [ahmedabad@in.mpms.mufig.com](mailto:ahmedabad@in.mpms.mufig.com) or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to MUFG Intime India Private Limited at 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St Xavier's College, Off C G Road, Ellisbridge, Ahmedabad 380 006.

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

**iii. Physical Shareholding:**

The Company hereby informs the Members that as per SEBI Circular, effective from 01.04.2019 physical shares will not be transferred unless and until they are dematerialised.

**iv. Dividend:**

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

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

**b. Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven consecutive years to the Investor Education & Protection Fund established by the Government of India. During the year under review, the Company has transferred to the said Fund ₹ 1,10,472 (₹ 58,960 Interim Dividend & ₹ 51,512 Final Dividend) for the Financial Year ended 31 March, 2017 which has remained unpaid.

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

During the Financial Year 2024-25, the Company has transferred 284 Equity Shares to IEPF Authority pertaining to shareholders who have not claimed/encashed dividend for 7 consecutive years since the Financial Year 2016-17.

**vi. Reconciliation of Share Capital Audit:**

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

**(c) Registrar & Transfer Agents:****MUMBAI OFFICE:****MUFG Intime India Private Limited**

(Earlier known as Link Intime India Pvt. Ltd.)

C 101, 247 Park, L B S Marg,

Vikhroli (W),

Mumbai 400 083

Phone No. 022-49186270 Fax No. 022-49186060

E-mail : [rnt.helpdesk@in.mpms.mufig.com](mailto:rnt.helpdesk@in.mpms.mufig.com)**AHMEDABAD BRANCH OFFICE:****MUFG Intime India Private Limited**

(Earlier known as Link Intime India Pvt. Ltd.)

5th Floor, 506 to 508, Amarnath Business Centre -1,

Besides Gala Business Centre,

Nr. St. Xavier's College Corner, Off. C. G. Road,

Ellisbridge, Ahmedabad 380 006

Phone – 079-26465179

E-mail: [ahmedabad@in.mpms.mufig.com](mailto:ahmedabad@in.mpms.mufig.com)**(d) Distribution of Shareholding:****(i) Shareholding pattern as on 31 March, 2025:**

Category	No. of Shares held		Total No. of Shares	% of holding
	Physical	Electronic		
Promoters Shareholding	-	5,45,88,377	5,45,88,377	58.50
Mutual Funds	-	1,91,15,886	1,91,15,886	20.48
Alternative Investment Fund	-	3,53,538	3,53,538	0.38
Financial Institutions /Non Nationalised Bank	-	10	10	0.00
Foreign Portfolio Investor (Corporate) - I	-	1,55,82,282	1,55,82,282	16.70
Foreign Portfolio Investor (Corporate) – II	-	3,36,706	3,36,706	0.36
Insurance Companies	-	10,86,648	10,86,648	1.16
Central Government	-	3,963	3,963	0.00
Key Managerial Personnel	-	6,425	6,425	0.01
Directors and their relatives (excluding independent Directors and nominee Directors)	-	50	50	0.00
NRIs	-	1,69,416	1,69,416	0.18
Other Corporate Bodies	-	1,42,150	1,42,150	0.15
Body Corporate – Limited Liability Partnership	-	18,470	18,470	0.02
NBFC registered with RBI	-	9,018	9,018	0.01
Indian Public	15	18,13,867	18,13,882	1.94
Clearing Members	-	505	505	0.00
Hindu Undivided Family	-	90,707	90,707	0.10
Trusts	-	102	102	0.00
IEPF	-	2,235	2,235	0.00
<b>Total</b>	<b>15</b>	<b>9,33,20,355</b>	<b>9,33,20,370</b>	<b>100.00</b>

**(ii) Distribution of Shareholding as on 31 March, 2025:**

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	54,725	98.77	14,58,986	1.56
501 to 1,000	242	0.44	1,74,068	0.19
1,001 to 2,000	103	0.19	1,50,702	0.16
2,001 to 3,000	62	0.11	1,56,332	0.17
3,001 to 4,000	25	0.05	88,848	0.10
4,001 to 5,000	16	0.03	73,931	0.08
5,001 to 10,000	57	0.10	3,97,429	0.43
10,001 & above	179	0.32	9,08,20,074	97.32
<b>Grand Total</b>	<b>55,409</b>	<b>100.00</b>	<b>9,33,20,370</b>	<b>100.00</b>
Shareholders in Physical Mode	3	0.01	15	0.00
Shareholders in Electronic Mode	55,406	99.99	9,33,20,355	100.00



**(e) Dematerialisation of Shares & Liquidity:**

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

As on 31 March, 2025, 9,33,20,355 Equity Shares are in Dematerialised Form representing 99.99% of the total 9,33,20,370 Equity Shares of the Company. The ISIN allotted to the Company's scrip is INE212H01026. The Shares of the Company are actively traded at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

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

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

**(g) Commodity Price Risk/Foreign Exchange Risk and Hedging:**

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

**(h) The total fee paid to the Statutory Auditors of the Company during the year under review is ₹ 61.37 Lakhs.**

**(i) Details of Material Subsidiary:**

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

The Statutory Auditors of the Vega Industries (Middle East) FZC, UAE and Vega Industries Ltd., USA, material subsidiaries of the Company have been appointed on 6 December, 2024 and 29 February, 2024 respectively.

**(j) Plant Locations:**

**ODHAV / KUNJAD**

- 115, 116, 119, 316, 317, 318, 319 GVMM Estate, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
- 235 to 237, 248 to 250, 271 to 276, 92b to 94, 81, 82, 161 to 163, GVMM Estate, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
- 299, 300, 325, 326, 122, 127 to 130, 129A, 130E, 130E1, 231, 232, GVMM Estate, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
- Plot No. 14 Survey No. 67, 67A, 70, Girnar Scooter Compound, Odhav Road, Odhav, Ahmedabad, Gujarat, 382415
- Block No. 535, Mouje-Kunjad, Taluka-Dascroi, Ahmedabad, Gujarat, 382415
- Survey No. 461 - Old Block No. 533p, Mouje-Kunjad, Taluka-Dascroi, Ahmedabad, Gujarat, 382415

**CHANGODAR / MORAIYA**

- 18/P, N. H. 8-A, 20th Mile Stone, Sarkhej-Bavla Road, Changodar, Ahmedabad, Gujarat, 382231
- S. No. 423 - 426 - 427 - PAIKI P. NO. 70-77, S. NO. 427/P/5/P, S. P. NO. 39, 40, 345, 346, 423/P SUB. P. NO. 9 (forming part of SP No. 79 /P + 80 /P + 85 /P) SUB. P. NO. 10 (forming part of SP No. 79 /P + 80 + 84 /P, Mahagujarat Industrial Estate, Bavla Road, Village Moraiya, Post-Changodar, Ahmedabad, Gujarat, 382213
- Sub Plot No. A-20, Survey No. 43, Steel Town Industrial Estate, Part-1, Survey No. 431 Paiki-7, Village-Moraiya, Taluka-Sanand, Ahmedabad, Gujarat, 382213
- Plot No. 4 & 8, Mahagujarat Industrial Estate, Behind Plot No. 8, Behind Sarvottam, Moraiya, Sarkhej-Bavla Highway, Ahmedabad, Gujarat, 382231

**KERALA**

- 103, 104, 115 to 118, GIDC Estate, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220
- Plot No.1513, 1514, GIDC Estate, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220



3. Plot No. 105, GIDC Estate, Kerala, Taluka-Bavla, Ahmedabad, Gujarat, 382220
4. Block NO. 22 Old Block NO. 104, Block NO. 23 Old Block NO. 108, Block NO. 81 Old Block NO. 108 Mouje Village- Kerala, Taluka- Bavla, Kerala, Ahmedabad, Gujarat, 382220
5. Survey No. 25 & 26 Old Survey NO. 127, Survey No 24 & 30 Old Survey No. 105 & 129, Survey No. 32 Old Survey No. 130, Block/Survey No. 80 Old Block/Survey No. 110, Survey No 82 & 83 & 84 Old Survey No 107 & 106 & 105 Mouje Village- Kerala, Taluka-Bavla, Kerala, Ahmedabad, Gujarat, 382220
6. 210/A, Kerala GIDC, GIDC Estate, Taluka-Bavla, Ahmedabad, Gujarat, 382220
7. Plot No. 302, 303, 312 and 313, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220
8. Survey No. 179/p, 183/p and 184/p Industrial Plot No. 404, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220
9. Survey No. 179/p and 183/p Industrial Plot No. 405, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220
10. Block/Survey No. 40 Old Block/Survey No. 124 and Block/Survey No. 42 Old Block/Survey No. 109 Mouje Village- Kerala, Taluka- Bavla, Kerala, Ahmedabad, Gujarat, 382220
11. Survey No. 33 and 34, Kerala GIDC, Taluka-Bavla, Ahmedabad, Gujarat, 382220

**NAGPUR**

L-3, MIDC Industrial Area, Hingna, Nagpur – 440 016 (erstwhile Paramount Centrispun Castings Private Limited)

**TRICHY**

SF No. 514, 5A1, 5A2, 5A3 Thathamangalam Village, Kariamanickam Road, S. Pudur, Samayapuram, Trichy - 621 115 (erstwhile DCPL Foundries Limited)

**(k) Address for Correspondence:**

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

**MUMBAI OFFICE:****MUFG Intime India Private Limited**

(Earlier known as Link Intime India Pvt. Ltd.)

C 101, 247 Park, L B S Marg,

Vikhroli (W),

Mumbai 400 083

Phone No. 022-49186270 Fax No. 022-49186060

E-mail : [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

**AHMEDABAD BRANCH OFFICE:****MUFG Intime India Private Limited**

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Ellisbridge, Ahmedabad 380 006

Phone – 079-26465179

E-mail: [ahmedabad@in.mpms.mufg.com](mailto:ahmedabad@in.mpms.mufg.com)

Any query relating to Dividend, Annual Reports etc.

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

**Registered Office:**

AIA Engineering Limited

115, GVMM Estate, Odhav Road, Odhav,

Ahmedabad-382 415

Phone No. 079-22901078-81

Fax No. 079-22901077

Investors' related query E-mail : [ric@aiaengineering.com](mailto:ric@aiaengineering.com)

**Corporate Office:**

11-12, Sigma Corporates

B/h. HOF Showroom, Sindhu Bhavan Road,

Off. S. G. Highway, Bodakdev,

Ahmedabad-380 054

Phone No. 079-66047800 Fax No. 079-29900194

Investors' related query E-mail : [ric@aiaengineering.com](mailto:ric@aiaengineering.com)

**NON-MANDATORY REQUIREMENTS:****a) Chairman of the Board**

A Non-Executive Chairman heads the Board of the Company.

**b) Shareholders' Rights**

As the Quarterly and Half Yearly results are published in leading Newspapers having nationwide circulation, the same are not sent to the Shareholders of the Company individually. However, the Quarterly and Half Yearly Financial Results are uploaded on the Website of the Company.



## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

(Refer Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

### **AIA ENGINEERING LIMITED**

Ahmedabad

The Corporate Governance Report prepared by AIA Engineering Limited ("the Company"), contains details as specified in Regulations 17 to 27, Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), to the extent applicable, with respect to Corporate Governance for the year ended March 31, 2025. This report is required by the Company for submission to the Shareholders of the Company.

### **Management's Responsibility**

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.

The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

Based on the procedures performed by us as referred above and according to the information and explanations given to us, we are of the opinion that subject to para F of Point VI – Non-compliances by the Company reported in the Report on Corporate Governance, the Company has complied with all the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27, Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V to the extent applicable to the Company, during the period covering financial year 2024-25.

### **Other Matters and Restriction on use**

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without my prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Tushar Vora & Associates**  
Company Secretaries

**TUSHAR M.VORA**  
Proprietor

Place : Ahmedabad  
Date : 23 May, 2025

C.O.P. No.: 1745  
UDIN: F003459G000425276



## AIA ENGINEERING LIMITED DECLARATION

In compliance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Bhadresh K. Shah, Managing Director of the Company hereby declares on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2024-25.

Place: Ahmedabad  
Date: 23 May, 2025

**(Bhadresh K. Shah)**  
Managing Director  
DIN: 00058177

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

**AIA ENGINEERING LIMITED**

115, GVMM Estate, Odhav Road,

Odhav, Ahmedabad – 382 415

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AIA Engineering Limited having CIN L29259GJ1991PLC015182 and having registered office at 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad- 382 415 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Bhadresh Kantilal Shah	00058177	11/03/1991
2.	Mrs. Bhumika Shyamal Shodhan	02099400	07/11/2014
3.	Mrs. Khushali Samip Solanki	07008918	07/11/2014
4.	Mr. Rajan Ramkrishna Harivallabhdas	00014265	14/05/2015
5.	Mr. Rajendra Shantilal Shah	00061922	13/09/2024
6.	Mr. Sanjay Shaileshbhai Majmudar	00091305	13/09/2024
7.	Mr. Yashwant Manubhai Patel	02103312	12/11/2010
8.	Mrs. Janaki Udayan Shah	00343343	26/03/2019
9.	Mr. Piyush B. Shah	00155760	09/09/2024

It may be noted that ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Tushar Vora & Associates**  
Company Secretaries

**TUSHAR M.VORA**  
Proprietor

Place: Ahmedabad  
Date: 23 May, 2025

C.P. No.: 1745  
UDIN : F003459G000425177



## MANAGING DIRECTOR / CFO CERTIFICATION

To,  
The Board of Directors,  
AIA Engineering Limited,  
Ahmedabad-382 415

We, the undersigned, in our capacities as the Managing Director and Chief Financial Officer of AIA Engineering Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31 March, 2025 and based on our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable Laws & Regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We accept responsibility for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the Internal Control System of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

**Bhadresh K. Shah**  
Managing Director  
DIN: 00058177

**Viren K. Thakkar**  
Chief Financial Officer

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date : 23 May, 2025





# MANAGEMENT DISCUSSION AND ANALYSIS

## CAVEAT

Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence cautioned not to place undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

## NOTE

Except stated otherwise, all figures, percentages, analysis, views and opinions are on consolidated financial statements of AIA Engineering Limited and its wholly owned subsidiaries (jointly referred as AIA or Company, hereinafter). Financial information presented in various sections of the Management Discussion and Analysis is classified under suitable heads, which may be different from the classification reported under the Consolidated Financial Statements. Some additional financial information is also included in this section, which may not be readily available from the Consolidated Financial Statements. Previous year's figures have been regrouped, wherever necessary, to make it comparable with the current year.

## GLOBAL ECONOMY

Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through 2024 and was projected to remain so in the January 2025 as per World Economic Outlook (WEO) Update. However, the landscape has changed as governments around the world

reorder policy priorities. A series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would constitute a basis for an internally consistent and timely set of projections. This is complemented with a range of global growth forecasts, primarily under different trade policy assumptions.

In financial year 2024-25, the world continues to face a lot of challenges including unprecedented military conflicts between Russia and Ukraine and between Israel and Palestine. Red Sea corridor continues to be unsafe and created huge pressure on transit time and over-all freight costs. There is geopolitical upheaval between USA and China upending long-standing supply chain systems. USA, under Mr. Trump, is also resetting the global world order where trade led the borderless world to create a unique inter-dependent network.

The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Under the reference forecast that incorporates information as of April 4, global growth is projected to drop to 2.8 percent in 2025 and 3 percent in 2026—down from 3.3 percent for both years in the January 2025 as per WEO Update, corresponding to a cumulative down grade of 0.8 percentage and much below the historical (2000–19) average of 3.7 percent.

Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3 percent in 2025 and 3.6 percent in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.

Policymakers face the challenge of managing inflation, calibrating monetary policy, and adjusting to a less restrictive stance. Fiscal consolidation is needed to rebuild budget capacity, raise revenue, and curb public debt. Structural reforms should reinforce productivity growth and debt sustainability, while efficient multilateral coordination is needed for debt resolution and climate change mitigation.

While the world continues to battle economic shocks and uncertainty, the Company is affected by these global macro developments. Most importantly, regimes in many countries are advocating restricted market access for many product categories. Each country is going through its own upheaval in regards to this. Your Company is also affected by this uncertainty and is trying various measures to mitigate the same.

## INDIAN ECONOMY

The Reserve Bank of India's rate-setting Monetary Policy Committee cut India's GDP forecast for this fiscal year starting April 1 to 6.5% from 6.7% growth projected earlier, amid heightened worries about higher-than-expected Trump tariffs' potential threats to the economic output of Asia's third-largest economy. However, against all odds, India continues to remain one of the fastest growing Economies - even pipping China. Amidst challenges, some of the key economies like India and other East Asian countries have shown strong resilience and have continued to grow due to big Infra push and also strong Capex cycles witnessed on an opportunistic note. The sentiment of "China plus one" has also helped these economies including India to a considerable extent.

## OUTLOOK AND PROSPECTUS

AIA Engineering Limited (AIA), manufactures a range of customised High chrome Products including various sizes of high chrome grinding media balls, Liners, and other Castings - which are mill internals being used in the process of Crushing and Grinding in Cement, Mining and Thermal Power industries. The Company employs casting process for the manufacture of these products.

In Cement Industry, your Company continues to enjoy a dominant market share (of over 95%) in India and has continued to maintain this dominance over last 15 years supplying to all leading Cement majors in India. As we have mentioned in the past, Cement Industry is a very matured industry having converted into High Chrome consumable ware parts almost entirely not only in India but in all major Cement producing countries of the world. Your Company supplies High Chrome solution to Cement Industry in more than 125 countries and the growth is primarily coming from the increased market share which your Company has been gaining - ex-China today we enjoy over 35% market share in the world. However, the volumes are quite restricted at around 75,000 to 80,000 tons per annum and the growth is therefore very modest and linked to the overall industrial growth in India and market share growth worldwide.

Most of the Company's growth is expected to come from the mining markets which are spread out across countries in North and South America, Africa, Asia and Australia. Your Company is treating each country as a separate strategic effort in terms of ensuring continued and stable supply conditions. Your Company is focused on the significant opportunity available for converting the Mining Industries worldwide from their conventional use of forged grinding media into High Chrome grinding media. Your Company also has developed unique designs of mining liners based on unique technology platform for the Mining Industry. There is a significant headroom for growth considering the fact that the market opportunity for the 3 specific ores - i.e. Gold, Copper and Iron ore on which your Company

is focused is over 2 million tons per annum whereas the penetration of High Chrome products in this segment is just around 25% which implies a very significant headroom for growth. However, your Company has realized that there are considerable challenges for conversion and hence your Company has over last few years successfully developed High Chrome potent solutions which are primarily aimed at improving grinding efficiencies of the mills (equipment where grinding and crushing takes place in Mines) so that the focus is on improvement on throughputs, reduction in consumption of various other consumables, reduction in power cost and also reduction in the cost of consumable products i.e. grinding media and liners. Your Company has invested considerable time and efforts in sharpening the skillset for making this solution extremely effective. This has put your Company in a unique position as the only Company in the world offering these comprehensive solutions for the Mining Industry under one roof.

Our efforts have been constrained over last year on account of renewed uncertainty in the Red sea corridor which led to increased shipping costs and longer transit times. The uncertainty around availability of containers and longer lead times affected decision making at many mine sites where customers were in advanced stages of decision making to migrate to high chrome cast grinding media. For mining customers, predictability of supply chain mechanics is critical to their operations and container shipping industry's uncertain conditions affected the Company. In addition to Gold and Copper, Company also supplies to Iron Ore customers across the world and where there is large opportunity for conversion from forged to high chrome grinding media.

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

The Company is confident of its long term prospects and sustained growth through new customer acquisitions in the Mining Segment. Company believes that it has certain distinct competitive advantages given its unique product offerings coupled with highly efficient plants in India, duly supported by a strong global sales force and support infrastructure in the form of Company's global offices and warehouse infrastructure and continued developmental efforts aimed at making its solutions very potent - all these factors give the Company the confidence in its prospects.

**CAPEX PLAN:**

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

The Company's current capacity stands at 4,60,000 MT per annum.

Company is reviewing implementation of manufacturing plants at China and Ghana in phased manner. Company is also evaluating Indonesia, Thailand and other geographic locations for setting up of similar manufacturing facilities.

Being a responsible corporate citizen, the Company is dedicated to the conservation of environment. The Company recognises the significance of renewable energy in combating climate change. Keeping this as its primary objective for Financial Year 2025-26, Company further plans to invest in Renewable Energy Projects (including Solar and Wind) by investing ₹ 40.00 Crores during F.Y. 2025-26. Post installation of this, the Company's 52% Power consumption will come from renewable energy.

**RISKS AND CONCERNS:**

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

The Company is a Manufacturing Concern with facilities in 4 Cities in India and with sales and distribution spread across the world. The Company is exposed to certain operating business risks, similar to most manufacturing companies, which is mitigated by regular monitoring and corrective actions.

Key risks that the Company faces are around stability in the mining market, foreign exchange rate fluctuation, fluctuation in raw material prices, debtor defaults, trade

barriers by various countries, disruption in supply chain and disruption and uncertainty in business due to Ukraine Crisis and volatile Geo-Political scenarios.

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

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

Proactive and Adoptive Hedging Policy which is aligned with market best practices and Dynamic Pricing Mechanism are in place to limit impact of exchange volatility on receivables, payables and forecasted revenue.

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

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

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

To mitigate this risk, the Company has actively engaged in developing a network of local and global vendors and dual sourcing of raw material. The Company engages with the customers and is able to pass through most of the raw material changes – either through price pass clauses if there are longer tenure contracts or by repricing new offers. The Company is closely monitoring raw material price movements and is regularly buying the raw materials during low price cycles so as to average out the impact of price fluctuations.

**Debtor Defaults:** Risk of Customer Receipt default due to increasing global footprint.

The Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly. Company has taken up comprehensive credit insurance policy to mitigate risks around financial conditions of export customers.

**Disruption in Supply Chain:** Due to Red Sea, Israel – GAZA and Russia-Ukraine Crisis, there are chances of disruption in overall exports and imports. There are possibility of jump in

overall outward and inward freight expenses. Working capital may increase because transit time may increase. Increase in inventory at Customer place to meet timely delivery. It may also put pressure on margin because of volatile freight cost.

To mitigate disruption in supply chain, Company is planning production well in advance to compensate delay in logistic, maintaining higher inventory at warehouse of country having disrupted supply chain. Logistic team is putting efforts on midterm contract with shipping line to keep cost under cap. Sales team is also working with Customers to fix contract on FOB Plus Actual Freight.

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

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

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

#### **Environmental, Social and Governance Risks:**

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

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

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

- The data in the network/on the servers are guarded by access control at domain level. Any unauthorized access is restricted. The administrator privileges are restricted and are not provided to end users. Systems are adequately secured to constrain the access and use of data.
- Vulnerability assessment and penetration testing performed yearly.

- E-mails are decently protected. Gmail filters also exists.
- Laptop Hard drives are encrypted.
- Regular training conducted for all users to ensure effectiveness of IT awareness.
- Critical servers related to SAP are not publicly exposed and accessible only through VPN.
- DR is considered for SAP and DR drills going on as per plan.

**Trade Barriers in various Countries:** Major portion of the sales is exports in number of the Countries. Competitors having capacity to manufacture either high chrome ball or forged ball in those countries are filing application for Anti-Dumping duty against imports in the Countries. This is hampering company's volume of the Business in those countries and finally its overall volume. There is major shift in overall global scenario. Instead of Free Trade between Countries Globally now many of the Countries have started protecting their local industries. Countries like Mexico and United State of America has imposed import duty on imports of Company's products.

The Company continuously defends its position with support of local Consultants. Company continuously following fair price and fair margin policy on its products to avoid Ant-Dumping measures, which has helped it in Brazil and Canada. However many a time Local Government protect local manufacturer and Company is losing its market share in those Countries.

#### **INTERNAL CONTROL SYSTEM AND THE ADEQUACY:**

The Company's Internal Control Systems are commensurate with the size and nature of its operations, aimed at achieving efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliances with all applicable laws and regulations. Talati and Talati LLP, Chartered Accountants and Deloitte Tooche Tohmatsu India LLP. are the Internal Auditors of the Company. They carry out extensive internal audit throughout the year across all functional areas and submits Quarterly Reports to the Management and Audit Committee. The recommendations from Internal Auditors and follow up actions for improvements of the business processes and controls are also periodically reviewed and monitored by the Audit Committee. The company also has in house internal control department which designs and reviews operating effectiveness of internal controls system.

**FINANCIAL PERFORMANCE REVIEW:**

The financial performance of the Company as a whole (on Consolidated basis) is as under:-

**I. Consolidated Performance:**

An analysis of the Consolidated performance of the Company is given below:

- Physical Production:**

The production achieved is as under:

(Qty in M.T.)		
Product	2024-25	2023-24
High Chrome Mill Internals	2,48,200	2,95,509

- Key Performance Indicators :**

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

(₹ in Lakhs)		
Particulars	2024-25	2023-24
1 Revenue from Operations	4,28,744.39	4,85,376.13
2 Cost of Materials Consumed (Including purchase of stock-in-trade and change in Inventories)	1,73,770.39	2,07,265.15
- % of revenue from operations	40.53%	42.70%
3 Employee Benefit Expense	18,547.87	17,140.29
- % of revenue from operations	4.33%	3.53%
4 Other Expenses	1,21,504.51	1,27,595.10
- % of revenue from operations	28.34%	26.29%
5 EBITDA	1,49,259.54	1,61,666.94
- % of revenue from operations	34.81%	33.31%
6 Finance Costs	2,109.13	2,837.87
- % of revenue from operations	0.49%	0.58%
7 Depreciation and Amortisation Expense	10,307.39	10,027.15
- % of revenue from operations	2.40%	2.07%
8 Profit Before Tax	1,36,843.02	1,48,801.92
- % of revenue from operations	31.92%	30.66%
9 Profit After Tax (Including Other Comprehensive Income)	1,03,761.18	1,11,868.53
- % of revenue from operations	24.20%	23.05%

**II Standalone Performance**

The analysis of Standalone performance of the Company is given below:

- Sales Turnover :**

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

(₹ in Lakhs)		
Particulars	2024-25	2023-24
Sales in India (41.72%) (P.Y. 31.82%)	1,42,925.13	1,29,262.39
Sales Outside India (58.28%) (P.Y. 68.18%)	1,99,639.28	2,76,941.76
<b>Total</b>	<b>3,42,564.41</b>	<b>4,06,204.15</b>



• **Key performance indicators:**

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

(₹ in Lakhs)

Particulars	2024-25	2023-24
1 Revenue from Operations	3,48,644.76	4,14,394.99
2 Cost of Materials Consumed (including change in inventories)	1,57,071.40	1,96,378.89
- % of revenue from operations	45.05%	47.39%
3 Employee Benefit Expense	12,999.49	12,276.83
- % of revenue from operations	3.73%	2.96%
4 Other Expenses	81,865.34	89,475.14
- % of revenue from operations	23.48%	21.59%
5 EBIDTA	1,44,216.19	1,59,108.40
- % of revenue from operations	41.36%	38.40%
6 Finance Costs	2,101.66	2,826.07
- % of revenue from operations	0.60%	0.68%
7 Depreciation and Amortisation Expense	10,068.21	9,821.51
- % of revenue from operations	2.89%	2.37%
8 Profit Before Tax	1,32,046.32	1,46,460.82
- % of revenue from operations	37.87%	35.34%
9 Profit After Tax (Including Other Comprehensive Income)	1,02,093.51	1,13,373.91
- % of revenue from operations	29.28%	27.36%

**DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH**

Pursuant to amendment made in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefore are given below:

**Standalone**

Sr. No.	Particulars	2024-25	2023-24	Change	Change in %	Explanations
1	Debtors Turnover (Days)	145.10	125.03	20.29	14.0%	-
2	Inventory Turnover (Days)	69.81	59.42	10.52	15.0%	-
3	Interest Coverage Ratio	58.52	52.82	5.70	9.7%	-
4	Current Ratio	9.15	9.08	0.07	0.8%	-
5	Debt Equity Ratio	0.07	0.07	0.00	2.6%	-
6	Operating Profit Margin (%)	25.34%	26.20%	(0.86)	(3.4%)	-
7	Net Profit Margin (%)	29.82%	27.80%	2.07	6.9%	-
8	Return on Networth (%)	15.52%	18.94%	(3.41)	(22.0%)	-

**Consolidated**

Sr. No.	Particulars	2024-25	2023-24	Change	Change in %	Explanations
1	Debtors Turnover (Days)	71.39	67.39	4.00	5.9%	-
2	Inventory Turnover (Days)	95.92	92.66	3.26	3.5%	-
3	Interest Coverage Ratio	66.48	53.43	13.05	24.4%	Increase in Interest coverage ratio is due to reduction absolute profits
4	Current Ratio	8.17	8.01	0.16	2.0%	-
5	Debt Equity Ratio	0.07	0.07	0.00	2.5%	-
6	Operating Profit Margin (%)	26.28%	26.38%	(0.09)	(0.4%)	-
7	Net Profit Margin (%)	25.10%	23.80%	1.30	5.5%	-
8	Return on Networth (%)	15.62%	18.39%	(2.78)	(15.1%)	-

# Financial Statements

▶ Standalone Financial Statements **150-222**

▶ Consolidated Financial Statements **223-299**

# Independent Auditor's Report

To the Members of AIA Engineering Limited

Report on the Audit of the Standalone Financial Statements

## OPINION

We have audited the standalone financial statements of AIA Engineering Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

## REVENUE RECOGNITION FROM SALE OF PRODUCTS

See Note 3(j) and Note 32 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue of the Company mainly comprises of sale of products (i.e. high chrome mill internals) to its customers. Significant portion of the Company's revenue from sale of products arises from transactions with related parties, mainly a wholly owned overseas subsidiary of the Company.</p> <p>Revenue from sale of goods is recognized when control is transferred to the customer. This requires detailed analysis of each customer contract regarding timing of revenue recognition.</p> <p>Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer.</p> <p>Accordingly, timing of recognition of revenue is a key audit matter</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of products;</li> <li>Testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts and proof of dispatch/delivery in accordance with the contractual terms agreed with the customers;</li> <li>Testing of revenue recognized near the year-end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on underlying documents along with terms and conditions set out in customer contracts;</li> <li>Understanding the Company's process for identifying, recording and disclosing related parties and related party transactions;</li> <li>Testing the underlying data for ascertaining arm's length pricing and sighting the approvals of the Audit Committee for related party transactions;</li> <li>Evaluating the adequacy of the standalone financial statement disclosures.</li> </ul>

## BASIS FOR OPINION

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

## KEY AUDIT MATTER

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



## Independent Auditor's Report (Contd.)

### OTHER INFORMATION

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

## Independent Auditor's Report (Contd.)

are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors on 31 March 2025 and 03 April 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 43(a) to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.





## Independent Auditor's Report (Contd.)

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

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

- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the accounting software, except for the feature of recording audit trail (edit log) was not enabled for the period from 01 April 2024 to 17 December 2024 at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

Further, for the period audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Rupen Shah**

Partner

Place: Ahmedabad

Date: 23 May 2025

Membership No.: 116240

ICAI UDIN: 25116240BMMLLN4065

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of AIA Engineering Limited for the year ended 31 March, 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/delivery has been linked with inventory records.

In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advance in the nature of loan to companies, firms, limited liability partnership or any other parties. The Company has made investments in, provided guarantee to companies and provided loans to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any loans to companies, firms, limited liability partnership and not made any investments in and not provided any guarantee to firms, limited liability partnership or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

Particulars	Guarantees (₹ in lakhs)	Loans (₹ in lakhs)
Aggregate amount during the year		
Subsidiaries	421.84	Nil
Others	Nil	414.72
Balance outstanding as at balance sheet date		
Subsidiaries	2,136.46	Nil
Others	Nil	12,858.63

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of AIA Engineering Limited for the year ended 31 March, 2025 (Contd.)

of the grant of loans and guarantees provided during the year are not prejudicial to the interest of the company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not provided any security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the loans and guarantees given and investments made by the Company, the provisions of section 186 of the Companies Act, 2013, have been complied with.

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

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

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of AIA Engineering Limited for the year ended 31 March, 2025 (Contd.)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Income tax Act, 1961	Income tax	Hon'ble High Court of Gujarat	A.Y. 2006-07 to A.Y. 2013-14	11,473.81	11,473.81
Income tax Act, 1961	Income tax	Income tax Appellate Tribunal, Ahmedabad	A.Y. 2014-15, A.Y. 2016-17 to A.Y. 2018-19, A.Y. 2020-21 to A.Y. 2021-22	17,469.60	15,446.43
Income tax Act, 1961	Income tax	Commissioner of Income-tax, (Appeals) Ahmedabad	A.Y. 2022-23	4,129.01	4,129.01
Tamil Nadu Value Added Tax Act, 2006	Value Added tax	VAT Tribunal, Madurai	F.Y. 2013-14	18.63	9.47
CGST Act, 2017	Goods and Services tax	Deputy Commissioner (ST), (GST Appeal), Trichy	F.Y 2019-20 to 2022-23	184.52	184.52
CGST Act, 2017	Goods and Services tax	Deputy Commissioner of GST & Central Excise, Tiruchirappalli	F.Y. 2017-18 to 2018-19	3.57	3.57
Finance Act, 1994	Service tax	Commissioner of CGST, Audit, Ahmedabad	F.Y. 2017-18	17.15	17.15
Employees' State Insurance Act, 1948	Employee state Insurance scheme	Hon'ble High Court of Gujarat	F.Y. 2001-02 to 2004-05	9.80	4.90

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of AIA Engineering Limited for the year ended 31 March, 2025 (Contd.)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Rupen Shah**

Partner

Place: Ahmedabad

Date: 23 May 2025

Membership No.: 116240

ICAI UDIN:25116240BMMLLN4065





## **Annexure B** to the Independent Auditor's Report on the standalone financial statements of AIA Engineering Limited for the year ended 31 March, 2025

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

### **OPINION**

We have audited the internal financial controls with reference to financial statements of AIA Engineering Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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



Annexure B to the Independent Auditor's Report on the standalone financial statements of AIA Engineering Limited for the year ended 31 March, 2025 (Contd.)

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Rupen Shah**

Partner

Place: Ahmedabad

Date: 23 May 2025

Membership No.: 116240

ICAI UDIN:25116240BMMLLN4065



# Standalone Balance Sheet

As at 31 March, 2025

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2025	As at 31 March, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	1,08,599.54	1,02,673.41
(b) Right of use assets	5	5,778.48	5,166.94
(c) Capital work-in-progress	6	7,687.12	9,216.99
(d) Goodwill	7	460.69	460.69
(e) Other intangible assets	7	330.29	324.23
(f) Financial assets			
(i) Investments	8	1,570.35	1,577.23
(ii) Trade receivables	9	27.81	65.54
(iii) Loans	10	215.83	12,621.04
(iv) Other financial assets	11	521.22	531.63
(g) Other tax assets (net)	12	330.16	2,784.36
(h) Other non-current assets	13	2,812.00	4,908.74
<b>Total non-current assets</b>		<b>1,28,333.49</b>	<b>1,40,330.80</b>
<b>Current assets</b>			
(a) Inventories	14	61,561.48	69,472.54
(b) Financial assets			
(i) Investments	15	3,79,174.58	2,91,118.42
(ii) Trade receivables	16	1,36,156.01	1,39,074.85
(iii) Cash and cash equivalents	17	10,053.11	5,004.76
(iv) Bank balances other than (iii) above	17	3,927.42	37,206.67
(v) Loans	18	12,920.19	129.45
(vi) Other financial assets	19	7,846.47	24,735.78
(c) Other current assets	20	11,310.48	11,111.33
<b>Total current assets</b>		<b>6,22,949.74</b>	<b>5,77,853.80</b>
<b>Total assets</b>		<b>7,51,283.23</b>	<b>7,18,184.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	21	1,866.41	1,886.41
(b) Other equity	22	6,68,754.56	6,43,697.16
<b>Total equity</b>		<b>6,70,620.97</b>	<b>6,45,583.57</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	23	200.38	340.50
(b) Provisions	24	573.20	516.40
(c) Deferred tax liabilities (net)	40 (b)	11,805.39	8,118.74
<b>Total non-current liabilities</b>		<b>12,578.97</b>	<b>8,975.64</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	48,500.00	45,459.50
(ii) Lease liabilities	26	355.26	281.68
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		2,113.44	1,928.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		12,177.55	10,615.16
(iv) Other financial liabilities	28	2,513.74	2,632.41
(b) Other current liabilities	29	1,685.72	1,218.36
(c) Provisions	30	548.22	451.20
(d) Current tax liabilities (net)	31	189.36	1,038.93
<b>Total current liabilities</b>		<b>68,083.29</b>	<b>63,625.39</b>
<b>Total liabilities</b>		<b>80,662.26</b>	<b>72,601.03</b>
<b>Total equity and liabilities</b>		<b>7,51,283.23</b>	<b>7,18,184.60</b>

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

As per our report of even date attached.

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

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**SANJAY S. MAJMUDAR**  
Director  
(DIN: 00091305)

**RUPEN SHAH**  
Partner  
Membership No: 116240

**VIREN K. THAKKAR**  
Chief Financial Officer

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

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025



# Standalone Statement of Profit and Loss

For the year ended 31 March, 2025

(₹ in Lakhs)

Particulars	Note	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>Income</b>			
Revenue from operations	32	3,48,644.76	4,14,394.99
Other income	33	47,507.66	42,844.27
<b>Total income</b>		<b>3,96,152.42</b>	<b>4,57,239.26</b>
<b>Expenses</b>			
Cost of materials consumed	34	1,61,566.82	1,92,273.72
Changes in inventories of finished goods and work-in-progress	35	(4,495.42)	4,105.17
Employee benefits expense	36	12,999.49	12,276.83
Finance costs	37	2,101.66	2,826.07
Depreciation and amortisation expense	38	10,068.21	9,821.51
Other expenses	39	81,865.34	89,475.14
<b>Total expenses</b>		<b>2,64,106.10</b>	<b>3,10,778.44</b>
<b>Profit before tax</b>		<b>1,32,046.32</b>	<b>1,46,460.82</b>
<b>Tax expense</b>	40 (a)		
Current tax		25,462.35	31,890.95
Short/(Excess) provision for tax of earlier years		848.92	(194.43)
Deferred tax		3,584.17	1,819.31
<b>Total tax expense</b>		<b>29,895.44</b>	<b>33,515.83</b>
<b>Profit for the year</b>		<b>1,02,150.88</b>	<b>1,12,944.99</b>
<b>Other Comprehensive Income/(Loss) ('OCI')</b>			
A Items that will not be reclassified to profit and loss	42 (iv)		
(i) Remeasurement of defined employee benefit plans		(126.53)	(23.73)
(ii) Income tax relating to items that will not be reclassified to profit and loss		31.85	5.97
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		(553.36)	361.84
(ii) Fair value changes on debt instrument through OCI		603.21	235.09
(iii) Income tax relating to items that will be reclassified to Profit and loss		(12.54)	(150.25)
<b>Other comprehensive income/(Loss) for the Year (net of taxes)</b>		<b>(57.37)</b>	<b>428.92</b>
<b>Total comprehensive income for the year (comprising profit and other comprehensive income for the year)</b>		<b>1,02,093.51</b>	<b>1,13,373.91</b>
<b>Earnings per equity share of par value ₹ 2 each:</b>			
Basic and diluted	41	108.96	119.75

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

As per our report of even date attached.

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

**RUPEN SHAH**  
Partner  
Membership No: 116240

Place: Ahmedabad  
Date: 23 May, 2025

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**VIREN K. THAKKAR**  
Chief Financial Officer

Place: Ahmedabad  
Date: 23 May, 2025

**SANJAY S. MAJMUDAR**  
Director  
(DIN: 00091305)

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

Place: Ahmedabad  
Date: 23 May, 2025



# Standalone Statement of Changes in Equity

As at 31 March, 2025

## A. Equity share capital

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the reporting year	1,886.41	1,886.41
Less: Extinguished pursuant to buyback of shares	(20.00)	-
Balance at the end of the reporting year	1,866.41	1,886.41

## B. Other equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Effective portion of Cash flow of hedge	Debt Instrument Through Other OCI	
Balance as at 01 April, 2023	26,579.52	1,925.74	16,189.27	5,00,826.47	361.14	(467.63)	5,45,414.51
Total Comprehensive income for the year ended 31 March, 2024							
Profit for the year	-	-	-	1,12,944.99	-	-	1,12,944.99
Other Comprehensive income for the year	-	-	-	(17.76)	270.76	175.92	428.92
Transactions with owners of the Company							
Contributions and distributions							
Dividend	-	-	-	(15,091.26)	-	-	(15,091.26)
Balance as at 31 March, 2024	26,579.52	1,925.74	16,189.27	5,98,662.44	631.90	(291.71)	6,43,697.16
<b>Total Comprehensive income for the year ended 31 March, 2025</b>							
Profit for the year	-	-	-	1,02,150.88	-	-	1,02,150.88
Other Comprehensive income for the year	-	-	-	(94.68)	(414.09)	451.40	(57.37)
<b>Transactions with owners of the Company</b>							
<b>Contributions and distributions</b>							
Dividend	-	-	-	(15,091.26)	-	-	(15,091.26)
Buyback of equity shares	(26,579.52)	-	-	(23,400.48)	-	-	(49,980.00)
Transfer to Capital redemption reserve pursuant to buyback of equity shares		20.00	-	(20.00)	-	-	-
Expenses for Buyback of equity shares	-	-	-	(381.55)	-	-	(381.55)
Tax on Buyback of equity shares	-	-	-	(11,583.30)	-	-	(11,583.30)
<b>Balance as at 31 March, 2025</b>	-	<b>1,945.74</b>	<b>16,189.27</b>	<b>6,50,242.05</b>	<b>217.81</b>	<b>159.69</b>	<b>6,68,754.56</b>

### Nature and purpose of reserves:

- Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- Capital redemption reserve:** The Company has recognised Capital redemption reserve on redemption of Cumulative redeemable preference shares. This can be utilised in accordance with the provisions of Companies Act, 2013.
- General reserve:** The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.
- Retained earnings:** Retained earnings represents accumulated profit of the Company as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.
- Cash flow hedge reserve:** This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.

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

As per our report of even date attached.

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

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

BHADRESH K. SHAH  
Managing Director  
(DIN: 00058177)

SANJAY S. MAJUMDAR  
Director  
(DIN: 00091305)

RUPEN SHAH  
Partner  
Membership No: 116240

VIREN K. THAKKAR  
Chief Financial Officer

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

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025





# Standalone Statement of Cash Flows

For the year ended 31 March, 2025

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>A. Cash flow from operating activities:</b>		
Profit before tax	1,32,046.32	1,46,460.82
Adjustments for:		
Interest income from financial assets measured at FVTOCI	(5,127.79)	(12,054.49)
Interest income from financial assets measured at amortised cost	(3,469.03)	(7,119.73)
Dividend income	(14,767.33)	(13,533.21)
Gain on sale of current investments measured at FVTPL	(1,678.51)	(833.61)
Financial assets at FVTPL - net change in fair value	(16,730.26)	(4,280.81)
Unrealised (gain)/loss on foreign exchange fluctuation (net)	(394.16)	429.89
Fair value loss on interest rate swap	183.36	-
Net (gain)/loss on sale of property, plant and equipment/termination of leases	(26.77)	136.04
Bad debts	4.88	13.84
Depreciation and amortisation expense	10,068.21	9,821.51
Finance costs	2,101.66	2,826.07
Provision for warranties made (net)	152.17	41.87
Liabilities/provisions no longer required written back	(2.41)	(223.43)
Allowance for expected credit loss/(written back) (net)	68.45	(42.16)
	<b>1,02,428.79</b>	<b>1,21,642.60</b>
<b>Changes in working capital:</b>		
Decrease in trade receivable	2,494.45	4,962.10
(Increase)/Decrease in loans	(385.53)	34.97
Decrease/(Increase) in inventories	7,911.06	(6,684.94)
Increase in other financial assets	(2,306.06)	(649.65)
Decrease/(Increase) in other non current and current assets	100.45	(245.64)
(Decrease)/Increase in provisions	(124.88)	101.18
Increase/(Decrease) in trade payables	1,747.20	(8,307.43)
(Decrease)/Increase in other financial liabilities	(50.95)	255.77
Decrease in other current liabilities	(912.03)	(2,444.47)
<b>Cash generated from operations</b>	<b>1,10,902.50</b>	<b>1,08,664.49</b>
Income taxes paid (net of refunds)	(25,235.25)	(32,108.22)
<b>Net cash generated from operating activities (A)</b>	<b>85,667.25</b>	<b>76,556.27</b>
<b>B. Cash flow from investing activities:</b>		
Acquisition of property, plant and equipment, capital work-in-progress, leasehold land and other intangibles	(13,112.61)	(20,753.67)
Proceeds from sale of property, plant and equipment	101.04	117.32
Purchase of investments (net)	(75,637.72)	(66,415.18)
Redemption of/(Investment in) fixed deposits with bank (net)	49,909.24	(5,559.31)
Amount deposited in escrow account towards voluntary delisting of equity shares of Welcast Steels Limited	-	(621.94)
Interest income	17,363.54	17,711.78
Dividend income	14,767.33	13,533.21
<b>Net cash used in investing activities (B)</b>	<b>(6,609.18)</b>	<b>(61,987.79)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from/(Repayment) of current borrowings (net)	3,205.03	(4,305.03)
Dividends paid (Net of TDS)	(13,711.87)	(13,687.57)
Buyback of equity shares	(50,000.00)	-
Expenses for Buyback of equity shares	(381.55)	-
Tax on Buyback of equity shares	(11,583.30)	-
Finance costs paid	(1,551.36)	(2,666.35)
Interest paid on lease liabilities	(64.43)	(52.52)
Principal repayment of lease liabilities	(350.75)	(337.70)
<b>Net cash used in financing activities (C)</b>	<b>(74,438.23)</b>	<b>(21,049.17)</b>
<b>D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,619.84</b>	<b>(6,480.69)</b>
<b>E. Add: Cash and cash equivalents at the beginning of the year</b>	<b>5,004.76</b>	<b>11,370.88</b>
<b>F. Add: Effects of movements in exchange rates on cash held</b>	<b>428.51</b>	<b>114.57</b>
<b>G. Cash and cash equivalents at the end of the year (refer note 2 below)</b>	<b>10,053.11</b>	<b>5,004.76</b>

## Standalone Statement of Cash Flows For the year ended 31 March, 2025 (Contd.)

### Note:

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

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with banks	10,026.06	3,973.53
Balances with banks in fixed deposit (Original maturity of less than 3 months)	-	1,000.32
Cash on hand	27.05	30.91
	<b>10,053.11</b>	<b>5,004.76</b>

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

(₹ in Lakhs)				
Particulars	Current borrowings (Note 25)	Lease liabilities (Note 23 and 26)	Dividends paid (including taxes) (Note 22)	Finance Cost
Balance as at 01 April, 2023	49,600.00	618.52	-	57.33
Repayment of borrowings (net)	(4,305.03)	-	-	-
Dividends paid (Net of TDS)	-	-	(13,687.57)	-
Interest paid	-	(52.52)	-	(2,666.35)
Amount paid during the year	-	(337.70)	-	-
Net movement during the year	(4,305.03)	(390.22)	(13,687.57)	(2,666.35)
Remeasurement of lease liability	-	341.37	-	-
Charge to statement of profit and loss	-	52.52	-	2,773.55
Balance as at 31 March, 2024	45,294.97	622.18	-	164.53
Proceeds from current borrowings (net)	3,205.03	-	-	-
Dividends paid (Net of TDS)	-	-	(13,711.87)	-
Interest paid	-	(64.43)	-	(1,551.36)
Amount paid during the year	-	(350.75)	-	-
<b>Net movement during the year</b>	<b>3,205.03</b>	<b>(415.18)</b>	<b>(13,711.87)</b>	<b>(1,551.36)</b>
Remeasurement of lease liability	-	284.21	-	-
Charge to statement of profit and loss	-	64.43	-	1,386.83
<b>Balance as at 31 March, 2025</b>	<b>48,500.00</b>	<b>555.64</b>	<b>-</b>	<b>-</b>

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

As per our report of even date attached.

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

**RUPEN SHAH**  
Partner  
Membership No: 116240

Place: Ahmedabad  
Date: 23 May, 2025

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**VIREN K. THAKKAR**  
Chief Financial Officer

Place: Ahmedabad  
Date: 23 May, 2025

**SANJAY S. MAJMUDAR**  
Director  
(DIN: 00091305)

**S. N. JETHALIYA**  
Company Secretary  
(ACS: 5343)

Place: Ahmedabad  
Date: 23 May, 2025



# Notes to the standalone financial statements

for the year ended 31 March, 2025

## 1. BACKGROUND

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

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The standalone financial statements of the Company comprises, the standalone balance sheet as at 31 March, 2025, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the material accounting policies and other explanatory information (herein referred to as "standalone financial statements"). These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of Companies Act, 2013 as per the Companies (Indian Accounting Standards) Rules, 2015 (the 'Act') and other relevant provisions of the Act.

The standalone financial statements are approved for issue by Board of Directors in their meeting held on 23 May, 2025.

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

### 2.2 Basis of measurement

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

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

### 2.3 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Assumptions and estimation uncertainties

The following areas are subject to estimation uncertainties and the details thereof are included in respective notes:

- **Note 4, 5 and 7** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and other intangible assets, impairment of goodwill;
- **Note 40 (b) and (c)** recognition of deferred tax;
- **Note 42** measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 24, 30 and 43** – recognition and measurement of provisions and contingencies such as warranty claims: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Notes 9, 16 and 48** – measurement of expected credit loss allowance

#### Judgements

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

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

### 2.4 Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. This

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

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

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

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

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

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

### **Current/Non-current classification:**

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

## **2.5 Functional and presentation currency**

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

## **3. MATERIAL ACCOUNTING POLICIES**

### **a) Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Company at the

exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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

### **b) Financial instruments**

#### **Recognition and initial measurement**

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### **Financial assets - classification and subsequent measurement**

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

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

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:



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

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

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

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

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

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

#### Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the

duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

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

<b>Financial assets at FVTPL</b>	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.
<b>Financial assets at amortised cost</b>	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.
<b>Debt Investments at FVTOCI</b>	These assets are subsequently measured at fair value. Interest income using the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss above amortised cost is recognised in Other comprehensive income. On derecognition, gain and losses accumulated in Other comprehensive income are reclassified to profit and loss.

### 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. The group also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liability assumed) is recognised in profit and loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

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**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

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

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

**Transition to Ind AS**

The cost of property, plant and equipment as at 01 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

### Depreciation

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

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

Block of assets	Useful lives (years)	Useful lives (years) Companies Act
Buildings	10 – 60	3 – 60
Plant and equipments	15 – 22	15 – 22
Furniture and fixtures	10	10
Vehicles	8 – 10	6 – 10
Office equipments	5	5
Others – laboratory equipments	10	10
Others – computer hardware	3 – 6	3 – 6

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 and the cost of asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

### Amortisation

Goodwill is not amortised and is tested for impairment annually.

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

The estimated useful lives of intangibles are as per below:

Software - 6 years Patents - 20 years

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



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**Transition to Ind AS**

The cost of intangible assets as at 01 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

**Impairment**

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

**f) Inventories**

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

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

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

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

**g) Impairment****Impairment of financial assets**

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

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

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

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

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

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

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

rates are updated and changes in the forward-looking estimates are analysed.

**Measurement of expected credit losses**

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

**Presentation of allowance for expected credit losses in the balance sheet**

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

**Write off**

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

**Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any 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





## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

obligation at the beginning of the annual period to the defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

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

**Defined contribution plans**

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

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

**Short-term employee benefits**

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

**Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present

value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in statement of profit and loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

**Termination benefits**

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

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

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

**Warranties**

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

**Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### Contingent liability

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

### Contingent assets

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

## j) Revenue

### Sale of goods

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

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

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

### Other operating revenue – export incentives

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

regarding the ultimate collection of the relevant export proceeds.

## k) Other income

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

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

## l) Leases

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

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

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. The lease liability is measured at amortised cost using the effective interest method.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liabilities and right-of-use assets have been separately presented in the standalone balance sheet and lease payments have been classified as cash flows from financing activities.

**m) Income taxes**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it related to items recognised directly in equity or in Other comprehensive income.

**Current tax**

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

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

**Deferred tax**

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

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

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

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

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

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

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### n) **Borrowing cost**

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

### o) **Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 46.

### p) **Cash and cash equivalents**

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

### q) **Earnings per share**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The

Company did not have any potentially dilutive securities in any of the years presented.

### r) **Events after reporting date**

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

### s) **GST input credit**

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

### t) **Investments in subsidiaries**

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

### u) **Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from 01 April, 2025.



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 4: PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others*	Total
(₹ in Lakhs)								
<b>Cost:</b>								
As at 01 April, 2023	5,211.26	44,298.46	98,739.77	1,392.28	188.84	470.93	1,793.15	1,52,094.69
Additions during the year	-	3,796.63	14,022.91	256.45	52.52	119.59	259.19	18,507.29
Disposals/adjustments during the year	-	(262.66)	(292.55)	(5.19)	(33.03)	(7.46)	(75.04)	(675.93)
As at 31 March, 2024	5,211.26	47,832.43	1,12,470.13	1,643.54	208.33	583.06	1,977.30	1,69,926.05
Additions during the year	-	4,703.53	9,750.46	407.46	52.13	210.43	454.29	15,578.30
Disposals/adjustments during the year	-	(12.80)	(535.94)	(26.81)	(23.86)	(7.37)	(56.72)	(663.50)
<b>As at 31 March, 2025</b>	<b>5,211.26</b>	<b>52,523.16</b>	<b>1,21,684.65</b>	<b>2,024.19</b>	<b>236.60</b>	<b>786.12</b>	<b>2,374.87</b>	<b>1,84,840.85</b>
<b>Accumulated depreciation:</b>								
As at 01 April, 2023	-	9,916.96	46,149.30	751.12	74.61	296.95	1,085.98	58,274.92
Depreciation for the year	-	1,620.15	7,371.04	120.38	22.70	60.43	204.97	9,399.67
Disposals/adjustments during the year	-	(94.08)	(249.83)	(1.17)	(23.13)	(7.04)	(46.70)	(421.95)
As at 31 March, 2024	-	11,443.03	53,270.51	870.33	74.18	350.34	1,244.25	67,252.64
Depreciation for the year	-	1,710.16	7,366.58	141.94	23.38	86.05	249.79	9,577.90
Disposals/adjustments during the year	-	(7.03)	(495.43)	(25.08)	(19.50)	(6.90)	(35.29)	(589.23)
<b>As at 31 March, 2025</b>	<b>-</b>	<b>13,146.16</b>	<b>60,141.66</b>	<b>987.19</b>	<b>78.06</b>	<b>429.49</b>	<b>1,458.75</b>	<b>76,241.31</b>
<b>Carrying amount:</b>								
As at 31 March, 2024	5,211.26	36,389.40	59,199.62	773.21	134.15	232.72	733.05	1,02,673.41
<b>As at 31 March, 2025</b>	<b>5,211.26</b>	<b>39,377.00</b>	<b>61,542.99</b>	<b>1,037.00</b>	<b>158.54</b>	<b>356.63</b>	<b>916.12</b>	<b>1,08,599.54</b>

\*Others include laboratory equipments and computer hardware.

**Notes:**

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



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 5: RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
<b>Cost:</b>			
As at 01 April, 2023	3,050.27	1,573.23	4,623.50
Additions during the year	1,751.70	349.27	2,100.97
Deductions/adjustments during the year	-	(14.55)	(14.55)
As at 31 March, 2024	4,801.97	1,907.95	6,709.92
Additions during the year	723.22	284.21	1,007.43
Deductions/adjustments during the year	-	(10.00)	(10.00)
<b>As at 31 March, 2025</b>	<b>5,525.19</b>	<b>2,182.16</b>	<b>7,707.35</b>
<b>Depreciation:</b>			
As at 01 April, 2023	177.42	1,041.81	1,219.23
Depreciation for the year	33.60	297.41	331.01
Deductions/adjustments during the year	-	(7.26)	(7.26)
As at 31 March, 2024	211.02	1,331.96	1,542.98
Depreciation for the year	41.40	354.49	395.89
Deductions/adjustments during the year	-	(10.00)	(10.00)
<b>As at 31 March, 2025</b>	<b>252.42</b>	<b>1,676.45</b>	<b>1,928.87</b>
<b>Carrying amount:</b>			
As at 31 March, 2024	4,590.95	575.99	5,166.94
<b>As at 31 March, 2025</b>	<b>5,272.77</b>	<b>505.71</b>	<b>5,778.48</b>

#### Notes:

- Lease contracts entered by the Company for land and buildings taken on lease to conduct business activity in ordinary course of business with tenure of leases upto 99 years.
- Lease rent of ₹ 86.58 Lakhs (previous year ₹ 73.88 Lakhs) is recognised in statement of profit and loss towards short term lease and lease of low value assets (refer Note 39).
- Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
- 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.
- The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

### NOTE 6: CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the year	9,216.99	10,735.15
Additions during the year	13,594.14	16,729.94
Capitalisation during the year	(15,124.01)	(18,248.10)
<b>Balance at the end of the year</b>	<b>7,687.12</b>	<b>9,216.99</b>

#### Notes:

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



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

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

**CWIP aging schedule As at 31 March, 2025**

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,432.33	4,254.79	-	-	7,687.12
Projects temporarily suspended	-	-	-	-	-
	<b>3,432.33</b>	<b>4,254.79</b>	<b>-</b>	<b>-</b>	<b>7,687.12</b>

**CWIP aging schedule As at 31 March, 2024**

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,686.72	499.37	3.40	27.50	9,216.99
Projects temporarily suspended	-	-	-	-	-
	<b>8,686.72</b>	<b>499.37</b>	<b>3.40</b>	<b>27.50</b>	<b>9,216.99</b>

**CWIP - Completion Schedule of capital working in progress as at 31 March, 2025**

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
<b>Projects in Progress</b>					
<b>Completion is not overdue:</b>					
Kerala Mining Liner Project (Phase III)	7,643.64	-	-	-	7,643.64
Other Projects	43.48	-	-	-	43.48
	<b>7,687.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,687.12</b>

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

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

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
<b>Projects in Progress</b>					
<b>Completion is overdue:</b>					
Kerala Mining Liner Project (Phase II)	8,417.48	-	-	-	8,417.48
Kerala Grinding Media Project (Phase III)	320.03	-	-	-	320.03
<b>Completion is not overdue:</b>					
Other Projects	479.48	-	-	-	479.48
	<b>9,216.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,216.99</b>

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

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 7: GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note (a))
	Software	Patents and Copyrights	Total	
<b>Cost:</b>				
As at 01 April, 2023	1,109.43	104.62	1,214.05	460.69
Additions during the year	77.90	17.29	95.19	-
Disposals/adjustments during the year	-	-	-	-
As at 31 March, 2024	1,187.33	121.91	1,309.24	460.69
Additions during the year	85.01	15.50	100.51	-
Disposals/adjustments during the year	(0.68)	-	(0.68)	-
<b>As at 31 March, 2025</b>	<b>1,271.66</b>	<b>137.41</b>	<b>1,409.07</b>	<b>460.69</b>
<b>Amortisation:</b>				
As at 01 April, 2023	863.28	30.90	894.18	-
Amortisation for the year	85.15	5.68	90.83	-
Disposal/Adjustments during the year	-	-	-	-
As at 31 March, 2024	948.43	36.58	985.01	-
Amortisation for the year	87.78	6.64	94.42	-
Disposal/Adjustments during the year	(0.65)	-	(0.65)	-
<b>As at 31 March, 2025</b>	<b>1,035.56</b>	<b>43.22</b>	<b>1,078.78</b>	<b>-</b>
<b>Carrying Amount</b>				
As at 31 March, 2024	238.90	85.33	324.23	460.69
<b>As at 31 March, 2025</b>	<b>236.10</b>	<b>94.19</b>	<b>330.29</b>	<b>460.69</b>

#### 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, 2025	As at 31 March, 2024
<b>Non-current investments</b>		
<b>Investment in equity instruments of</b>		
<b>A. Subsidiaries (measured at cost):</b>		
<b>(i) Fully paid equity shares (quoted)</b>		
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>(ii) Fully paid equity shares (Unquoted)</b>		
(a) 32,500 (previous year: 32,500) equity shares of Vega Industries (Middle East) F.Z.C., U.A.E. of face value USD 10/- each	149.39	149.39
(b) 2,000 (previous year: 2,000) equity shares of PT. Vega Industries Indonesia of face value IDR 13,116/- each	1.30	1.30
(c) 3,691 (previous year: 3,691) equity shares of Vega Industries Peru Limited of face value SOL 1/- each	0.83	0.83
(d) 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 for the year ended 31 March, 2025 (Contd.)

#### NOTE 8: INVESTMENTS (CONTD.)

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>B. Others companies (unquoted)</b>		
<b>Measured at FVTPL</b>		
(a) 25 (previous year: 25) equity shares of Koramangala Properties Limited of face value ₹ 100/- each, fully paid up <sup>#</sup>	0.03	0.03
(b) 3,111 (previous year: 422,340) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up <sup>#</sup>	0.31	42.23
(c) 24,478 (previous year: 24,778) equity shares of Clean Max Meridius Private Limited of face value ₹ 10/- each, fully paid up	45.54	41.40
(d) 32,99,997 (previous year: nil) equity shares of Torrent Urja 16 Private Limited of face value ₹ 10/- each, fully paid up	30.40	-
(e) 500 (previous year: nil) equity shares of Green Shift Private Limited of face value ₹ 100/- each, fully paid up #	0.50	-
	<b>1,570.35</b>	<b>1,577.23</b>
Aggregate amount of quoted investments	1,341.05	1,341.05
Aggregate market value of quoted investments	5,557.59	7,381.06
Aggregate amount of unquoted investments	229.30	236.18

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

#### NOTE 9: TRADE RECEIVABLES

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current trade receivables (unsecured)</b>		
Considered good *	27.81	65.54
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>27.81</b>	<b>65.54</b>

Refer note 50 for ageing related disclosures.

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

#### NOTE 10: LOANS

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current loans</b>		
Loans to employees		
Secured, considered good	99.11	32.13
Unsecured, considered good	116.72	88.91
Inter corporate deposit (secured) #, considered good		
Others	-	12,500.00
	<b>215.83</b>	<b>12,621.04</b>

<sup>#</sup>Amount has been given to a body corporate, for general corporate purpose repayable after 3 years from the date of loan given at an interest rate of 10% (previous year 10%) per annum.

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 11: OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Security deposits (unsecured, considered good)	521.22	531.63
	<b>521.22</b>	<b>531.63</b>

### NOTE 12: OTHER TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Advance income tax/tax deducted at source	330.16	2,784.36
	<b>330.16</b>	<b>2,784.36</b>

### NOTE 13: OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital advances	2,479.03	4,575.77
Others		
Balance with government authorities	6.48	6.48
Advance paid under protest	326.49	326.49
	<b>2,812.00</b>	<b>4,908.74</b>

### NOTE 14: INVENTORIES \*

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Raw materials	11,777.03	24,658.13
Raw materials in transit	1,400.75	1,276.71
Work-in-progress	23,065.85	22,009.79
Finished goods	14,226.12	10,786.76
Stores and spares	10,969.78	10,713.09
Stores and spares in transit	121.95	28.06
	<b>61,561.48</b>	<b>69,472.54</b>

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

### NOTE 15: INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Current investments</b>		
<b>Measured at FVTPL</b>		
Investments in mutual funds (quoted)	2,71,953.03	71,423.16
Investments in bonds (quoted) *	35,238.14	32,568.27
Investments in government securities (quoted)***	55,070.95	-





## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 15: INVESTMENTS (CONTD.)

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Measured at FVTOCI</b>		
Investment in bonds (quoted) ***	7,718.35	1,58,860.31
Investment in commercial paper (quoted)	-	19,574.78
Investment in government securities (quoted)****	9,194.11	8,691.90
	<b>3,79,174.58</b>	2,91,118.42
Aggregate amount of quoted investments	3,79,174.58	2,91,118.42
Aggregate market value of quoted investments	3,79,174.58	2,91,118.42

#Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 5.90% to 6.98%. (refer note 25)

\* Investments in bonds measured at FVTPL have yield 7.20% to 8.10% (previous year 7.20% to 7.40%)

\*\* Investments in government securities measured at FVTPL have yield 6.60% to 7.00% (previous year Nil)

\*\*\* Investments in bonds measured at FVTOCI have yield 6.60% to 6.78% (previous year 5.90% to 8.93%)

\*\*\*\* Investments in government securities measured at FVTOCI have yield 7.18% to 7.32% (previous year 7.18% to 7.32%)

## NOTE 16: TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Current trade receivables (unsecured)</b>		
Considered good * #	1,36,220.52	1,39,074.85
Significant increase in credit risk	-	-
Credit impaired	57.60	53.66
	<b>1,36,278.12</b>	1,39,128.51
Less: Allowance for expected credit loss	(122.11)	(53.66)
	<b>1,36,156.01</b>	1,39,074.85
* Trade receivables are hypothecated to secure working capital facilities from Banks (refer note 25).		
#Includes trade receivable from related parties (refer note 45 D).	1,12,482.63	1,17,871.24

Refer note 51 for ageing related disclosures.

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

## NOTE 17: CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Cash and cash equivalents</b>		
Balances with banks	10,026.06	3,973.53
Balances with banks in fixed deposit (Original maturity of less than 3 months)	-	1,000.32
Cash on hand	27.05	30.91
	<b>10,053.11</b>	5,004.76

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 17: CASH AND BANK BALANCES (CONTD.)

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Other bank balances		
Balances with banks in fixed deposits (Original maturity within 3 to 12 months)	3,223.29	35,937.95
Balances with bank in fixed deposit as a margin money (Original maturity within 3 to 12 months)	695.89	638.52
Earmarked balances with bank (unpaid dividend) *	8.24	8.26
Earmarked balances with bank **	-	621.94
	<b>3,927.42</b>	<b>37,206.67</b>

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

\*\* The Company had made an Initial Public Announcement on 13 December, 2023, intending to acquire all the equity shares of its Subsidiary Company i.e. Welcast Steels Limited ("WSL") that are held by public shareholders and consequently voluntarily delist the equity shares of WSL from BSE Limited. The aforesaid voluntary delisting of equity shares had been approved by the Board of Directors of WSL on 18 December, 2023 and by the shareholders of WSL on 20 January, 2024. The in-principle approval had been received from BSE Limited on 26 April, 2024 and bidding window was opened from 7 May, 2024 to 13 May, 2024. As the Post Delisting Offer shareholding of the Company had not exceeded 90.00% of the total issued equity shares of WSL, the Delisting Offer was deemed to be unsuccessful in terms of Regulation 21 of the SEBI Delisting Regulations. The Company had deposited the above mentioned amount in an escrow account as per the applicable requirements and the same had been released during the current year.

### NOTE 18: LOANS

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
<b>Current loans</b>		
Loans to employees		
Secured, considered good	23.96	16.20
Unsecured, considered good	118.83	113.25
Inter corporate deposit (secured) #		
Others	12,777.40	-
	<b>12,920.19</b>	<b>129.45</b>

#Amount has been given to a body corporate, for general corporate purpose repayable after 3 years from the date of loan given at an interest rate of 10% (previous year 10%) per annum.

### NOTE 19: OTHER FINANCIAL ASSETS - CURRENT

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Balances with bank in fixed deposits (Original maturity more than 12 months)	2,582.69	21,456.49
Export incentives receivable	1,393.91	1,526.11
Security deposits (unsecured, considered good)	245.44	248.35
Contractually Reimbursable Expenses (refer note 45D)	3,624.43	1,172.85
Derivatives	-	331.98
	<b>7,846.47</b>	<b>24,735.78</b>



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

#### NOTE 20: OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Advances other than capital advances		
Advances to related parties (refer note 45 D)	11.19	-
Other advances		
Advances to suppliers	6,400.94	5,175.91
Advances to staff	36.36	10.66
Others		
Balances with government authorities	3,584.46	5,070.59
Prepaid expenses	1,116.54	703.21
Prepaid leave encashment	160.99	150.96
	<b>11,310.48</b>	<b>11,111.33</b>

#### NOTE 21: SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Authorised share capital</b>		
230,000,000 (previous year: 230,000,000) equity shares of face value ₹ 2/- each.	4,600.00	4,600.00
	<b>4,600.00</b>	<b>4,600.00</b>
<b>Issued, subscribed and fully paid up share capital</b>		
93,320,370 equity shares (previous year: 94,320,370) of face value ₹ 2/- each, fully paid up	1,866.41	1,886.41
	<b>1,866.41</b>	<b>1,886.41</b>

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

Particulars	31 March, 2025		31 March, 2024	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Shares outstanding at the beginning of the year	9,43,20,370	1,886.41	9,43,20,370	1,886.41
Less: Extinguished pursuant to buyback of shares	(10,00,000)	(20.00)	-	-
<b>Shares outstanding at the end of the year</b>	<b>9,33,20,370</b>	<b>1,866.41</b>	<b>9,43,20,370</b>	<b>1,886.41</b>

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

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

(c) The details of shareholders holding more than 5% shares are set out below:

Name of the shareholders	31 March, 2025		31 March, 2024	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K. Shah	5,45,68,663	58.47%	5,51,28,901	58.45%
Nalanda India Equity Fund Limited	86,71,418	9.29%	91,27,809	9.68%

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 21: SHARE CAPITAL (CONTD.)

#### (d) Shareholding of Promoters

##### Shares held by promoters as at 31 March, 2025

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,45,68,663	58.47	0.02
Khushali Bhadreshbhai Shah	9,857	0.01	-
Bhumika Shyamal Shodhan	9,852	0.01	-
Gita Bhadresh Shah	5	0.00	-
	<b>5,45,88,377</b>	<b>58.49</b>	<b>0.02</b>

##### Shares held by promoters as at 31 March, 2024

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,51,28,901	58.45	-
Khushali Bhadreshbhai Shah	10,010	0.01	-
Bhumika Shyamal Shodhan	10,005	0.01	-
Gita Bhadresh Shah	5	0.00	-
	<b>5,51,48,921</b>	<b>58.47</b>	<b>-</b>

- (e) The Board of Directors of the Company, at its meeting held on 07 August, 2024 have approved a proposal for buyback of up to 10,00,000 fully paid-up Equity Shares of face value of ₹. 2/- each, representing 1.06% of the total number of equity shares of the Company, at a price of up to ₹ 5,000 per share for an aggregate consideration not exceeding ₹ 500 Crores (excluding transaction cost and any expenses incurred or to be incurred for the Buyback) representing 7.92% and 7.51% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended on 31 March, 2024, respectively. Further, the buy back has been completed and consideration transferred to the participating shareholders on 06 September, 2024.

### NOTE 22: OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Reserves and surplus</b>		
(a) Securities premium		
Balance at the beginning of the year	26,579.52	26,579.52
Less: Buyback of equity shares	(26,579.52)	-
Balance at the end of the year	-	26,579.52
(b) Capital redemption reserve		
Balance at the beginning of the year	1,925.74	1,925.74
Add: Transfer from Capital redemption reserve pursuant to buyback of equity shares	20.00	-
Balance at the end of the year	1,945.74	1,925.74
(c) General reserve		
Balance at the beginning and at the end of the year	16,189.27	16,189.27



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 22: OTHER EQUITY (CONTD.)

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
(d) Retained earnings		
Balance at the beginning of the year	5,98,662.44	5,00,826.47
Add: Profit for the year	1,02,150.88	1,12,944.99
Less: Buyback of equity shares	(23,400.48)	-
Less: Transfer to Capital redemption reserve pursuant to buyback of equity shares	(20.00)	-
Less: Expenses for Buyback of equity shares	(381.55)	-
Less: Tax on Buyback of equity shares	(11,583.30)	-
Less: Remeasurement of defined benefit plan transferred from OCI	(94.68)	(17.76)
Less: Dividend on equity shares	(15,091.26)	(15,091.26)
Balance at the end of the year	6,50,242.05	5,98,662.44
<b>Total reserves and surplus (A)</b>	<b>6,68,377.06</b>	<b>6,43,356.97</b>
<b>Other comprehensive income (OCI)</b>		
<b>Items that will not be reclassified to statement of profit and loss</b>		
(a) Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in statement of profit and loss	(126.53)	(23.73)
Tax impact on above [refer Note 40 (c)]	31.85	5.97
Less: Transferred to retained earnings	94.68	17.76
Balance at the end of the year	-	-
<b>Items that will be reclassified to statement of profit and loss</b>		
(b) Cash flow hedge reserve		
Balance at the beginning of the year	631.90	361.14
Recognised in statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	(196.00)	112.09
Restatements of trade receivables to the extent of hedging	(357.36)	249.75
	(553.36)	361.84
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)]	49.33	(28.22)
Tax on Restatements of trade receivables to the extent of hedging	89.94	(62.86)
Net tax in OCI	139.27	(91.08)
Balance at the end of the year	217.81	631.90
(c) Fair value through other comprehensive income		
Balance at the beginning of the year	(291.71)	(467.63)
Recognised in statement of profit and loss	603.21	235.09
Tax impact on above	(151.81)	(59.17)
Balance at the end of the year	159.69	(291.71)
<b>Total other comprehensive income (B)</b>	<b>377.50</b>	<b>340.19</b>
<b>Total other equity (A+B)</b>	<b>6,68,754.56</b>	<b>6,43,697.16</b>

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



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 22: OTHER EQUITY (CONTD.)

(₹ in Lakhs)

#Dividend on equity shares paid during the year:	As at 31 March, 2025	As at 31 March, 2024
Final dividend for the financial year 2023-24 [ ₹ 16 (previous year: ₹ 16) per equity share of ₹ 2 each]	15,091.26	15,091.26

#### Note:

Board of Directors of the Company have proposed final dividend of ₹ 16 per equity share for the financial year 2024-25. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March, 2025. No interim dividend was declared and paid during the financial year 2024-25.

### NOTE 23: LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Non current lease liabilities	200.38	340.50
	<b>200.38</b>	<b>340.50</b>

### NOTE 24: PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current provisions</b>		
Provision for warranties	573.20	516.40
	<b>573.20</b>	<b>516.40</b>

#### Movement in provision for warranties

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the year	710.34	712.81
Utilisation during the year	(136.83)	(44.34)
Provision for the year #	170.88	203.58
Written back during the year	(18.71)	(161.71)
<b>Balance at the end of the year</b>	<b>725.68</b>	<b>710.34</b>
Non-current	573.20	516.40
Current (refer note 30)	152.48	193.94
	<b>725.68</b>	<b>710.34</b>

#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 historic experience of claims, the Company provides for warranty at the rate of 0.05% of sales for the year and is carried in the books for a period upto 4 years.



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 25: BORROWINGS**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
<b>Current borrowings</b>		
Loans from Banks repayable on demand		
Secured	-	7,723.90
Unsecured	-	37,735.60
Loans from Others repayable on demand		
Secured (Refer note 6 below)	48,500.00	-
	<b>48,500.00</b>	45,459.50

**Borrowing based on security of current assets:**

1. The Company has obtained various borrowings from banks on the basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books of accounts.
2. Secured Export Packing Credit ('EPC') facilities are availed from State Bank of India carrying interest rate ranging from during 5.30% to 7.30% the year (previous year 5.40% to 5.70%) against first charge over entire current assets of the Company including stock of raw material, work in process, finished goods, stores and spares and goods in transit.
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 3.75% to 7.63% during the year (previous year 5.28% to 5.69%)
4. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 5.40% to 7.96% during the year (previous year 5.57% to 5.89%)
5. Unsecured Export Packing Credit ('EPC') facilities are availed from HDFC Bank Ltd. carrying interest rate of 6.00 % during the year (previous year 5.35% to 6.00%)
6. Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 5.90% to 6.98%

**NOTE 26: LEASE LIABILITIES**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Current lease liabilities	355.26	281.68
	<b>355.26</b>	281.68

**NOTE 27: TRADE PAYABLES**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
(a). Total outstanding dues of micro enterprises and small enterprises #	2,113.44	1,928.15
(b). Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties [refer Note 45 D]	389.57	362.90
(ii) Due to others	11,787.98	10,252.26
	<b>12,177.55</b>	10,615.16
	<b>14,290.99</b>	12,543.31

Refer note 52 for ageing related disclosures.

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 27: TRADE PAYABLES (CONTD.)

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

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):		
(a) Principal amount remaining unpaid to any supplier as at the end of the year- (refer note 28)	2,355.24	2,101.74
Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	0.66	0.55
(c) Amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

### NOTE 28: OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Salary, wages and bonus payable (refer note 45 D)	1,529.74	1,463.34
Unpaid dividends *	8.24	8.26
Capital creditors #	564.26	901.45
Amount received under channel financing arrangement	101.49	218.84
Derivatives	47.38	-
Other payables	262.63	40.52
	<b>2,513.74</b>	<b>2,632.41</b>

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

#The balance includes outstanding dues of micro enterprises and small enterprises of ₹ 241.80 Lakhs as at 31 March, 2025 (₹ 173.29 Lakhs as at 31 March, 2024)

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

### NOTE 29: OTHER CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Contract liabilities (refer note 32)		
Customer advances	916.28	818.73
Others		
Security deposits	-	1.01
Statutory dues and other payables	769.44	398.62
	<b>1,685.72</b>	<b>1,218.36</b>



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 30: PROVISIONS - CURRENT**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Provision for warranties (refer Note 24)	152.48	193.94
Provision for employee benefits (refer Note 42)		
Gratuity	395.74	257.26
	<b>548.22</b>	<b>451.20</b>

**NOTE 31: CURRENT TAX LIABILITIES (NET)**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Provision for income tax (net)	189.36	1,038.93
	<b>189.36</b>	<b>1,038.93</b>

**NOTE 32: REVENUE FROM OPERATIONS**

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Sale of products		
Export sales	1,99,639.28	2,76,941.76
Domestic sales	1,42,925.13	1,29,262.39
	<b>3,42,564.41</b>	<b>4,06,204.15</b>
Other operating revenue		
Exports incentives	4,980.55	7,027.24
Other sales	1,099.80	1,163.60
	<b>6,080.35</b>	<b>8,190.84</b>
	<b>3,48,644.76</b>	<b>4,14,394.99</b>

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

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>Reconciliation of revenue from operations with the contracted price:</b>		
Contracted price	3,42,755.46	4,06,710.53
Adjustments:		
Discounts	(188.37)	(474.11)
Sales return	(2.68)	(32.27)
Sale of products	3,42,564.41	4,06,204.15
Other operating revenue	6,080.35	8,190.84
Revenue from operations	<b>3,48,644.76</b>	<b>4,14,394.99</b>
<b>Revenue disaggregation by geography:</b>		
India	1,49,005.48	1,37,453.23
Outside India:		
U.A.E.	1,75,882.75	2,47,461.58
Others	23,756.53	29,480.18
	<b>3,48,644.76</b>	<b>4,14,394.99</b>

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 32: REVENUE FROM OPERATIONS (CONTD.)

#### Contract balances:

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

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Trade receivables	1,36,183.82	1,39,140.39
Contract assets	-	-
Contract liabilities		
Balance at the beginning of the year	818.73	1,736.46
Less: Revenue recognised during the year	747.83	1,585.54
Add: Increase due to cash received during the year	845.38	667.81
Balance at the end of the year	916.28	818.73

### NOTE 33: OTHER INCOME

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Interest income under the effective interest method on:		
Financial assets measured at FVTOCI	5,127.79	12,054.49
Financial assets measured at amortised cost	3,469.03	7,119.73
Dividend Income	14,767.33	13,533.21
Other non-operating income		
Gain on sale of current investments measured at FVTPL	1,678.51	833.61
Gain on foreign exchange fluctuation (net)	5,578.48	4,689.41
Financial assets at FVTPL - net change in fair value	16,730.26	4,280.81
Allowance for expected credit loss written back (net)	-	42.16
Net gain on sale of property, plant and equipment/termination of leases	26.77	-
Liabilities/provisions no longer required written back	2.41	223.43
Corporate Guarantee Fees	46.90	35.04
Miscellaneous receipts	80.18	32.38
	<b>47,507.66</b>	<b>42,844.27</b>

### NOTE 34: COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Opening stock at the beginning of the year	25,934.84	16,069.22
Add: Purchases during the year	1,48,809.76	2,02,139.34
Less: Closing stock at the end of the year	13,177.78	25,934.84
	<b>1,61,566.82</b>	<b>1,92,273.72</b>





Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

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

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Opening stock		
Work-in-progress	22,009.79	22,927.91
Finished goods	10,786.76	13,973.81
	<b>32,796.55</b>	36,901.72
Closing stock		
Work-in-progress	23,065.85	22,009.79
Finished goods	14,226.12	10,786.76
	<b>37,291.97</b>	32,796.55
	<b>(4,495.42)</b>	4,105.17

**NOTE 36: EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Salaries, wages and bonus	11,586.80	10,938.75
Contribution to provident and other funds	763.50	696.16
Expenses related to post employment defined benefit plans [refer Note 42 (iv)]	269.21	233.53
Staff welfare expenses	379.98	408.39
	<b>12,999.49</b>	12,276.83

**NOTE 37: FINANCE COSTS**

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>Interest on:</b>		
Bank borrowings measured at amortised cost	1,382.56	2,761.65
Income Tax	650.40	-
Lease liabilities	64.43	52.52
Others	4.27	11.90
	<b>2,101.66</b>	2,826.07

**NOTE 38: DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Depreciation of property, plant and equipment (refer Note 4)	9,577.90	9,399.67
Depreciation of Right of use assets (refer Note 5)	395.89	331.01
Amortisation of intangible assets (refer Note 7)	94.42	90.83
	<b>10,068.21</b>	9,821.51

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 39: OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Consumption of stores	26,079.21	29,292.35
Power and Fuel	28,918.11	34,780.83
Contract labour charges	8,647.45	8,737.94
Repairs and maintenance		
- Buildings	362.39	338.52
- Plant and machineries	1,061.10	1,152.99
- Others	898.44	830.18
Lease rent (refer Note 5)	86.58	73.88
Insurance	731.76	681.56
Rates and taxes	69.95	133.05
Security expenses	627.06	705.33
Printing, stationery and communication expenses	190.84	142.07
Travelling and conveyance expense	1,371.01	1,280.27
Advertisement and sales promotion	30.64	20.30
Freight outward expenses (Net of Recoveries)	4,861.60	5,595.43
Royalty expenses	579.72	320.72
Commission expenses	1,412.11	1,133.72
Warranty expenses	152.17	41.87
Directors' sitting fees	21.60	13.90
Payments to auditors		
- Statutory audit fees	23.50	23.00
- Quarterly Limited reviews	30.00	28.50
- Certification and other services	3.00	3.50
- Reimbursement of expenses	4.87	3.09
Legal and professional consultancy fees	2,697.99	1,650.97
Bank commission charges	97.51	114.16
Donation	1.74	2.48
Corporate social responsibility expenses (refer Note 53)	2,096.55	1,652.10
Net loss on sale of property, plant and equipment/termination of leases	-	136.05
Bad debts	4.88	13.84
Allowance for expected credit loss (net)	68.45	-
Fair value loss on interest rate swap	183.36	-
Other miscellaneous expenses	551.75	572.54
	<b>81,865.34</b>	<b>89,475.14</b>



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

#### NOTE 40: TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>(a) Tax expense</b>		
Provision for current tax	25,462.35	31,890.95
Short/(Excess) provision for tax of earlier years	848.92	(194.43)
Net deferred tax [refer note 40(c)]	3,584.17	1,819.31
<b>Tax expense for the year</b>	<b>29,895.44</b>	<b>33,515.83</b>
<b>(b) Deferred tax</b>		
Deferred tax liabilities		
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	7,073.15	7,415.95
Financial assets at FVTPL - net change in fair value	4,698.02	619.28
Hedge reserve balance	34.22	83.51
	<b>11,805.39</b>	<b>8,118.74</b>
<b>Deferred tax assets</b>		
Hedge reserve balance	-	-
Others	-	-
	-	-
<b>Deferred tax liabilities (net) [refer Note 40(c)]</b>	<b>11,805.39</b>	<b>8,118.74</b>

#### (c) Movement in deferred tax

(₹ in Lakhs)

Particulars	Opening balance as at 01 April, 2024	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2025
<b>Deferred tax liabilities</b>				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	6,565.40	507.75	-	7,073.15
Financial assets at FVTPL - net change in fair value	1,469.79	3,076.42	151.81	4,698.02
Hedge reserve balance	83.55	-	(49.33)	34.22
<b>Deferred tax liabilities (net)</b>	<b>8,118.74</b>	<b>3,584.17</b>	<b>102.48</b>	<b>11,805.39</b>

(₹ in Lakhs)

Particulars	Opening balance as at 01 April, 2023	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2024
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	5,596.64	968.76	-	6,565.40
Financial assets at FVTPL - net change in fair value	560.07	850.55	59.17	1,469.79
Hedge reserve balance	55.33	-	28.22	83.55
Deferred tax liabilities (net)	6,212.04	1,819.31	87.39	8,118.74

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 40: TAX EXPENSES (CONTD.)

#### (d) Effective tax reconciliation

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

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Profit before tax for the year	1,32,046.32	1,46,460.82
Tax at statutory income tax rate of 25.168% in India	33,233.42	36,861.26
Adjustments (tax effect):		
Exempted Dividend income from subsidiary not charged to tax	(3,716.64)	(3,406.04)
Income from long term/short term investment taxed at lower rate	(1,187.03)	(161.46)
Non-deductible expenses for tax purposes	716.77	416.50
Short/(Excess) provision for tax of earlier years	848.92	(194.43)
<b>Tax expense reported in the statement of profit and loss</b>	<b>29,895.44</b>	<b>33,515.83</b>

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

### NOTE 41: EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,02,150.88	1,12,944.99
Weighted average number of equity shares outstanding during the year (nos.)	9,37,53,247	9,43,20,370
Nominal value of equity share (₹)	2.00	2.00
<b>Basic and diluted earnings per share (₹)</b>	<b>108.96</b>	<b>119.75</b>

### 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:

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Employer's contribution to provident fund	601.37	541.19

#### B. Defined benefit plans

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

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

Benefits offered	15/26 x Salary x Duration of service
Salary definition	Basic salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death/disability)
Benefit eligibility	Upon death or resignation/withdrawal or retirement
Retirement age	58, 60, 62, 65 or 75 years



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 42: EMPLOYEE BENEFITS (CONTD.)****(i) Risks associated to the defined benefit plans:**

- a. Actuarial risk: Risks due to adverse salary growth/Variability in mortality and withdrawal rates.
- b. Investment risk: Risks due to significant changes in discount rate during the inter-valuation year.
- c. Liquidity risk: Risks on account of Employees resign/retire from the Company and as result strain on the cash flow arises.
- d. Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
- e. Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2024-25	2023-24
Defined benefit obligation at the beginning of the year	3,659.74	3,311.51
Recognised in statement of profit and loss:		
Current service cost	260.05	235.75
Interest cost	250.23	233.68
Actuarial (gain)/loss recognised in other comprehensive income:		
Due to change in financial assumptions	166.83	80.63
Due to change in demographic assumptions	(15.42)	-
Due to experience adjustments	(3.43)	(36.57)
Benefits paid	(200.99)	(165.26)
<b>Defined benefit obligation at the end of the year</b>	<b>4,117.01</b>	<b>3,659.74</b>

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2024-25	2023-24
Fair value of plan assets at the beginning of the year	3,402.48	3,223.50
Interest income	241.07	235.90
Return on plan assets excluding amounts included in interest income	21.45	20.33
Contributions by the employer	257.26	88.01
Benefits paid	(200.99)	(165.26)
<b>Fair value of plan assets at the end of the year</b>	<b>3,721.27</b>	<b>3,402.48</b>
<b>Actual return on plan assets</b>	<b>262.52</b>	<b>256.23</b>

**(iv) Expense recognised during the year:**

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2024-25	2023-24
Current service cost	260.05	235.75
Net interest cost	9.16	(2.22)
Net value of remeasurement on the obligation and plan assets	-	-
<b>Net cost recognised in statement of profit and loss</b>	<b>269.21</b>	<b>233.53</b>



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 42: EMPLOYEE BENEFITS (CONTD.)**

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2024-25	2023-24
Components of actuarial (gains)/losses:		
Due to change in financial assumptions	166.83	80.63
Due to experience adjustments	(3.43)	(36.57)
Due to change in demographic assumptions	(15.42)	-
Return on plan assets excluding amounts included in interest income	(21.45)	(20.33)
<b>Net cost recognised in other comprehensive (income)/expense</b>	<b>126.53</b>	<b>23.73</b>

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2024-25	2023-24
Present value of obligation	4,117.01	3,659.74
Fair value of plan assets	3,721.27	3,402.48
<b>Net defined benefit liability at end of the year</b>	<b>395.74</b>	<b>257.26</b>

**(vi) Composition of plan assets:**

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Investment funds</b>		
Insurance policies	99%	100%
Others	1%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

**(vii) Key actuarial assumptions:**

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Financial assumptions</b>		
Discount rate	6.70%	7.20%
Expected rate of return on plan assets	6.70%	7.20%
Salary growth rate	8.50%	8.50%
Weighted average duration (in years)	8.35	9.06
<b>Demographic assumptions</b>		
Withdrawal rate		
Age band		
25 & below	13.00%	5.00%
25 to 35	7.00%	4.00%
35 to 45	4.00%	3.00%
45 to 55	3.00%	2.00%
55 & above	3.00%	1.00%
Mortality table	Indian assured lives mortality (2012-14)	

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

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



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

#### NOTE 42: EMPLOYEE BENEFITS (CONTD.)

##### (viii) Sensitivity analysis:

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

##### Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	2024-25	2023-24	2024-25	2023-24
<b>Discount rate</b>				
Change in assumption by 0.50%	(4.05%)	(4.32%)	4.36%	4.67%
<b>Salary growth rate</b>				
Change in assumption by 0.50%	4.25%	4.56%	(3.99%)	(4.27%)
<b>Withdrawal rate</b>				
Change in assumption by 10%	(0.30%)	(0.18%)	0.30%	0.18%

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

##### (ix) Maturity profile of the defined benefit obligation:

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Age wise distribution of defined benefit obligation</b>		
Age in years		
Less than 25	3.38	2.83
25 to 35	203.67	230.13
35 to 45	1,228.23	1,091.54
45 to 55	1,344.96	1,142.95
above 55	1,336.77	1,192.29
	<b>4,117.01</b>	<b>3,659.74</b>
<b>Past service wise distribution of defined benefit obligation</b>		
Service year in years		
0 to 4	71.17	54.67
4 to 10	283.73	282.90
10 to 15	581.17	584.84
15 and above	3,180.94	2,737.33
	<b>4,117.01</b>	<b>3,659.74</b>

#### C. Other long-term employee benefits

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

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

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

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 42: EMPLOYEE BENEFITS (CONTD.)

#### Key actuarial assumptions:

Particulars	Leave encashment (funded)	
	2024-25	2023-24
<b>Financial assumptions</b>		
Discount rate	6.70%	7.20%
Expected rate of return on plan assets	6.70%	7.20%
Salary growth rate	8.50%	8.50%
<b>Demographic assumptions</b>		
Withdrawal rate		
Age band		
25 & below	13.00%	5.00%
25 to 35	7.00%	4.00%
35 to 45	4.00%	3.00%
45 to 55	3.00%	2.00%
55 & above	3.00%	1.00%
Mortality table	Indian assured lives mortality (2012-14)	

Leave encashment expenses recognised during the year in the standalone statement of profit and loss amounts to ₹ 201.47 Lakhs (previous year ₹ 206.79 Lakhs).

#### D. Company's estimate of contributions expected to be paid during financial year 2025-26 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity	₹ 395.74 Lakhs
(iii) Other long-term employee benefits	
(a) Leave encashment	-

### NOTE 43: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	31 March, 2025	31 March, 2024
<b>(a) Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
Central Excise, Service tax and Goods and Services tax	228.62	205.25
Income tax		
In High Court (Decision is received in favour of company in ITAT and Income Tax Department has appealed decision of ITAT in High Court).	11,473.81	11,473.81
In Income Tax Appellate Tribunal (ITAT)	17,469.60	219.21
In Commissioner of Income-tax (CIT)	4,129.01	21,598.60
Total Income tax	<b>33,072.42</b>	33,291.62
Sales tax/VAT	21.70	21.70



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 43: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONTD.)**

(₹ in Lakhs)

Particulars	31 March, 2025	31 March, 2024
Guarantees:		
Outstanding bank guarantees	15,562.71	14,768.30
Outstanding corporate guarantees given to customers/Subsidiary	2,373.24	2,190.34
Letter of Credit	142.28	924.13
Others matters including claims related to ESIC, Electricity and Ex-employees	599.26	599.26
	<b>52,000.23</b>	52,000.60
<b>(b) Capital commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2,120.02	5,422.85
	<b>2,120.02</b>	5,422.85

**Notes:**

- (i) Most of the issues of litigation pertaining to Central Excise/ Service tax/Income tax (including transfer pricing matters) are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. Further, in several matters, the management has successfully defended their case at lower forums of adjudication. Accordingly, the management do not envisage any material impact on the standalone financials statements of the Company. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (ii) Sales tax/VAT related litigation/demand primarily pertains to non submission of required declaration forms in time due to non-receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- (iii) Amounts mentioned above do not include possible interest/penalty from the date of the contested order till the balance sheet date.

**NOTE 44: ANTI- DUMPING DUTY**

**Canada:** During the previous year, the Canada Border Services Agency, after completing the re-investigation review has notified a schedule for duties for imports and revised normal value of high chrome Grinding Media (manufactured by the Company in India) into Canada. As per the Order, no anti-dumping duty is leviable if the FOB Value of the goods is above the prescribed prices for certain defined grades and it will be 15.70% for grades other than those specifically defined in the Order. A separate Countervailing Duty of ₹ 3,874 per MT continues to be levied on all imports of defined Grinding Media.

**Brazil:** Ministry of Development, Industry, Trade and Services Foreign Trade – Department of Trade Defense, Brazil (DECOM) had initiated the Sun Set Review on anti dumping duty and countervailing duty for export of certain types of grinding media to Brazil. On completion of the said review, DECOM has decided in favour of the Company and issued an order to terminate the antidumping duty with effect from 13 June, 2024. Further, the Sun Set Review on the prevailing countervailing duty is currently in progress.

**USA:** During the year, the Company has received a notice from the United States International Trade Commission, seeking certain information from the Company, in relation to the investigations around alleged dumping and subsidising of certain grinding media from India based on complaint filed by Magotteux Inc. Post submission of required information, United States Department of Commerce announced its determination for cash deposit of Countervailing Duty at 3.16% and Anti-Dumping Duty at 6.70% which is effective from 22 May, 2025 on certain high chrome iron grinding media imported from India based on decision from United States International Trade Commission.

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 45: RELATED PARTY DISCLOSURES

#### A List of related parties:

##### (i) Subsidiaries:

Sr. no.	Name of entity	Country of incorporation	% of holding as at 31 March, 2025	% of holding as at 31 March, 2024
<b>Direct subsidiaries</b>				
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%
<b>Indirect subsidiaries</b>				
4	Vega Middle East (DFTZ) FZE (w.e.f. 02 July, 2024) *	U.A.E.	100.00%	0.00%
5	Vega Industries Limited *	U.K.	100.00%	100.00%
6	Vega Industries Limited ** #	U.S.A.	100.00%	100.00%
7	Vega Steel Industries (RSA) Proprietary Limited #	South Africa	74.63%	74.63%
8	Wuxi Vega Trade Co. Limited *	China	100.00%	100.00%
9	PT. Vega Industries Indonesia ***	Indonesia	100.00%	100.00%
10	Vega Industries Chile SpA *	Chile	100.00%	100.00%
11	AIA Ghana Limited *	Ghana	100.00%	100.00%
12	Vega Industries Australia Pty Ltd.*	Australia	100.00%	100.00%
13	Vega Industries Peru Limited****	Peru	100.00%	100.00%

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

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

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

\*\*\*\* 99% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 1% is held by AIA Engineering Limited (w.e.f. 01 August, 2023)

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

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

Sr. no.	Name	Designation
1	Mr. Rajendra S. Shah	Chairman
2	Mr. Bhadresh K. Shah #	Managing Director
3	Mr. Yashwant M. Patel	Whole-time Director

#Controlling party. Refer Note 21 for shareholding pattern.





## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 45: RELATED PARTY DISCLOSURES (CONTD.)**

(iii) Independent directors:

Sr. no.	Name
1	Mr. Rajendra S. Shah (Upto 11 September, 2024)
2	Mr. Sanjay S. Majmudar (Upto 11 September, 2024)
3	Mr. Dileep C. Choksi (Upto 11 September, 2024)
4	Mr. Rajan Harivallabhdas
5	Mrs. Janaki Udayanbhai Shah
6	Mr. Piyush B. Shah (w.e.f. 09 September, 2024)

(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	Mr. Rajendra S. Shah (w.e.f. 13 September, 2024)	Non-Executive Director
7	Mr. Sanjay S. Majmudar (w.e.f. 13 September, 2024)	
8	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
9	Vee Connect Travels Private Limited	
10	Discus IT Private Limited	
11	Harsha Engineers International Limited	
12	Harsha Advantek Limited	
13	Cocoa Drama	

\* Non-Executive director of the Company.

Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 45: RELATED PARTY DISCLOSURES (CONTD.)**  
**B Details of related party transactions during the year:**

Sr. no.	Nature of transaction	Subsidiaries		Key Managerial Personnel		Independent Directors/ Non Executive Director		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, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
(₹ in Lakhs)													
1	Sale of products (inclusive of taxes)	1,76,950.47	2,47,531.38	-	-	-	-	30,074.80	27,100.98	-	-	-	-
2	Recovery of freight charges	9,330.64	8,352.84	-	-	-	-	-	-	-	-	-	-
3	Corporate Guarantee Fees	46.90	35.04	-	-	-	-	-	-	-	-	-	-
4	Dividend received	14,767.33	13,533.21	-	-	-	-	-	-	-	-	-	-
5	Insurance premium on ECGC	299.28	221.59	-	-	-	-	-	-	-	-	-	-
6	Recovery of travelling expenses	33.62	72.70	-	-	-	-	-	-	-	-	-	-
7	Recovery of professional consultancy fees	502.75	27.25	-	-	-	-	-	-	-	-	-	-
8	Purchase of goods (inclusive of taxes)	1,087.24	1,057.45	-	-	-	-	2,765.59	4,062.24	-	-	-	-
9	Commission expense on sales	124.40	24.84	-	-	-	-	-	-	-	-	-	-
10	CSR expenses	619.55	916.80	-	-	-	-	-	-	-	-	-	-
11	Commission expense on purchases	-	-	-	-	-	-	116.98	110.44	-	-	-	-
12	SAP ERP functional and technical support	-	-	-	-	-	-	90.93	99.34	-	-	-	-
13	Salary, bonus and perquisites	-	-	-	-	-	-	-	-	1.54	1.54	-	-
14	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	257.26	88.01
15	Rent, rates and taxes	-	-	-	-	-	-	-	-	4.22	4.22	-	-
16	Travelling expenses	-	-	-	-	-	-	161.11	176.10	-	-	-	-
17	Directors' remuneration and perquisites	-	-	151.06	159.30	-	-	-	-	-	-	-	-
18	Sitting fees paid	-	-	-	-	15.40	10.45	-	-	5.60	3.45	-	-
19	Commission to Directors	-	-	-	-	22.50	22.00	-	-	18.00	18.00	-	-
20	Other expenses	-	-	-	-	-	-	2.23	-	-	-	-	-
	<b>Total</b>	<b>2,03,762.18</b>	<b>2,71,773.10</b>	<b>151.06</b>	<b>159.30</b>	<b>37.90</b>	<b>32.45</b>	<b>33,211.64</b>	<b>31,549.10</b>	<b>29.36</b>	<b>27.21</b>	<b>257.26</b>	<b>88.01</b>
	Outstanding balance receivable at year end	1,10,981.57	1,16,850.94	-	-	-	-	5,136.68	2,193.15	-	-	-	-
	Outstanding balance payable at year end	156.44	25.07	6.63	6.44	20.25	19.80	212.47	317.62	0.41	0.41	395.74	257.26



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 45: RELATED PARTY DISCLOSURES (CONTD.)**

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

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2025	31 March, 2024
1	Sale of products (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	1,42,355.24	2,47,461.58
		Vega Middle East (DFTZ) FZE	33,527.51	-
		Welcast Steels Limited	1,067.72	69.80
		AB Tradelink Private Limited	30,074.80	27,100.98
2	Recovery of freight charges	Vega Industries (Middle East) F.Z.C.	7,034.63	8,352.84
		Vega Middle East (DFTZ) FZE	2,296.01	-
3	Corporate Guarantee Fees	Vega Industries (Middle East) F.Z.C.	46.90	35.04
4	Dividend received	Vega Industries (Middle East) F.Z.C.	14,755.39	13,521.27
		Welcast Steels Limited	11.94	11.94
5	Insurance premium on ECGC	Vega Industries (Middle East) F.Z.C.	299.28	221.59
6	Purchase of goods (inclusive of taxes)	Welcast Steels Limited	1,024.89	1,037.44
		Vega Industries Limited U.S.A.	32.04	-
		Wuxi Vega Trade Co. Limited	30.31	20.01
		Harsha Engineers International Limited	2,730.21	4,062.24
		Harsha Engineers Advantek Limited	35.38	-
7	Recovery of travelling expenses	Vega Industries (Middle East) F.Z.C.	33.62	72.70
8	Recovery of professional consultancy fees	Vega Industries (Middle East) F.Z.C.	502.75	27.25
9	Commission expense on sales	Vega Industries (Middle East) F.Z.C.	124.40	24.84
10	CSR expenses	AIA CSR Foundation	619.55	916.80
11	Commission expense on purchases	AB Tradelink Private Limited	116.98	110.44
12	SAP ERP functional and technical support	Discus IT Private Limited	90.93	99.34
13	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
14	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	257.26	88.01
15	Rent, rates and taxes	Mrs. Giraben K. Shah	4.22	4.22
16	Travelling expenses	Vee Connect Travel Private Limited	161.11	176.10
17	Other expenses	Cocoa Drama	2.23	3.11
18	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	120.74	128.98
		Mr. Yashwant M. Patel	30.32	30.32
19	Sitting fees paid	Mr. Rajendra S. Shah	2.40	2.60
		Mr. Sanjay S. Majmudar	3.60	2.60
		Mr. Dileep C. Choksi	1.60	1.45
		Mr. Rajan Harivallabhdas	3.60	2.20
		Mrs. Janaki Udayanbhai Shah	2.60	1.60
		Mrs. Khushali Samip Solanki	2.80	1.60
		Mrs. Bhumika Shyamal Shodhan	2.80	1.85
		Mr. Piyush B. Shah	1.60	-
20	Commission to Directors	Mr. Sanjay S. Majmudar	22.50	22.00
		Mrs. Khushali Samip Solanki	18.00	18.00

Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 45: RELATED PARTY DISCLOSURES (CONTD.)**

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

(₹ in Lakhs)				
Sr. no.	Particulars	Name of related party	31 March, 2025	31 March, 2024
1	<b>Trade receivables</b>			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	74,548.52	1,15,678.09
		Vega Middle East (DFTZ) FZE	32,772.30	-
		Welcast Steels Limited	25.13	-
			<b>1,07,345.95</b>	1,15,678.09
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	5,136.68	2,193.15
			<b>1,12,482.63</b>	1,17,871.24
2	<b>Contractually Reimbursable Expenses</b>			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,351.93	1,172.85
		Vega Middle East (DFTZ) FZE	2,272.50	-
			<b>3,624.43</b>	1,172.85
3	<b>Trade payables</b>			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	124.40	25.07
		Vega Industries Limited U.S.A.	32.04	-
			<b>156.44</b>	25.07
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	6.48	33.43
		Harsha Engineers International Limited	197.10	270.25
		Harsha Engineers Advantek Limited	4.34	-
		Vee Connect Travels Private Limited	4.55	13.94
			<b>212.47</b>	317.62
	Independent directors	Mr. Sanjay S. Majmudar	20.25	19.80
			<b>20.25</b>	19.80
	Relatives of key managerial personnel	Mrs. Giraben K. Shah	0.32	0.32
		Mrs. Gitaben B. Shah	0.09	0.09
			<b>0.41</b>	0.41
			<b>389.57</b>	362.90
4	<b>Provision for employee benefits</b>			
	Post employment benefit plan of the Company	AIA Employee's Gratuity Trust Fund, India	395.74	257.26
			<b>395.74</b>	257.26
5	<b>Advances</b>			
	Subsidiaries	Wuxi Vega Trade Co. Limited	11.19	-
			<b>11.19</b>	-
6	<b>Bank guarantees</b>			
	Subsidiaries	Vega Industries (Middle East) F.Z.C.	2,136.46	1,666.93
			<b>2,136.46</b>	1,666.93
7	<b>Other financial liabilities</b>			
	Key managerial personnel	Mr. Bhadresh K. Shah	4.75	4.45
		Mr. Yashwant M. Patel	1.88	1.99
			<b>6.63</b>	6.44



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 45: RELATED PARTY DISCLOSURES (CONTD.)****E Breakup of compensation paid to key managerial personnel:**

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2025	31 March, 2024
1	Short-term employee benefits	Mr. Bhadresh K. Shah	120.74	128.98
		Mr. Yashwant M. Patel	30.32	30.32
			<b>151.06</b>	159.30

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

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties. Refer Note 47.

**NOTE 46: OPERATING SEGMENTS****(a) Information about reportable segment:**

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

**(b) Information about geographical segment:**

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

(₹ in Lakhs)

Particulars	31 March, 2025	31 March, 2024
(1) Revenues from external customers including operating revenue:		
India	1,49,005.48	1,37,453.23
U.A.E.	1,75,882.75	2,47,461.58
Others	23,756.53	29,480.18
(2) Non-current assets (excluding financial assets and tax assets):		
India	1,25,668.12	1,22,751.00
Others	-	-

(₹ in Lakhs)

Particulars	31 March, 2025	31 March, 2024
(a) Breakup of revenues:		
Revenue from operations	3,42,564.41	4,06,204.15
Other operating revenue	6,080.35	8,190.84
(b) Non-current assets		
Non-current assets (excluding financial instruments and tax assets). All non-current assets of the Company are located in India	1,25,668.12	1,22,751.00

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. and Vega Middle East (DFTZ) FZE is disclosed above.

**NOTE 47:** The Company's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended 31 March, 2024. The management believes that the Company's international transactions with associated enterprises post 31 March, 2024 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 2024-25 and the amount of provision for taxation as at 31 March, 2025.



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 48: FINANCIAL RISK MANAGEMENT

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

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

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

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

#### Credit risk

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

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

- Actual or expected significant adverse changes in business
- Actual or expected significant changes in the operating results of the counterparty
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- Significant increase in credit risk on other financial instruments of the same counterparty.

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



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)**

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:**

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

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

Particulars	(₹ in Lakhs)	
	31 March, 2025	31 March, 2024
Balance at the Beginning of the year	53.66	95.82
Impairment loss/(reversal) during the year	68.45	(42.16)
Balance at the end of the year	122.11	53.66

Loss allowance as on 31 March, 2025 and 31 March, 2024 was determined as follows:

As at 31 March, 2025	(₹ in Lakhs)		
	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	0.00%	-	-
Not Due	0.02%	18,217.40	3.62
Less than 6 months	0.03%	9,577.07	2.69
6 months - 1 year	0.80%	339.09	2.71
1-2 years	2.91%	633.56	18.42
2-3 years	23.98%	100.83	24.18
More than 3 years	76.59%	92.03	70.49
Gross carrying amount - Direct Customer		28,959.98	122.11
Gross carrying amount - Subsidiary	0.00%	1,07,345.95	-
<b>Total Gross carrying amount</b>		<b>1,36,305.93</b>	<b>122.11</b>

Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)**

(₹ in Lakhs)

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

**Expected credit loss for loans and deposits:**

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
<b>As at 31 March, 2025</b>					
<b>Loss allowance measured at 12 month expected credit losses:</b>					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	13,136.02	-	-	13,136.02
	Deposits	766.66	-	-	766.66
<b>Loss allowance measured at life time expected credit losses:</b>					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
<b>As at 31 March, 2024</b>					
<b>Loss allowance measured at 12 month expected credit losses:</b>					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	12,750.49	-	-	12,750.49
	Deposits	779.98	-	-	779.98
<b>Loss allowance measured at life time expected credit losses:</b>					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

**Expected credit loss for trade receivables under simplified approach:**

**Ageing of trade receivables as at year end:**

(₹ in Lakhs)

From due date of invoice	31 March, 2025	31 March, 2024
Not due	93,685.17	99,919.19
0 - 3 months	19,004.66	19,004.66
3 - 6 months	17,568.04	16,117.20
6 - 12 months	4,878.51	3,808.11
Beyond 12 months	1,169.55	344.89
Gross carrying amount	1,36,305.93	1,39,194.05
Expected credit loss	(122.11)	(53.66)
<b>Net carrying amount</b>	<b>1,36,183.82</b>	<b>1,39,140.39</b>



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)****Liquidity risk**

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
0-1 Year	393.67	329.79
2-5 Years	209.39	368.77
<b>Grand Total</b>	<b>603.06</b>	<b>698.56</b>

**Financing arrangements**

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Fund and non-fund based facilities	<b>1,30,295.02</b>	70,012.60

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

Particulars	(₹ in Lakhs)		
	0-1 years	1-5 years	Total
<b>As at 31 March, 2025</b>			
<b>Non-derivative financial liabilities</b>			
Short term borrowings	48,500.00	-	48,500.00
Trade payables	14,290.99	-	14,290.99
Other financial liabilities	2,466.36	-	2,466.36
<b>Total</b>	<b>65,257.35</b>	<b>-</b>	<b>65,257.35</b>
<b>Derivative financial liabilities</b>			
Derivatives	47.38	-	47.38
<b>As at 31 March, 2024</b>			
<b>Non-derivative financial liabilities</b>			
Short term borrowings	45,459.50	-	45,459.50
Trade payables	12,543.31	-	12,543.31
Other financial liabilities	2,632.41	-	2,632.41
<b>Total</b>	<b>60,635.22</b>	<b>-</b>	<b>60,635.22</b>
<b>Derivative financial liabilities</b>			
Derivatives	-	-	-

Note: Guarantees issued by the Company aggregating to ₹ 2,136.46 Lakhs (previous year: ₹ 1666.93 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the Company does not have any present obligation to third parties in relation to such guarantees.

**Market risk - interest rate**

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

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)

#### Exposure to interest rate risk

(₹ in Lakhs)

Particulars	31 March, 2025	31 March, 2024
Borrowings bearing fixed rate of interest	-	-
Borrowings bearing variable rate of interest	48,500.00	45,459.50

#### Interest rate sensitivity

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

(₹ in Lakhs)

Movement - effects on profit before tax	Year ended 31 March, 2025	Year ended 31 March, 2024
50 bp increase-decrease in profits	(242.50)	(227.30)
50 bp decrease-increase in profits	242.50	227.30

#### 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	GBP
<b>As at 31 March, 2025:</b>						
Trade receivables (net of hedge) (a)	8,84,60,753	1,21,68,028	3,77,58,004	-	1,50,51,751	-
Bank balances in EEFC accounts (b)	58,22,888	21,60,315	300	42	16,51,005	-
Exposure to foreign currency risk (assets) (a+b)	9,42,83,641	1,43,28,343	3,77,58,304	42	1,67,02,755	-
Trade payables (c)	12,64,012	2,24,065	-	7,186	-	74,009
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	12,64,012	2,24,065	-	7,186	-	74,009
<b>As at 31 March, 2024:</b>						
Trade receivables (net of hedge) (a)	7,70,02,662	1,33,71,819	1,48,43,872	15,05,140	2,18,35,217	-
Bank balances in EEFC accounts (b)	26,80,562	2,84,876	50	42	23,586	-
Exposure to foreign currency risk (assets) (a+b)	7,96,83,224	1,36,56,695	1,48,43,922	15,05,182	2,18,58,803	-
Trade payables (c)	1,94,381	1,55,019	-	6,704	-	13,027
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	1,94,381	1,55,019	-	6,704	-	13,027





Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

#### NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)

##### Foreign currency risk sensitivity

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
<b>USD sensitivity</b>						
INR/USD- increase by	1.00	1.00	794.93	662.51	635.09	529.30
INR/USD- decrease by	1.00	1.00	(794.93)	(662.51)	(635.09)	(529.30)
<b>Euro sensitivity</b>						
INR/Euro- increase by	1.00	1.00	130.11	121.66	103.95	97.19
INR/Euro- decrease by	1.00	1.00	(130.11)	(121.66)	(103.95)	(97.19)
<b>ZAR sensitivity</b>						
INR/ZAR- increase by	1.00	1.00	17.55	6.56	14.02	5.24
INR/ZAR- decrease by	1.00	1.00	(17.55)	(6.56)	(14.02)	(5.24)
<b>CAD sensitivity</b>						
INR/CAD- increase by	1.00	1.00	(0.04)	9.22	(0.03)	7.37
INR/CAD- decrease by	1.00	1.00	0.04	(9.22)	0.03	(7.37)
<b>AUD sensitivity</b>						
INR/AUD- increase by	1.00	1.00	89.00	118.84	71.10	94.95
INR/AUD- decrease by	1.00	1.00	(89.00)	(118.84)	(71.10)	(94.95)
<b>GBP sensitivity</b>						
INR/GBP- increase by	1.00	1.00	(0.82)	(0.14)	(0.65)	(0.11)
INR/GBP- decrease by	1.00	1.00	0.82	0.14	0.65	0.11

The following significant exchange rates have been applied during the year

Rupees	Average rate		Year-end spot rate	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
USD	84.43	82.70	85.46	83.35
EUR	90.51	89.66	92.25	90.10
ZAR	4.61	4.43	4.65	4.42
CAD	60.79	61.33	59.43	61.55
GBP	107.74	103.61	110.18	105.23
AUD	54.99	54.39	53.28	54.37
AED	22.99	22.52	23.27	22.69
CNY	11.71	11.59	11.76	11.54
RUB	0.89	0.94	1.01	0.90
CLP	0.09	0.10	0.09	0.09
IDR	0.01	0.01	0.01	0.01
SOL	22.61	22.41	23.32	22.41
GHS	5.60	7.06	5.53	6.32

##### 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.

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)

#### Cash flow hedge:

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

Currency - sold/bought	Exposure to buy/sell	No. of contracts	Net position		Fair value gain/(loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2025					
USD/INR	Sell	157	1,65,12,500	14,111.33	(87.90)
AUD/INR		34	52,00,000	2,770.77	223.88
					135.98
		Less: Deferred tax			34.22
		Balance in cash flow hedge reserve			101.76
31 March, 2024					
USD/INR	Sell	208	2,37,50,000	19,794.82	44.98
AUD/INR		111	1,82,00,000	9,894.92	287.00
					331.98
		Less: Deferred tax			83.55
		Balance in cash flow hedge reserve			248.43

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

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Balance at the beginning of the year (net of tax)	248.43	164.40
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(146.67)	84.03
<b>Balance at the end of the year (net of tax)</b>	<b>101.76</b>	<b>248.43</b>

#### Commodity Risk

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

- (i) widening its sourcing base;
- (ii) appropriate contracts with vendors and customers and commitments;
- (iii) well planned procurement and inventory strategy.

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

#### Consumption details of Metal scrap and Ferro chrome:

Particulars	(Qty. in MT)	
	2024-25	2023-24
Metal scrap	1,86,462	2,25,206
Ferro chrome	58,068	43,485



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 48: FINANCIAL RISK MANAGEMENT (CONTD.)****Commodity price sensitivity:**

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

(₹ in Lakhs)		
Particulars	2024-25	2023-24
₹ 1 increase in commodity price	(2,445.30)	(2,686.90)
₹ 1 decrease in commodity price	2,445.30	2,686.90

**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	2024-25	2023-24
Debt	48,500.00	45,459.50
Total equity	6,70,620.97	6,45,583.57
Debt to total equity	0.07	0.07

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

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

**NOTE 49: FAIR VALUE MEASUREMENTS**

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

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

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

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

**A. Financial assets:**

(₹ in Lakhs)						
Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2025						
Non-current investments <sup>#</sup>	8	76.78	-	-	76.78	76.78
Current investments	15	3,62,262.12	16,912.46	-	3,79,174.58	3,79,174.58
Trade receivables	9,16	-	-	1,36,183.82	1,36,183.82	-
Loans	10,18	-	-	13,136.02	13,136.02	-
Cash and cash equivalents	17	-	-	10,053.11	10,053.11	-
Bank balances other than above	17	-	-	3,927.42	3,927.42	-
Other financial assets	11,19	-	-	8,367.69	8,367.69	-
Total		3,62,338.90	16,912.46	1,71,668.06	5,50,919.42	3,79,251.36

# Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 49: FAIR VALUE MEASUREMENTS (CONTD.)

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
<b>As at 31 March, 2024</b>						
Non-current investments #	8	83.66	-	-	83.66	83.66
Current investments	15	1,03,991.43	1,87,126.99	-	2,91,118.42	2,91,118.42
Trade receivables	9,16	-	-	1,39,140.39	1,39,140.39	-
Loans	10,18	-	-	12,750.49	12,750.49	-
Cash and cash equivalents	17	-	-	5,004.76	5,004.76	-
Bank balances other than above	17	-	-	37,206.67	37,206.67	-
Other financial assets	11,19	331.98	-	24,935.43	25,267.41	331.98
<b>Total</b>		<b>1,04,407.07</b>	<b>1,87,126.99</b>	<b>2,19,037.74</b>	<b>5,10,571.80</b>	<b>2,91,534.06</b>

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

### B. Financial liabilities:

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
<b>As at 31 March, 2025</b>						
Borrowings	25	-	-	48,500.00	48,500.00	-
Trade payables	27	-	-	14,290.99	14,290.99	-
Other financial liabilities	28	47.38	-	2,466.36	2,513.74	47.38
<b>Total</b>		<b>47.38</b>	<b>-</b>	<b>65,257.35</b>	<b>65,304.73</b>	<b>47.38</b>
<b>As at 31 March, 2024</b>						
Borrowings	25	-	-	45,459.50	45,459.50	-
Trade payables	27	-	-	12,543.31	12,543.31	-
Other financial liabilities	28	-	-	2,632.41	2,632.41	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>60,635.22</b>	<b>60,635.22</b>	<b>-</b>

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

(₹ in Lakhs)

Particulars	Note	Fair value	Level 1	Level 2	Level 3
<b>As at 31 March, 2025</b>					
<b>Financial assets</b>					
Current investments	15				
Investments in mutual funds (quoted)		2,71,953.03	2,71,953.03	-	-
Investments in bonds (quoted)		42,956.49	42,956.49	-	-
Investment in government securities (quoted)		64,265.06	64,265.06	-	-
Derivatives		-	-	-	-
<b>As at 31 March, 2024</b>					
<b>Financial assets</b>					
Current investments	15				
Investments in mutual funds (quoted)		71,423.16	71,423.16	-	-
Investments in bonds (quoted)		1,91,428.58	1,91,428.58	-	-
Investment in commercial paper (quoted)		19,574.78	19,574.78	-	-
Investment in government securities (quoted)		8,691.90	8,691.90	-	-
Derivatives		331.98	-	331.98	-

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, 2025 (Contd.)

**NOTE 50: AGEING OF NON-CURRENT TRADE RECEIVABLES**

**As at 31 March, 2025**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	22.82	2.19	1.78	0.12	0.90	27.81
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
	-	-	22.82	2.19	1.78	0.12	0.90	27.81

**As at 31 March, 2024**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	3.47	22.39	6.19	23.47	10.02	65.54
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
	-	-	3.47	22.39	6.19	23.47	10.02	65.54



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 51: AGEING OF CURRENT TRADE RECEIVABLES**

As at 31 March, 2025

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade Receivables - considered good	-	93,685.17	36,549.88	4,876.32	974.91	100.71	33.53
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	57.60
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	-	93,685.17	36,549.88	4,876.32	974.91	100.71	91.13
Less: Allowance for expected credit loss	-	(3.62)	(2.69)	(2.71)	(18.42)	(24.18)	(70.49)
	-	93,681.55	36,547.19	4,873.61	956.49	76.53	20.64
							1,36,278.12
							(122.11)
							1,36,156.01

As at 31 March, 2024

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



Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 52: AGEING OF TRADE PAYABLES**

**As at 31 March, 2025**

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment			Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	2,026.62	86.82	-	-	-
(ii) Others	901.58	8,834.04	2,261.39	141.13	35.39	4.02
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
	<b>901.58</b>	<b>10,860.66</b>	<b>2,348.21</b>	<b>141.13</b>	<b>35.39</b>	<b>4.02</b>
						<b>14,290.99</b>

**As at 31 March, 2024**

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

## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 53: CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Company has incurred the following expenditure on CSR activities for the year ended 31 March:

(₹ in Lakhs)			
Sr. no.	Particulars	31 March, 2025	31 March, 2024
1	Corporate Social Responsibility expenses for the year	2,096.55	1,652.10
2	Various Head of expenses included in above:		
	Eradicating hunger, poverty and malnutrition	46.00	145.00
	Promoting healthcare including preventing health care	154.00	385.00
	Promoting education	1,211.00	111.80
	Heritage, art and culture	33.00	65.00
	Contributions to Indian Institute of Technology (IITs)	-	8.00
	Protection of environment and Animal welfare	28.00	5.50
	Promotion of sports	5.00	15.00
	Contribution to AIA CSR Foundation as per Schedule 7 of the Companies Act, 2013 (refer 3 below)	619.55	916.80
	Gross amount required to be spent by the Company during the year	2,096.55	1,652.10
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	2,096.55	1,652.10
3	Details of Related party transactions	619.55	916.80
4	Provision for CSR Expenses		
	Opening balance	-	-
	Add: Provision created during the year	-	-
	Less: Provision utilised during the year	-	-
	Closing balance	-	-
5	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
6	The total of previous years' shortfall amounts	-	-
7	The reason for above shortfalls by way of a note	Not Applicable	
8	The nature of CSR activities undertaken by the Company	As per Schedule VII of the Companies Act, 2013	

### NOTE 54: RATIOS

Particulars	31 March, 2025	31 March, 2024	Variance	Remarks
<b>Liquidity Ratio</b>				
(a) Current Ratio (times)	9.15	9.08	0.75%	Refer Note 1
<b>Solvency Ratio</b>				
(a) Debt-Equity Ratio (times)	0.07	0.07	2.71%	Refer Note 1
(b) Debt Service Coverage Ratio (times)	58.52	38.21	53.14%	Increased on account of decrease in interest on borrowings.



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 54: RATIOS (CONTD.)

Particulars	31 March, 2025	31 March, 2024	Variance	Remarks
<b>Profitability ratio</b>				
(a) Net Profit Ratio (%)	29.82	27.80	7.25%	Refer Note 1
(b) Return on Equity Ratio (%)	15.52	18.94	(18.03%)	Refer Note 1
(c) Return on Capital employed (%)	18.37	21.38	(14.05%)	Refer Note 1
(d) Return on Investment (%)	7.34	7.85	(6.44%)	Refer Note 1
<b>Utilisation Ratio</b>				
(a) Trade Receivables turnover ratio (times)	2.52	2.92	(13.84%)	Refer Note 1
(b) Inventory turnover ratio (times)	5.23	6.14	(14.87%)	Refer Note 1
(c) Trade payables turnover ratio (times)	15.98	23.17	(31.01%)	Decreased on account of increase in trade payable.
(d) Net capital turnover ratio (times)	0.62	0.79	(21.84%)	Refer Note 1

Note 1: For variances below 25% explanation not required

Sr. no.	Ratio	Numerator	Denominator
1	Current Ratio	Current Assets	Current Liability
2	Debt-equity ratio	Total Debt	Total Equity
3	Debt service coverage ratio	Earnings before Interest and Tax and Gain/Loss on sale of Fixed Assets	Interest & Lease Payments + Principal Repayments
4	Net profit ratio	Profit after Tax	Total Sales
5	Return on equity ratio	Profit after Tax	Average Equity
6	Return on capital employed	Earnings before Interest and Tax	Capital Employed = Tangible Net worth + Total Debt + Deferred Tax Liability
7	Return on investment	Income generated from invested funds	Average invested funds in treasury investments
8	Trade receivables turnover ratio	Total Sales	Trade Receivables
9	Inventory turnover ratio	Total Sales	Average Inventory
10	Trade payables turnover ratio	Raw Material and Stores Purchase and Other Expenses (Excluding CSR, lease rent, Bad debts, Donation, Warranty Expenses and Loss on sale of Fixed Assets, Allowance for expected credit loss (net), Fair value loss on Interest rate swap)	Trade Payables
11	Net capital turnover ratio	Net Sales	Working Capital

## NOTE 55: RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Lakhs)

Sr. no.	Name of struck off companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off company
			31 March, 2025	31 March, 2024	
1	Gripon Profiles & Engg Private Limited (Advance was given in March 2014 and legal case is filed against vendor)	Purchase	4.43	4.43	None



## Notes to the standalone financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 56:** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached.

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

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**SANJAY S. MAJMUDAR**  
Director  
(DIN: 00091305)

**RUPEN SHAH**  
Partner  
Membership No: 116240

**VIREN K. THAKKAR**  
Chief Financial Officer

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

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025





# Independent Auditor's Report

## To the Members of AIA Engineering Limited

### Report on the Audit of the Consolidated Financial Statements

#### OPINION

We have audited the consolidated financial statements of AIA Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2025, of its consolidated profit and

other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTER

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

#### REVENUE RECOGNITION FROM SALE OF PRODUCTS

See Note 3(j) and Note 32 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue of the Group mainly comprises of sale of products (i.e. high chrome mill internals) to its customers.</p> <p>Revenue from sale of goods is recognized when control is transferred to the customer. This requires detailed analysis of each customer contract regarding timing of revenue recognition.</p> <p>Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer.</p> <p>Accordingly, timing of recognition of revenue is a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Assessing the Group's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of products;</li> <li>Testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts and proof of dispatch/delivery in accordance with the contractual terms agreed with the customers;</li> <li>Testing of revenue recognized near the year-end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on underlying documents along with terms and conditions set out in customer contracts;</li> </ul>

## Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Understanding the Company's process for identifying, recording and disclosing related parties and related party transactions;</li> <li>Testing the underlying data for ascertaining arm's length pricing and sighting the approvals of the Audit Committee for related party transactions;</li> <li>Evaluating the adequacy of the consolidated financial statement disclosures.</li> </ul>

### OTHER INFORMATION

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that

are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due



## Independent Auditor's Report (Contd.)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors

remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

### OTHER MATTERS

- a. We did not audit the financial statements of 11 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 223,902.78 lakhs as at 31 March 2025, total revenues (before consolidation adjustments) of ₹ 347,089.39 lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 16,555.05 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income, before consolidation adjustments) of ₹ 1,274.70 lakhs for the year ended 31 March 2025, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, and our report in

## Independent Auditor's Report (Contd.)

terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the reports of the other auditors.

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

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The financial information of 2 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 7,407.35 lakhs as at 31 March 2025, total revenues (before consolidation adjustments) of ₹ 5,441.40 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 211.98 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of

this matter with respect to the financial information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries incorporated in India as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors on 31 March 2025 and 03 April 2025 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of



## Independent Auditor's Report (Contd.)

the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and a joint venture, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group and its joint venture. Refer Note 43(a) to the consolidated financial statements.
  - b. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.
  - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.
  - d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 46 to the

consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been received by the Holding Company or subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the



## Independent Auditor's Report (Contd.)

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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

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

- f. Based on our examination which included test checks and procedures performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary companies have used accounting softwares for maintaining the books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares, except in case of the Holding Company, the feature of recording audit trail (edit log) was not enabled for the period from 01 April 2024 to 17 December 2024 at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

Further, for the period audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Rupen Shah**

Partner

Place: Ahmedabad

Date: 23 May 2025

Membership No.: 116240

ICAI UDIN:25116240BMMLLL8848



## **Annexure A** to the Independent Auditor's Report on the Consolidated Financial Statements of AIA Engineering Limited for the year ended 31 March, 2025

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

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Rupen Shah**

Partner

Membership No.: 116240

ICAI UDIN:25116240BMMLLL8848

Place: Ahmedabad

Date: 23 May 2025

## **Annexure B** to the Independent Auditor's Report on the consolidated financial statements of AIA Engineering Limited for the year ended 31 March, 2025

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

### **OPINION**

In conjunction with our audit of the consolidated financial statements of AIA Engineering Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to financial statements of subsidiary companies as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance

with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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



Annexure B to the Independent Auditor's Report on the consolidated financial statements of AIA Engineering Limited for the year ended 31 March, 2025 (Contd.)

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

**OTHER MATTER**

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

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Rupen Shah**

Partner

Place: Ahmedabad

Date: 23 May 2025

Membership No.: 116240

ICAI UDIN:25116240BMMLL8848



# Consolidated Balance Sheet

As at 31 March, 2025

(₹ in Lakhs)

Particulars	Note	As at 31 March, 2025	As at 31 March, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	1,09,410.50	1,03,524.96
(b) Right of use assets	5	5,779.61	5,190.18
(c) Capital work-in-progress	6	7,694.88	9,216.99
(d) Goodwill	7	460.69	460.69
(e) Goodwill on consolidation	7	1,528.79	1,528.79
(f) Other intangible assets	7	330.39	324.74
(g) Financial assets			
(i) Investments	8	9,347.44	6,649.43
(ii) Trade receivables	9	27.81	65.54
(iii) Loans	10	221.12	12,623.73
(iv) Other financial assets	11	796.02	794.23
(h) Deferred tax assets	40 (b)	93.08	99.30
(i) Other tax assets (net)	12	1,143.56	4,267.75
(j) Other non-current assets	13	3,079.38	4,908.74
<b>Total non-current assets</b>		<b>1,39,913.27</b>	<b>1,49,655.07</b>
<b>Current assets</b>			
(a) Inventories	14	1,01,680.38	1,20,466.04
(b) Financial assets			
(i) Investments	15	3,82,506.78	2,97,661.28
(ii) Trade receivables	16	82,637.89	88,031.33
(iii) Cash and cash equivalents	17	39,710.87	18,032.70
(iv) Bank balances other than (iii) above	17	4,042.91	37,326.84
(v) Loans	18	13,010.93	204.87
(vi) Other financial assets	19	4,554.39	23,713.14
(c) Other current assets	20	15,349.95	14,425.27
<b>Total current assets</b>		<b>6,43,494.10</b>	<b>5,99,861.47</b>
<b>Total assets</b>		<b>7,83,407.37</b>	<b>7,49,516.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	21	1,866.41	1,886.41
(b) Other equity	22	6,90,833.43	6,63,887.78
Equity attributable to owners of the Company		6,92,699.84	6,65,774.19
(c) Non-controlling interest		1,007.94	1,028.94
<b>Total equity</b>		<b>6,93,707.78</b>	<b>6,66,803.13</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	23	200.38	340.50
(b) Provisions	24	1,049.56	1,706.50
(c) Deferred tax liabilities (net)	40(b)	9,661.44	5,809.02
<b>Total non-current liabilities</b>		<b>10,911.38</b>	<b>7,856.02</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	48,500.00	45,459.50
(ii) Lease Liabilities	26	356.44	306.02
(iii) Trade payables	27		
Total outstanding dues of micro and small enterprises		2,199.29	2,061.72
Total outstanding dues of creditors other than micro and small enterprises		17,469.96	15,801.81
(iv) Other financial liabilities	28	2,634.75	2,727.10
(b) Other current liabilities	29	5,637.17	5,563.62
(c) Provisions	30	902.40	720.51
(d) Current tax liabilities (net)	31	1,088.20	2,217.11
<b>Total current liabilities</b>		<b>78,788.21</b>	<b>74,857.39</b>
<b>Total liabilities</b>		<b>89,699.59</b>	<b>82,713.41</b>
<b>Total equity and liabilities</b>		<b>7,83,407.37</b>	<b>7,49,516.54</b>

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

As per our report of even date attached.

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

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**SANJAY S. MAJMUDAR**  
Director  
(DIN: 00091305)

**RUPEN SHAH**  
Partner  
Membership No: 116240

**VIREN K. THAKKAR**  
Chief Financial Officer

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

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025





# Consolidated Statement of Profit and Loss

For the year ended 31 March, 2025

(₹ in Lakhs)			
Particulars	Note	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>Income</b>			
Revenue from operations	32	4,28,744.39	4,85,376.13
Other income	33	33,162.79	28,140.12
<b>Total income</b>		<b>4,61,907.18</b>	<b>5,13,516.25</b>
<b>Expenses</b>			
Cost of materials consumed	34	1,65,778.68	1,95,693.83
Purchases of stock-in-trade		282.71	-
Changes in inventories of finished goods and work-in-progress	35	7,709.00	11,571.32
Employee benefits expense	36	18,547.87	17,140.29
Finance costs	37	2,109.13	2,837.87
Depreciation and amortisation expense	38	10,307.39	10,027.15
Other expenses	39	1,21,504.51	1,27,595.10
<b>Total expenses</b>		<b>3,26,239.29</b>	<b>3,64,865.56</b>
<b>Profit before share of profit of joint venture and tax</b>		<b>1,35,667.89</b>	<b>1,48,650.69</b>
<b>Share of profit of joint venture, Net of Tax</b>		<b>1,175.13</b>	<b>151.23</b>
<b>Profit before tax</b>		<b>1,36,843.02</b>	<b>1,48,801.92</b>
<b>Tax expense</b>	40 (a)		
Current tax		26,501.91	32,750.09
Short provision for tax of earlier years		573.63	640.46
Deferred tax		3,760.11	1,712.13
<b>Total tax expense</b>		<b>30,835.65</b>	<b>35,102.68</b>
<b>Profit for the year</b>		<b>1,06,007.37</b>	<b>1,13,699.24</b>
<b>Other Comprehensive Income/(Loss) ('OCI')</b>			
A Items that will not be reclassified to profit and loss	42 (iv)		
(i) Remeasurement of defined employee benefit plan		(138.77)	(35.36)
(ii) Income tax relating to items that will not be reclassified to profit and loss		34.93	8.90
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		(553.36)	361.84
(ii) Fair value changes on debt instrument through OCI		603.21	235.09
(iii) Loss on account of translating the financial statements of foreign operations		(2,179.66)	(2,250.93)
(iv) Income tax relating to items that will be reclassified to profit and loss		(12.54)	(150.25)
<b>Other comprehensive Income/(Loss) for the year (net of taxes)</b>		<b>(2,246.19)</b>	<b>(1,830.71)</b>
<b>Total comprehensive income for the year (comprising profit and other comprehensive income for the year)</b>		<b>1,03,761.18</b>	<b>1,11,868.53</b>
<b>Profit for the year attributable to :</b>			
- Owners of the Holding Company		1,06,073.60	1,13,557.33
- Non-controlling interests		(66.23)	141.91
<b>Other comprehensive income/(loss) for the year attributable to :</b>			
- Owners of the Holding Company		(2,243.81)	(1,828.89)
- Non-controlling interests		(2.38)	(1.82)
<b>Total comprehensive income for the year attributable to :</b>			
- Owners of the Holding Company		1,03,829.79	1,11,728.44
- Non-controlling interests		(68.61)	140.09
<b>Earnings per equity share of par value of ₹ 2 each:</b>			
Basic and diluted	41	113.14	120.40

The accompanying notes are integral part of these consolidated financial statements.

2 - 54

As per our report of even date attached.

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

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

**BHADRESH K. SHAH**  
 Managing Director  
 (DIN: 00058177)

**SANJAY S. MAJMUDAR**  
 Director  
 (DIN: 00091305)

**RUPEN SHAH**  
 Partner  
 Membership No: 116240

**VIREN K. THAKKAR**  
 Chief Financial Officer

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

Place: Ahmedabad  
 Date: 23 May, 2025

Place: Ahmedabad  
 Date: 23 May, 2025

Place: Ahmedabad  
 Date: 23 May, 2025

As at 31 March, 2025

## (₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the reporting year	1,886.41	1,886.41
Less : Extinguished pursuant to buyback of shares	(20.00)	-
Balance at the end of the reporting year	<b>1,866.41</b>	1,886.41

(b) in a

Particulars	Reserves and Surplus						Item of Other Comprehensive Income			Total attributable to owners of the Company	Attributable to Non-controlling interests	Total
	Securities premium	Capital redemption reserve	General reserve	Statutory reserve	Retained earnings	Effective portion of Cash flow of hedge	Exchange differences on translation of foreign operations	Instrument Through OCI	Debt			
Balance as at 01 April, 2023	26,873.88	1,925.74	16,467.61	9.96	5,32,065.61	361.14	(9,990.12)	(467.63)		5,67,246.19	893.61	5,68,139.80
Total Comprehensive income for the year ended 31 March, 2024												
Profit for the year	-	-	-	-	1,13,557.33	-	-	-	-	1,13,557.33	141.91	1,13,699.24
Other Comprehensive income for the year	-	-	-	-	(24.27)	270.76	-	175.92	-	422.41	(2.19)	420.22
Exchange differences on translation of foreign operations	3.89	-	-	0.15	-	-	(2,250.93)	-	-	(2,246.89)	(0.38)	(2,247.27)
Transactions with owners of the group												
Contributions and distributions												
Dividend	-	-	-	-	(15,091.26)	-	-	-	-	(15,091.26)	(4.01)	(15,095.27)
Balance as at 31 March, 2024	26,877.77	1,925.74	16,467.61	10.11	6,30,507.41	631.90	(12,241.05)	(291.71)	-	6,63,887.78	1,028.94	6,64,916.72
Total Comprehensive income for the year ended 31 March, 2025												
Profit for the year	-	-	-	-	1,06,073.60	-	-	-	-	1,06,073.60	(66.23)	1,06,007.37
Other Comprehensive income for the year	-	-	-	-	(101.53)	(414.09)	-	451.40	-	(64.22)	(2.31)	(66.53)
Exchange differences on translation of foreign operations	6.64	-	-	0.26	-	-	(2,179.59)	-	-	(2,172.69)	(0.07)	(2,172.76)
Transactions with owners of the group												
Contributions and distributions												
Dividend	-	-	-	-	(15,091.26)	-	-	-	-	(15,091.26)	(4.01)	(15,095.27)
Buyback of equity shares	(26,579.52)	-	-	-	(23,407.23)	-	-	-	-	(49,986.75)	-	(49,986.75)
Transfer to Capital redemption reserve pursuant to buyback of equity shares	-	20.00	-	-	(20.00)	-	-	-	-	-	-	-
Expenses for Buyback of equity shares	-	-	-	-	(381.55)	-	-	-	-	(381.55)	-	(381.55)



Consolidated Statement of Changes in Equity  
As at 31 March, 2025 (Contd.)

Particulars	Reserves and Surplus					Item of Other Comprehensive Income	Total attributable to owners of the Company	Attributable to Non-controlling interests	Total
	Securities premium	Capital redemption reserve	General reserve	Statutory reserve	Retained earnings	Effective portion of Cash flow of hedge	Exchange differences on translation of foreign operations	Debt Instrument Through OCI	
Tax on Buyback of equity shares	-	-	-	-	(11,583.30)	-	-	-	(11,583.30)
Receipt on account of reissue of equity shares of subsidiary	151.82	-	-	-	-	-	-	-	203.44
<b>Balance as at 31 March, 2025</b>	<b>456.71</b>	<b>1,945.74</b>	<b>16,467.61</b>	<b>10.37</b>	<b>6,85,996.14</b>	<b>217.81</b>	<b>(14,420.64)</b>	<b>159.69</b>	<b>6,90,833.43</b>
									<b>1,007.94</b>
									<b>6,91,841.37</b>

**Nature and purpose of reserves:**

- Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- Capital redemption reserve:** The Group has recognised Capital redemption reserve on redemption of Cumulative redeemable preference Shares. This can be utilised in accordance with the provisions of Companies Act, 2013.
- Statutory reserve:** This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of an overseas subsidiary.
- General reserve:** The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.
- Retained earnings:** Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.
- Cash flow hedge reserve:** This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to consolidated statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.
- Exchange differences on translation of foreign operations:** This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

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

As per our report of even date attached.

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

**RUPEN SHAH**  
Partner  
Membership No: 116240

Place: Ahmedabad  
Date: 23 May, 2025

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**VIREN K. THAKKAR**  
Chief Financial Officer

Place: Ahmedabad  
Date: 23 May, 2025

**SANJAY S. MAJUMDAR**  
Director  
(DIN: 00091305)

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

Place: Ahmedabad  
Date: 23 May, 2025



# Consolidated Statement of Cash Flows

For the year ended 31 March, 2025

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>A. Cash flow from operating activities:</b>		
Profit before tax	1,36,843.02	1,48,801.92
Adjustments for :		
Interest income from financial assets measured at FVTOCI	(5,127.79)	(12,054.49)
Interest income from financial assets measured at FVTPL	-	(264.13)
Interest income from financial assets measured at amortised cost	(3,831.15)	(7,466.95)
Interest income on refund of income tax	-	(1.42)
Gain on sale of current investments measured at FVTPL	(1,729.34)	(915.60)
Financial assets at FVTPL - net change in fair value	(17,050.02)	(4,440.16)
Unrealised loss on foreign exchange fluctuation (net)	678.38	15.42
Fair value loss on interest rate swap	183.36	-
Net (gain)/loss on sale of property, plant and equipment/termination of leases	(3.68)	145.19
Bad debts	10.51	26.37
Depreciation and amortisation expense	10,307.39	10,027.15
Finance costs	2,109.13	2,837.87
Provision for warranties made (net)	3,122.64	319.37
Allowance for expected credit loss/(written back) (net)	68.45	(52.01)
Liabilities/provisions no longer required written back	(10.74)	(429.87)
Share of profit of joint venture, Net of Tax	(1,175.13)	(151.23)
Foreign currency fluctuation on translation of foreign operations	(2,172.76)	(2,247.27)
	1,22,222.27	1,34,150.16
<b>Changes in working capital:</b>		
Decrease/(Increase) in trade receivables	5,166.46	(1,687.77)
(Increase)/Decrease in loans	(403.45)	47.07
Decrease in inventories	18,785.66	1,336.11
Increase in other financial assets	(70.96)	(432.37)
Increase in other non current and current assets	(625.08)	(350.53)
(Decrease)/Increase in provisions	(3,736.46)	162.10
Increase/(Decrease) in trade payables	1,837.03	(8,235.18)
(Decrease)/Increase in other financial liabilities	(24.35)	277.83
Decrease in other current liabilities	(1,305.84)	(2,237.63)
<b>Cash generated from operations</b>	1,41,845.28	1,23,029.79
Income taxes paid (net of refunds)	(25,614.58)	(32,758.22)
<b>Net cash generated from operating activities (A)</b>	1,16,230.70	90,271.57
<b>B. Cash flow from investing activities:</b>		
Acquisition of property, plant and equipment, capital work-in-progress, leasehold land and other intangibles	(13,706.58)	(21,075.73)
Proceeds from sale of property, plant and equipment	220.74	120.87
Purchase of investments (net)	(73,633.74)	(73,065.32)
Redemption of/(Investment in) fixed deposits with bank (net)	50,200.44	(5,956.35)
Amount deposited in escrow account towards voluntary delisting of equity shares of Welcast Steels Limited	-	(621.94)
Interest income	17,508.51	18,747.73
<b>Net cash used in investing activities (B)</b>	(19,410.63)	(81,850.74)
<b>C. Cash flow from financing activities:</b>		
Proceeds from/(Repayment) of current borrowings (net)	3,205.03	(4,305.03)
Dividends paid (Net of TDS)	(13,711.87)	(13,687.57)
Buyback of equity shares	(50,006.75)	-
Expenses for Buyback of equity shares	(381.55)	-
Tax on Buyback of equity shares	(11,583.30)	-
Receipt on account of reissue of equity shares of subsidiary	203.44	-
Dividends paid to minority shareholders (Net of TDS)	(4.01)	(4.01)
Finance cost paid	(1,553.53)	(2,676.87)
Interest paid on lease liabilities	(64.89)	(53.80)
Principal repayment of lease liabilities	(373.51)	(371.01)
<b>Net cash used in financing activities (C)</b>	(74,270.94)	(21,098.29)
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	22,549.13	(12,677.46)
<b>E. Add : Cash and cash equivalents at the beginning of the year</b>	18,032.70	30,747.67
<b>F. Less : Effect of movements in exchange rates on cash held</b>	(870.96)	(37.51)
<b>G. Cash and cash equivalents at the end of the year (refer note 2 below)</b>	39,710.87	18,032.70



Consolidated Statement of Cash Flows  
For the year ended 31 March, 2025 (Contd.)

**Note:**

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

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with banks	39,681.12	16,999.52
Balances with banks in fixed deposit accounts (Original maturity less than 3 months)	-	1,000.38
Cash on hand	29.75	32.80
	<b>39,710.87</b>	<b>18,032.70</b>

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

(₹ in Lakhs)

Particulars	Current borrowings (Note 25)	Lease liabilities (Note 23 and 26)	Dividends paid (Net of TDS) (Note 22)	Finance Cost
Balance as at 01 April, 2023	49,600.00	655.14	-	57.33
Repayment of borrowings (Net)	(4,305.03)	-	-	-
Dividends paid (Net of TDS)	-	-	(13,687.57)	-
Interest paid	-	(53.80)	-	(2,676.87)
Amount paid during the year	-	(371.01)	-	-
Net movement during the year	(4,305.03)	(424.81)	(13,687.57)	(2,676.87)
Remeasurement of lease liability	-	370.17	-	-
Foreign exchange difference	-	(7.78)	-	-
Charge to consolidated statement of profit and loss	-	53.80	-	2,784.07
Balance as at 31 March, 2024	45,294.97	646.52	-	164.53
Proceeds from borrowings (Net)	3,205.03	-	-	-
Dividends paid (Net of TDS)	-	-	(13,711.87)	-
Interest paid	-	(64.89)	-	(1,553.53)
Amount paid during the year	-	(373.51)	-	-
<b>Net movement during the year</b>	<b>3,205.03</b>	<b>(438.40)</b>	<b>(13,711.87)</b>	<b>(1,553.53)</b>
Remeasurement of lease liability	-	284.21	-	-
Foreign exchange difference	-	(0.40)	-	-
Charge to consolidated statement of profit and loss	-	64.89	-	1,389.00
<b>Balance as at 31 March, 2025</b>	<b>48,500.00</b>	<b>556.82</b>	<b>-</b>	<b>-</b>

The accompanying notes are integral part of these consolidated financial statements.

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As per our report of even date attached.

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

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**SANJAY S. MAJMUDAR**  
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**RUPEN SHAH**  
Partner  
Membership No: 116240

**VIREN K. THAKKAR**  
Chief Financial Officer

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

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025

Place: Ahmedabad  
Date: 23 May, 2025





# Notes to the consolidated financial statements

for the year ended 31 March, 2025

## 1. BACKGROUND

AIA Engineering Limited (the 'Company') is a public limited company incorporated and domiciled in India. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at 115, G.V.M.M. Estate, Odhav road, Odhav, Ahmedabad – 382410, Gujarat, India. These consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the "Group") and Group's interest in joint ventures for the year ended 31 March, 2025. The Group is primarily involved in the manufacturing of High Chrome Mill Internals.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

The consolidated Ind AS financial statements of the Group comprises, the consolidated balance sheet as at 31 March, 2025, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (herein referred to as "consolidated financial statements").

The consolidated financial statements are approved for issue by the Board of Directors in their meeting held on 23 May, 2025.

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

### 2.2 Basis of measurement

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

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

### 2.3 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses based on historical experiences and other factors, including expectation of future events that may have an impact on the Group and that are reasonable and such estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Assumptions and estimation uncertainties

The following areas are subject to estimation uncertainties and the details thereof are included in respective notes:

- **Note 4, 5 and 7** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and intangible assets, impairment of goodwill;
- **Note 40 (b) and (c)** recognition of deferred tax;
- **Note 42** – measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 24, 30 and 43** – recognition and measurement of provisions and contingencies such as warranty claims: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Notes 9, 16 and 49** – measurement of expected credit loss allowance

#### Judgements

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

- **Note 23 and 26** – Lease Liabilities: key assumptions about reasonable certainty of the Company exercising renewal options under the agreement.
- **Note 8** – investments accounted for using the equity method: whether the Group has joint control over an investee;

### 2.4 Measurement of fair values

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

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

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

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

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

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

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

### **Current/Non-current classification:**

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

## **2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and Group's interest in joint ventures.

### **Subsidiaries:**

#### **Control is achieved when the Company has:**

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

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

### **Joint Venture:**

The Group's interests in equity accounted investees comprises interests in joint venture.

Joint ventures is an arrangement in which the Group has joint control, whereby the Group has rights to net assets of arrangement, rather than rights of his assets and obligation for its liabilities.

Interest in Joint venture are accounted for using equity method. They are initially recognised at cost, which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

### **Non-controlling interests (NCI):**

NCI are measured initially at their proportionate share of acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in subsidiary that do not result in loss of control are accounted for as equity transaction.

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

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

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

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group

transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Unrealised gains arising from transaction with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

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

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

Name of entity	Country of Incorporation	Ownership interest held by the Group		Proportion of ownership interests and voting rights held by non-controlling interests	
		31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
<b>Direct subsidiaries</b>					
Welcast Steels Limited	India	74.85%	74.85%	25.15%	25.15%
AIA CSR Foundation	India	100%	100%	-	-
Vega Industries (Middle East) F.Z.C	U.A.E.	100%	100%	-	-
<b>Indirect subsidiaries</b>					
Vega Industries Limited (1)	U.K.	100%	100%	-	-
Vega Industries Limited (1)	U.S.A.	100%	100%	-	-
Vega Steel Industries (RSA) Proprietary Limited (2)	South Africa	74.63%	74.63%	25.37%	25.37%
Wuxi Vega Trade Co., Limited (1)	China	100%	100%	-	-
PT. Vega Industries Indonesia (3)	Indonesia	100%	100%	-	-
AIA Industries Chile SPA (1)	Chile	100%	100%	-	-
AIA Ghana Limited (1)	Ghana	100%	100%	-	-
Vega Industries Australia Pty Ltd (1)	Australia	100%	100%	-	-
Vega Industries Peru Limited (3)	Peru	100%	100%	-	-
Vega Middle East (DFTZ) FZE(1)	U.A.E.	100%	-	-	-
<b>Joint Venture:</b>					
Vega MPS Pty. Ltd (4)	Australia	56%	43%	-	-



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

- (1) Wholly owned subsidiaries of Vega Industries (Middle East) F.Z.C., U.A.E.
- (2) Subsidiary of Vega Industries (Middle East) F.Z.C., U.A.E.
- (3) 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.
- (4) 56% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 44% is held by promoters of Vega MPS Pty. Ltd, a newly incorporated company, created by promoters of MPS (Mining Products and Service Pty. Ltd.), Australia.

**2.6 Functional and presentation currency**

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

**3. MATERIAL ACCOUNTING POLICIES****a) Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The assets and liabilities of foreign operations (subsidiaries and joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated to ₹ at the exchange rates at the reporting date.

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

Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reallocated to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or 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 Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Financial assets - classification and subsequent measurement**

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

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

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

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

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

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

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

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

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

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

### Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected

cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

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

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

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

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is

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

**Derecognition**
**Financial assets**

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

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

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The group also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liability assumed) is recognised in profit and loss.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance

sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**c) Derivative financial instruments and hedge accounting**

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

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

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

**Recognition and measurement of cash flow hedge:**

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

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

**Derecognition:**

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies

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

**d) Property, plant and equipment**

**Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

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

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

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

**Transition to Ind AS**

The cost of property, plant and equipment as at 01 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

**Subsequent measurement**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of item can be measured reliably.

**Depreciation**

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

**Estimated useful life adopted by the Group:**

Block of assets	Useful lives (years)	Useful lives (years) Companies Act
Buildings	10 – 60	3 – 60
Plant and equipments	15 – 22	15 – 22
Furniture and fixtures	10	10
Vehicles	8 – 10	6 – 10
Office equipments	5	5
Others – laboratory equipments	10	10
Others – computer hardware	3 – 6	3 – 6

Depreciation method followed by respective companies is as under:

Name of entity	Method of depreciation
AIA Engineering Limited, India	Depreciation on fixed assets is charged on Straight line method over the useful life of assets as prescribed by Schedule II of Companies Act, 2013.
Welcast Steels Limited, India	Depreciation on fixed assets is charged on written down value method over the useful life of assets as prescribed by Schedule II of Companies Act, 2013, except for plant and equipments for which useful life determined as per technical estimate.
Vega Industries (Middle East) F.Z.C, U.A.E.	Straight-line method over estimated useful lives of the assets.

Name of entity	Method of depreciation
Vega Industries Limited, U.S.A.	Straight-line method over estimated useful lives of the assets.
Vega Industries Limited, U.K.	Written Down Value Method over estimated useful lives of the assets.
Wuxi Vega Trade Co. Ltd., China	Straight-line method over estimated useful lives of the assets.
Vega Steel Industries (RSA) Proprietary Limited, South Africa	Straight-line method over estimated useful lives of the assets.
PT. Vega Industries Indonesia	Straight-line method over estimated useful lives of the assets.
Vega Industries Chile SPA - Chile	Straight-line method over estimated useful lives of the assets.
Vega Middle East (DFTZ) FZE, U.A.E.	Straight-line method over estimated useful lives of the assets.

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

Leasehold land is amortised over the lease period.

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

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

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

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

**Derecognition**

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

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

**e) Goodwill and Other intangible assets**

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

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

**Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

**Amortisation**

Goodwill is not amortised and is tested for impairment annually.

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

The estimated useful lives of intangibles are as per below:

Software - 6 years

Patents - 20 years

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

**Transition to Ind AS**

The cost of intangible assets as at 01 April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

**Impairment**

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

**f) Inventories**

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

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

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

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

**g) Impairment**

**Impairment of financial assets**

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

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

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

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

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

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

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

**Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash

flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

**Presentation of allowance for expected credit losses in the balance sheet**

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

**Write off**

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

**Impairment of non-financial assets**

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

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

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

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



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

#### **h) Employee benefits**

##### **Defined benefit plans**

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

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

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

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

##### **Short term employee benefits**

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

##### **Defined contribution plans**

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

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

##### **Other long-term employee benefits**

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

**Termination benefits**

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

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

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

**Warranties**

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

**Onerous contracts**

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

**Contingent liability**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or

more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

**Contingent assets**

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

**j) Revenue****Sale of goods**

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

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

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

**Other operating revenue – export incentives**

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

**k) Other income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

### **l) Leases**

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

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

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

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

The Lease liability is initially measured at the present value of the future lease payments.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates. The lease liability is measured at amortised cost using the effective interest method.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

### **m) Income taxes**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it related to items recognised directly in equity or in Other comprehensive income.

#### **Current tax**

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

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

#### **Deferred tax**

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

Foreign companies recognise tax liabilities and assets in accordance with the local laws.

**n) Borrowing cost**

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

**o) Operating segments**

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

**p) Cash and cash equivalents**

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

**q) Earnings per share**

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

**r) Events after reporting date**

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

**s) GST input credit**

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

**t) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from 01 April, 2025.

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Others*	Total
(₹ in Lakhs)								
<b>Cost :</b>								
As at 01 April, 2023	5,214.51	44,947.33	1,02,309.85	1,533.57	351.00	940.88	2,115.82	1,57,412.96
Additions during the year	-	3,796.63	14,023.57	256.57	239.51	182.95	348.04	18,847.27
Disposal/adjustments during the year	-	(262.66)	(567.71)	(5.19)	(45.89)	(8.59)	(77.64)	(967.68)
Exchange differences on translation of foreign operations	-	-	-	2.52	2.09	(10.49)	3.25	(2.63)
As at 31 March, 2024	5,214.51	48,481.30	1,15,765.71	1,787.47	546.71	1,104.75	2,389.47	1,75,289.92
Additions during the year	-	4,703.53	9,768.98	411.51	148.59	341.90	509.84	15,884.35
Disposal/adjustments during the year	-	(12.80)	(557.27)	(69.68)	(262.46)	(62.13)	(214.54)	(1,178.88)
Exchange differences on translation of foreign operations	-	-	-	4.05	5.88	11.57	7.79	29.29
<b>As at 31 March, 2025</b>	<b>5,214.51</b>	<b>53,172.03</b>	<b>1,24,977.42</b>	<b>2,133.35</b>	<b>438.72</b>	<b>1,396.09</b>	<b>2,692.56</b>	<b>1,90,024.68</b>
<b>Accumulated depreciation :</b>								
As at 01 April, 2023	-	10,463.66	49,382.42	883.70	208.71	600.32	1,347.85	62,886.66
Exchange differences on translation of foreign operations	-	-	-	2.23	1.85	(0.51)	2.56	6.13
Depreciation for the year	-	1,629.70	7,427.60	121.45	46.97	116.66	231.40	9,573.78
Disposal/adjustments during the year	-	(94.08)	(516.54)	(1.17)	(35.35)	(7.47)	(47.00)	(701.61)
As at 31 March, 2024	-	11,999.28	56,293.48	1,006.21	222.18	709.00	1,534.81	71,764.96
Depreciation for the year	-	1,718.87	7,410.09	144.40	64.69	165.48	291.43	9,794.96
Disposal/adjustments during the year	-	(7.03)	(516.18)	(67.56)	(119.38)	(60.14)	(191.56)	(961.85)
Exchange differences on translation of foreign operations	-	-	-	3.26	2.64	6.05	4.16	16.11
<b>As at 31 March, 2025</b>	<b>-</b>	<b>13,711.12</b>	<b>63,187.39</b>	<b>1,086.31</b>	<b>170.13</b>	<b>820.39</b>	<b>1,638.84</b>	<b>80,614.18</b>
<b>Carrying amount :</b>								
As at 31 March, 2024	5,214.51	36,482.02	59,472.23	781.26	324.53	395.75	854.66	1,03,524.96
<b>As at 31 March, 2025</b>	<b>5,214.51</b>	<b>39,460.91</b>	<b>61,790.03</b>	<b>1,047.04</b>	<b>268.59</b>	<b>575.70</b>	<b>1,053.72</b>	<b>1,09,410.50</b>

\*Others include laboratory equipments and computer hardware.

**Notes:**

1. There have been no charge over immovable properties of the Group.
2. Refer note 43 (b) for contractual commitments with respect to property, plant and equipment.





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 5: RIGHT OF USE ASSETS**

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Total
<b>Cost:</b>			
As at 01 April, 2023	3,050.27	1,916.86	4,967.13
Additions during the year	1,751.70	377.46	2,129.16
Deductions/adjustments during the year	-	(14.55)	(14.55)
Exchange differences on translation of foreign operations	-	(7.78)	(7.78)
As at 31 March, 2024	4,801.97	2,271.99	7,073.96
Additions during the year	723.22	284.21	1,007.43
Deductions/adjustments during the year	-	(10.00)	(10.00)
Exchange differences on translation of foreign operations	-	(0.40)	(0.40)
<b>As at 31 March, 2025</b>	<b>5,525.19</b>	<b>2,545.80</b>	<b>8,070.99</b>
<b>Depreciation:</b>			
As at 01 April, 2023	177.42	1,351.20	1,528.62
Depreciation for the year	33.60	328.82	362.42
Deductions/adjustments during the year	-	(7.26)	(7.26)
As at 31 March, 2024	211.02	1,672.76	1,883.78
Depreciation for the year	41.40	376.20	417.60
Deductions/adjustments during the year	-	(10.00)	(10.00)
<b>As at 31 March, 2025</b>	<b>252.42</b>	<b>2,038.96</b>	<b>2,291.38</b>
<b>Carrying amount:</b>			
As at 31 March, 2024	4,590.95	599.23	5,190.18
<b>As at 31 March, 2025</b>	<b>5,272.77</b>	<b>506.84</b>	<b>5,779.61</b>

**Notes:**

1. Lease contracts entered by the Group for land and buildings taken on lease to conduct business activity in ordinary course of business with tenure of leases upto 99 years.
2. Lease rent of ₹ 352.85 Lakhs (previous year: ₹ 269.24 Lakhs) is recognised in consolidated statement of profit and loss towards short-term lease and lease of low value assets. (Refer note 39)
3. Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
4. Lease Obligation, interest expense on lease maturity profile of lease obligation and payment of lease obligation are disclosed respectively in lease liabilities (refer note 23 & 26), Finance Costs (refer note 37), Liquidity risk (refer note 49) and Consolidated statement of cash flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

**NOTE 6: CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the year	9,216.99	10,744.32
Additions during the year	13,852.40	16,971.90
Capitalisation during the year	(15,374.51)	(18,499.23)
<b>Balance at the end of the year</b>	<b>7,694.88</b>	<b>9,216.99</b>

**Notes:**

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 equipment.

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

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

**CWIP aging schedule As at 31 March, 2025**

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,440.09	4,254.79	-	-	7,694.88
Projects temporarily suspended	-	-	-	-	-
	<b>3,440.09</b>	<b>4,254.79</b>	<b>-</b>	<b>-</b>	<b>7,694.88</b>

**CWIP aging schedule As at 31 March, 2024**

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,686.72	499.37	3.40	27.50	9,216.99
Projects temporarily suspended	-	-	-	-	-
	<b>8,686.72</b>	<b>499.37</b>	<b>3.40</b>	<b>27.50</b>	<b>9,216.99</b>

**CWIP - Completion Schedule of capital working in progress as at 31 March, 2025**

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress</b>					
<b>Completion is not overdue:</b>					
Kerala Mining Liner Project (Phase III)	7,643.64	-	-	-	7,643.64
Other Projects	51.24	-	-	-	51.24
	<b>7,694.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,694.88</b>

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

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

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue:					
Kerala Mining Liner Project (Phase II)	8,417.48	-	-	-	8,417.48
Kerala Grinding Media Project (Phase III)	320.03	-	-	-	320.03
Completion is not overdue:					
Other Projects	479.48	-	-	-	479.48
	<b>9,216.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,216.99</b>

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



Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

#### NOTE 7: GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Other intangibles			Goodwill (refer note a)	Goodwill on consolidation
	Software	Patents and Copyrights	Total		
<b>Cost:</b>					
As at 01 April, 2023	1,122.88	104.62	1,227.50	460.69	1,528.79
Additions during the year	77.90	17.29	95.19	-	-
Disposal/adjustments during the year	-	-	-	-	-
As at 31 March, 2024	1,200.78	121.91	1,322.69	460.69	1,528.79
Additions during the year	85.01	15.50	100.51	-	-
Disposal/adjustments during the year	(0.68)	-	(0.68)	-	-
<b>As at 31 March, 2025</b>	<b>1,285.11</b>	<b>137.41</b>	<b>1,422.52</b>	<b>460.69</b>	<b>1,528.79</b>
<b>Amortisation:</b>					
Balance as at 01 April, 2023	876.10	30.90	907.00	-	-
Amortisation for the year	85.27	5.68	90.95	-	-
Disposal/adjustments during the year	-	-	-	-	-
As at 31 March, 2024	961.37	36.58	997.95	-	-
Amortisation for the year	88.19	6.64	94.83	-	-
Disposal/adjustments during the year	(0.65)	-	(0.65)	-	-
<b>As at 31 March, 2025</b>	<b>1,048.91</b>	<b>43.22</b>	<b>1,092.13</b>	<b>-</b>	<b>-</b>
<b>Carrying amount:</b>					
As at 31 March, 2024	239.41	85.33	324.74	460.69	1,528.79
<b>As at 31 March, 2025</b>	<b>236.20</b>	<b>94.19</b>	<b>330.39</b>	<b>460.69</b>	<b>1,528.79</b>

#### Note (a):

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

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

#### NOTE 8: INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current investments (unquoted)</b>		
<b>Investment in equity instruments of</b>		
<b>Joint Venture accounted for using equity method*</b>		
168 (Previous year:129) equity shares of Vega MPS Pty. Ltd of face value AUD 1/- each, fully paid up	9,270.66	6,565.77
<b>Others companies (unquoted)</b>		
<b>Measured at FVTPL</b>		
(a) 25 (Previous year: 25) equity shares of Koramangala Properties Limited of face value ₹ 100/- each, fully paid up <sup>#</sup>	0.03	0.03
(b) 3,111 (Previous year: 422,340) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up <sup>#</sup>	0.31	42.23
(c) 24,478 (Previous year: 24,478) equity shares of Clean Max Meridius Private Limited of face value ₹ 10/- each, fully paid up	45.54	41.40
(d) 32,99,997 (previous year:Nil) equity shares of Torrent Urja Private Limited of face value ₹ 10/- each, fully paid up	30.40	-
(e) 500 (previous year: Nil) equity shares of Green Shift Private Limited of face value ₹ 100/- each, fully paid up <sup>#</sup>	0.50	-
	<b>9,347.44</b>	<b>6,649.43</b>
<b>Aggregate amount of unquoted investments</b>	<b>9,347.44</b>	<b>6,649.43</b>

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 8: INVESTMENTS (CONTD.)

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

\*During the previous year ended 31 March, 2024, Vega Industries (Middle East) FZC, UAE, ("VEGA ME"), a wholly owned subsidiary of the Holding Company, has entered into a Share Purchase Agreement and Shareholder's Agreement on 03 August, 2023, with the promoters of Vega MPS Pty. Ltd. (VMPS), Australia, a newly incorporated company, created by promoters of MPS to acquire 30% stake in the business of Mining Products and Service Pty. Ltd., (MPS), Australia. During the previous year ended 31 March, 2024, the mining products business of MPS, Australia has been transferred to VMPS, Australia and VEGA ME has acquired 30% stake in VMPS Australia on 11 October, 2023, for a total consideration of AUD 7.86 million and has further acquired 13% stake in VMPS, Australia on 15 February, 2024 for consideration of AUD 3.99 million. During the year ended 31 March, 2025, VEGA ME has further acquired 13% stake in VMPS, Australia on 20 November, 2024 for consideration of AUD 2.73 million and has an option to acquire additional 14% shares of VMPS, Australia over a period of 3 years from the date of Shareholder's Agreement.

(₹ in Lakhs)

Investment in Joint Venture accounted for using equity method	As at 31 March, 2025	As at 31 March, 2024
Percentage of ownership interest	56%	43%
Non-current assets	151.92	111.44
Current assets	9,944.33	5,922.20
Non-current Liabilities	(4,006.12)	-
Current Liabilities	(2,769.54)	(5,351.31)
Net assets	3,320.59	682.33
Group's share of net assets	1,859.53	293.40
Elimination of unrealised profit on downstream sales	(194.96)	(80.02)
Goodwill	7,291.94	6,038.24
Identifiable Intangible Assets - Non compete	314.15	314.15
<b>Carrying amount of interest in joint venture</b>	<b>9,270.66</b>	<b>6,565.77</b>
Revenue	14,885.81	9,132.95
Deprecation and amortisation	28.13	6.49
Income tax expense	1,158.36	273.97
Profit	2,616.05	675.26
Total Comprehensive income	2,616.05	675.26
Group's share of profit (30% from 01 October to 13 February, 2024, 43% from 14 February, 2024 to 20 November, 2024 and 56% from 21 November, 2024 Onwards)	1,290.07	231.25
Elimination of unrealised profit on downstream sales	(114.94)	(80.02)
<b>Group's share of total comprehensive income</b>	<b>1,175.13</b>	<b>151.23</b>

### NOTE 9: TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current trade receivables (unsecured)</b>		
Considered good*	27.81	65.54
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>27.81</b>	<b>65.54</b>

Refer note 51 for ageing related disclosures.

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 10: LOANS**

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current loans</b>		
Loans to employees		
Secured, considered good	99.11	32.13
Unsecured, considered good	122.01	91.60
Inter corporate deposit (secured), considered good <sup>#</sup>		
Others	-	12,500.00
	<b>221.12</b>	<b>12,623.73</b>

<sup>#</sup>Amount has been given to a body corporate, for general corporate purpose repayable after 3 years from the date of loan given at an interest rate of 10% (previous year 10%) per annum.

**NOTE 11: OTHER FINANCIAL ASSETS - NON CURRENT**

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	18.01	40.15
Security deposits (unsecured, considered good)	778.01	754.08
	<b>796.02</b>	<b>794.23</b>

**NOTE 12: OTHER TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Advance income tax/tax deducted at source	1,143.56	4,267.75
	<b>1,143.56</b>	<b>4,267.75</b>

**NOTE 13: OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital advances	2,746.41	4,575.77
Others		
Balance with government authorities	6.48	6.48
Advance paid under protest	326.49	326.49
	<b>3,079.38</b>	<b>4,908.74</b>

**NOTE 14: INVENTORIES\***

(valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Raw materials	12,215.09	25,187.72
Raw materials in transit	1,400.75	1,276.71
Work-in-progress	23,216.67	22,157.68
Finished goods	53,479.84	60,872.30
Stores and spares	11,246.08	10,943.57
Stores and spares in transit	121.95	28.06
	<b>1,01,680.38</b>	<b>1,20,466.04</b>

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 15: INVESTMENTS

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Current investments</b>		
<b>Measured at FVTPL</b>		
Investment in mutual funds (quoted)	2,73,633.75	71,628.26
Investments in bonds (quoted)*	36,889.62	38,906.03
Investments in government securities (quoted)**	55,070.95	-
<b>Measured at FVTOCI</b>		
Investment in bonds (quoted)***	7,718.35	1,58,860.31
Investment in commercial paper (quoted)	-	19,574.78
Investment in government securities (quoted)****	9,194.11	8,691.90
	<b>3,82,506.78</b>	<b>2,97,661.28</b>
Aggregate amount of quoted investments	3,82,506.78	2,97,661.28
Aggregate market value of quoted investments	3,82,506.78	2,97,661.28

\*The Holding Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 5.90% to 6.98%. (refer note 25)

\*Investments in bonds measured at FVTPL have yield 7.20% to 8.10% (previous year 7.20% to 7.40%)

\*\*Investments in government securities measured at FVTPL have yield 6.60% to 7.00% (previous year Nil)

\*\*\*Investments in bonds measured at FVTOCI have yield 6.60% to 6.78% (previous year 5.90% to 8.93%)

\*\*\*\*Investments in government securities measured at FVTOCI have yield 7.18% to 7.32% (previous year 7.18% to 7.32%)

### NOTE 16: TRADE RECEIVABLES

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Current trade receivables (unsecured)</b>		
Considered good**	82,702.40	88,031.33
Significant increase in credit risk	-	-
Credit impaired	57.60	53.66
	<b>82,760.00</b>	<b>88,084.99</b>
Less: Allowance for expected credit loss	(122.11)	(53.66)
	<b>82,637.89</b>	<b>88,031.33</b>

Refer note 52 for ageing related disclosures.

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

#Includes trade receivable from related parties (refer note 47 D).

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



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 17: CASH AND BANK BALANCES**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
<b>Cash and cash equivalents</b>		
Balances with banks	39,681.12	16,999.52
Balances with banks in fixed deposit (Original maturity of less than 3 months)	-	1,000.38
Cash on hand	29.75	32.80
	<b>39,710.87</b>	<b>18,032.70</b>
<b>Other bank balances</b>		
Balances with bank in fixed deposit (Original maturity within 3 to 12 months)	3,223.29	35,937.95
Balances with bank in fixed deposit as a margin money (Original maturity within 3 to 12 months)	810.12	757.15
Earmarked balances with banks (unpaid dividend)*	9.50	9.80
Earmarked balances with bank**	-	621.94
	<b>4,042.91</b>	<b>37,326.84</b>

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

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

**NOTE 18: LOANS**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
<b>Current loans</b>		
Loan to a minority shareholder (unsecured, considered good)	83.68	70.54
Loans to employees		
Secured, considered good	23.96	16.20
Unsecured, considered good	125.89	118.13
Inter corporate deposit (secured), considered good <sup>#</sup>		
Others	12,777.40	-
	<b>13,010.93</b>	<b>204.87</b>

<sup>#</sup>Amount has been given to a body corporate, for general corporate purpose repayable after 3 years from the date of loan given at an interest rate of 10% (previous year 10%) per annum.

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 19: OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with bank in fixed deposits (Original maturity more than 12 months)	2,582.69	21,456.49
Export incentives receivable	1,393.91	1,526.11
Security deposits (unsecured, considered good)	577.79	398.56
Derivatives	-	331.98
	<b>4,554.39</b>	<b>23,713.14</b>

### NOTE 20: OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Advances other than capital advances		
Advance to a related parties (refer note 47D)	14.76	-
Other Advances		
Advances to suppliers	8,011.15	5,724.80
Advances to employees	166.52	131.13
Others		
Balances with government authorities	5,619.33	7,435.17
Prepaid expenses	1,377.20	983.21
Prepaid leave encashment	160.99	150.96
	<b>15,349.95</b>	<b>14,425.27</b>

### NOTE 21: SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Authorised share capital</b>		
23,00,00,000 (previous year: 23,00,00,000) equity shares of face value ₹ 2/- each	4,600.00	4,600.00
	<b>4,600.00</b>	<b>4,600.00</b>
<b>Issued , subscribed &amp; fully paid up share capital</b>		
9,33,20,370 equity shares (previous year: 9,43,20,370) of face value ₹ 2/- each, fully paid up	1,866.41	1,886.41
	<b>1,866.41</b>	<b>1,886.41</b>

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

Particulars	31 March, 2025		31 March, 2024	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Shares outstanding at the beginning of the year	9,43,20,370	1,886.41	9,43,20,370	1,886.41
Less : Extinguished pursuant to buyback of shares	(10,00,000)	(20.00)	-	-
<b>Shares outstanding at the end of the year</b>	<b>9,33,20,370</b>	<b>1,866.41</b>	<b>9,43,20,370</b>	<b>1,886.41</b>



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 21: SHARE CAPITAL (CONTD.)****(b) Rights, preferences and restrictions attached to equity shares:**

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

**(c) The details of shareholders holding more than 5% shares are set out below :**

Name of the shareholders	31 March, 2025		31 March, 2024	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K. Shah	5,45,68,663	58.47%	5,51,28,901	58.45%
Nalanda India Equity Fund Limited	86,71,418	9.29%	91,27,809	9.68%

**(d) Shareholding of Promoters****Shares held by promoters as at 31 March, 2025**

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,45,68,663	58.47	0.02
Khushali Bhadreshbhai Shah	9,857	0.01	-
Bhumika Shyamal Shodhan	9,852	0.01	-
Gita Bhadresh Shah	5	0.00	-
	<b>5,45,88,377</b>	<b>58.49</b>	<b>0.02</b>

**Shares held by promoters as at 31 March, 2024**

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,51,28,901	58.45	-
Khushali Bhadreshbhai Shah	10,010	0.01	-
Bhumika Shyamal Shodhan	10,005	0.01	-
Gita Bhadresh Shah	5	0.00	-
	<b>5,51,48,921</b>	<b>58.47</b>	<b>-</b>

- (e)** The Board of Directors of the Holding Company, at its meeting held on 07 August, 2024 have approved a proposal for buyback of up to 10,00,000 fully paid-up Equity Shares of face value of ₹. 2/- each, representing 1.06% of the total number of equity shares of the Holding Company, at a price of up to ₹ 5,000 per share for an aggregate consideration not exceeding ₹ 500 Crores (excluding transaction cost and any expenses incurred or to be incurred for the Buyback) representing 7.92% and 7.51% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended on 31 March, 2024, respectively. Further, the buy back has been completed and consideration transferred to the participating shareholders on 06 September, 2024.

During the year, the Board of Directors of Vega Steel Industries (RSA) Pty. Ltd. (hereinafter referred to as the "Company"), approved the buyback of the entire equity issued to the Local shareholder. At the time of the buyback, local shareholder held 25.37% of the equity in the Company comprising 34 partly paid shares out of the total of 134 shares issued by the Company. As part of the adherence to the local requirement applicable to all companies conducting business in South Africa, 25.37% equity was again issued to the same shareholder.

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 22: OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Reserves and surplus</b>		
(a) Securities premium		
Balance at the beginning of the year	26,877.77	26,873.88
Less: Buyback of equity shares	(26,579.52)	-
Add: Receipt on account of reissue of equity shares of subsidiary	151.82	-
Adjustment on account of translating the financial statements of foreign operations	6.64	3.89
Balance at the end of the year	456.71	26,877.77
(b) Capital redemption reserve		
Balance at the beginning of the year	1,925.74	1,925.74
Add: Transfer from Capital redemption reserve pursuant to buyback of equity shares	20.00	-
Balance at the end of the year	1,945.74	1,925.74
(c) Statutory reserve		
Balance at the beginning of the year	10.11	9.96
Adjustment on account of translating the financial statements of foreign operations	0.26	0.15
Balance at the end of the year	10.37	10.11
(d) General reserve		
Balance at the beginning and at end of the year	16,467.61	16,467.61
(e) Retained earnings		
Balance at the beginning of the year	6,30,507.41	5,32,065.61
Add: Profit for the year	1,06,073.60	1,13,557.33
Less: Buyback of equity shares	(23,407.23)	-
Less: Transfer to Capital redemption reserve pursuant to buyback of equity shares	(20.00)	-
Less: Expenses for Buyback of equity shares	(381.55)	-
Less: Tax on Buyback of equity shares	(11,583.30)	-
Less: Remeasurement of defined benefit plan transferred from OCI	(101.53)	(24.27)
Less: Dividend on equity shares	(15,091.26)	(15,091.26)
Balance at the end of the year	6,85,996.14	6,30,507.41
<b>Total reserves and surplus (A)</b>	<b>7,04,876.57</b>	<b>6,75,788.64</b>
<b>Other comprehensive income ('OCI')</b>		
<b>Items that will not be reclassified to statement of profit and loss</b>		
(a) Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in consolidated statement of profit and loss	(138.77)	(35.36)
Tax impact on above [refer Note 40 (c)]	34.93	8.90
Less: Transferred to minority interest	2.31	2.19
Less: Transfer to retained earnings	101.53	24.27
Balance at the end of the year	-	-





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 22: OTHER EQUITY (CONTD.)**

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Items that will be reclassified to statement of profit and loss</b>		
(b) Cash flow hedge reserve		
Balance at the beginning of the year	631.90	361.14
Recognised in consolidated statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	(196.00)	112.09
Restatements of trade receivables to the extent of hedging	(357.36)	249.75
	(553.36)	361.84
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)]	49.33	(28.22)
Tax on Restatements of trade receivables to the extent of hedging	89.94	(62.86)
Net tax in OCI	139.27	(91.08)
Balance at the end of the year	217.81	631.90
(c) Gain and losses on account of translating the financial statements of foreign operations		
Balance at the beginning of the year	(12,241.05)	(9,990.12)
Recognised in consolidated statement of profit and loss	(2,179.59)	(2,250.93)
Balance at the end of the year	(14,420.64)	(12,241.05)
(d) Fair value through other comprehensive income		
Balance at the beginning of the year	(291.71)	(467.63)
Recognised in statement of profit and loss	603.21	235.09
Tax impact on above	(151.81)	(59.17)
Balance at the end of the year	159.69	(291.71)
<b>Total other comprehensive income (B)</b>	<b>(14,043.14)</b>	<b>(11,900.86)</b>
<b>Total other equity (A + B)</b>	<b>6,90,833.43</b>	<b>6,63,887.78</b>

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

(₹ in Lakhs)		
#Dividend on equity shares paid during the year:	As at 31 March, 2025	As at 31 March, 2024
Final dividend for the financial year 2023-24 [₹ 16 (previous year: ₹ 16) per equity share of ₹ 2 each]	15,091.26	15,091.26

**Note:**

Board of Directors of the Holding Company have proposed final dividend of ₹ 16 per equity share for the financial year 2024-25. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March, 2025. No interim dividend was declared and paid during the financial year 2024-25.

**NOTE 23: LEASE LIABILITIES**

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Non-current Lease liabilities	200.38	340.50
	<b>200.38</b>	<b>340.50</b>

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 24: PROVISIONS

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Non-current provisions</b>		
Provision for warranties	725.41	1,410.35
Provision for employee benefits (refer note 42)		
Gratuity	274.26	251.68
Leave encashment	49.89	44.47
	<b>1,049.56</b>	<b>1,706.50</b>

#### Movement in provisions for warranties

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the year	1,838.47	1,548.82
Utilisation during the year	(3,803.47)	(44.34)
Provision for the year #	3,141.35	481.08
Exchange differences on translation of foreign operations	22.13	14.62
Written back during the year	(18.71)	(161.71)
<b>Balance at the end of the year</b>	<b>1,179.77</b>	<b>1,838.47</b>
Non-current	725.41	1,410.35
Current (refer note 30)	454.36	428.12
	<b>1,179.77</b>	<b>1,838.47</b>

#The group provides standard warranty to all its customers for any manufacturing defects in the products sold by the group. Generally, the time period of warranty is linked to the hours which have been assured by the group towards performance of the product under normal mill operation. Based on evaluation made by Holding Company's technical team and the historic experience of claims, the group provides for warranty at the rate of 0.05%/0.10% of sales for the year and is carried in the books for a period upto 4 years.

### NOTE 25: BORROWINGS

(₹ in Lakhs)		
Particulars	As at 31 March, 2025	As at 31 March, 2024
<b>Current borrowings</b>		
Loans from bank repayable on demand		
Secured	-	7,723.90
Unsecured	-	37,735.60
Loans from Others repayable on demand		
Secured (Refer note 6 below)	48,500.00	-
	<b>48,500.00</b>	<b>45,459.50</b>

#### Borrowing based on security of current assets:

- Group has obtained various borrowings from banks on basis of security of current assets wherein the quarterly returns/statements of current assets as filed with banks are in agreement with the books of accounts.
- Secured Export Packing Credit ('EPC') facilities are availed from State Bank of India carrying interest rate ranging from 5.30% to 7.30% during the year (previous year 5.40% to 5.70%) against first charge over entire current assets of the Company including stock of raw material, work in process, finished goods, stores and spares and goods in transit.



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 25: BORROWINGS (CONTD.)**

3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 3.75% to 7.63% during the year (previous year 5.28% to 5.69%)
4. Unsecured Export Packing Credit ('EPC') facilities are availed from JP Morgan carrying interest rate ranging from 5.40% to 7.96% during the year (previous year 5.57% to 5.89%)
5. Unsecured Export Packing Credit ('EPC') facilities are availed from HDFC Bank Ltd. carrying interest rate of 6.00% during the year (previous year 5.35% to 6.00%)
6. Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 5.90% to 6.98%

**NOTE 26: LEASE LIABILITIES**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Current lease liabilities	356.44	306.02
	<b>356.44</b>	<b>306.02</b>

**NOTE 27: TRADE PAYABLES**

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
(a) Total outstanding dues of micro enterprises and small enterprises <sup>#</sup>	2,199.29	2,061.72
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties [refer note 47 D]	233.31	346.02
(ii) Due to others	17,236.65	15,455.79
	<b>17,469.96</b>	<b>15,801.81</b>
	<b>19,669.25</b>	<b>17,863.53</b>

Refer note 53 for ageing related disclosures.

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):		
(a) Principal amount remaining unpaid to any supplier as at the end of the year (refer note 28)	2,441.09	2,235.31
Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	0.66	0.55
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year;	-	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 28: OTHER FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Salary, wages and bonus payable (refer note 47 D)	1,649.49	1,556.49
Unpaid dividends*	9.50	9.80
Capital creditors*	564.26	901.45
Amount received under channel financing arrangement	101.49	218.84
Derivatives	47.38	-
Other payables	262.63	40.52
	<b>2,634.75</b>	<b>2,727.10</b>

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

#The balance includes outstanding dues of micro enterprises and small enterprises of ₹ 241.80 Lakhs as at 31 March, 2025 (₹ 173.29 Lakhs as at 31 March, 2024)

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

### NOTE 29: OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Contract liabilities (refer note 32)		
Customer advances (refer note 47 D)	4,436.99	4,778.58
Others		
Fund held in corpus donation	152.95	138.51
Security deposits	-	1.01
Statutory dues and other payables	1,047.23	645.52
	<b>5,637.17</b>	<b>5,563.62</b>

### NOTE 30: PROVISIONS - CURRENT

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Provision for warranties (refer note 24)	454.36	428.12
Provision for employee benefits (refer note 42)		
Gratuity	417.12	264.91
Leave encashment	30.92	27.48
	<b>902.40</b>	<b>720.51</b>

### NOTE 31: CURRENT TAX LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Provision for income tax (net)	1,088.20	2,217.11
	<b>1,088.20</b>	<b>2,217.11</b>



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 32: REVENUE FROM OPERATIONS**

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Sale of products		
Export sales	2,73,071.28	3,39,753.93
Domestic sales	1,49,590.99	1,37,428.33
	<b>4,22,662.27</b>	4,77,182.26
Other operating revenue		
Export incentives	4,980.55	7,027.24
Other sales	1,101.57	1,166.63
	<b>6,082.12</b>	8,193.87
	<b>4,28,744.39</b>	4,85,376.13

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

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>Reconciliation of revenue from operations with the contracted price:</b>		
Contracted price	4,23,004.76	4,77,738.04
Adjustments :		
Discounts	(302.31)	(476.38)
Sales return	(40.18)	(79.40)
Sale of products	4,22,662.27	4,77,182.26
Other operating revenue	6,082.12	8,193.87
Revenue from operations	<b>4,28,744.39</b>	4,85,376.13
<b>Revenue disaggregation by geography:</b>		
India	1,55,673.11	1,45,622.20
Outside India :		
Australia	42,245.90	48,539.49
United States of America	38,745.53	56,539.80
Others	1,92,079.85	2,34,674.64
	<b>4,28,744.39</b>	4,85,376.13

**Contract balances:**

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
<b>Trade receivables</b>	82,665.70	88,096.87
<b>Contract assets</b>	-	-
<b>Contract liabilities</b>		
Balance at the beginning of the year	4,778.58	5,411.67
Less : Revenue recognised during the year	3,043.98	4,644.25
Add : Increase due to cash received during the year	2,702.39	4,011.16
Balance at the end of the year	<b>4,436.99</b>	4,778.58



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 33: OTHER INCOME

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Interest income under the effective interest method on :		
Financial assets measured at amortised cost	3,831.15	7,466.95
Financial assets measured at FVTOCI	5,127.79	12,054.49
Interest income from financial assets measured at FVTPL	-	264.13
Interest income on refund of income tax	-	1.42
Other non-operating income		
Gain on sale of current investments measured at FVTPL	1,729.34	915.60
Gain on foreign exchange fluctuation (net)	5,292.99	2,362.77
Financial assets at FVTPL - net change in fair value	17,050.02	4,440.16
Allowance for expected credit loss written back (net)	-	52.01
Net gain on sale of property, plant and equipment/termination of leases	3.68	-
Liabilities/provisions no longer required written back	10.74	429.87
Miscellaneous receipts	117.08	152.72
	<b>33,162.79</b>	<b>28,140.12</b>

### NOTE 34: COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Opening stock at the beginning of the year	26,464.43	16,707.48
Add: Purchases during the year	1,52,930.09	2,05,450.78
Less: Closing stock at the end of the year	(13,615.84)	(26,464.43)
	<b>1,65,778.68</b>	<b>1,95,693.83</b>

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

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Opening stock:		
Work-in-progress	22,157.68	23,076.38
Finished goods	60,872.30	71,943.56
	<b>83,029.98</b>	<b>95,019.94</b>
Closing stock:		
Work-in-progress	23,216.67	22,157.68
Finished goods	53,479.84	60,872.30
	<b>76,696.51</b>	<b>83,029.98</b>
Exchange differences on translation of foreign operations	(1,375.53)	418.64
	<b>7,709.00</b>	<b>11,571.32</b>

### NOTE 36: EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Salaries, wages and bonus	16,771.95	15,386.37
Contribution to provident and other funds	800.65	730.96
Expenses related to post employment defined benefit plans [refer note 42 (iv)]	322.97	288.93
Staff welfare expenses	652.30	734.03
	<b>18,547.87</b>	<b>17,140.29</b>



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 37: FINANCE COSTS**

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>Interest on:</b>		
Bank borrowings measured at amortised cost	1,382.56	2,761.65
Income-tax	655.24	-
Lease liabilities	64.89	53.80
Others	6.44	22.42
	<b>2,109.13</b>	<b>2,837.87</b>

**NOTE 38: DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Depreciation of property, plant and equipment (refer note 4)	9,794.96	9,573.78
Depreciation of Right of use assets (refer note 5)	417.60	362.42
Amortisation of intangible assets (refer note 7)	94.83	90.95
	<b>10,307.39</b>	<b>10,027.15</b>

**NOTE 39: OTHER EXPENSES**

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Consumption of stores	26,481.04	29,791.29
Power and fuel	30,100.08	36,027.94
Contract labour charges	8,879.96	8,980.35
Repairs and maintenance		
- Buildings	376.78	351.58
- Plant and machineries	1,090.77	1,214.13
- Others	948.56	890.59
Lease rent (refer Note 5)	352.85	269.24
Insurance	1,234.85	1,113.01
Rates and taxes	170.95	207.04
Security expenses	667.79	745.11
Printing, stationery and communication expenses	373.12	331.74
Travelling and conveyance	3,546.85	3,753.91
Advertisement and sales promotion	95.93	115.82
Freight outward expenses (including duties)	26,906.60	28,122.99
Royalty expenses	579.72	320.72
Commission expenses	5,231.67	6,246.33
Warranty expenses	3,122.64	319.37
Directors' sitting fees	27.15	20.65
Payments to auditors		
- Statutory audit fees	114.69	122.86
- Quarterly Limited reviews	31.00	29.50
- Certification and other services	4.50	5.00
- Reimbursement of expenses	4.87	3.09

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 39: OTHER EXPENSES (CONTD.)**

(₹ in Lakhs)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Legal and professional consultancy fees	7,517.12	5,330.31
Bank commission charges	455.74	505.23
Donation	2.01	2.48
Corporate social responsibility expenses	2,102.68	1,652.11
Net loss on sale of property, plant and equipment/termination of leases	-	145.19
Bad debts	10.51	26.37
Allowance for expected credit loss (net)	68.45	-
Fair value loss on interest rate swap	183.36	-
Other miscellaneous expenses	822.27	951.15
	<b>1,21,504.51</b>	<b>1,27,595.10</b>

**NOTE 40: TAX EXPENSES**

(₹ in Lakhs)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>(a) Tax expense</b>		
Provision for current tax	26,501.91	32,750.09
Short provision for tax of earlier years	573.63	640.46
Net deferred tax [refer note 40(c)]	3,760.11	1,712.13
<b>Tax expense for the year</b>	<b>30,835.65</b>	<b>35,102.68</b>
<b>(b) Deferred tax</b>		
<b>Deferred tax liabilities</b>		
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	6,995.30	6,507.11
Financial assets at FVTPL - net change in fair value	4,726.69	1,469.79
Hedge reserve balance	34.22	83.55
Foreign currency translation reserve	(3.02)	(2.15)
	<b>11,753.19</b>	<b>8,058.30</b>
<b>Deferred tax assets</b>		
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	9.12	8.49
Unrealised profit on intra group inventory	2,144.41	2,314.92
Others	31.30	25.17
	<b>2,184.83</b>	<b>2,348.58</b>
Deferred tax liabilities (net) [refer note 40(c)]	<b>9,568.36</b>	<b>5,709.72</b>



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 40: TAX EXPENSES (CONTD.)

## (c) Movement in deferred tax

(₹ in Lakhs)

Particulars	Opening balance as at 01 April, 2024	Consolidated statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2025
<b>Deferred tax liabilities</b>				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	6,507.11	488.19	-	6,995.30
Foreign currency translation reserve	(2.15)	-	(0.87)	(3.02)
Financial assets at FVTPL - net change in fair value	1,469.79	3,105.09	151.81	4,726.69
Hedge reserve balance	83.55	-	(49.33)	34.22
	<b>8,058.30</b>	<b>3,593.28</b>	<b>101.61</b>	<b>11,753.19</b>
<b>Deferred tax assets</b>				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	8.49	0.63	-	9.12
Unrealised profit on intra group inventory	2,314.92	(170.51)	-	2,144.41
Others	25.17	3.05	3.08	31.30
	<b>2,348.58</b>	<b>(166.83)</b>	<b>3.08</b>	<b>2,184.83</b>
<b>Deferred tax liabilities (net)</b>	<b>5,709.72</b>	<b>3,760.11</b>	<b>98.53</b>	<b>9,568.36</b>

(₹ in Lakhs)

Particulars	Opening balance as at 01 April, 2023	Consolidated statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2024
<b>Deferred tax liabilities</b>				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	5,601.19	905.92	-	6,507.11
Foreign currency translation reserve	0.39	-	(2.54)	(2.15)
Financial assets at FVTPL - net change in fair value	560.07	850.55	59.17	1,469.79
Hedge reserve balance	55.33	-	28.22	83.55
	<b>6,216.98</b>	<b>1,756.47</b>	<b>84.85</b>	<b>8,058.30</b>
<b>Deferred tax assets</b>				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	7.21	1.28	-	8.49
Unrealised profit on intra-group inventory	2,220.92	94.00	-	2,314.92
Others	76.11	(50.94)	-	25.17
	<b>2,304.24</b>	<b>44.34</b>	<b>-</b>	<b>2,348.58</b>
<b>Deferred tax liabilities (net)</b>	<b>3,912.74</b>	<b>1,712.13</b>	<b>84.85</b>	<b>5,709.72</b>

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 40: TAX EXPENSES (CONTD.)

#### (d) Effective tax reconciliation

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

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Profit before tax for the year	1,36,843.02	1,48,801.92
Tax at statutory income tax rate of 25.168% (previous year: 25.168%) in India	34,440.65	37,450.47
Adjustments (tax effect):		
Income from long term/short term investment taxed at lower rate	(1,187.03)	(161.47)
Non-deductible expenses for tax purposes	719.53	416.50
Difference in tax rate of subsidiary companies	(3,585.88)	(3,111.22)
Share of profit of joint venture, Net of Tax	(295.76)	(38.06)
Tax impact on intra-group stock reserve	170.51	(94.00)
Short provision for tax of earlier years	573.63	640.46
<b>Tax expense reported in the consolidated statement of profit and loss</b>	<b>30,835.65</b>	<b>35,102.68</b>

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

### NOTE 41: EARNINGS PER SHARE

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,06,073.60	1,13,557.33
Weighted average number of equity shares outstanding during the period (nos.)	9,37,53,247	9,43,20,370
Nominal value of equity share (₹)	2.00	2.00
<b>Basic and diluted earnings per share (₹)</b>	<b>113.14</b>	<b>120.40</b>

### NOTE 42: EMPLOYEE BENEFITS

The group has the following post-employment benefit plans:

#### A. Defined contribution plan

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

(₹ in Lakhs)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Employer's contribution to provident and other funds	669.29	608.53

#### B. Defined benefit plan

**Gratuity:** The employees' gratuity fund scheme of the Holding Company is funded with Life Insurance Corporation of India and managed by a Trust, for subsidiary company incorporated in India, it is funded with Life Insurance Corporation of India and for one wholly owned overseas subsidiary company it is unfunded. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Benefits offered	15/26 x salary x duration of service
Salary definition	Basic salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death/disability)
Benefit eligibility	Upon death or resignation/withdrawal or retirement
Retirement age	58, 60, 62, 65 or 75 years





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 42: EMPLOYEE BENEFITS (CONTD.)****(i) Risks associated to the defined benefit plans:**

- Actuarial risk: Risks due to adverse salary growth/Variability in mortality and withdrawal rates.
- Investment risk: Risks due to significant changes in discounting rate during the inter-valuation period.
- Liquidity risk: Risks on account of Employees resign/retire from the Group and as result strain on the cash flow arises.
- Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
- Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2024-25	2023-24	2024-25	2023-24
Defined benefit obligation at the beginning of the year	3,997.54	3,599.89	251.68	209.65
Recognised in consolidated statement of profit and loss:				
Current service cost	279.13	253.98	34.81	39.06
Past service cost	-	-	-	-
Interest cost	271.35	252.83	-	-
Actuarial (gain)/loss recognised in other comprehensive income:				
Due to change in financial assumptions	180.16	84.66	-	-
Due to change in demographic assumptions	(15.42)	-	-	-
Due to experience adjustments	(2.11)	(28.56)	-	-
Benefits paid from Plan asset	(225.91)	(165.26)	-	-
Benefits directly paid by group	-	-	(18.27)	-
Adjustment on account of translating the financial statements of foreign operations	-	-	6.04	2.97
<b>Defined benefit obligation at the end of the year</b>	<b>4,484.74</b>	<b>3,997.54</b>	<b>274.26</b>	<b>251.68</b>

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2024-25	2023-24	2024-25	2023-24
Fair value of plan assets at the beginning of the year	3,732.63	3,529.03	-	-
Transfer in/(out) plan assets	-	-	-	-
Interest income	262.32	256.94	-	-
Return on plan assets excluding amounts included in interest income	23.86	20.74	-	-
Contributions by the employer	274.72	91.18	-	-
Benefits paid	(225.91)	(165.26)	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>4,067.62</b>	<b>3,732.63</b>	<b>-</b>	<b>-</b>
<b>Actual return on plan assets</b>	<b>286.18</b>	<b>277.68</b>	<b>-</b>	<b>-</b>

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 42: EMPLOYEE BENEFITS (CONTD.)**

**(iv) Expense recognised during the year:**

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2024-25	2023-24	2024-25	2023-24
Current service cost	279.13	253.98	34.81	39.06
Past service cost	-	-	-	-
Net interest cost	9.03	(4.11)	-	-
<b>Net cost recognised in consolidated statement of profit and loss</b>	<b>288.16</b>	<b>249.87</b>	<b>34.81</b>	<b>39.06</b>
Components of actuarial (gains)/losses:				
Due to change in financial assumptions	180.16	84.66	-	-
Due to change in demographic assumptions	(15.42)	-	-	-
Due to experience adjustments	(2.11)	(28.56)	-	-
Return on plan assets excluding amounts included in interest income	(23.86)	(20.74)	-	-
<b>Net cost recognised in other comprehensive (income)/expense</b>	<b>138.77</b>	<b>35.36</b>	<b>-</b>	<b>-</b>

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

(₹ in Lakhs)

Particulars	Gratuity (funded)		Gratuity (unfunded)#	
	2024-25	2023-24	2024-25	2023-24
Present value of obligation	4,484.74	3,997.54	274.26	251.68
Fair value of plan assets	4,067.62	3,732.63	-	-
<b>Net defined benefit liability at end of the year*</b>	<b>417.12</b>	<b>264.91</b>	<b>274.26</b>	<b>251.68</b>

\*Net defined benefit liability as at 31 March, 2025 is net of Liability of ₹ 691.38 Lakh (previous year - ₹ 516.59 Lakh).

**(vi) Composition of plan assets:**

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Debt instruments</b>		
<b>Investment funds</b>		
Insurance policies	99% to 100%	100%
Others	1%	-

**(vii) Key actuarial assumptions:**

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Financial assumptions</b>		
Discount rate	6.60% to 6.70%	7.20%
Expected rate of return on plan assets	6.60% to 6.70%	7.20%
Salary growth rate	7.00% to 8.50%	7.00% to 8.50%
Weighted average duration (in years)	6.08 to 8.35	6.08 to 9.06



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 42: EMPLOYEE BENEFITS (CONTD.)**

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Demographic assumptions</b>		
Withdrawal rate - Age band		
25 & below	13% to 5%	5.00%
25 to 35	7% to 4%	4.00%
35 to 45	4% to 3%	3.00%
45 to 55	3% to 2%	2.00%
55 & above	3% to 1%	1.00%
Mortality table	Indian assured lives mortality (2012-14)	

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

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

**(viii) Sensitivity analysis:**

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

**Impact on defined benefit obligations - Gratuity:**

Particulars	Increase in assumption		Decrease in assumption	
	2024-25	2023-24	2024-25	2023-24
<b>Discount rate</b>				
Change in assumption by 0.50%	(3.97%)	(4.20%)	(3.56%)	4.54%
<b>Salary growth rate</b>				
Change in assumption by 0.50%	4.16%	4.44%	3.81%	(4.16%)
<b>Withdrawal rate</b>				
Change in assumption by 10%	(0.28%)	(0.16%)	(0.20%)	0.16%

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

#Gratuity (unfunded) represents defined benefit plan in a wholly owned overseas subsidiary.

**(ix) Maturity profile of the defined benefit obligation:**

Particulars	Gratuity (funded)	
	2024-25	2023-24
<b>Age wise distribution of defined benefit obligation</b>		
Age in years		
Less than 25	3.61	2.97
25 to 35	205.07	232.00
35 to 45	1,335.51	1,188.77
45 to 55	1,473.07	1,261.24
above 55	1,467.47	1,312.56
	<b>4,484.73</b>	<b>3,997.54</b>

(₹ in Lakhs)

# Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 42: EMPLOYEE BENEFITS (CONTD.)

Particulars	(₹ in Lakhs)	
	Gratuity (funded)	
	2024-25	2023-24
<b>Past service wise distribution of defined benefit obligation</b>		
Service period in years		
0 to 4	72.67	55.23
4 to 10	293.24	291.91
10 to 15	618.80	618.47
15 and above	3,500.02	3,031.92
	<b>4,484.73</b>	<b>3,997.53</b>

### C. Other long-term employee benefits

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

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

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

### Key actuarial assumptions:

Particulars	Leave encashment (funded)	
	2024-25	2023-24
<b>Financial assumptions</b>		
Discount rate	6.60% to 6.70%	7.20%
Expected rate of return on plan assets	6.60% to 6.70%	7.20%
Salary growth rate	7.00% to 8.50%	7.00% to 8.50%
<b>Demographic assumptions</b>		
Withdrawal rate	5% to 10% at younger ages reducing to 1% at older ages	
Mortality table	Indian assured lives mortality (2012-14)	

Leave encashment expenses recognised during the year in the consolidated statement of profit and loss amounts to ₹ 216.65 Lakhs (previous year ₹ 218.10 Lakhs).

### D. Estimate of contributions expected to be paid during financial year 2025-26 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity (funded)	₹ 417.12 Lakhs
(b) Gratuity (Unfunded)	-
(iii) Other long-term employee benefits	
(a) Leave encashment	₹ 30.92 Lakhs



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 43: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

(₹ in Lakhs)

Particulars	31 March, 2025	31 March, 2024
<b>(a) Contingent liabilities</b>		
Claims against the group not acknowledged as debts:		
Central Excise, Service tax and Goods and Services tax	228.62	205.25
Custom duty related dispute (Decision is received in favor of group in high court and Department has appealed decision of high court in Supreme Court)	-	1,100.84
Income tax		
In High Court (Decision is received in favor of group in ITAT and Income Tax Department has appealed decision of ITAT in High Court)	11,473.81	11,473.81
In Income Tax Appellate Tribunal (ITAT)	17,469.60	219.21
In Commissioner of Income tax (CIT)	4,129.01	21,598.60
Total Income tax	<b>33,072.42</b>	33,291.62
Sales tax/VAT	21.70	21.70
Guarantees:		
Outstanding bank guarantees	16,280.08	15,798.40
Outstanding corporate guarantees given to customers/subsidiaries	2,373.24	2,190.34
Letter of Credit	142.28	924.13
Others matters including claims related to ESIC, Electricity and Ex-employees	885.55	861.19
Charter of demands made by one of the labour union, pending for disposal at Industrial Tribunal (labour court), Bangalore.	<b>No reliable estimate can be made</b>	
	<b>53,003.89</b>	54,393.47
<b>(b) Capital commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2,153.97	5,422.85
	<b>2,153.97</b>	5,422.85

## Notes:

- Most of the issues of litigation pertaining to Central Excise/Service tax/Income tax (including transfer pricing matters) are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. Further, in several matters, the management has successfully defended their case at lower forums of adjudication. Accordingly, the management do not envisage any material impact on the consolidated financial statements of the Group.
- Sales tax/VAT related litigation/demand primarily pertains to non submission of required declaration forms in time due to non-receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.
- Amounts mentioned above do not include possible interest/penalty from the date of the contested order till the balance sheet date.

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 44: RELATIONSHIP WITH STRUCK OFF COMPANIES:

(₹ in Lakhs)

Name of struck off companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off group
		31 March, 2025	31 March, 2024	
Gripon Profiles & Engg Private Limited (Advance was given in Mar - 2014 and legal case is filed against vendor)	Purchase	4.43	4.43	None

### NOTE 45: ANTI-DUMPING DUTY

**Canada :** During the previous year, the Canada Border Services Agency, after completing the re-investigation review has notified a schedule for duties for imports and revised normal value of high chrome Grinding Media (manufactured by the Company in India) into Canada. As per the Order, no anti-dumping duty is leviable if the FOB Value of the goods is above the prescribed prices for certain defined grades and it will be 15.70% for grades other than those specifically defined in the Order. A separate Countervailing Duty of ₹ 3,874 per MT continues to be levied on all imports of defined Grinding Media.

**Brazil :** Ministry of Development, Industry, Trade and Services Foreign Trade – Department of Trade Defense, Brazil (DECOM) had initiated the Sun Set Review on anti dumping duty and countervailing duty for export of certain types of grinding media to Brazil. On completion of the said review, DECOM has decided in favor of the Company and issued an order to terminate the antidumping duty with effect from 13 June, 2024. Further, the Sun Set Review on the prevailing countervailing duty is currently in progress.

**USA :** During the year, the Holding Company and VEGA USA have received a notice from the United States International Trade Commission, seeking some information from the Holding Company and VEGA USA, in relation to the investigations around alleged dumping and subsidising of certain grinding media from India based on complaint filed by Magotteux Inc. Post submission of required information, United States Department of Commerce announced its determination for cash deposit of Countervailing Duty at 3.16% and Anti-Dumping Duty at 6.70% which is effective from 22 May, 2025 on certain high chrome iron grinding media imported from India based on decision from United States International Trade Commission.

**NOTE 46 :** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and it's subsidiaries incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company and it's subsidiaries incorporated in India (Ultimate Beneficiaries). The Holding Company and it's subsidiaries incorporated in India has not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company and it's subsidiaries incorporated in India shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Holding Company and it's subsidiaries incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### NOTE 47: RELATED PARTY DISCLOSURES

#### A List of related parties:

##### (i) Key managerial personnel ("KMP"):

Sr. no.	Name	Designation
<b>KMP of Holding company:</b>		
1	Mr. Rajendra S. Shah	Chairman
2	Mr. Bhadresh K. Shah	Managing Director
3	Mr. Yashwant M. Patel	Whole-time Director
<b>KMP of subsidiary companies:</b>		
1	Mr. Jerry Andersson	Chief Executive Officer and Director, Vega Industries (Middle East) F.Z.C. (Upto 31 December, 2024)
2	Mr. Paryank R. Shah	Director, Vega Industries (Middle East) F.Z.C. and its subsidiaries
3	Mr. R. A. Gilani	
4	Mr. Himanshu K. Patel	
5	Mr. Vivek S. Rathaur	





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 47: RELATED PARTY DISCLOSURES (CONTD.)**

#Controlling party. Refer Note 21 for shareholding pattern.

## (ii) Independent directors:

Sr. no.	Name	Company
1	Mr. Rajendra S. Shah (Upto 11 September, 2024)	AIA Engineering Limited
2	Mr. Sanjay S. Majumdar (Upto 11 September, 2024)	
3	Mr. Dileep C. Choksi (Upto 11 September, 2024)	
4	Mr. Rajan Harivallabhdas	
5	Mrs. Janaki Udayanbhai Shah	
6	Mr. Piyush B. Shah (w.e.f. 09 September, 2024)	
7	Mr. D. P. Dhanuka (Upto 10 September, 2024)	Welcast Steels Limited
8	Mr. Pradip R. Shah (Upto 10 September, 2024)	
9	Mr. Sanjay S. Majmudar (Upto 10 September, 2024)	
10	Mr. Piyush B. Shah (w.e.f. 11 September, 2024)	
11	Mr. Rajan Harivallabhdas (w.e.f. 11 September, 2024)	
12	Mr. Ashok A. Nichani (Upto 10 September, 2024)	

## (iii) Others:

Sr. no.	Name	Relationship
1	AIA Employee's Gratuity Trust Fund, India	Post employment benefit plan of AIA Engineering Limited
2	Welcast Steels Employees Gratuity fund trust, India	Post employment benefit plan of Welcast Steels Limited
3	Vega MPS Pty. Ltd	Joint Venture of Vega Industries (Middle East) F.Z.C.
4	Mrs. Giraben K. Shah	Relatives of key managerial personnel
5	Mrs. Gitaben B. Shah	
6	Mrs. Khushali Samip Solanki*	
7	Mrs. Bhumika Shyamal Shodhan*	
8	Mrs. Tayaramma	Non-Executive Director of AIA Engineering Limited
9	Mr. Rajendra S. Shah (w.e.f. 13 September, 2024)	
10	Mr. Sanjay S. Majmudar (w.e.f. 13 September, 2024)	Non-Executive Director of Welcast Steels Limited
11	Mr. Sanjay S. Majmudar (w.e.f. 11 September, 2024)	
12	Mr. Pradip R. Shah (w.e.f. 11 September, 2024)	Enterprise over which key managerial personnel or close member of their family exercise control
13	AB Tradelink Private Limited	
14	Vee Connect Travels Private Limited	
15	Discus IT Private Limited	
16	Harsha Engineers International Limited	
17	Harsha Engineers Advantek Limited	
18	Cocoa Drama	

\*Non-executive director of the Company.

# Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 47: RELATED PARTY DISCLOSURES (CONTD.)

### B Details of related party transactions during the year:

Sr. no.	Nature of transaction	Joint Venture		Key Managerial Personnel		Independent Directors/ Non Executive Directors		Enterprise over which key managerial personnel or close member of their family exercise control		Relatives of key managerial personnel		Post employment benefit plan of the Group	
		31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
		(₹ in Lakhs)											
1	Sale of products (inclusive of taxes)	6,801.27	3,425.52	-	-	-	-	30,074.80	27,100.98	-	-	-	-
2	Purchase of goods (inclusive of taxes)	-	-	-	-	-	-	2,765.58	4,062.24	-	-	-	-
3	Commission expense on purchases	-	-	-	-	-	-	116.98	110.44	-	-	-	-
4	SAP ERP functional and technical support	-	-	-	-	-	-	90.93	99.34	-	-	-	-
5	Salary, bonus and perquisites	-	-	-	-	-	-	-	-	1.54	1.54	-	-
6	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	274.72	91.18
7	Rent, rates and taxes	-	-	-	-	-	-	-	-	6.42	6.42	-	-
8	Travelling expenses	-	-	-	-	-	-	472.97	493.35	-	-	-	-
9	Directors' remuneration and perquisites	-	-	737.38	725.50	-	-	-	-	-	-	-	-
10	Sitting fees paid	-	-	3.45	3.85	16.90	12.60	-	-	6.20	4.20	-	-
11	Commission to Director	-	-	-	-	22.50	22.00	-	-	18.00	18.00	-	-
12	Other expenses	-	-	-	-	-	-	2.23	-	-	-	-	-
13	Reimbursement received from gratuity fund	-	-	-	-	-	-	-	-	-	-	29.58	-
	<b>Total</b>	<b>6,801.27</b>	<b>3,425.52</b>	<b>740.83</b>	<b>729.35</b>	<b>39.40</b>	<b>34.60</b>	<b>33,523.49</b>	<b>31,866.35</b>	<b>32.16</b>	<b>30.16</b>	<b>304.30</b>	<b>91.18</b>
	Outstanding balance receivable at year end	400.74	-	-	-	-	-	5,141.24	2,193.15	-	-	10.20	-
	Outstanding balance payable at year end	1,254.14	913.90	6.63	6.44	20.25	19.80	212.47	325.81	0.59	0.41	417.12	264.91



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 47: RELATED PARTY DISCLOSURES (CONTD.)****C Disclosures in respect of transactions with related parties during the year.**

(₹ in Lakhs)

Sr. no.	Nature of transaction	Name of related party	31 March, 2025	31 March, 2024
1	Sale of products (inclusive of taxes)	AB Tradelink Private Limited	30,074.80	27,100.98
		Vega MPS Pty Ltd	6,801.27	3,425.52
2	Purchase of goods (inclusive of taxes)	Harsha Engineers International Limited	2,730.21	4,062.24
		Harsha Engineers Advantek Limited	35.37	-
3	Commission expense on purchases	AB Tradelink Private Limited	116.98	110.44
4	SAP ERP functional and technical support	Discus IT Private Limited	90.93	99.34
5	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
6	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	257.26	88.01
		Welcast Steels Employees Gratuity fund trust	17.46	3.17
7	Rent, rates and taxes	Mrs. Giraben K. Shah	4.22	4.22
		Mrs. Tayaramma	2.20	2.20
8	Travelling expenses	Vee Connect Travel Private Limited	472.97	493.35
9	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	120.74	128.98
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Paryank R. Shah	86.37	84.38
		Mr. R. A. Gilani	158.84	117.54
		Mr. Himanshu K. Patel	120.52	109.83
		Mr. Jerry Andersson	176.30	211.99
		Mr. Vivek S. Rathore	44.29	42.46
10	Sitting fees paid	Mr. Rajendra S. Shah	2.40	2.60
		Mr. Bhadresh K. Shah	1.05	1.25
		Mr. Sanjay S. Majmudar	4.50	3.60
		Mr. Dileep C. Choksi	1.60	1.45
		Mr. Rajan Harivallabhdas	4.10	2.20
		Mrs. Janaki Udayanbhai Shah	2.60	1.60
		Mrs. Khushali Samip Solanki	3.40	2.35
		Mrs. Bhumika Shyamal Shodhan	2.80	1.85
		Mr. Piyush B. Shah	2.10	-
		Mr. D.P Dhanuka	0.65	1.25
		Mr. Pradip R. Shah	0.70	1.25
		Mr. Ashok Nichani	0.65	1.25
11	Commission to Director	Mr. Sanjay S. Majmudar	22.50	22.00
		Mrs. Khushali Samip Solanki	18.00	18.00
12	Other expenses	Cocoa Drama	2.23	-
13	Reimbursement received from gratuity fund	Welcast Steels Employees Gratuity fund trust	29.58	-

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 47: RELATED PARTY DISCLOSURES (CONTD.)**

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

(₹ in Lakhs)

Sr. no.	Particulars	Name of related party	31 March, 2025	31 March, 2024
1	<b>Other financial liabilities</b>			
	Key managerial personnel	Mr. Bhadresh K. Shah	4.75	4.45
		Mr. Yashwant M. Patel	1.88	1.99
			<b>6.63</b>	6.44
2	<b>Trade payables</b>			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	6.48	33.43
		Harsha Engineers International Limited	197.10	270.25
		Harsha Engineers Advantek Limited	4.34	-
		Vee Connect Travels Private Limited	4.55	22.13
	Relative of Key managerial personnel	Mrs. Giraben K. Shah	0.32	0.32
		Mrs. Gitaben B. Shah	0.09	0.09
		Mrs. Tayaramma	0.18	-
	Independent director/Non-Executive Director	Mr. Sanjay S. Majmudar	20.25	19.80
			<b>233.31</b>	346.02
3	<b>Trade receivable</b>			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	5,136.68	2,193.15
	Joint Venture	Vega MPS Pty Ltd	400.74	-
			<b>5,537.42</b>	2,193.15
4	<b>Provision for employee benefits</b>			
	Post employment benefit plan of the Group	AIA Employee's Gratuity Trust Fund, India	395.74	257.26
		Welcast Steels Employees Gratuity fund trust	21.38	7.65
			<b>417.12</b>	264.91
5	<b>Amount due from Gratuity Trust</b>			
	Post employment benefit plan of the Group	Welcast Steels Employees Gratuity fund trust	10.20	-
			<b>10.20</b>	-
6	<b>Advances</b>			
	Enterprise over which key managerial personnel or close member of their family exercise control	Vee Connect Travels Private Limited	4.56	-
			<b>4.56</b>	-
7	<b>Other Current Liabilities</b>			
	Joint Venture	Vega MPS Pty Ltd	1,254.14	913.90
			<b>1,254.14</b>	913.90



Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 47: RELATED PARTY DISCLOSURES (CONTD.)**

**E Breakup of compensation paid to key managerial personnel:**

Sr. no.	Particulars	Name of key managerial personnel	31 March, 2025	31 March, 2024
1	Short-term employee benefits	Mr. Bhadresh K. Shah	120.74	128.98
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Paryank R. Shah	86.37	84.38
		Mr. R. A .Gilani	158.84	117.54
		Mr. Himanshu K. Patel	120.52	109.83
		Mr. Jerry Andersson	176.30	211.99
		Mr. Vivek S. Rathaur	44.29	42.46
			<b>737.38</b>	<b>725.50</b>

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

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

**NOTE 48: OPERATING SEGMENTS**

**(a) Information about reportable segment:**

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

**(b) Information about geographical segment:**

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

(₹ in Lakhs)		
Particulars	31 March, 2025	31 March, 2024
(1) Revenues from external customers including operating revenue		
India	1,55,673.11	1,45,622.20
Australia	42,245.90	48,539.49
United States of America	38,745.53	56,539.80
Others	1,92,079.85	2,34,674.64
(2) Non-current assets (excluding financial assets and tax assets)		
India	1,27,586.32	1,24,697.60
Outside India	697.92	457.49

(₹ in Lakhs)		
Particulars	31 March, 2025	31 March, 2024
(a) Breakup of revenues :		
Revenue from operations	4,22,662.27	4,77,182.26
Other operating revenue	6,082.12	8,193.87
(b) Non-current assets		
Non-current assets (excluding financial assets and tax assets)	1,28,284.24	1,25,155.09

There are sales in single country which amounts to more than 10% of the group's total revenue and same is disclosed above. There are no transactions with a single external customer which amounts to 10% or more of the group's total revenue.

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 49: FINANCIAL RISK MANAGEMENT

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

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

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

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

#### Credit risk

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

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

- Actual or expected significant adverse changes in business;
- Actual or expected significant changes in the operating results of the counterparty;
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Significant increase in credit risk on other financial instruments of the same counterparty.

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





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)**

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

**Provision for expected credit losses:**

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

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

Particulars	(₹ in Lakhs)	
	31 March, 2025	31 March, 2024
Balance at the Beginning of the year	53.66	105.59
Impairment loss/(reversal) during the year	68.45	(52.01)
Loss/(Gain) on account of translation of foreign operation	-	0.08
<b>Balance at the end of the year</b>	<b>122.11</b>	<b>53.66</b>

Loss allowance as on 31 March, 2025 and 31 March, 2024 was determined as follows :

As at 31 March, 2025	(₹ in Lakhs)		
	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	-	-	-
Not Due	0.01%	56,720.61	3.62
Less than 6 months	0.01%	23,851.16	2.69
6 months - 1 year	0.30%	900.03	2.71
1-2 years	1.64%	1,121.55	18.42
2-3 years	23.61%	102.43	24.18
More than 3 years	76.59%	92.03	70.49
<b>Gross carrying amount</b>		<b>82,787.81</b>	<b>122.11</b>

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)**

(₹ in Lakhs)

As at 31 March, 2024	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	-	-	-
Not Due	0.01%	60,538.59	3.27
Less than 6 months	0.01%	25,943.92	3.05
6 months - 1 year	0.26%	1,262.93	3.31
1-2 years	2.74%	252.81	6.92
2-3 years	18.43%	83.20	15.34
More than 3 years	31.52%	69.07	21.77
Gross carrying amount		88,150.53	53.66

**Expected credit loss for loans and deposits:**

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
<b>As at 31 March, 2025</b>					
<b>Loss allowance measured at 12 month expected credit losses:</b>					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	13,232.05	-	-	13,232.05
	Deposits	1,355.80	-	-	1,355.80
<b>Loss allowance measured at life time expected credit losses:</b>					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
<b>As at 31 March, 2024</b>					
<b>Loss allowance measured at 12 month expected credit losses:</b>					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	12,828.60	-	-	12,828.60
	Deposits	1,152.64	-	-	1,152.64
<b>Loss allowance measured at life time expected credit losses:</b>					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

**Expected credit loss for trade receivables under simplified approach:**

**Ageing of trade receivables as at year end:**

(₹ in Lakhs)

Due from date of invoice	31 March, 2025	31 March, 2024
Not Due	56,720.61	60,538.59
0 - 3 months	22,600.45	22,561.17
3 - 6 months	1,250.71	3,382.75
6 - 12 months	900.03	1,262.93
Beyond 12 months	1,316.01	405.08
Gross carrying amount	82,787.81	88,150.53
Expected credit loss	(122.11)	(53.66)
<b>Net carrying amount</b>	<b>82,665.70</b>	<b>88,096.87</b>



## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)****Liquidity risk**

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
0-1 Year	394.86	336.45
2-5 Years	209.39	368.77
Grand Total	<b>604.25</b>	705.22

**Financing arrangements**

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Fund and non-fund based facilities	1,33,188.89	73,247.07

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

Particulars	(₹ in Lakhs)		
	0-1 years	1-5 years	Total
<b>As at 31 March, 2025</b>			
<b>Non-derivative financial liabilities</b>			
Short term borrowings	48,500.00	-	48,500.00
Trade payables	19,669.25	-	19,669.25
Other financial liabilities	2,587.37	-	2,587.37
<b>Total</b>	<b>70,756.62</b>	-	<b>70,756.62</b>
<b>Derivative financial liabilities</b>			
Derivatives	47.38	-	47.38
<b>As at 31 March, 2024</b>			
<b>Non-derivative financial liabilities</b>			
Short term borrowings	45,459.50	-	45,459.50
Trade payables	17,863.53	-	17,863.53
Other financial liabilities	2,727.10	-	2,727.10
<b>Total</b>	<b>66,050.13</b>	-	<b>66,050.13</b>
<b>Derivative financial liabilities</b>			
Derivatives	-	-	-

Note: Guarantees issued by the Group aggregating to ₹ 2,136.46 Lakhs (previous year: ₹ 1,666.93 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the group does not have any present obligation to third parties in relation to such guarantees.

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

#### Market risk - interest rate

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

#### Interest rate sensitivity

(₹ in Lakhs)		
Particulars	31 March, 2025	31 March, 2024
Borrowings bearing fixed rate of interest	-	-
Borrowings bearing variable rate of interest	48,500.00	45,459.50

#### Exposure to interest rate risk

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

(₹ in Lakhs)		
Movement - effects on profit before tax	Year ended 31 March, 2025	Year ended 31 March, 2024
50 bp increase-decrease in profits	(242.50)	(227.30)
50 bp decrease-increase in profits	242.50	227.30

The Group has no significant long-term debt.

#### Market risk - Foreign currency risk

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

#### Foreign currency exposure:

(₹ in Lakhs)						
Particulars	Assets				Liabilities	
	Trade receivables (net of hedge)	Bank balances in EEFC accounts	Investments	Total exposure to foreign currency risk	Trade payables	Total exposure to foreign currency risk
<b>As at 31 March, 2025:</b>						
USD	5,48,13,784	8,17,94,753	19,32,499	13,85,41,036	47,56,469	47,56,469
EURO	39,79,391	70,08,400	-	1,09,87,791	6,24,239	6,24,239
ZAR	1,01,29,616	2,85,59,251	-	3,86,88,868	4,19,447	4,19,447
GBP	-	45,235	-	45,235	74,104	74,104
CAD	-	10,52,131	-	10,52,131	14,833	14,833
AUD	30,37,117	1,33,94,344	-	1,64,31,462	3,36,918	3,36,918
AED	-	7,03,488	-	7,03,488	19,669	19,669
CNY	54,40,193	97,16,469	-	1,51,56,661	1,10,060	1,10,060
CLP	1,26,41,16,467	1,52,15,56,614	-	2,78,56,73,081	6,60,59,842	6,60,59,842
IDR	23,25,81,76,008	29,33,77,51,087	-	52,59,59,27,095	5,74,27,586	5,74,27,586
GHC	-	2,79,994	-	2,79,994	11,56,757	11,56,757
SOL	-	20,586	-	20,586	-	-



Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)**

(₹ in Lakhs)

Particulars	Assets				Liabilities	
	Trade receivables (net of hedge)	Bank balances in EEFC accounts	Investments	Total exposure to foreign currency risk	Trade payables	Total exposure to foreign currency risk
As at 31 March, 2024:						
USD	6,35,89,877	1,25,65,826	56,13,054	8,17,68,757	39,84,854	39,84,854
EURO	33,86,057	15,19,913	-	49,05,970	3,50,164	3,50,164
ZAR	60,52,312	33,41,097	-	93,93,409	4,89,387	4,89,387
GBP	-	60,728	-	60,728	14,594	14,594
CAD	65,368	3,92,115	-	4,57,483	52,307	52,307
AUD	75,03,142	14,24,145	-	89,27,287	4,64,285	4,64,285
AED	-	2,31,890	-	2,31,890	1,44,387	1,44,387
CNY	14,85,800	38,53,427	-	53,39,227	72,125	72,125
CLP	1,32,34,80,630	63,01,84,654	-	1,95,36,65,284	2,00,60,816	2,00,60,816
IDR	33,44,08,39,746	11,18,02,48,731	-	44,62,10,88,477	28,43,54,334	28,43,54,334
GHS	-	8,28,748	-	8,28,748	86,988	86,988
SOL	-	12,842	-	12,842	-	-

**Foreign currency risk sensitivity**

(₹ in Lakhs)

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
<b>USD sensitivity</b>						
INR/USD- increase by	1.00	1.00	1,143.31	648.30	913.42	517.95
INR/USD- decrease by	1.00	1.00	(1,143.31)	(648.30)	(913.42)	(517.95)
<b>Euro sensitivity</b>						
INR/Euro- increase by	1.00	1.00	95.61	41.05	76.38	32.80
INR/Euro- decrease by	1.00	1.00	(95.61)	(41.05)	(76.38)	(32.80)
<b>ZAR sensitivity</b>						
INR/ZAR- increase by	1.00	1.00	17.78	3.93	14.21	3.14
INR/ZAR- decrease by	1.00	1.00	(17.78)	(3.93)	(14.21)	(3.14)
<b>GBP sensitivity</b>						
INR/GBP- increase by	1.00	1.00	(0.32)	0.48	(0.26)	0.39
INR/GBP- decrease by	1.00	1.00	0.32	(0.48)	0.26	(0.39)
<b>CAD sensitivity</b>						
INR/ CAD- increase by	1.00	1.00	6.16	2.49	4.92	1.99
INR/CAD- decrease by	1.00	1.00	(6.16)	(2.49)	(4.92)	(1.99)
<b>AUD sensitivity</b>						
INR/AUD- increase by	1.00	1.00	85.76	46.01	68.52	36.76
INR/AUD- decrease by	1.00	1.00	(85.76)	(46.01)	(68.52)	(36.76)
<b>AED sensitivity</b>						
INR/AED- increase by	1.00	1.00	1.59	0.20	1.27	0.16
INR/AED- decrease by	1.00	1.00	(1.59)	(0.20)	(1.27)	(0.16)
<b>CNY sensitivity</b>						
INR/CNY- increase by	1.00	1.00	17.69	6.08	14.14	4.86
INR/CNY- decrease by	1.00	1.00	(17.69)	(6.08)	(14.14)	(4.86)
<b>CLP sensitivity</b>						
INR/CLP- increase by	1.00	1.00	24.39	16.45	19.49	13.15
INR/CLP- decrease by	1.00	1.00	(24.39)	(16.45)	(19.49)	(13.15)

# Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

## NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
<b>IDR sensitivity</b>						
INR/IDR- increase by	1.00	1.00	26.79	23.50	21.41	18.77
INR/IDR- decrease by	1.00	1.00	(26.79)	(23.50)	(21.41)	(18.77)
<b>GHS sensitivity</b>						
INR/GHS- increase by	1.00	1.00	(0.49)	0.47	(0.39)	0.37
INR/GHS- decrease by	1.00	1.00	0.49	(0.47)	0.39	(0.37)
<b>SOL sensitivity</b>						
INR/SOL- increase by	1.00	1.00	0.05	0.03	0.04	0.02
INR/SOL- decrease by	1.00	1.00	(0.05)	(0.03)	(0.04)	(0.02)

The following significant exchange rates have been applied during the year:

Rupees	Average rate		Year-end spot rate	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
USD	84.43	82.70	85.46	83.35
EUR	90.51	89.66	92.25	90.10
ZAR	4.61	4.43	4.65	4.42
CAD	60.79	61.33	59.43	61.55
GBP	107.74	103.61	110.18	105.23
AUD	54.99	54.39	53.28	54.37
AED	22.99	22.52	23.27	22.69
CNY	11.71	11.59	11.76	11.54
RUB	0.89	0.94	1.01	0.90
CLP	0.09	0.10	0.09	0.09
IDR	0.01	0.01	0.01	0.01
GHS	5.60	7.06	5.53	6.32
SOL	22.61	22.41	23.32	22.41

### Derivative financial instruments

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

### Cash flow hedge:

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

Currency - sold/bought	Exposure to buy/sell	No. of contracts	Net position		Fair value gain/(loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
<b>31 March, 2025</b>					
USD/INR	Sell	157	1,65,12,500	14,111.33	(87.90)
AUD/ INR		34	52,00,000	2,770.77	223.88
					<b>135.98</b>
		Less : Deferred tax			34.22
		Balance in cash flow hedge reserve			<b>101.76</b>
<b>31 March, 2024</b>					
USD/INR	Sell	208	2,37,50,000	19,794.82	44.98
AUD/INR		111	1,82,00,000	9,894.92	287.00
					331.98
		Less : Deferred tax			83.55
		Balance in cash flow hedge reserve			<b>248.43</b>





## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)**

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

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2025	Year ended 31 March, 2024
Balance at the beginning of the year (net of tax)	248.43	164.40
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(146.67)	84.03
<b>Balance at the end of the year (net of tax)</b>	<b>101.76</b>	<b>248.43</b>

**Commodity Risk**

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

- (i) widening its sourcing base;
- (ii) appropriate contracts with vendors and customers and commitments;
- (iii) well planned procurement and inventory strategy.

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

**Consumption details of metal scrap and ferro chrome:**

Particulars	(Qty in MT)	
	2024-25	2023-24
Metal scrap	1,93,731	2,32,838
Ferro chrome	59,967	45,531

**Commodity price sensitivity:**

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

Particulars	(₹ in Lakhs)	
	2024-25	2023-24
₹ 1 increase in commodity price	(2,536.98)	(2,783.69)
₹ 1 decrease in commodity price	2,536.98	2,783.69

**Capital management**

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

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

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

Particulars	(₹ in Lakhs)	
	2024-25	2023-24
Debt	48,500.00	45,459.50
Total equity	6,92,699.84	6,65,774.19
Debt to total equity	0.07	0.07

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

## Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

### NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

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

### NOTE 50: FAIR VALUE MEASUREMENTS

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

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

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

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

#### A. Financial assets :

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL <sup>#</sup>	FVTOCI	Amortised cost		
<b>As at 31 March, 2025</b>						
Non-current investments <sup>#</sup>	8	76.78	-	-	76.78	76.78
Current investments	15	3,65,594.32	16,912.46	-	3,82,506.78	3,82,506.78
Trade receivables	9, 16	-	-	82,665.70	82,665.70	-
Loans	10, 18	-	-	13,232.05	13,232.05	-
Cash and cash equivalents	17	-	-	39,710.87	39,710.87	-
Bank balances other than above	17	-	-	4,042.91	4,042.91	-
Other financial assets	11,19	-	-	5,350.41	5,350.41	-
		<b>3,65,671.10</b>	<b>16,912.46</b>	<b>1,45,001.94</b>	<b>5,27,585.50</b>	<b>3,82,583.56</b>
<b>As at 31 March, 2024</b>						
Non-current investments <sup>#</sup>	8	83.66	-	-	83.66	83.66
Current investments	15	1,10,534.29	1,87,126.99	-	2,97,661.28	2,97,661.28
Trade receivables	9, 16	-	-	88,096.87	88,096.87	-
Loans	10, 18	-	-	12,828.60	12,828.60	-
Cash and cash equivalents	17	-	-	18,032.70	18,032.70	-
Bank balances other than above	17	-	-	37,366.99	37,366.99	-
Other financial assets	11,19	331.98	-	24,135.24	24,467.22	331.98
		<b>1,10,949.93</b>	<b>1,87,126.99</b>	<b>1,80,460.40</b>	<b>4,78,537.32</b>	<b>2,98,076.92</b>

<sup>#</sup>Investments in unquoted equity shares of entities other than subsidiaries and joint venture have been designated as FVTPL and such investment upon sale is only going to fetch the principal amount invested and hence the management considers cost and fair value to be the same.



Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 50: FAIR VALUE MEASUREMENTS (CONTD.)**

**B. Financial liabilities :**

(₹ in Lakhs)

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
<b>As at 31 March, 2025</b>						
Borrowings	25	-	-	48,500.00	48,500.00	-
Trade payables	27	-	-	19,669.25	19,669.25	-
Other financial liabilities	28	47.38	-	2,587.37	2,634.75	47.38
		<b>47.38</b>	<b>-</b>	<b>70,756.62</b>	<b>70,804.00</b>	<b>47.38</b>
<b>As at 31 March, 2024</b>						
Borrowings	25	-	-	45,459.50	45,459.50	-
Trade payables	27	-	-	17,863.53	17,863.53	-
Other financial liabilities	28	-	-	2,727.10	2,727.10	-
		<b>-</b>	<b>-</b>	<b>66,050.13</b>	<b>66,050.13</b>	<b>-</b>

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

(₹ in Lakhs)

Particulars	Note	Fair value	Level 1	Level 2	Level 3
<b>As at 31 March, 2025</b>					
<b>Financial assets</b>					
Current investments	15				
Investments in mutual funds (quoted)		2,73,633.75	2,73,633.75	-	-
Investments in bonds (quoted)		44,607.97	44,607.97	-	-
Investment in government securities (quoted)		64,265.06	64,265.06	-	-
<b>Financial assets</b>					
Derivatives		-	-	-	-
<b>As at 31 March, 2024</b>					
<b>Financial assets</b>					
Current investments	15				
Investments in mutual funds (quoted)		71,628.26	71,628.26	-	-
Investments in bonds (quoted)		1,97,766.34	1,97,766.34	-	-
Investment in commercial paper (quoted)		19,574.78	19,574.78	-	-
Investment in government securities (quoted)		8,691.90	8,691.90	-	-
<b>Financial assets</b>					
Derivatives		331.98	-	331.98	-

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





Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 52 : AGEING OF CURRENT TRADE RECEIVABLES****As at 31 March, 2025**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade Receivables - considered good	-	56,720.61	23,828.34	897.84	1,119.77	102.31	33.53
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	57.60
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	-	56,720.61	23,828.34	897.84	1,119.77	102.31	91.13
Less: Allowance for expected credit loss	-	(3.62)	(2.69)	(2.71)	(18.42)	(24.18)	(70.49)
	-	56,716.99	23,825.65	895.13	1,101.35	78.13	20.64
							82,702.40

(₹ in Lakhs)

**As at 31 March, 2024**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade Receivables - considered good	-	60,535.32	25,937.41	1,237.23	239.70	44.39	37.28
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	3.27	3.05	3.31	6.92	15.34	21.77
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	-	60,538.59	25,940.46	1,240.54	246.62	59.73	59.05
Less: Allowance for expected credit loss	-	(3.27)	(3.05)	(3.31)	(6.92)	(15.34)	(21.77)
	-	60,535.32	25,937.41	1,237.23	239.70	44.39	37.28
							88,031.33

(₹ in Lakhs)

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 53 : AGEING OF TRADE PAYABLES**

**As at 31 March, 2025**

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,112.47	86.82	-	-	-	2,199.29
(ii) Others	2,267.03	9,090.25	4,228.31	640.43	363.96	879.98	17,469.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	<b>2,267.03</b>	<b>11,202.72</b>	<b>4,315.13</b>	<b>640.43</b>	<b>363.96</b>	<b>879.98</b>	<b>19,669.25</b>

**As at 31 March, 2024**

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,997.79	63.93	-	-	-	2,061.72
(ii) Others	3,804.51	5,371.77	4,869.61	650.86	512.01	593.05	15,801.81
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	<b>3,804.51</b>	<b>7,369.56</b>	<b>4,933.54</b>	<b>650.86</b>	<b>512.01</b>	<b>593.05</b>	<b>17,863.53</b>





Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 54: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013:**

Name of the Company		Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)		(₹ in Lakhs)
		Country of incorporation	Net assets	As % of consolidated net assets	Profit/(loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	
31 March, 2025										
Holding Company										
	India	6,70,620.97	96.81%	1,02,150.88	96.30%	(57.37)	2.56%	1,02,093.51	98.33%	
Indian subsidiaries (direct)										
	India	3,972.45	0.57%	(33.74)	(0.03%)	(9.16)	0.41%	(42.90)	(0.04%)	
	India	1.00	0.00%	-	0.00%	-	0.00%	-	0.00%	
Foreign subsidiaries (direct)										
	U.A.E	22,425.10	3.24%	6,765.60	6.38%	-	0.00%	6,765.60	6.52%	
F.Z.C.										
Foreign subsidiaries (indirect)										
	U. K.	895.81	0.13%	37.19	0.04%	-	0.00%	37.19	0.04%	
	U. S. A.	3,604.00	0.52%	662.31	0.62%	-	0.00%	662.31	0.64%	
	South Africa	35.04	0.01%	(227.57)	(0.21%)	-	0.00%	(227.57)	(0.22%)	
	China	520.68	0.08%	83.05	0.08%	-	0.00%	83.05	0.08%	
	Indonesia	(1,269.03)	(0.18%)	(418.12)	(0.39%)	-	0.00%	(418.12)	(0.40%)	
	Chile	(916.57)	(0.13%)	(163.18)	(0.15%)	-	0.00%	(163.18)	(0.16%)	
	Ghana	(1,790.79)	(0.26%)	708.35	0.67%	-	0.00%	708.35	0.68%	
	Australia	1,181.05	0.17%	148.95	0.14%	-	0.00%	148.95	0.14%	
	Peru	(227.29)	(0.03%)	(214.15)	(0.20%)	-	0.00%	(214.15)	(0.21%)	
	U.A.E	3,906.86	0.56%	3,865.13	3.64%	-	0.00%	3,865.13	3.72%	
Foreign Joint Venture										
	Australia	-	0.00%	1,290.07	1.22%	-	0.00%	1,290.07	1.24%	
Add/(less):										
		(9,251.50)	(1.34%)	(8,647.40)	(8.15%)	-	0.00%	(8,647.40)	(8.33%)	
		-	-	-	0.00%	(2,179.66)	97.14%	(2,179.66)	(2.10%)	
Non-controlling interests in:										
		(999.07)	(0.14%)	8.49	0.01%	2.31	(0.10%)	10.80	0.01%	
		(8.87)	0.00%	57.74	0.05%	0.07	0.00%	57.81	0.06%	
		6,92,699.84	100.00%	1,06,073.60	100.00%	(2,243.81)	100.00%	1,03,829.79	100.00%	

Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

NOTE 54: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013: (CONTD.)

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorporation	Net assets	As % of consolidated net assets	Profit/(loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI
31 March, 2024									
Holding Company									
AIA Engineering Limited	India	6,45,583.57	96.97%	1,12,944.99	99.46%	428.92	(23.45%)	1,13,373.91	101.47%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	4,031.28	0.61%	524.85	0.46%	(8.70)	0.48%	516.15	0.46%
AIA CSR Foundation	India	1.00	0.00%	-	0.00%	-	0.00%	-	0.00%
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	29,703.09	4.46%	14,696.55	12.94%	-	0.00%	14,696.55	13.15%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	818.17	0.12%	806.77	0.71%	-	0.00%	806.77	0.72%
Vega Industries Limited	U. S. A.	2,863.00	0.43%	784.29	0.69%	-	0.00%	784.29	0.70%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	59.37	0.01%	39.07	0.03%	-	0.00%	39.07	0.03%
Wuxi Vega Trade Co. Limited	China	428.69	0.06%	279.48	0.25%	-	0.00%	279.48	0.25%
PT. Vega Industries Indonesia	Indonesia	(874.58)	(0.13%)	194.88	0.17%	-	0.00%	194.88	0.17%
Vega Industries Chile SpA	Chile	(711.15)	(0.11%)	(691.89)	(0.61%)	-	0.00%	(691.89)	(0.62%)
AIA Ghana Limited	Ghana	(2,443.79)	(0.37%)	(346.68)	(0.31%)	-	0.00%	(346.68)	(0.31%)
Vega Industries Australia PTY Limited	Australia	1,056.03	0.16%	437.44	0.39%	-	0.00%	437.44	0.39%
Vega Industries Peru Limited	Peru	(11.07)	0.00%	(93.07)	(0.08%)	-	0.00%	(93.07)	(0.08%)
Foreign Joint Venture									
Vega MPS Pty. Ltd	Australia	-	-	231.25	0.20%	-	0.00%	231.25	0.21%

(₹ in Lakhs)



Notes to the consolidated financial statements for the year ended 31 March, 2025 (Contd.)

**NOTE 54: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013: (CONTD.)**

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)		(₹ in Lakhs)
	Country of incorporation	Net assets	As % of consolidated net assets	Profit/(loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI	
Add/(less):										
Adjustment arising out of consolidation		(13,700.47)	(2.06%)	(16,108.69)	(14.19%)	-	0.00%	(16,108.69)	(14.42%)	
Exchange differences on translation of foreign operations		-	-	-	0.00%	(2,250.93)	123.08%	(2,250.93)	(2.01%)	
Non-controlling interests in:										
Welcast Steels Limited		(1,013.89)	(0.15%)	(132.00)	(0.12%)	2.19	(0.12%)	(129.81)	(0.12%)	
Vega Steel Industries (RSA) Proprietary Limited		(15.06)	0.00%	(9.91)	(0.01%)	(0.37)	0.02%	(10.28)	(0.01%)	
		6,65,774.19	100.00%	1,13,557.33	100.00%	(1,828.89)	100.00%	1,11,728.44	100.00%	

As per our report of even date attached.

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

**RUPEN SHAH**  
Partner  
Membership No: 116240

Place: Ahmedabad  
Date: 23 May, 2025

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

**BHADRESH K. SHAH**  
Managing Director  
(DIN: 00058177)

**VIREN K. THAKKAR**  
Chief Financial Officer

Place: Ahmedabad  
Date: 23 May, 2025

**SANJAY S. MAJUMDAR**  
Director  
(DIN: 00091305)

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

Place: Ahmedabad  
Date: 23 May, 2025

## Notes



# NOTICE

Notice is hereby given that the **THIRTY FIFTH ANNUAL GENERAL MEETING** of the Members of **AIA ENGINEERING LIMITED** will be held on Monday, the 15 September, 2025 at 11.00 A.M. through Video Conferencing/Other Audio Visual Means, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31 March, 2025 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31 March, 2025.
3. To appoint a Director in place of Mrs. Khushali Samip Solanki (DIN: 07008918), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Yashwant Manubhai Patel (DIN: 02103312), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:  
"**RESOLVED THAT** pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration of ₹ 5.00 Lakhs as decided by the Board of Directors on the recommendations of the Audit Committee and payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year 2025-26.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
"**RESOLVED THAT** in accordance with the provisions of Section 149, 150 and 152 and other applicable provisions if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV of the Act and the Regulation 16(1)(b) and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")(including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, Mr. Udayan Dileep Shah (DIN : 02222020) who was appointed as an Independent Director with effect from 20 September, 2025 by the Board of Directors of the Company subject to the approval of shareholders and in respect of whom the Company has received a notice in writing from a member proposing his appointment as an Independent Director and who has submitted the declaration that he meets the criteria of Independence as provided in the Act and the SEBI LODR Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5(five) consecutive years with effect from 20 September, 2025.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"**RESOLVED THAT** pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and as per the applicable provisions of the Companies Act, 2013 ("the Act") and other applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the recommendation of the Audit Committee and Board of Directors of the Company, Tushar Vora & Associates, Company Secretaries (CP No. 1745), Ahmedabad having ICSI Peer Review No. 1200/2021, who has offered themselves for appointment as Secretarial Auditors be and is hereby appointed as Secretarial Auditors of the Company for a term of five years to hold office from 1 April, 2025 to 31 March, 2030 on such remuneration as may be decided by the Board of Directors in consultation with the Secretarial Auditors of the Company, in addition to GST and re-imbursement of out of pocket expenses incurred by them in connection with the secretarial audit of the Company.



**RESOLVED FURTHER THAT** approval of the members be and is hereby accorded to the Board to avail or obtain from the Secretarial Auditors, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the applicable laws, at a remuneration to be determined by the Audit committee/Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take all actions and do all such deeds, matters and things, as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

**By Order of the Board of Directors,**

Place : Ahmedabad  
Date : 23 May, 2025

**S. N. Jetheliya**  
Company Secretary

**Regd. Office:**  
115, G.V.M.M. Estate,  
Odhav Road,  
Odhav,  
Ahmedabad 382 415  
CIN: L29259GJ1991PLC015182





## NOTES

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
2. Pursuant to General Circulars No. 14/2020 dated 8 April, 2020, No.17/2020 dated 13 April, 2020, No. 20/2020 dated 5 May, 2020, No. 02/2021 dated 13 January, 2021, No. 21/2021 dated 14 December, 2021, No. 2/2022 dated 5 May, 2022, No. 10/2022 dated 28 December, 2022, No. 09/2023 dated 25 September, 2023 and 09/2024 dated 19 September, 2024 issued by the Ministry of Corporate Affairs (collectively referred to as MCA Circulars), the Company is convening the 35th Annual General Meeting ('AGM') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated 12 May, 2020, 15 January, 2021, 13 May, 2022, 5 January, 2023, 7 October, 2023 and 3 October, 2024 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI LODR Regulations and MCA Circulars, the 35th AGM of the Company is being held through VC/OAVM on Monday, 15 September, 2025 at 11:00 A.M. IST. The deemed venue for the AGM will be the Registered Office of the Company i.e. 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415.  
  
As this AGM is being held pursuant to the MCA Circulars for General Meetings through VC/OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend AGM through VC/OAVM and participate thereat and cast their votes through e-voting.  
  
As this AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
3. The Company has fixed Friday, 5 September, 2025 as the Record Date for determining the entitlement of the members to the Dividend for the Financial Year 2024-25, if declared at the AGM.
4. A Dividend of ₹ 16/- per share (800%) has been recommended by the Board of Directors for the year ended 31 March, 2025 for the approval of the members at the ensuing AGM and if approved by the members, it will be paid on or before 14 October, 2025.
5. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020,

mandates that dividends paid or distributed by a Company after 1 April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend. The Company had sent an e-mail communication to all the members of the Company on 23 June, 2025 with regard to deduction of tax on dividend as per the amendment introduced by the Finance Act, 2020 in the IT Act.

Said e-mail communication contained the details of tax rates for various categories of shareholders (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various blank forms and separate link and e-mail ID to upload the signed forms and various documents by the shareholders to enable the Company to determine the applicable rate of TDS / Withholding Tax. The said facility to upload the documents/sending documents through e-mail is open till 31 August, 2025. Any communication received after 31 August, 2025 will not be considered.

For the information of the members, it is hereby clarified that **no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend to be paid to him during the Financial Year does not exceed ₹ 10,000/- or if an eligible resident member has provided a valid declaration in Form 15G/Form 15H or other documents as may be applicable to different categories of members.** The rate of TDS will vary depending on the residential status of the shareholder and documents registered with the Company.

The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with the Company / RTA post payment of the dividend. The Shareholders will also be able to download the TDS details from the Income Tax Department's website <https://www.incometax.gov.in> (refer Form 26AS).

In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, an option is still available with the shareholder to file the Return of Income and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment/apellate proceedings before the Tax/Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend

payment. Members should consult their tax advisors for requisite action to be taken by them.

If you are a member of the Company as on 5 September, 2025 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct taxes at source on the dividend payable to you as per the applicable provisions under the IT Act.

Members holding shares in dematerialised mode, are requested to update their records such as tax residential status, PAN and register their e-mail addresses, mobile numbers and other details with their relevant depositories through their DPs. The members holding shares in physical mode are requested to furnish details to the Company's RTA in the prescribed format.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts.

SEBI vide its Circular dated 20 April, 2018, directed all the listed companies to record the Income Tax PAN and Bank Account Details of all their shareholders holding shares in physical form. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest. This will help the shareholders to receive the dividend declared by the Company, directly in their respective bank accounts.

7. In compliance with the Circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of F.Y. 2024-25 will be sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes.
8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection electronically during the period of AGM.

The Company proposes to send documents, such as the Notice of the Annual General Meeting and Annual Report etc. henceforth to the members in electronic form at the e-mail address provided by them and made available to the Company by the Depositories from time to time.

The un-audited quarterly and half-yearly financial results of the Company are uploaded on the website of the Company.

In case you wish to receive the above documents in physical form, you are requested to please inform us on the below mentioned e-mail id. Please quote your Name, Demat Account No. [DP ID No. and Client ID No.].

E-mail ID for reply : ric@aiaengineering.com.

9. The Ministry of Corporate Affairs has notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

Those members who has so far not en-cashed their dividend warrants for the below mentioned Financial Years, may claim or approach the Company for the payment thereof, otherwise the same will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 125 of the Companies Act, 2013. Members are requested to note that after such dates, the members will be required to claim their dividend from IEPF Authority.

Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1.	2018-19	Final Dividend	18.09.2026
2.	2019-20	Interim Dividend	15.04.2027
3.	2020-21	Final Dividend	10.10.2028
4.	2021-22	Final Dividend	19.10.2029
5.	2022-23	Final Dividend	26.10.2030
6.	2023-24	Final Dividend	17.10.2031

The IEPF Rules mandate the Companies to transfer also the shares of those shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the Demat Account of IEPF Authority. The Company is required to transfer all unclaimed shares to the Demat Account of the IEPF Authority in accordance with the IEPF Rules.

10. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at <https://aiaengineering.com/investor-kyc/>.

Members are requested to submit the said details to their respective DPs, in case the shares are held by



them in dematerialised form and to the Company / RTA in case the shares are held by them in physical form.

11. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated 16 March, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD\_ RTAMB /P/ CIR/2021/655 and SEBI/HO/MIRSD/ MIRSD\_RTAMB/ P/CIR/2021/687 dated 3 November, 2021 and 14 December, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities.

The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website <https://aiaengineering.com/investor-kyc/>. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

12. Re-appointment of Director:

Mrs. Khushali Samip Solanki (DIN: 07008918), Non-Independent Non-Executive Director of the Company will retire by rotation at the ensuing 35th Annual General Meeting of the members of the Company and being eligible, has offered herself for re-appointment.

Mr. Yashwant Manubhai Patel (DIN: 02103312), a Whole-Time Director of the Company will retire by rotation at the ensuing 35th Annual General Meeting of the members of the Company and being eligible, has offered himself for re-appointment.

Mr. Udayan Dileep Choksi (DIN: 02222020), is being appointed as an Independent Director of the Company for a period of five consecutive years with effect from 20 September, 2025. The Board of Directors on the recommendation of Nomination and Remuneration Committee proposes respective resolution for member's approval at the ensuing Annual General Meeting.

Pursuant to the requirements under the SEBI LODR Regulations relating to Corporate Governance, a Statement containing brief resume of the above Directors together with the details of shares held by them, if any, is annexed hereto.

13. **Voting through Electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is providing e-voting facility to members to cast their votes electronically. Necessary

arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting.

- (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutiniser to scrutinise the e-Voting and remote e-voting process in a fair and transparent manner.
- (ii) Members who have cast their vote by remote e-Voting prior to the meeting can also attend the meeting but shall not be entitled to cast their vote again.
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 8 September, 2025 only shall be entitled to avail the facility of remote e-Voting.
- (iv) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-Voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL.

The detailed process, instructions and manner of e-Voting facility, joining virtual AGM and e-Voting during AGM is given as under:

#### **E-Voting System – For Remote e-Voting, joining virtual AGM and e-Voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the companies are conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 8 April, 2020, Circular No.17/2020 dated 13 April, 2020 and Circular No. 20/2020 dated 05 May, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08 April, 2020, 13 April, 2020 and 05 May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an Agreement with Central Depository Services (India)

Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-Voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated 08 April, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.aiaengineering.com](http://www.aiaengineering.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8 April, 2020 and MCA Circular No. 17/2020 dated 13 April, 2020 and MCA Circular No. 20/2020 dated 05 May, 2020.
8. In continuation to this Ministry's General Circular No. 20/2020 dated 05 May, 2020, General Circular No. 02/2022 dated 05 May, 2022, General Circular No. 10/2022 dated 28 December, 2022, General Circular No. 09/2023 dated 25 September, 2023 and General Circular No. 09/2024 dated 19 September, 2024 and after due examination, it has been decided to allow

companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30 September, 2025 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05 May, 2020.

#### THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Thursday, 11 September, 2025 at 9.00 a.m. and ends on Sunday, 14 September, 2025 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Monday, 8 September, 2025 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the Meeting.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9 December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode:

- (iv) In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9 December, 2020** on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.





Pursuant to above said SEBI Circular, Login method **for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; My Easi New Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Provider's website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; My Easi New Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company's name or e-Voting Service Provider's name and you will be re-directed to e-Voting Service Provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company's name or e-Voting Service Provider's name and you will be redirected to e-Voting Service Provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	4) For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a> . You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company's name or e-Voting Service Provider's name and you will be redirected to e-Voting Service Provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000 and 022 - 2499 7000.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode:

(v) Login method for e-Voting and joining virtual meeting for **Physical Shareholders and Shareholders other than individual shareholders holding shares in Demat form.**

- 1) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

**For Physical Shareholders and Shareholders other than individual shareholders holding shares in Demat Form**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>





Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (ix) Click on the **EVSN – 250625006** - AIA Engineering Limited.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians – Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the e-mail address viz; [ric@aiaengineering.com](mailto:ric@aiaengineering.com), if they have voted from individual tab & not uploaded the same on the CDSL e-Voting system for the scrutiniser to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a Speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at [viren.thakkar@aiaengineering.com](mailto:viren.thakkar@aiaengineering.com), [snj@aiaengineering.com](mailto:snj@aiaengineering.com), [paresh.shukla@aiaengineering.com](mailto:paresh.shukla@aiaengineering.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to the Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at [viren.thakkar@aiaengineering.com](mailto:viren.thakkar@aiaengineering.com), [snj@aiaengineering.com](mailto:snj@aiaengineering.com), [paresh.shukla@aiaengineering.com](mailto:paresh.shukla@aiaengineering.com). These queries will be replied by the Company suitably by e-mail.
8. Those shareholders who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting

through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. Members holding shares in physical mode - please provide to the Company/RTA, duly filled and signed Form No. ISR-1 and ISR-2, format of which is available on the website of the Company / RTA.
2. For Demat shareholders - Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your E-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

#### **REQUEST TO THE MEMBERS**

Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company at least Ten days in advance at its Registered Office/Corporate Office, so as to enable the Company to keep the information ready.



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:**

### **ITEM NO. 5**

The Board of Directors on the recommendation of the Audit Committee, appointed Kiran J. Mehta, Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of cost records of the Company for the Financial Year 2025-26 and fixed a remuneration of ₹ 5.00 Lakhs plus applicable tax and out of pocket expenses.

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution.

#### **Rationale**

Kiran J. Mehta, & Co., Practicing Cost Accountants, Ahmedabad are very reputed firm and having long association with the Company. They are fully aware of the business complexity of the Company as well as having vide experience in Cost Audit functions.

Accordingly, consent of the members is being sought for passing of an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the Financial Year 2025-26.

None of the Directors, Key Managerial Personnel or their relatives can be considered to be concerned or interested in the resolution.

The Board recommends passing of the said Resolution as an Ordinary Resolution for the approval of members of the Company.

### **ITEM NO. 6**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Udayan Dileep Choksi (DIN: 02222020) as an Independent Director of the Company in its meeting held on 23 May, 2025.

Pursuant to Regulation 17(1)(b) of SEBI LODR Regulations, it is proposed to appoint Mr. Udayan Dileep Choksi (DIN: 02222020) as an Independent Director of the Company for a period of five years with effect from 20 September, 2025.

Mr. Udayan Dileep Choksi (DIN: 02222020) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has provided his consent to act as an Independent Director. Mr. Udayan Dileep Choksi (DIN: 02222020) fulfills those criteria of Independence prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR Regulations (as amended from time to time).

#### **Rationale**

Mr. Udayan Dileep Choksi carried with a vast experience of accounting, corporate laws, taxation and financial

advisory and his experience of working in diverse and varied cultures. He also possesses appropriate skills, expertise and knowledge in tax matters relating to business models, supply chains and contracts, as well assisting in investigations and representing in tax litigations. A brief profile of Mr. Udayan Dileep Choksi (DIN: 02222020) as per SEBI LODR Regulations is annexed to this Notice.

In opinion of the Board, Mr. Udayan Dileep Choksi (DIN: 02222020) fulfills the conditions specified in the Companies Act and Rules made thereunder for his appointment as an Independent Director of the Company. The necessary documents relating to his appointment shall be made available for inspection, electronically by the Members of the Company, without payment of fees on any working day, upto the date of AGM.

Considering his eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint him as an Independent Director.

Relevant details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of Mr. Udayan Dileep Choksi are annexed to the Notice.

Mr. Udayan Dileep Choksi does not hold by himself or together with his relatives, two percent or more of the total voting power of the Company.

Except Mr. Udayan Dileep Choksi being the concerned director and his relatives, to the extent of their shareholding, if any, in the Company, no other Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested financially or otherwise, in Resolution No. 6 as contained in the Notice.

The Board recommends passing of the said Resolution as a Special Resolution for the approval of members of the Company.

### **ITEM NO. 7**

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, on the basis of recommendation of Board of Directors, a listed company is required to appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years; or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the shareholders in Annual General Meeting.

Tushar Vora & Associates, Company Secretaries has given his consent for his appointment as Secretarial Auditors of the Company and has issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 204 of the Companies Act, 2013 ('the Act') and the Rules made thereunder and as per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 36(5) of SEBI LODR Regulations as amended, the credentials and terms of appointment of Tushar Voara & Associates, are as under:

CS Tushar Vora offers a full spectrum of corporate, secretarial, regulatory, compliance services, and legal & regulatory services relating to various Corporate Laws and SEBI Laws and stock exchange related matters. He specialises in Corporate Consultancy in the areas of Board Management, Secretarial Audits, Corporate Governance Audit, Mergers and Acquisitions. CS Tushar Vora is peer reviewed / Quality reviewed (Peer Review No.: 1200/2021) and is eligible to be appointed as Secretarial Auditors of the Company and are not disqualified in terms of SEBI LODR Regulations read with SEBI Circular dated 31 December, 2024.

Tushar Vora & Associates holds the 'Peer Review' Certificate as issued by 'ICSI'.

Based on the recommendations of the Board of Directors, it is hereby proposed to appoint Tushar Voara & Associates, Company Secretaries (CP No. 1745), having Peer Review No. 1200/2021, as the Secretarial Auditors of the Company for a period of five years with effect from 1 April, 2025. The Board

of Directors has approved a remuneration of ₹ 1,75,000 for conducting the Secretarial Audit for the Financial Year 2025-26, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Secretarial Auditors during their term shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

#### **Rationale**

CS Tushar Vora, leading Practising Company Secretary has a distinguished track record extending over three and half decades, with the team being led by a senior professional of considerable repute, possessing extensive experience in providing services to both listed and unlisted clients.

The Board recommends the resolution set out at Item No. 7 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise, in the resolution.

**By Order of the Board of Directors,**

**S. N. Jetheliya**  
Company Secretary

Place : Ahmedabad  
Date : 23 May, 2025

#### **Regd. Office:**

115, G.V.M.M. Estate,  
Odhav Road, Odhav,  
Ahmedabad 382 415  
CIN: L29259GJ1991PLC015182



**Relevant details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, with regard to the Directors seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting**

**Item No. 3**

Name of the Director	Mrs. Khushali Samip Solanki
Age	48 years
Date of first appointment on the Board of the Company	7 November, 2014
Qualification	Diploma in Hotel Management
Experience (brief resume)	She possesses rich and varied experience in Marketing, Administration and Accounts.
Disclosure of Relationship	She is a daughter of Mr. Bhadrash K. Shah (MD) and sister of Mrs. Bhumika S. Shodhan (Non-Executive Director).
No. of shares in listed company	9,857
Terms and Conditions of Re-appointment	As per Resolution at Item No. 3 of the Notice convening this Annual General Meeting, Mrs. Khushali S. Solanki is liable to retire by rotation and is proposed to be re-appointed as a Director of the Company.
Remuneration last drawn (including sitting fee if any)	₹ 1.50 Lakhs per month by way of commission (in addition to Sitting Fee of ₹ 2.80 Lakhs during the Financial Year 2024-25)
Remuneration proposed to be paid	She shall be paid remuneration by way of commission of ₹ 1.50 Lakhs per month and such other amount as may be decided between her and the Company and sitting fee.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of Financial Year 2024-25.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Listed entities from which the Director has resigned in the past three years	NIL

**Item No. 4**

Name of the Director	Mr. Yashwant Manubhai Patel
Age	81 years
Date of first appointment on the Board of the Company	12 November, 2010
Qualification	B. Sc (Chemistry)
Experience (brief resume)	He possesses rich and varied experience in Production, Administration, HR and Accounts.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel of the Company.
No. of shares in listed company	--
Terms and Conditions of Re-appointment	As per Resolution at Item No. 4 of the Notice convening this Annual General Meeting, Mr. Yashwant Manubhai Patel is liable to retire by rotation and is proposed to be re-appointed as a Director of the Company.
Remuneration last drawn (including sitting fee if any)	₹ 30.43 Lakhs
Remuneration proposed to be paid	He shall be paid monthly remuneration.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of Financial Year 2024-25.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Listed entities from which the Director has resigned in the past three years	NIL



#### Item No. 6

Name of the Director	Mr. Udayan Dileep Choksi
Age	49 Years
Date of first appointment on the Board of the Company	20 September, 2025
Qualification	Chartered Accountant - ICAI
Experience (brief resume)	Mr. Udayan Choksi is a chartered accountant and lawyer and has been in practice for nearly 25 years. His areas of specialisation include GST, pre-GST taxes, and customs and international trade. He advises multinational corporations and India's largest businesses in diverse industries on tax matters relating to business models, supply chains and contracts, as well as assisting in investigations and representing in tax litigations. He is also actively involved in tax policy initiatives and advocacy, and is a member of prominent business and professional chambers. He is a Partner at Veritas Legal.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel of the Company.
No. of shares in listed company	--
Terms and Conditions of Appointment	As per Resolution at Item No. 6 of the Notice of Annual General Meeting read with Explanatory Statement thereto, Mr. Udayan Dileep Choksi is proposed to be appointed as an Independent Director of the Company for a first term of five (5) consecutive years from 20 September, 2025.
Remuneration last drawn (including sitting fee if any)	--
Remuneration proposed to be paid	He shall be paid remuneration by way of sitting fee.
Number of meetings of the Board attended during the Financial Year	--
Directorship held in other Companies	Senores Pharmaceuticals Limited M & B Engineering Limited Apcotex Industries Limited Ratnatris Pharmaceuticals Private Limited Bhavnagar Port Infrastructure Private Limited Universal Trustees Private Limited
Chairmanship/Membership of Committees of the Boards of other Listed Companies	<b>Senores Pharmaceuticals Limited</b> Chairman – Nomination and Remuneration Committee Member – Audit Committee Member – Risk Management Committee <b>Apcotex Industries Limited</b> Chairman – Audit Committee Chairman – Stakeholders Relationship Committee
Listed entities from which the Director has resigned in the past three years	Nil

By Order of the Board of Directors,

Place : Ahmedabad  
Date : 23 May, 2025

S. N. Jetheliya  
Company Secretary



**Contact Details:**

<b>Company</b>	<b>AIA Engineering Limited</b>	
Regd. Office	115, GVMM Estate, Odhav Road, Odhav, Ahmedabad-382 415, Gujarat, India E-mail : <a href="mailto:snj@aiaengineering.com">snj@aiaengineering.com</a> , <a href="mailto:ric@aiaengineering.com">ric@aiaengineering.com</a>	
Corporate Office	11/12, Sigma Corporates, B/h. HOF Showroom, Off. S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad – 380 054 E-mail : <a href="mailto:snj@aiaengineering.com">snj@aiaengineering.com</a> , <a href="mailto:ric@aiaengineering.com">ric@aiaengineering.com</a>	
Registrar and Share Transfer Agent	Registered Office :- MUFG Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Phone : +91-22-49186270 Fax : +91-22-49186060  E-mail : <a href="mailto:rnt.helpdesk@in.mpms.mufig.com">rnt.helpdesk@in.mpms.mufig.com</a>	Local Address :- MUFG Intime India Private Limited 5th Floor, 506 to 508 Amarnath Business Centre -1 Nr. St. Xavier's College Corner Off. C. G. Road, Ellisbridge, Ahmedabad 380 006 Phone – 079- 26465179
e-voting Agency	Central Depository Services (India) Limited E-mail : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>	
Scrutiniser	CS Tushar Vora, Practicing Company Secretary E-mail : <a href="mailto:cstusharvora@gmail.com">cstusharvora@gmail.com</a>	





If undelivered, please return to:

**Corporate Office:** 11-12, Sigma Corporates, B/h. HOF Show Room,  
Off. S.G. Highway, Sindhu Bhavan Road, Bodakdev,  
Ahmedabad - 380 054

**Tel.:** +91-79-66047800, **Fax:** +91-79-66047848

**E-mail:** [snj@aiaengineering.com](mailto:snj@aiaengineering.com),

**Website:** [www.aiaengineering.com](http://www.aiaengineering.com)

**CIN:** L29259GJ1991PLC015182