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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Members of Viraj Profiles Limited
Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of **Viraj Profiles Limited ("the Holding Company")** and its subsidiaries i.e. Sino Investment Global Limited, Gold Matrix Resource Pte Ltd and S C Tubinox S.A. (the Holding Company and its subsidiaries together referred to as "**the Group**"), which comprise the consolidated Balance Sheet as at 31st March 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of Matter

We draw attention to Note 51 to the accompanying consolidated financial statement which states that the impact of COVID-19 pandemic situation remained insignificant and explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

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Our opinion is not modified in respect of this matter

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
A	**Carrying value, Useful life of the Fixed Assets** Assessment of carrying value and useful life of the fixed assets estimated by technical team of the Company which is in principally in line with the useful life mentioned in Schedule 2 of Companies Act, 2013. Refer Note 2 of Consolidated Financial Statements..	Our procedures in relation to the depreciable lives of the property, plant and equipment included: • Testing the key controls over the management's judgment in relation to the accounting estimates of the useful life of property, plant and equipment. • The useful life Considered is in line with industry practice and based on technical evaluation. • We assessed the Company's process of assessing the impairment requirement. • We have also assessed the recognition of Cost of modification based on recognition criterion given in relevant Ind AS.
B	**Expected Credit Loss on Trade Receivable/Advances** The company has provided expected credit loss based on judgement based on past experience on trade receivable based on principle prescribed in relevant Ind AS and also assessed the recoverability of advances given to various suppliers and accordingly provision with regard to Expected Credit Loss/written off has been	Our procedures in relation to the Expected Credit Loss on Trade Receivable / Advances included: • Testing with regard to trade receivable includes testing controls over billing and collections including historical payment pattern, ageing analysis, etc. • Test the completeness and accuracy of the data. • Critically assessed and tested the

	assessed and accounted for. Refer Note 11 and 15 of Consolidated Financial Statements.	significant judgments used by management based on past experience. • Analyzing the key terms of contract with customers to ascertain provision required for expected credit loss. • Reviewed key term of contracts for advances. • Obtained confirmation on sample basis • Reviewed financial position of supplier in certain cases.
C	**Net Realizable Value (NRV) of Inventories** The company has valued the inventories at lower of cost or NRV based on recent price trend of its principal raw material. The valuation of inventories related to property held for development and sale is carried out based on valuation reports. Refer Note 10 of Consolidated Financial Statements.	Our procedures in relation to the Net Realizable value relating to Inventory included: • Assessing the compliance of company's accounting policies over inventory with applicable Indian accounting standards. • We assessed the Company's process of valuing the inventory particularly with regard to determine lower of cost or NRV. • We have reviewed the estimation and assumption taken into consideration. • We have reviewed valuation reports obtained relating to property held for sale and development as part of inventories.

5. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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 Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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

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inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to state in this regard.

6. **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statement 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 the preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management and respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the Group's financial reporting process.

7. **Auditors' Responsibility 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 auditors' 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:

T R Chadha & Co. LLP
MUMBAI
CHARTERED ACCOUNTANTS

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 Holding Company and its subsidiary company which is company incorporated in India, if any, has adequate internal financial controls system 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.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and

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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 auditors' 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.

8. **Other Matter**

1. The financial statement of two subsidiaries, whose Financial statements reflect total assets of Rs. 6,852.30 Lakhs as on 31 March 2020 and total revenues of Rs. 5 Lakhs for the year ended on that date and net cash inflow of Rs. 129.85 Lakhs for the year ended on that date as considered in consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the management, and Our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to information and explanations given to us by the management, these financial statements are not material to the Group.

   Our above opinion on the consolidated financial statements, and our report on the legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements and financial information certified by the management.

2. The Ind AS financial statements of the Group for the year ended March 31, 2019, included in these Ind AS financial statements, have been audited by the predecessor auditors who expressed their unmodified opinion on those statements on September 17, 2019.

9. **Report on Other Legal and Regulatory Requirements**

a. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on Separate financial statements and other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

i. We/the other auditors whose report we have relied upon, 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:

ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors:

iii. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the statement of other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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:

iv. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

v. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the holding company, none of the directors of the Holding Company is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

vi. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, refer to our separate Report in "**Annexure A**".

vii. 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 as amended, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'other matter' paragraph:

   i. The Consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group – Refer Note 42 to the Consolidated financial statement;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contract during the year ended 31 March 2020.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

b. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our informations and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of the Section 197 of the Act.

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N/N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No. 076650
UDIN : 20076650AAAACY1967

Place: Mumbai
Date: 7th September 2020

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ANNEXURE A

Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statement of Viraj Profiles Limited ("the Holding Company") as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statement and such internal financial controls with reference to consolidated financial statement were operating effectively as at 31st March, 2020, based on, the internal control with reference to financial statement criteria established by the Holding 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.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on, "the internal control with reference to financial statement criteria established by the Holding 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 (ICAI)". 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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

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statement was 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 system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 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 Holding Company's internal financial controls system with reference to financial statement.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A company's internal financial control with reference to financial statement 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 control with reference to financial statement includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 consolidated financial statement

Because of the inherent limitations of internal financial controls with reference to consolidated financial statement, 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 consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal control with reference to financial statement is restricted to the Holding Company since all

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the subsidiaries of the Group are not required to report on the internal control with reference to financial statement.

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N/N500028

T R Chadha & Co. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No. 076650
UDIN - 20076650 AAAACY1967

Place: Mumbai
Date:7th September 2020

Viraj Profiles Limited

Consolidated balance sheet as at 31 March 2020

(Currency: Indian Rupees in Lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
I. Assets			
Non-current assets			
Property, plant and equipment	2	90,073.00	97,956.52
Capital work-in-progress	2	2,234.95	963.36
Goodwill	49B	1,640.09	1,640.09
Right of use assets	38	1,190.62	
Intangible assets	3	10.94	19.90
Intangible assets under development	3	552.25	381.00
Investments in joint ventures	4	-	4,321.55
Financial assets			
Investments	5	3,033.48	5,164.91
Loans	6	230.00	315.28
Other financial assets	7	2,479.51	358.18
Deferred tax assets (net)	36	3,120.01	4,160.05
Income tax assets (net)	8	3,357.39	2,953.80
Other non-current assets	9	2,452.99	729.25
Total non current assets		**1,10,375.22**	**1,18,963.89**
Current assets			
Inventories	10	1,57,928.02	1,77,900.35
Financial assets			
Trade receivables	11	32,180.73	35,640.74
Cash and cash equivalents	12(a)	573.27	1,358.20
Bank balances other than cash and cash equivalents	12(b)	11,643.26	16,735.90
Loans	13	311.29	2,374.86
Other financial assets	14	879.11	2,529.52
Other current assets	15	59,596.02	59,837.73
Total current assets		**2,63,111.70**	**2,96,377.30**
Total assets		**3,73,486.92**	**4,15,341.19**
II. Equity and liabilities			
Equity			
Equity share capital	16	14,175.49	14,175.49
Other equity	17	1,35,204.05	1,31,394.76
Equity attributable to equity holders ofthe parent		**1,49,379.53**	**1,45,570.25**
Non-controlling interests		11.76	12.18
Total equity		**1,49,391.29**	**1,45,582.43**
Non current liabilities			
Financial liabilities			
Borrowings	18	1,002.09	4,937.49
Lease Liabilities	38	39.38	
Provisions	19	4,487.22	2,402.91
Total non current liabilities		**5,528.69**	**7,340.40**

PRAMOD TILWANI Digitally signed by PRAMOD TILWANI

T R Chadha & Co. LLP CHARTERED ACCOUNTANTS MUMBAI

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VIRAJ PROFILES LTD. MUMBAI

PAWANKUMAR GOPINATH BAJAJ

TAUQEER KHAN

Viraj Profiles Limited
Consolidated balance sheet as at 31 March 2020
(Currency: Indian Rupees in Lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
Current liabilities			
Financial liabilities			
Borrowings	20	1,26,080.27	1,57,712.07
Lease Liabilities	38	1,203.37	-
Trade payables	21		
a) total outstanding dues of micro enterprises and small enterprises		1,387.98	1,207.19
b) total outstanding dues of creditors other than micro enterprises and small enterprises		66,865.48	69,740.16
Other financial liabilities	22	18,016.32	24,407.18
Other current liabilities	23	3,729.40	3,746.56
Provisions	24	474.57	515.25
Income tax liabilities (net)	25	809.53	5,089.94
Total current liabilities		**2,18,566.94**	**2,62,418.35**
Total liabilities		**2,24,095.63**	**2,69,758.76**
Total equity and liabilities		**3,73,486.92**	**4,15,341.19**

Significant accounting policies	1
Notes to the consolidated financial statements	1 -53

Notes referred above form an integral part of the standalone financial statements.

As per our report of even date attached.

For T R Chadha & Co. LLP
Chartered Accountants
Firm's Registration No: 006711N/N500028

PRAMOD TILWANI Digitally signed by PRAMOD TILWANI

Pramod Tilwani
Partner
Membership No: 76650
Mumbai
Date: 7 September 2020
UDIN : 20076650AAAACY1967

T R Chadha & Co. LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Viraj Profiles Limited
CIN: U28113MH1996PLC096835

NEERAJ RAJA KOCHHAR Digitally signed by NEERAJ RAJA KOCHHAR Date: 2020.09.07 21:54:13 +05'30'

Neeraj R. Kochhar
Chairman and Managing Director
DIN: 00115140

anuj jain Digitally signed by anuj jain Date: 2020.09.07 21:39:28 +05'30'

Anuj Jain
Chief Financial Officer
Mumbai
Date: 7 September 2020

PAWANKUMAR GOPINATH BAJAJ Digitally signed by PAWANKUMAR GOPINATH BAJAJ Date: 2020.09.07 22:02:28 +05'30'

Pawankumar G. Bajaj
Director
DIN: 08674519

TAUQEER KHAN Digitally signed by TAUQEER KHAN Date: 2020.09.07 22:10:35 +05'30'

Tauqeer Khan
Company Secretary
M No: A39951

VIRAJ PROFILES LTD. * MUMBAI *

Viraj Profiles Limited
Consolidated statement of profit and loss for the year ended 31 March 2020
(Currency: Indian Rupees in Lakhs)

	Notes	For the Year ended 31 March 2020	31 March 2019
Revenue			
Revenue from operations	26	5,42,965.80	5,99,920.89
Other income	27	6,815.27	24,012.21
Total Income		5,49,781.06	6,23,933.10
Expenses			
Cost of materials consumed	28	3,42,408.79	3,75,871.30
Changes in inventories of finished goods, stock in trade and work in process	29	15,343.77	41,758.45
Employee benefits expenses	30	26,161.30	22,611.88
Finance costs	31	12,720.22	21,139.94
Depreciation and amortization expenses	32	12,855.99	14,518.39
Other expenses	33	1,28,267.11	1,28,645.38
Total expenses		5,37,757.18	6,04,545.34
Profit before exceptional items and tax		12,023.88	19,387.76
Provision for impairment of property, plant and equipments and	49	-	3,688.48
Provision for impairment of Investment		7.75	-
Profit before tax		12,016.13	15,699.27
Tax expense:			
Current tax		3,899.65	4,950.89
Deferred tax		1,537.70	864.35
Adjustment of tax for earlier years		-	(758.62)
Profit for the year		6,578.77	10,642.65
Other comprehensive income	34		
Items that will not be reclassified to profit or loss			
Remeasurements of the employee defined benefit plans		(1,125.15)	124.36
Equity Instruments through Other Comprehensive Income		(2,123.67)	(367.62)
Income tax related to items that will not be reclassified to profit or loss		497.67	(6.33)
Exchange differences in translating financial statements of foreign operations		(18.79)	775.88
		(2,769.94)	526.29
Total comprehensive income for the year		3,808.83	11,168.94
Profit attributable to:			
Owners of the Company		6,579.23	10,643.01
Non-controlling interests		(0.45)	(0.36)
Other comprehensive income attributable to:			
Owners of the Company		(2,769.94)	526.29
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		3,809.28	11,169.31
Non-controlling interests		(0.45)	(0.36)
Earnings per equity share	35		
Basic (in Rupees)		0.46	0.75
Diluted (in Rupees)		0.46	0.75
Notes to the consolidated financial statements	1-53		

Notes referred above form an integral part of the standalone financial statements

As per our report of even date attached.

For T R Chadha & Co. LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024
PRAMOD TILWANI Digitally signed by PRAMOD TILWANI
Pramod Tilwani
Partner
Membership No: 76650
Mumbai
UDIN: 20076650AAAACY1967

For and on behalf of the Board of Directors of
Viraj Profiles Limited
CIN: U28113MH1996PLC096835

NEERAJ RAJA KOCHHAR
Neeraj R. Kochhar
Chairman and Managing Director
DIN: 00115140

Pawankumar G. Bajaj
Director
DIN: 08674519

anuj jain
Anuj Jain
Chief Financial Officer
Mumbai
Date: 7 September 2020

TAUQEER KHAN
Tauqeer Khan
Company Secretary
M No: A39951

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

VIRAJ PROFILES LTD. MUMBAI

Viraj Profiles Limited

Consolidated statement of cash flows for the year ended 31 March 2020

(Currency: Indian Rupees in Lakhs)

	For the year ended 31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	12,016.13	15,699.27
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation expenses	12,855.99	14,518.39
Mark to market loss on derivative contracts	1,743.95	(4,099.08)
Finance cost (including fair value change in financial instruments)	12,568.88	20,761.20
Interest income	(3,038.33)	(1,582.90)
Provision for doubtful advances and trade receivables	888.71	59.73
Lease right equalisation as per IND AS	151.34	-
Power and fuel	-	2,327.15
Straightlining of Processing Charges as per IND AS	28.27	41.60
Interest income straightlining as per IND AS	-	-
(Profit) / loss on sale of Property, Plant and Equipment	(26.68)	(19.12)
Profit on sale of Investments	(591.59)	(2,250.92)
Unrealised gain on account of foreign exchange	2,466.96	(1,748.88)
Impairment of Property, Plant and Equipment and goodwill	7.75	3,688.48
Provision for employee benefits	(1,125.15)	-
Foreign Currency Translation Reserve	(18.79)	775.88
	37,927.44	**48,170.80**
Working capital adjustments		
Inventories	19,972.34	60,117.05
Trade receivables	3,399.21	15,267.62
Other financial assets	822.49	(225.55)
Other assets	241.70	20,507.47
Loans	2,148.85	2,394.10
Trade payables	(5,160.82)	40,675.83
Other financial liabilities	2,865.19	(21,997.78)
Other liabilities	(1,761.11)	(9,160.74)
Provisions	2,043.63	(166.68)
	62,498.92	**1,55,582.12**
Income Tax paid	(8,583.64)	(2,970.74)
Net cash flows from operating activities	**53,915.28**	**1,52,611.38**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(7,179.70)	(2,595.35)
Proceeds from disposal of Property, Plant and Equipment	113.11	29.84
Lease Rental	(1,136.00)	-
Purchase of investments	-	(5,215.47)
Proceeds from Sales of Investments	4,913.14	8,258.13
Movement on sale of Subsidiaries	-	(4,960.56)
Interest received	3,038.33	1,582.90
Margin money deposit	5,092.63	7,159.97
Deposit with maturity of more than twelve months	(2,121.33)	(358.18)
Net cash flows from investing activities	**2,720.19**	**3,901.29**
Cash flow from financing activities		
Increase/(reduction) in non- controlling interest	-	0.78
Proceeds from loans and borrowings	-	3,712
Repayment of long term loans and borrowings	(13,191.45)	(23,259.87)
Repayment of short term loans and borrowings	(31,631.80)	(1,23,934.97)
Interest paid	(12,597.15)	(20,761.20)
Net cash flows from financing activities	**(57,420.40)**	**(1,64,242.76)**
Net increase / (decrease) in cash and cash equivalents	(784.93)	(7,730.09)
Cash and cash equivalents at the beginning of the year (Refer Note 12(a))	1,358.20	9,088.29
Cash and cash equivalents at the end of the year (Refer Note 12(a))	**573.27**	**1,358.20**

PRAMOD TILWANI Digitally signed by PRAMOD TILWANI

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

NEERAJ RAJA KOCHHAR

VIRAJ PROFILES LTD. MUMBAI

PAWANKUMAR GOPINATH BAJAJ

TAUQEER KHAN

anuj jain

Viraj Profiles Limited

Consolidated statement of cash flows for the year ended 31 March 2020

(Currency: Indian Rupees in Lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long-term borrowing	14,225.79	55,657.08
Short-term borrowing	1,57,712.07	2,90,124.57
Movements		
Long-term borrowing	(13,219.72)	(41,472.89)
Short-term borrowing	(31,631.80)	(1,32,412.50)
Closing balances		
Long-term borrowing	1,034.34	14,225.79
Short-term borrowing	1,26,080.27	1,57,712.07

Notes:

(i) Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 - "Cash Flow Statements" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013

(ii) Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress (including Capital Advances) and Capital Expenditure Creditors during the year

Notes to the consolidated financial statements *- refer Note 1 - 53*

Notes referred above form an integral part of the standalone financial statements.

As per our report of even date attached.

For **T R Chadha & Co. LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

PRAMOD TILWANI Digitally signed by PRAMOD TILWANI

Pramod Tilwani
Partner
Membership No: 76650
Mumbai
Date: 7 September 2020
UDIN : 20076650AAAACY1967

T R Chadha & Co. LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors of
Viraj Profiles Limited
CIN: U28113MH1996PLC096835

NEERAJ RAJA KOCHHAR Digitally signed by NEERAJ RAJA KOCHHAR Date: 2020.09.07 21:50:08 +05'30'

Neeraj R. Kochhar
Chairman and Managing Director
DIN: 00115140

PAWANKUMAR GOPINATH BAJAJ Digitally signed by PAWANKUMAR GOPINATH BAJAJ Date: 2020.09.07 22:13:40 +05'30'

Pawankumar G. Bajaj
Director
DIN: 08674519

anuj jain Digitally signed by anuj jain Date: 2020.09.07 21:43:47 +05'30'

Anuj Jain
Chief Financial Officer
Mumbai
Date: 7 September 2020

TAUQEER R KHAN Digitally signed by TAUQEER KHAN Date: 2020.09.07 22:09:40 +05'30'

Tauqeer Khan
Company Secretary
M No: A39951

VIRAJ PROFILES LTD. MUMBAI

Viraj Profiles Limited
Consolidated statement of changes in equity for the year ended 31 March 2020
(Currency: Indian Rupees in Lakhs)

(a) Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	1,41,75,48,612	14,175.49	1,22,50,60,898	12,250.61
Changes in equity share capital during the year	-	-	19,24,87,714	1,924.88
Balance at the end of the reporting period	1,41,75,48,612	14,175.49	1,41,75,48,612	14,175.49

(b) Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income			Total Attributable to owners of the company	Non controlling interest	Total
	Capital Reserve	Securities Premium Account	Capital redemption reserve	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	Exchange differences on translation of foreign operation			
Balance at 1 April 2018	6,475.95	10,019.02	481.00	1,056.83	89,905.99	100.99	(22.85)	(4,390.13)	1,03,626.80	11.41	1,03,638.21
Less: Addition/(deletion) during the year		15,552.36						775.88	16,328.24	0.77	16,329.01
Profit for the year	-	-		-	10,642.66				10,642.66		10,642.66
Movement on sale of subsidiaries								1,046.65	1,046.65		1,046.65
Other comprehensive income/loss for the year	-	-		-	-	118.03	(367.62)		(249.59)		(249.59)
Total comprehensive income for the year	-	15,552.36	-	-	10,642.66	118.03	(367.62)	1,822.53	27,767.96	0.77	27,768.73
Balance at 31 March 2019	6,475.95	25,571.38	481.00	1,056.83	1,00,548.65	219.02	(390.47)	(2,567.60)	1,31,394.76	12.18	1,31,406.94
Balance at 1 April 2019	6,475.95	25,571.38	481.00	1,056.83	1,00,548.65	219.02	(390.47)	(2,567.60)	1,31,394.77	12.18	1,31,406.94
Less: Addition/(deletion) during the year		-						(18.79)	(18.79)	(0.42)	(19.21)
Profit for the year	-	-		-	6,579.23				6,579.23		6,579.23
Movement on sale of subsidiaries in previous year reclass					(2,636.85)			2,636.85	-		-
Other comprehensive income/loss for the year	-	-		-	-	(841.97)	(1,909.18)		(2,751.15)		(2,751.15)
Total comprehensive income for the year	-	-	-	-	3,942.38	(841.97)	(1,909.18)	2,618.06	3,809.29	(0.42)	3,808.87
Balance at 31 March 2020	6,475.95	25,571.38	481.00	1,056.83	1,04,491.02	(622.95)	(2,299.65)	50.46	1,35,204.06	11.76	1,35,215.81

Notes to the consolidated financial statements - *refer Note 1 - 53*
Notes referred above form an integral part of the standalone financial statements.

As per our report of even date attached.

For **T R Chadha & Co. LLP**
Chartered Accountants
Firm's Registration No: 006711N/N500028

PRAMOD TILWANI Digitally signed by PRAMOD TILWANI
Pramod Tilwani
Partner
Membership No: 76650
Mumbai
Date: 7 September 2020
UDIN 20076650AAAAC4367

T R Chadha & Co. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Viraj Profiles Limited
CIN: U28113MH1996PLC096835

Digitally signed by NEERAJ RAJA KOCHHAR
Adobe Reader version: 11.0.23
Neeraj R. Kochhar
Chairman and Managing Director
DIN: 00115140

Digitally signed by PAWANKUMAR GOPINATH BAJAJ
Adobe Reader version: 11.0.23
Pawankumar G. Bajaj
Director
DIN: 08674519

VIRAJ PROFILES LTD. MUMBAI

Digitally signed by anuj jain
Adobe Reader version: 11.0.23
Anuj Jain
Chief Financial Officer
Mumbai
Date: 7 September 2020

Digitally signed by TAUQEER KHAN
Adobe Reader version: 11.0.23
Tauqeer Khan
Company Secretary
M No: A39951

Note - 1

A. General Information

Viraj Profiles Limited (VPL) was originally formed under the name of "Viraj Gases Limited" on 2 February 1996. VPL is predominantly engaged in production and export of value added stainless steel long products to more than 80 countries. VPL's engineering products have wide applications across diverse industries including petrochemical plants, oil pipelines, real estate, ships, food processing, structural design, high tensile springs and Cables, boilers, pressure vessels, liquid storage terminals, liquid cargo ships and surgical instruments.

These consolidated financial statements comprise the Company, its subsidiaries and joint venture (collectively the 'Group' and individually 'Group companies').

The details of the subsidiaries and step down subsidiaries consolidated are as follows:

Name of subsidiaries	Parent Company	Principal place of business	% of shareholding and Voting power held as at	
			31 March 2020	31 March 2019
Viraj USA INC.	VPL	USA	Refer Note 48A	100%
Sino Investment Global Limited (SIGL)	VPL	British Virgin Island	100%	100%
Gold Matrix Resource Pte Ltd (GMRPL)	SIGL	Singapore	100%	100%
S C Tubinox S.A.	SIGL	Romania	99.50%	99.50%

The details of joint venture that were accounted under equity method of accounting are as follows

Name of Joint Venture	Country of incorporation	% of shareholding and Voting power held as at	
		31 March 2020	31 March 2019
M/s Devbhoomi	India	Refer Note 48	60%

Significant accounting policies

B. Basis of preparation

a) The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b) The financial statements were authorised for issue by the Board of Directors on 7th September 2020.

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c) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value :
   1. Financial instruments measured at fair value through profit or loss
   2. Financial instruments measured at fair value through other comprehensive income
   3. Defined benefit plans – plan assets measured at fair value

d) Functional and presentation currency:

These financial statements are presented in INR, which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs.

e) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f) Basis of consolidation

Accounting for subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of

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an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI)
NCI are measured at their proportionate share of the acquiree's net identifiable asset at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Non-controlling interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Non-controlling interest in the profit or loss of the Group is separately presented.

Equity accounted investee
The Group's interests in equity accounted investees include interest in a joint venture. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. 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.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

g) Business Combination
As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

h) Revenue from contract with customer

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 is usually on dispatch / delivery. Delivery occurs when the products

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have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sale of products included related ancillary services, if any.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, price concessions and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Service Income
Income recognition for services takes place as and when the services are performed in accordance with Ind AS 115.

Interest income
For all financial instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends
Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Export benefits
Export incentives principally comprises of benefits under Merchandise Export from India Scheme. The benefits under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. These incentives are recognized as revenue on accrual basis to the extent it is probable that realization is certain.

i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items less accumulated depreciation and impairment loss. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of spare parts that meet the definition of 'property, plant and equipment' have been recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case

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VIRAJ PROFILES LTD. MUMBAI

of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Transition to Ind AS
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value
Depreciation on property, plant and equipment is provided using the written down method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirements of Schedule II of the Act, except for leasehold improvements, which are amortized over the lease period. The estimate of the useful life of the assets has been assessed based on technical advice which considered 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. The useful lives so determined are as follows:

Assets	**Estimated useful life (in years)**
Leasehold land	Lease period
Leasehold improvement	Lease period
Factory building	30
Other than factory building	60
Plant and equipment	8-20
Furniture and fixtures	10
Office equipment	5-10
Computers	6
Vehicles	8-10
Aircraft	20-25

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Cost of lease-hold land is amortized equally over the period of lease.

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.

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VIRAJ PROFILES LTD. MUMBAI

j) **Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Goodwill

Goodwill is initially recognised based on the accounting policy for business combinations (refer note 1.B (g)).
This asset is not amortised but is tested for impairment annually.

Amortisation methods, estimated useful lives and residual value

Intangible assets are amortised in statement of Profit and Loss over their estimated useful lives based on underlying contracts where applicable. The useful life so determined are as follows:

Assets	Amortisation period
Software	7-8 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

k) **Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

1. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
2. In case of cash-generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be

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identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

l) Leases

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.

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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 asset.

As the date of commencement of the lease, the Company recognizes 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 low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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Certain Lease arrangement includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The of right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made 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.

Right-to-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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the assets belong.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the respective Note and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively using modified retrospective approach with right

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of use assets equal to lease liability option, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

n) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

o) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

A. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortised cost
2. Financial assets at fair value through other comprehensive income (FVTOCI)
3. Financial assets at fair value through profit or loss (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Financial asset at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The

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losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial asset at FVTOCI

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, a Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments Other than **Investments in subsidiaries, associates and joint ventures**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, Group has taken an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
    a) the Group has transferred substantially all the risks and rewards of the asset, or
    b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses impairment based on expected credit loss (ECL) model to the following:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

1. Trade receivables or contract revenue receivables; and
2. All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivable. The Groupcalculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B. Financial liabilities and equity instruments

Classification as debt or equity
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

1. Financial liabilities at fair value through profit or loss
2. Loans and borrowings measured on amortised cost basis
3. Financial guarantee contracts

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred

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to the Statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

C. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

D. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Premium/Discount, in respect of forward foreign exchange contract, is recognised in the profit and loss on the date of entering into contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rate changes. Profit/Loss on cancellation / renewal of forward exchange contract is recognized as income/expense.

p) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an

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expense item are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

q) **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

r) **Inventories**

a) Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade / property held for development and sale, stores and spares, loose tools and are carried at the lower of cost and net realisable value.

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b) Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

c) In determining the cost, first in first out cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

d) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

e) The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

g) **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 at lower of cost and net realisable value. In determining the cost, first in first out cost method is used. Items of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognised as a part of inventories.

s) Employee benefits

Retirement and other employee benefits

i. Defined contribution plan

Retirement benefits in the form of provident fund and pension fund are a defined contribution scheme and the contributions are charged to the standalone statement of profit and loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. Defined benefit plan

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences
Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

t) Cash and cash equivalents
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u) Segment accounting:
The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

v) Provisions, Contingent liabilities, Contingent assets and Commitments:

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a

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separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

w) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as Compulsory Convertible Debentures, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

x) Use of estimates and judgments

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included is in respect of useful lives of property, plant and equipment and intangible assets, expected credit loss, Current/ Deferred tax expense, provisions and contingent liabilities, fair value measurements of financial instruments, impairment losses on investments, retirement benefit obligations and Estimation of uncertainties relating to COVID-19 as discussed below:

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Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Expected Credit loss

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Current/ Deferred tax expense

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment losses on investments

The Company estimates the fair value / value in use of the investment in subsidiaries at each balance sheet date.

Measurement of defined benefit obligations

The Group's retirement benefit obligations are subject to number of judgements including discount rates, inflation and salary growth. Significant judgements are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

Estimation of uncertainties relating to COVID-19

In view of the impact of COVID-19, the Group has assessed the carrying amounts of property, plant and equipment, right- of-use assets, intangible assets, inventories, trade receivables, investments and other financial assets. In assessing the recoverable value of such assets, the

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Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Group's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected.

The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Group continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements.

In the process of applying the Group's accounting policies, management has made the judgments, namely determination of control of subsidiaries and joint arrangement, determination of functional currency of foreign operations which have the most significant effect on the amount recognised in the financial statements.

y) Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Group are segregated.

z) Foreign currency translation and transactions

(1) Foreign exchange transactions

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Parent's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statement of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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(2) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

aa) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarize accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1. Disclosures for valuation methods, significant estimates and assumptions (note 39).
2. Quantitative disclosures of fair value measurement hierarchy (note 39).
3. Investment in unquoted equity shares (discontinued operations) (note 39).
4. Financial instruments (including those carried at amortised cost) (note 39).

New and amended Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has not notified the new and amendments to Ind ASs which the Group has to applied as they are effective from April 1, 2020.

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Notes to the Consolidated financial statements for the year ended 31 March 2020

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Note 2 - Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2020 and 31 March 2019:

Description	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Leasehold Improvements	Total
Cost as at 1 April 2018 (A)	**26,320.81**	**1,168.08**	**43,895.93**	**94,328.38**	**398.08**	**4,764.98**	**395.43**	**279.92**	**613.20**	**1,72,164.**
Additions	1,111.77		3,577.14	1,607.22	312.86	-	12.36	4.31	-	6,625.
Deletions	-	-	(3,793.76)	(92.75)	(0.03)	(49.86)	(5.25)	-	-	(3,941.
Exchange Difference/Adjustment on Consolidation	(597.36)		(47.48)	(3.00)	(0.43)	(64.00)	(1.37)	(0.10)		(713.
Cost as at 31 March 2019 (B)	**26,835.22**	**1,168.08**	**43,631.83**	**95,839.85**	**710.48**	**4,651.12**	**401.17**	**284.13**	**613.20**	**1,74,135.**
Additions	1,301.31	-	103.72	2,214.36	37.67	74.59	91.51	21.05	192.60	4,036.
Deletions	-	-	(118.64)	-	(47.96)	(296.56)	-	-	-	(463.
Exchange Difference/Adjustment on Consolidation	-	-	-	-	-	48.71	-	-	-	48.
Cost as at 31 March 2020 (C)	**28,136.53**	**1,168.08**	**43,616.91**	**98,054.21**	**700.19**	**4,477.86**	**492.68**	**305.18**	**805.80**	**1,77,757.**
Accumulated depreciation as at 1 April 2018 (D)	-	**51.98**	**10,127.80**	**47,723.42**	**173.46**	**2,270.52**	**147.18**	**191.21**	**467.55**	**61,153.**
Depreciation for the year		18.07	2,891.41	10,814.96	87.12	496.78	37.75	37.17	122.97	**14,506.**
Deletions	-	-	-	(86.83)	-	(111.44)	-	-	-	**(198.**
Exchange Difference/Adjustment on Consolidation.	-		(396.70)	(18.58)	-	(40.47)	(6.96)			**(462.**
Accumulated depreciation as at 31 March 2019 (E)	-	**70.05**	**12,622.51**	**58,432.97**	**260.58**	**2,615.39**	**177.97**	**228.38**	**590.52**	**74,998.**
Depreciation for the year		18.07	2,588.32	8,650.70	81.48	365.83	37.06	25.72	44.72	**11,811.**
Deletions	-	-	(54.71)	-	(9.91)	(248.19)	-	-	-	**(312.**
Exchange Difference/Adjustment on Consolidation.	-	-	-	-	-	6.80	-	-	-	**6.**
Accumulated depreciation as at 31 March 2020 (F)	-	**88.12**	**15,156.12**	**67,083.67**	**332.15**	**2,739.83**	**215.03**	**254.10**	**635.24**	**86,504.**
Net carrying amount as at 31 March 2019 (B) - (E)	**26,835.22**	**1,098.03**	**31,009.32**	**37,406.88**	**449.90**	**2,035.73**	**223.21**	**55.75**	**22.68**	**99,136.**
Net carrying amount as at 31 March 2020 (C) - (F)	**28,136.53**	**1,079.96**	**28,460.79**	**30,970.54**	**368.04**	**1,738.03**	**277.66**	**51.08**	**170.56**	**91,253.**
Less: Provision for impairment in PPE of Sino Investment Global Ltd. (refer Note No. 49)						**(1,180.19)**				**(1,180.**
Net carrying amount as at 31 March 2020 (C) - (F)	**28,136.53**	**1,079.96**	**28,460.79**	**30,970.54**	**368.04**	**557.84**	**277.66**	**51.08**	**170.56**	**90,073.**
Capital Work in Progress										
Opening Balance										963.
Add: Additions										1,484.
Less: Deletions										(213.
Closing Balance										**2,234.**

1. Properties are subject to first charge on secured loans (Refer Note 18.1 and 20)

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Note 3 - Intangible assets

Following are the changes in the carrying value of Intangible assets for the year ended 31 March 2020 and 31 March 2019:

Description	Computer Software
Cost as at 1 April 2018 (A)	132.77
Additions	
Deletions	-
Cost as at 31 March 2019 (B)	**132.77**
Additions	-
Deletions	-
Cost as at 31 March 2020 (C)	**132.77**
Accumulated amortisation as at 1 April 2018 (D)	**100.60**
Amortisation for the period	12.16
Deletions	-
Exchange Difference/Adjustment on Consolidation.	0.11
Accumulated amortisation as at 31 March 2019 (E)	**112.87**
Amortisation for the period	8.96
Deletions	-
Exchange Difference/Adjustment on Consolidation.	-
Accumulated amortisation as at 31 March 2020 (F)	**121.83**
Net carrying amount as at 31 March 2019 (B) - (E)	**19.90**
Net carrying amount as at 31 March 2020 (C) - (F)	**10.94**

Intangible assets under development	
Opening Balance	381.00
Add: Additions	171.25
Less: Deletions	-
Closing Balance	**552.25**

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Particulars	As at 31 March 2020	As at 31 March 2019
Note 4		
Investment in joint venture		
Investment in partnership firm - M/s Dev Bhoomi (Refer note 47 & 48)	-	4,321.55
	-	**4,321.55**
Note 5		
Non-current financial investments		
Investment in equity - quoted (FVTOCI)		
20,000 (Previous year: 20,000) equity shares of Rs. 10 each, fully paid up in Ladderup Finance Limited *	9.75	9.52
7,103,332 (Previous year: 7,103,332) equity shares of Rs. 10 each, fully paid up in JSW Energy Limited	3,033.12	5,157.02
Investment in government or trust securities		
National savings certificates	0.10	0.10
Investment in equity - unquoted (FVTOCI)		
200 (Previous year: 200) equity shares of Rs. 10 each fully paid up in The Kapol Co-operative Bank Limited *	0.02	0.02
80,000 (Previous year: 80,000) equity shares of Rs. 10 each, fully paid up in Rosy Mercantile Limited *	8.00	8.00
10,000 (Previous year: 10,000) equity shares of Rs. 10 each, fully paid up in Super Forging Limited *	2.50	2.50
253 (Previous year: 253) equity shares of Rs. 100 each fully paid up in Tarapur Environment Protection Society	0.25	0.25
	10.77	10.77
* Less: Provision for impairment	(20.27)	(12.50)
	3,033.48	**5,164.91**
Aggregate amount of quoted investments and market value thereof :	**3,042.87**	**5,166.54**
Aggregate amount of unquoted investments	**10.87**	**10.87**
Aggregate amount of impairment in the value of investments	**(20.27)**	**(12.50)**
	3,033.48	**5,164.91**

(refer note no 46)

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Particulars	As at 31 March 2020	As at 31 March 2019
Note 6		
Non-current financial Assets - loans		
Security deposits		
to parties other than related parties		
- considered good	214.00	315.28
- Credit impaired	67.46	30.41
to related parties		
- considered good	16.00	-
- Credit impaired	-	-
	297.45	**345.69**
Less: Loss allowances	67.46	30.41
	230.00	**315.28**
	230.00	**315.28**
Note 7		
Non-current financial assets - Others		
Fixed Deposit with Bank (Margin money deposit with maturity of more than twelve months from reporting date)	2,479.51	358.18
	2,479.51	**358.18**

1. Fixed deposits includes Rs.2,479.51 Lakhs and Rs. 358.18 Lakhs for the year ended 31 March 2020 and 31 March 2019 respectively, under lien with banks towards bank guarantee and letter of credit opened on overseas and local suppliers and margin money on exports bills discounted.

Particulars	As at 31 March 2020	As at 31 March 2019
Note 8		
Income tax assets (net)		
Income tax receivable (net of provisions of tax Rs. 13,653.47 Lakhs; Previous year 13,653.47 Lakhs)	3,357.39	2,953.80
	3,357.39	**2,953.80**
Note 9		
Other non-current assets		
(Unsecured, Considered good)		
Capital advances	2,452.99	729.25
Prepaid expenses	-	-
	2,452.99	**729.25**
Note 10		
Inventories		
(Valued at cost or Net Realisable Value whichever is lower)		
Raw Materials (includes goods in transit of Rs.4,618.25 lakhs as on 31 March 2020 and Rs. 8,807.00 lakhs as on 31 March 2019)	7,696.83	12,962.91
Work-in-process	17,835.63	15,877.43
Finished goods (includes goods in transit of Rs. 24,356.28 lakhs as on 31 March 2020 and Rs.21,959.11 lakhs as on 31 March 2019)	59,990.24	49,692.79
Stock-in-trade - property held for development and sale	64,453.51	92,052.92
Consumable stores and spares	7,951.81	7,314.30
	1,57,928.02	**1,77,900.35**

1. Packing credit, cash credit facility and short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 20).

2. The cost of inventories recognised as an expense.	3,96,513.78	4,30,086.80

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Particulars	As at 31 March 2020	As at 31 March 2019
Note 11		
Trade receivables		
- Considered good - Unsecured	32,180.74	35,640.74
- Significant increase in credit risk	-	-
- Credit impaired	169.10	108.30
	32,349.83	**35,749.03**
Less: Loss allowance	169.10	108.30
	32,180.73	**35,640.74**
Trade receivables includes :		
Other receivables	32,180.73	35,640.74
	32,180.73	**35,640.74**

1. The Group exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 39.

2. Packing credit, cash credit facility and short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 20).

Particulars	As at 31 March 2020	As at 31 March 2019
Note 12(a)		
Cash and cash equivalents		
In current account	563.72	1,347.84
Cash on hand	9.55	10.36
	573.27	**1,358.20**
Note 12(b)		
Other bank balances		
Deposits for margin money with banks with original maturity more than three month but less than twelve month	11,643.26	16,735.90
	11,643.26	**16,735.90**

Notes:

1. Fixed deposits includes Rs.11,643.26 Lakhs and Rs. 16,735.90 Lakhs for the year ended 31 March 2020 and 31 March 2019 respectively, under lien with banks towards bank guarantee and letter of credit opened on overseas and local suppliers and margin money on exports bills discounted.

Particulars	As at 31 March 2020	As at 31 March 2019
Note 13		
Current loans		
Security deposit	-	
- other than related parties	35.60	75.41
- related parties	85.16	
Advances to employees (Unsecured, considered good)	190.52	2,299.45
	311.29	**2,374.86**
Note 14		
Other current financial assets		
Claim receivable from banks	152.05	662.02
Interest accrued on deposits and loans and advances	603.51	-
Mark to market Profit on derivative contracts	123.55	1,867.50
	879.11	**2,529.52**

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Particulars	As at 31 March 2020	As at 31 March 2019
Note 15		
Other current assets		
Prepaid expenses	715.05	883.08
Export benefits receivable	4,448.77	4,222.78
Balances with excise, customs and sales tax authorities - considered good	9,465.03	11,532.60
Balances with excise, customs and sales tax authorities - considered doubtful	27.53	27.53
	9,492.55	**11,560.13**
Less: Balances with excise, customs and sales tax authorities - provision for doubtful	27.53	27.53
	9,465.03	**11,532.60**
Advances for supply of goods and services - considered good*	44,967.18	43,199.27
Advances for supply of goods and services - considered doubtful	878.36	87.49
	45,845.54	**43,286.76**
Less: Advances for supply of goods and services - provision for considered doubtful	878.36	87.49
	44,967.18	**43,199.27**
	59,596.02	**59,837.73**
*Details of advances from companies/firms in which a director of the Company is a director or partner		
Vaishno Megamovers LLP	20,081.83	14,556.05
Viraj Infrastructure Limited	-	6.49
Vaishno Logistics (P) Ltd	78.80	78.80
Nitya Processor LLP (Erstwhile Viraj Wrapping LLP)	3,055.69	-

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Particulars	As at 31 March 2020	As at 31 March 2019
Note 16		
Share Capital		
a Authorised		
Equity shares of Re. 1/- each		
1,801,000,000 (Previous year 1,801,000,000) equity shares	18,010.00	18,010.00
	18,010.00	18,010.00
b Issued, subscribed and paid up		
1,417,548,612 (Previous year 1,225,060,898) equity shares fully paid up	14,175.49	12,250.61
Add: Nil (Previous year 192,487,714 Shares Issued during the year on Conversion of Convertible Debenture (refer note "i" below)	-	1,924.88
	14,175.49	**14,175.49**
c Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity share :		
Outstanding at the beginning of the year	1,41,75,48,612	1,22,50,60,898
192,487,714 Shares Issued during the year 2018-19 on Conversion of Convertible Debenture	-	19,24,87,714
Outstanding at the end of the year	**1,41,75,48,612**	**1,41,75,48,612**

d Terms / rights attached to each classes of shares

Terms / rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Bhoomika Financial Services Private Limited, the holding company	1,03,15,91,295	10,315.91	1,03,15,91,295	10,315.91

f Shareholders holding more than 5% shares in the company is set out below:

Equity share	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	**%**	**No. of Shares**	**%**
Bhoomika Financial Services Private Limited	1,03,15,91,295	72.77%	1,03,15,91,295	72.77%
Neeraj Kochhar	10,28,94,381	7.26%	10,28,94,381	7.26%
Renu Kochhar	8,73,12,893	6.16%	8,73,12,893	6.16%
Vaishno Logistics Private Limited	11,44,27,101	8.07%	11,44,27,101	8.07%
Shakunta Edu Com LLP	8,06,66,962	5.69%	8,06,66,962	5.69%

g No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

h Pursuant to the resolution passed at the Board meeting held on 7th April 2017, the Company has bought back 4,81,00,000 equity shares at Rs. 2.25 each during year 2017-18. The Company has transferred Rs. 4,81,00,000 to Capital redemption reserve under the requirements of the Companies Act 2013.

i Pursuant to the resolution passed at the Board meeting held on 30th March 2019, the Company has issued 171,654,381 equity shares of Re. 1 each at a premium of Rs. 7.90 Per equity Shares to the holder of 0% compulsorily convertible debenture and 20,833,333 equity of Re. 1 each at a premium of Rs. 9.56 per equity shares to the holder of 4% compulsorily convertible debenture during year 2018-19.

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Particulars	As at 31 March 2020	As at 31 March 2019
Note 17		
Other equity		
Capital reserve		
At the beginning of the year and at end of the year	6,475.95	6,475.95
At the end of the year	**6,475.95**	**6,475.95**
Securities premium reserve		
At the beginning of the year	25,571.38	10,019.02
Add: Addition/(deletion) during the year	-	15,552.36
At the end of the year	**25,571.38**	**25,571.38**
Capital redemption reserve		
At the beginning of the year	481.00	481.00
At the end of the year	**481.00**	**481.00**
General reserve		
At the beginning of the year and at end of the year	1,056.83	1,056.83
At the end of the year	**1,056.83**	**1,056.83**
Retained earnings		
At the beginning of the year	1,00,548.64	89,905.99
Add: Addition during the year	6,579.23	10,642.65
Less: Reclassified to profit and loss on account of sale subsidiaries	(2,636.85)	-
At the end of the year	**1,04,491.02**	**1,00,548.64**
Other comprehensive income		
Remeasurements of the net defined benefit Plans	219.02	100.99
Add: Addition during the year	(910.66)	118.03
At the end of the year	**(691.64)**	**219.02**
Fair valuation of investments in equity shares	(390.48)	(22.85)
Add: Addition during the year	(1,840.49)	(367.62)
At the end of the year	**(2,230.96)**	**(390.48)**
Foreign currency translation reserve	(2,567.59)	(4,390.13)
Add: Reclassified to profit and loss on account of sale subsidiaries	2,636.85	1,046.65
Less: Addition during the year	(18.79)	775.88
At the end of the year	**50.45**	**(2,567.59)**
Other comprehensive income at the end of the year	**(2,872.14)**	**(2,739.05)**
	1,35,204.05	**1,31,394.76**

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Particulars	As at 31 March 2020	As at 31 March 2019

The Description of the nature and purpose of each reserve within equity is as follows:

a) Capital reserve: Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.

b) Securities Premium Reserve: Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

c) Capital redemption reserves is created on accounts of buy back of equity shares under the requirement of Companies Act 2013.

d) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Note 18

Non-current borrowings

Secured (Refer note 18.1)		
Term loans from banks	-	1,815.57
Vehicle loans	-	25.67
Loan against Securities (refer note 18.1 sub note 4)	-	2,094.17
Loan against Insurance Policy (refer note 18.1 sub note 5)	670.28	670.28
Unsecured		
Sales tax deferral loan (Under 1993 package Scheme notified by Government of Maharashtra)	331.81	331.81
	1,002.09	**4,937.49**

Information about the Group exposure to interest rate, foreign currency and liquidity risks is included in Note 39

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Note 18.1 Secured Non-current borrowings

Particulars	Security	Repayment terms	As at 31 March 2020	As at 31 March 2019
Sub-note 1 : Term loan from banks				
State Bank of India (Formerly known as State Bank of Travancore) (MCLR + 2.95%)	Secured by way of first pari passu charge on PPE of the Company, second pari passu charge on the current assets of the Company, personal guarantee of the Promotors of the Group and pledge of 43,93,91,295 equity shares of the borrower held by the Promoters of the group.	The loans was repayable in 22 Quarterly instalments of Rs. 227.27 lakhs each starting from June 2014	-	443.83
Andhra Bank (Base Rate + 2.50%)	Same as above	The loans was repayable in 22 Quarterly instalments of Rs. 227.27 lakhs each starting from June 2014	-	406.92
South Indian Bank Limited (MCLR + 2.95%)	Same as above	The loans was repayable in 22 Quarterly instalments of Rs. 377.27 lakhs each starting from June 2014	-	687.22
Corporation Bank (Base Rate + 2.60%)	Same as above	The loans was repayable in 22 Quarterly instalments of Rs. 377.27 lakhs each starting from June 2014	-	652.70
Corporation Bank (Base Rate + 2.60%)	Same as above	The loans was repayable in 22 Quarterly instalments of Rs. 381.81 lakhs each starting from June 2014	-	694.79
Andhra Bank (Base Rate + 2.75%)	Same as above	The loans was repayable in 18 Quarterly instalments of Rs. 300.00 lakhs each starting from June 2015 to March 2017 and Rs. 600.00 from April 17 to Dec-2019	-	2,383.60
Indusind Bank (1YRMCLR + 3.10%)	Same as above	The loans was repayable in 57 Monthly instalments of Rs. 105.26 lakhs each starting from June 2016	-	2,805.05
Less: Current maturities of long term debt			-	(6,258.54)
Total term loan from banks			**-**	**1,815.57**
Sub-note 2 : Corporate loan from banks				
Andhra Bank (Base Rate + 3.00%)	First on PPE and second on current assets of the Company on pari passu basis with other lenders and personal guarantee of the Promoters of the Group.	The Loan Repayable in 54 Equal Installment after 12 months moratorium Period i.e. Jan 15 of Rs. 92.59 lakhs each	-	276.32
Indian Overseas Bank (1YRMCLR + 4.1%)	First paripassu charge on PPE of the Company & personal guarantee of Promoters of the Group.	The Loan Repayable in 54 Equal Installment after 12 months moratorium Period from first disbursement (disbursement made on 31.01.14 and 12 months from date i.e.Jan 15	-	730.41
Canara Bank (Base Rate + 2.80%)	First pari passu on PPE and second pari passu of current assets and personal guarantee of Promoters of the Group.	The loan was repayable in 60 monthly instalments of starting from Oct 2014 (First 20 Month Rs 150.00 each and next 40 Month Rs. 300.00 each).	-	1,768.16
Less: Current maturities of long term debt			-	(2,774.89)
Total term loan from banks			**-**	**0.00**

The Group has met its debt obligation in time/ extended time during the financial year ended 31st March, 2020.

Sub-note 3 : Vehicle loans

Vehicle loan from banks and non banking financial companies is secured by way of hypothecation of the vehicles financed by them under the finance scheme.

Vehicle loans are repayable in equal monthly instalments over the terms of loans ranging from 3 to 4 years.

Sub-note 4 : Loan Against Securities

Loan against securities has been taken from Non-Banking Financial Company carry interest @ 10.00% p.a. This loan was repayable at the end of 24 months from the date of disbursement of loan. Loan against security is secured by pledge of shares of JSW Energy Limited. The same has been paid off during the year.

Sub-note 5 : Loan Against Insurance Policy

Loan against Policy maturing on 05.03.2023 has been taken from LIC of India carry interest @ 9.50% p.a..

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(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 19		
Non-current provisions		
Provision for employee benefits (Refer Note 37)		
Gratuity	3,012.22	1,738.58
Compensated absences	1,475.00	664.33
	4,487.22	**2,402.91**
Note 20		
Current borrowings		
Secured		
Rupee packing credit from banks	81,271.34	1,04,505.79
Cash credit from banks	2,441.42	2,150.22
Bills discounted	42,367.51	51,056.06
	1,26,080.27	**1,57,712.07**

Notes:

a Packing credit and cash credit from banks are secured against first pari-passu charge on the current assets of the Company, second pari-passu charge on the Property, Plant and Equipment of the Company and personal guarantee of Promoters of Company.

b The Company maintains above lines of credit at below rates of interest:
Packing credit loan Interest at the rate of 8.95% p.a. - 10.20% p.a. (31 March 2019: 9.05% p.a. - 10.50% p.a.).
Cash credit can be drawn down to meet short-term financing needs. Interest at the rate of 11.50% p.a. - 13.55% p.a. (31 March 2019: 11.80% p.a. - 13.45% p.a.).

c Bills discounted are secured by documents of title to goods endorsed in favour of the Banks and hypothecation of receivable on first pari-passu basis. It can be drawn down to meet short-term financing needs. Interest at the rate of 9.10% p.a. - 10.20% p.a. (31 March 2019: 9.05% p.a. - 10.50% p.a.).

Note 21		
Trade payables		
Micro enterprises and small enterprises	1,387.98	1,207.19
Other than Micro and Small Enterprises	16,837.98	14,127.41
Other than Micro and Small Enterprises - Acceptance	50,027.50	55,612.74
	68,253.47	**70,947.35**

The Group exposure to currency and liquidity risks related to trade payables are disclosed in Note 39

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Chartered Accountants
Mumbai

Viraj Profiles Ltd.
Mumbai

Viraj Profiles Limited

Notes to the Consolidated financial statements for the year ended 31 March 2020

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 22		
Current - Other financial liabilities		
Current maturities of long-term debt *	32.24	9,288.30
Interest accrued but not due on borrowings	31.84	56.59
Capital creditors **	351.71	164.10
Creditors for expenses	17,600.53	14,898.19
	18,016.32	**24,407.18**

*Includes current maturity of term/corporate loans from banks and vehicles loans.

** Includes Micro and Small Enterprises Outstanding Rs. 168.74 Lakhs. (Refer note 43)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 23		
Other current liabilities		
Advance from customers	2,583.01	2,685.26
Statutory dues payables		
Tax Deducted at Source	926.14	892.49
Contributions to Provident Funds and others	190.53	155.17
Other statutory dues (Profession tax, Labour welfare)	29.73	13.64
	3,729.40	**3,746.56**
Note 24		
Provisions		
Provision for employee benefits (Refer note 37)		
Gratuity	244.43	295.68
Compensated absences	230.14	219.57
	474.57	**515.25**
Note 25		
Income tax liabilities (net)		
(Liabilities for current tax (net of advance Tax Rs.16,733.41 Lakhs previous year Rs. 8,553.35 Lakhs)	809.53	5,089.94
	809.53	**5,089.94**

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 26		
Revenue from operations		
A Sales of products and services (refer note 45)		
Domestic Sale of products	56,891.11	43,177.09
Export sales of products	4,76,014.27	5,45,569.87
	5,32,905.38	**5,88,746.96**
B Other operating revenue		
Income from export benefits	10,060.41	11,173.93
	10,060.41	**11,173.93**
Total	**5,42,965.80**	**5,99,920.89**
Note 27		
Other income		
Interest on deposits	881.53	1,081.34
Commission earned	-	91.41
Interest on loan to Others	2,156.80	501.56
MTM gain on forward exchange contracts (net)	-	4,099.08
Gain on cancellation of forward exchange contracts (net)	2,858.83	5,482.69
Liabilities/ provisions no longer required written back (net)		9,722.75
Profit on sale of property,plant and equipments (Net)	26.68	19.12
Profit on sale of Joint Vendure / Subsidiaries (net)	591.59	2,250.92
Miscellaneous income	299.84	763.34
	6,815.27	**24,012.21**
Note 28		
Cost of materials consumed		
Inventory of materials at the beginning of the year	12,962.91	10,140.66
Add: Purchases	3,37,142.71	3,78,706.94
Less: inventory of materials at the end of the year	7,696.83	12,976.31
	3,42,408.79	**3,75,871.30**
Note 29		
Changes in inventories of finished goods and work in process		
Opening stock :		
Finished goods	49,692.79	80,530.20
Work-in-process	92,052.92	8,597.25
Stock- in- trade	15,877.43	1,10,254.14
Less:		
Closing stock:		
Finished goods	59,990.24	49,692.79
Work-in-process	64,453.51	15,877.43
Stock- in- trade	17,835.63	92,052.92
Changes in inventories:		-
Changes in inventories of finished goods and work in process	(10,297.46)	30,837.42
Work-in-process	27,599.41	(7,280.18)
Stock- in- trade	(1,958.20)	18,201.22
	15,343.77	**41,758.45**
Note 30		
Employee benefits expenses		
Salaries and wages	24,616.55	21,170.52
Contribution to provident and other funds	1,241.19	1,070.64
Staff welfare expenses	303.56	370.72
	26,161.30	**22,611.88**

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(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 31		
Finance costs		
Interest on term loans	356.20	2,911.16
Interest on Lease Liabilities	151.34	
Interest on Packing credit / overdraft	6,212.04	7,777.68
Interest on Vehicle loans	17.38	90.00
Interest on Others	3,133.97	3,366.76
Bills discounting charges	2,849.28	6,994.34
	12,720.22	**21,139.94**
Note 32		
Depreciation and amortization expenses		
Depreciation on tangible assets	11,810.23	14,506.23
Amortisation on Intangible assets	8.96	12.16
Amortisation of Right to use assets	1,036.79	
	12,855.99	**14,518.39**
Note 33		
Other expenses		
Consumption of stores, spares and consumables	54,104.99	54,215.50
Power and fuel	35,148.87	32,475.51
Labour charges	2,195.93	2,237.62
Material handling charges	1,835.48	2,131.16
Job work charges	410.79	998.10
Repairs and maintenance:		
Repairs and maintenance: building	813.96	319.49
Repairs and maintenance - plant and machinery	2,184.10	1,494.58
Repairs and maintenance - Other assets	209.29	299.20
Water expenses	348.64	338.04
Rent expense (Refer note 38)	179.67	1,348.74
Rates and taxes	234.83	159.54
Insurance	255.62	300.94
Legal and professional expenses	2,457.83	3,040.48
Printing and stationery	24.78	21.56
Travelling and conveyance	1,306.61	1,649.51
Communication expenses	123.93	184.57
Advertisement and sales promotion	2,232.70	3,263.69
Freight and carriage outwards	11,063.96	11,292.83
Net loss on account of foreign exchange	2,466.96	1,372.22
Payment to auditors (Refer note (i) below)	46.63	89.68
Commission and brokerage	1,742.01	2,611.95
Customer claims	518.20	690.85
Export clearance expenses	145.15	261.57
Vehicle running and maintenance expenses	227.52	292.54
Bad-debts for trade receivables and advances written off (net)	872.05	1,156.11
Provision for doubtful trade receivables and advances (net)	888.71	59.73
MTM loss on forward exchange contracts (net)	1,743.95	-
Bank charges	3,354.92	4,523.32
Corporate social responsibility expenses (Refer note (ii) below)	254.79	131.23
Miscellaneous expenses	874.25	1,685.13
	1,28,267.11	**1,28,645.38**
Note - (i) : Payment to Auditor's (excluding service tax / GST)		
- Statutory audit fees	46.63	89.68
- Other services	-	-
- Reimbursement of expenses	-	-
	46.63	**89.68**

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Particulars	For the year ended 31 March 2020	31 March 2019

Note - (ii) : Corporate social responsibility

Pursuant to the application of Section 135 of the Act and the Rules framed thereunder, the Company has constituted the CSR committee in eariler years. The funds are utilized throughout the year on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution to a Trust i.e. Viraj Charitable Trust. The disclosure as required by the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued by the Institute of Chartered Accounts of India are as follows:

- Gross amount required to be spent by the Company during the year - Rs. 99.91 lakhs
- Amount Spent during the year through Viraj Charitable Trust - Rs. 254.79 lakhs

Construction/acquisition of any asset	-	-
On purposes other than above - providing education	254.79	131.23
Total	**254.79**	**131.23**

Note 34

Statement of other comprehensive income

(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(1,125.15)	124.36
Equity instruments through other comprehensive Income	(2,123.67)	(367.62)
	(3,248.82)	(243.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	497.67	(6.33)
	(2,751.15)	**(249.59)**
(i) Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation	(18.79)	775.88
	(18.79)	775.88
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
	(18.79)	775.88

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Note 35

Earnings per equity share

Basic earning per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	31 March 2020	31 March 2019
i. Profit attributable to Equity holders		
Profit attributable to equity holders :		
Profit attributable to equity holders for basic earnings	**6,579.23**	**10,643.01**
Profit attributable to equity holders adjusted for the effect of dilution	**6,579.23**	**10,643.01**
ii. Weighted average number of ordinary shares		
Issued ordinary shares at April 1	1,41,75,48,612	1,22,50,60,898
Effect of shares to be issued for Compulsory Convertible Debentures	-	19,24,87,715
Weighted average number of shares at March 31 for EPS	**1,41,75,48,612**	**1,41,75,48,613**
Basic and diluted earnings per share		
Basic earnings per share	0.46	0.75
Diluted earnings per share	0.46	0.75

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(Currency: Indian Rupees in Lakhs)

Note 36 : Tax expense

(a) Amounts recognised in profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax	3,899.65	4,950.89
Changes in tax estimates of prior years	-	(758.62)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	1,537.70	864.35
Deferred tax expense	1,537.70	864.35
Tax expense for the year	**5,437.35**	**5,056.62**

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(1,125.15)**	283.18	(841.97)	124.36	(43.46)	80.90
Equity Instruments through other comprehensive income	**(2,123.67)**	214.49	(1,909.18)	(367.62)	37.13	(330.49)
	(3,248.82)	**497.67**	**(2,751.16)**	**(243.26)**	**(6.33)**	**(249.59)**

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	**12,016.13**	**15,699.27**
Statutory income tax rate	25.168%	34.944%
Tax using the Company's domestic tax rate	3,024.22	5,485.96
Tax effect of:		
Non-deductible tax expenses	39.73	284.08
Differences in tax rate of subsidiary	-	(1,870.32)
Deferred tax not recognised for losses of subsidiary	78.60	644.07
Others	2,294.78	512.83
	5,437.34	**5,056.62**

(Currency: Indian Rupees in Lakhs)

(d) Movement in deferred tax balances

	Net balance 1 April, 2019	Recognised in profit or loss	Recognised in OCI	31 March 2020	
				Net	Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	2,370.05	(836.95)		1,533.10	1,533.10
Derivatives	645.08	(613.97)		31.10	31.10
Security deposits	10.63	6.35		16.98	16.98
Compensated absences, gratuity and equity Valuation	1,019.72	(268.60)	497.67	1,248.78	1,248.78
Bonus	60.72	(17.03)		43.69	43.69
Trade receivables	37.85	4.71		42.56	42.56
Other Current Assets	40.19	187.80		227.99	227.99
Borrowings	(24.19)	-		(24.19)	(24.19)
Other current liabilities	-	-		-	-
Deferred Tax assets on Tax losses Carried forward	-	-		-	-
Tax assets (Liabilities)	**4,160.05**	**(1,537.70)**	**497.67**	**3,120.01**	**3,120.01**

(e) Movement in deferred tax balances

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	31 March 2019	
				Net	Deferred tax asset/(Deferred tax liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	1,387.01	982.84	0.20	2,370.05	2,370.05
Derivatives	772.31	(127.23)		645.08	645.08
Inventories	617.98	(617.98)		-	-
Security deposits	42.50	(31.87)		10.63	10.63
Other non current assets	496.02	(496.02)		-	-
Compensated absences and gratuity	1,066.22	(40.17)	(6.33)	1,019.72	1,019.72
Bonus	62.19	(1.47)		60.72	60.72
Trade receivables	5.19	**32.66**		37.85	37.85
Other Current Assets	61.95	**(21.76)**		40.19	40.19
Borrowings	(24.19)	(0.00)		(24.19)	(24.19)
Other current liabilities	(43.32)	43.32		-	-
Deferred Tax assets on Tax losses Carried forward	586.67	(586.67)		-	-
Tax assets (Liabilities)	**5,030.53**	**(864.35)**	**(6.13)**	**4,160.05**	**4,160.05**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred Tax Liability (DTL) in respect of temporary differences related to undistributed earnings in subsidiaries has not been recognised, because the Group controls the dividend policy of its subsidiaries

Tax losses for which no deferred tax asset was recognised

	31 March 2020	31 March 2019
In respect of capital loss :		
Expiry date 31/3/2023	34,508.90	41,239.74

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Note 37 : Employee benefit expense

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Company recognised Rs. 1241.19 (previous year Rs. 1185.11) for provident and other fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group financial statements as at balance sheet date:

	31 March 2020	31 March 2019
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability		
Liability for Gratuity	3,256.66	2,034.26
Total employee benefit liabilities	**3,256.66**	**2,034.26**
Non-current	3,012.22	1,738.58
Current	244.43	295.68

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	Defined benefit obligation	
	31 March 2020	31 March 2019
Opening balance	2,034.26	2,044.59
Included in profit or loss	-	-
Current service cost	194.35	181.23
Past service cost	-	-
Interest cost (income)	154.40	157.64
	2,383.01	**2,383.45**
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	-
Financial assumptions	-	-
Experience adjustment	389.78	19.56
Return on plan assets excluding interest income	735.37	(143.92)
	-	-
	1,125.15	**(124.36)**
Other		
Benefits paid	(251.50)	(224.83)
Closing balance	**3,256.66**	**2,034.26**
Represented by:		
Net defined benefit asset	-	-
Net defined benefit liability	3,256.66	2,034.26
	3,256.66	**2,034.26**

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Note 37 : Employee benefit expense

Maturity Analysis of Projected Benefit Obligation from the reporting year:

	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
31 March 2020	244.43	200.75	213.05	233.79	202.01	1,217.65
31 March 2019	295.68	142.36	130.99	130.06	173.14	760.62

C. Plan assets

The Group does not have any plan assets.

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2020	31 March 2019
Discount rate	6.04%	7.59%
Salary escalation rate	6.00%	6.00%
Employee turnover rate	For service 1 years and below 35.00% p.a. For service 2 years to 4 years 20.00% p.a. For service 5 years and above 5.00% p.a.	For service 1 years and below 35.00% p.a. For service 2 years to 4 years 20.00% p.a. For service 5 years and above 5.00% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Rate of discounting (1% movement)	(260.81)	300.23	(152.78)	177.87
Rate of salary increase (1% movement)	297.34	(263.21)	178.93	(156.27)
Rate of employee turnover (1% movement)	(3.49)	3.47	19.92	(22.97)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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Note 38 : Leases

Transition to Ind AS 116 Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs 2227.40 Lakhs, The following is the summary of practical expedients elected on initial application:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. The weighted

The changes in the carrying value of right of use (ROU) assets for the year ended 31st March, 2020

Right of Use Assets

Description	**Building**
Gross Block as on 1 April 2019	-
Addition	2,227.40
Deletion	-
Gross Block as on 31 March 2020	**2,227.40**
Accumulated amortisation as on 1 April 2019	-
Addition	1,036.79
Deletion	-
Accumulated amortisation as on 31 March 2020	**1,036.79**
Net Block as on 31 March 2020	**1,190.62**

Lease Liability

Description	**Building**
Lease liability as on 1 April 2019	-
Addition	2,227.40
Interest Cost accrued during the year	151.34
Lease liability payment	(1,136.00)
Deletion	-
Lease liability as on 31 March 2020	**1,242.75**
Current lease liability	1,203.37
Non - Current lease liability	39.38
Total lease liability	**1,242.75**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases or cancellable in nature was Rs. 177.83 Lakhs lakhs for the year ended 31st March, 2020.

The table below provides details regarding the contractual maturities of lease liabilities as of 31st March, 2020 on an undiscounted basis:

Particulars	**Building**
Not later than one year	1272
Later than one year and not later than five years	40
Later than five years	-

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Notes to the Consolidated financial statements for the year ended 31 March 2020
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Note 39 : Fair value disclosures
Financial instruments – Fair values and risk management

A. Accounting classification and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents	-	-	12,216.53	12,216.53	-	-	12,216.53	12,216.53
Investments	-	3,033.38	0.10	3,033.48	3,033.12	-	0.35	3,033.48
Others non-current assets	-	-	230.00	230.00	-	-	230.00	230.00
Current loans	-	-	311.29	311.29	-	-	311.29	311.29
Trade receivables	-	-	32,180.73	32,180.73	-	-	32,180.73	32,180.73
Other financial assets	123.55	-	3,235.07	3,358.62	123.55	-	3,235.07	3,358.62
	123.55	**3,033.38**	**48,173.72**	**51,330.64**	**3,156.67**	-	**48,173.97**	**51,330.64**
Financial liabilities								
Non-current borrowings	-	-	1,002.09	1,002.09	-	-	1,002.09	1,002.09
Current borrowings	-	-	1,26,080.27	1,26,080.27	-	-	1,26,080.27	1,26,080.27
Lease Liabilities			1,242.75	1,242.75	-	-	1,242.75	1,242.75
Trade payables	-	-	68,253.47	68,253.47	-	-	68,253.47	68,253.47
Other financial liabilities	-	-	18,016.32	18,016.32	-	-	18,016.32	18,016.32
	-	-	**2,14,594.90**	**2,14,594.90**	-	-	**2,14,594.90**	**2,14,594.90**

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents	-	-	18,094.10	18,094.10	-	-	18,094.10	18,094.10
Investments	-	5,164.81	0.10	5,164.91	5,164.54	0.27	0.10	5,164.91
Others non-current assets	-	-	315.28	315.28	-	-	315.28	315.28
Current loans	-	-	2,374.86	2,374.86	-	-	2,374.86	2,374.86
Trade receivables	-	-	35,640.74	35,640.74	-	-	35,640.74	35,640.74
Other financial assets	1,867.50	-	1,020.20	2,887.70	1,867.50	-	1,020.20	2,887.70
	1,867.50	**5,164.81**	**57,445.27**	**64,477.57**	**7,032.04**	**0.27**	**57,445.27**	**64,477.57**
Financial liabilities								
Non-current borrowings	-	-	4,937.50	4,937.50	-	-	4,937.50	4,937.50
Current borrowings	-	-	1,57,712.07	1,57,712.07	-	-	1,57,712.07	1,57,712.07
Lease Liabilities	-	-	-	-	-	-	-	-
Trade payables	-	-	70,947.35	70,947.35	-	-	70,947.35	70,947.35
Other financial liabilities	-	-	24,407.18	24,407.18	-	-	24,407.18	24,407.18
	-	-	**2,58,004.10**	**2,58,004.10**	-	-	**2,58,004.10**	**2,58,004.10**

B. Measurement of fair values (Key inputs for valuation techniques) :
1. Listed Equity Investments (other than Subsidiaries and Joint Venture) : Quoted Bid Price on Stock Exchange (Level 1)
2. Forward contracts : Forward exchange rate is taken from Foreign Exchange Dealers Association of India (FEDAI) (Level 2)
3. Valuation techniques and significant unobservable inputs: Not applicable (Level 3)

Transfers between Levels 1 and 2
There were no transfer from Level 1 to Level 2 or vice versa in any of the reporting periods.

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(Currency: Indian Rupees in Lakhs)

Note 39 : Fair value disclosures

Financial instruments – Fair values and risk management

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Group board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The board of directors is responsible for developing and monitoring the Group risk management policies.

The Group 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 activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Trade receivables as on 31 March 2020 is Rs. 32180.73 (31 March 2019 : Rs.35640.74). The Company has disclosed concentration of customer under segment reporting in Conslodated Financial Statement.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed half yearly.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables in accordance of the requirement of Ind AS 109.

At at reporting date, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in Rs.)	
	31 March 2020	**31 March 2019**
India	10,281.70	5,406.57
Other regions*	21,899.03	30,234.17
	32,180.73	35,640.74

* *The Company exports its products in various countries mainly in Europe*

Management believes that the unimpaired amounts that are past dues are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk conducted by management.

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Note 39 : Fair value disclosures

Financial instruments – Fair values and risk management

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2020	31 March 2019
Opening balance		
Provision for receivables impairment	108.30	15.00
Receivables written off during the year as uncollectible	60.80	93.30
Provision released during the year	-	-
Closing balance	-	-
	169.10	108.30

Cash and cash equivalents

The Company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Derivatives

The derivatives deals are done with AD category banks in OTC market and registered brokers in ETCD market.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses product-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2020

	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-current borrowings	1,002.09		331.81	670.28	-
Current borrowings	1,26,080.27	1,26,080.27	-	-	-
Lease Liabilities	1,242.75	1,203.37	39.38	-	-
Trade payables	68,253.47	68,253.47	-	-	-
Other financial liabilities	18,016.32	18,016.32	-	-	-
Financial guarantees	-	-	-	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-

31 March 2019

	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-current borrowings	4,937.49	-	4,605.68	331.81	-
Current borrowings	1,57,712.07	1,57,712.07	-	-	-
Trade payables	70,947.35	70,947.35	-	-	-
Other financial liabilities	24,407.18	24,407.18	-	-	-
Financial guarantees	-	-	-	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

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Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the group income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its borrowings, other payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.
The Company does not use derivative financial instruments for trading or speculative purposes.
Following are the forward contracts to hedge the foreign exchange rate risk as of 31 March 2020 and 31 March 2019:

Particulars	Purpose	Currency	Cross Currency	31 March, 2020	31 March, 2019
Forward contracts	Exports	USD	Rs.	446.57	55.37
	Exports	Euro	USD	780.59	1,292.93
	Exports	GBP	USD	8.40	3.75
	Exports	AUD	USD	32.78	22.40

Exposure to currency risk

The currency profile of financial assets and financial liabilities in Rs. as at 31 March 2020 and 31 March 2019 are as below:

31 March 2020	USD	EURO	JPY	Others
Financial assets				
Others non-current assets	1,460.64	54.15	-	-
Current loans	-	-	-	85.16
Trade receivables	9,707.02	11,088.14	-	1,031.07
Other financial assets	-	-	-	-
Other current assets	745.06	177.58	4.67	176.67
	11,912.72	**11,319.87**	**4.67**	**1,292.90**
Financial liabilities				
Non-current borrowings	-	-	-	-
Current borrowings	19,553.83	21,936.74	-	876.90
Trade payables	43,680.62	100.43	51.84	-
Other financial liabilities	1,652.85	3,775.81	-	72.22
	64,887.30	**25,812.98**	**51.84**	**949.12**

31 March 2019	USD	EURO	JPY	Others
Financial assets				
Others non-current assets	-	129.85	-	
Trade receivables	17,831.38	10,720.26	-	4,103.68
Other financial assets	-	-	-	-
Other current assets	4,573.43	169.87	4.97	19.31
	22,404.81	11,019.98	4.97	4,122.99
Financial liabilities				
Current borrowings	17,485.17	30,580.54	-	2,854.64
Trade payables	41,861.30	508.86	1.20	-
Other financial liabilities	3,090.77	3,285.49	-	48.31
	62,437.24	34,374.89	1.20	2,902.95

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Financial instruments – Fair values and risk management (continued)

The following significant exchange rates have been applied during the year.

Rs.	Average rate		Year-end spot rate	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
USD	70.88	69.95	75.67	69.15
EUR	78.80	80.93	82.77	77.55
JPY	0.65	0.63	0.70	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Rs.	Profit or (loss) before tax			
	31 March, 2020		31 March, 2019	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
1% movement				
USD	529.75	(529.75)	400.32	(400.32)
EUR	144.93	(144.93)	233.55	(233.55)
JPY	0.47	(0.47)	(0.04)	0.04
Others	(3.44)	3.44	(12.20)	12.20

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Financial instruments – Fair values and risk management (continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing finacial instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing financial instruments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Group interest rate risk arises from borrowings and fixed income financial instruments. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Group interest-bearing financial instruments as reported to the management of the Group is as follows.

	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial assets	14,122.77	17,094.08
Financial liabilities	-	-
	14,122.77	17,094.08
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	1,27,114.61	1,71,937.85
	(1,27,114.61)	(1,71,937.85)
Total	**(1,12,991.84)**	**(1,54,843.78)**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Rs.	**Profit or (loss) before tax**	
	100 bp increase	**100 bp decrease**
31 March 2020		
Variable-rate instruments	(1,271.15)	1,271.15
Cash flow sensitivity (net)	(1,271.15)	1,271.15
31 March 2019		
Variable-rate instruments	(1,719.38)	1,719.38
Cash flow sensitivity (net)	(1,719.38)	1,719.38

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Note 40 : Capital Management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2020 and 31 March 2019 was as follows.

	As at 31 March 2020	As at 31 March 2019
Total borrowings	1,27,114.61	1,71,937.85
Less : Cash and cash equivalent including bank balances other than cash and cash equivalents	12,216.53	18,094.10
Adjusted net debt	1,14,898.08	1,53,843.76
Total equity	1,49,391.29	1,45,582.43
Less : Hedging reserve	-	-
Adjusted equity	1,49,391.29	1,45,582.43
Adjusted net debt to adjusted equity ratio	0.77	1.06

In addition the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.
The Group has undrawn borrowing facilities (excluding non-fund based facilities) aggregating to Rs.30,894.43 lakhs (previous year: Rs. 9,568.45).

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Viraj Profiles Ltd. Mumbai

Note 41

A. Related party relationships, transactions and balances

Nature of relationship

I Holding Company

Bhoomika Financial Services Private Limited

II Joint ventures

a M/s Devbhoomi **(upto 25 September 2019)**

III Enterprises over which Directors and their relatives exercise significant influence

a Vaishno Megamovers LLP.
b Viraj Infrastructure Limited
c Vaishno Logistic Pvt. Ltd
d Viraj Charitable Trust
e Nitya Processor LLP (Erstwhile Viraj Wrapping LLP)
f Shivdooti Pearls And Investment Limited

IV Key Management Personnel and their relatives

a Mr. Neeraj Raja Kochhar (Chairman and Managing Director)
b Mrs. Renu Kochhar (Managing Director) **(upto 29 July, 2019)**
c Mr. Ramesh Kumar Ajmeria (Whole time Director) **(Upto 1st October, 2019)**
d Mr. Gyan Chand Daga (Independent Director)
e Mr. Amar Lal Daultani (Independent Director)
f Mrs. Pooja Mehra (Whole time Director)
g Mr. Dhruv Kochhar (Relative of Director)
i Mr. Pawankumar Gopinath Bajaj (Additional Director) **(w.e.f. 21st January, 2020)**
j Mrs. Dipali Chirag Shah (Additional Director) **(w.e.f. 23rd December, 2019) (Upto 28th March, 2020)**

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41 Related Party Disclosures: ***(Continued)***

B. The following transactions were carried out during the year with the related parties in the ordinary course of business:

Nature of Transactions	Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Sales						
Nitya Processor LLP (Erstwhile Viraj Wrapping LLP)	163.96	83.04	-	-	**163.96**	**83.04**
Vaishno Megamovers LLP	18.33	-	-	-	**18.33**	-
Total	**163.96**	**83.04**	-	-	**163.96**	**83.04**
Purchase of raw materials, intermediaries and others (including any other services)						
Vaishno Megamovers LLP	17,445.72	18,992.45	-	-	**17,445.72**	**18,992.45**
Nitya Processor LLP (Erstwhile Viraj Wrapping LLP)	8,221.23	2,169.81	-	-	**8,221.23**	**2,169.81**
Total	**25,666.95**	**21,162.26**	-	-	**25,666.95**	**21,162.26**
Sale of PPE / Right						
Vaishno Megamovers LLP	62.85	-	-	-	**62.85**	-
Mr. Neeraj R. Kochhar (Adv for Property tfd.)			2,999.77	-	**2,999.77**	-
Total	**62.85**	-	-	-	**62.85**	-
Sale of Investment in Joint Venture (M/s Dev Bhoomi)						
Mr. Neeraj R. Kochhar	-	-	4,913.10	-	**4,913.10**	-
Total	-	-	**4,913.10**	-	**4,913.10**	-
Director sitting fees						
Mr. Gyanchand Daga	-	-	5.50	3.50	**5.50**	**3.50**
Mr. Amar Lal Daultani			5.00	-	**5.00**	-
Total	-	-	**10.50**	**3.50**	**10.50**	**3.50**
Interest Income						
Vaishno Megamovers LLP	556.25	-	-	-	**556.25**	-
Total	**556.25**	-	-	-	**556.25**	-
Rent paid						
Mr. Neeraj R. Kochhar	-	-	180.00	180.00	**180.00**	**180.00**
Mrs. Renu Kochhar	-	-	900.00	900.00	**900.00**	**900.00**
Mrs. Dhruv Kochhar			21.30	44.91	**21.30**	**44.91**
Mrs. Dhruv Kochhar			56.00	-	**56.00**	-
Total	-	-	**1,157.30**	**1,124.91**	**1,157.30**	**1,124.91**
Short term employee benefits						
Mr. Neeraj R. Kochhar	-	-	2,680.25	545.32	**2,680.25**	**545.32**
Mrs. Renu Kochhar	-	-	360.00	545.32	**360.00**	**545.32**
Mrs. Pooja Mehra	-	-	300.25	174.30	**300.25**	**174.30**
Mr. Ramesh Kumar Ajmeria	-	-	20.68	56.99	**20.68**	**56.99**
Mr. Pawankumar Gopinath Bajaj	-	-	18.21	-	**18.21**	-
Total	-	-	**3,379.39**	**1,321.93**	**3,379.39**	**1,321.93**
Post employment benefits on Retirement						
Mrs. Renu Kochhar	-	-	859.11	-	**859.11**	-
Total	-	-	**859.11**	-	**859.11**	-
Deposit given						
Shivdooti Pearls And Investment Ltd	-	-	16.00	-	**16.00**	-
Total	-	-	**16.00**	-	**16.00**	-
CSR expenditure						
Viraj Charitable Trust	254.79	131.23	-	-	**254.79**	**131.23**
Total	**254.79**	**131.23**	-	-	**254.79**	**131.23**

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41 Related Party Disclosures: *(Continued)*

C. The following are outstanding at the year end with the related parties in the ordinary course of business:

Nature of Transactions	Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Deposit as on						
Mr. Dhruv Kochhar	-	-	85.16	85.16	85.16	85.16
Shivdooti Pearls And Investment Ltd			16.00	-	16.00	-
Total	-	-	**101.16**	**85.16**	**101.16**	**85.16**
Receivables / Advances						
Vaishno Megamovers LLP	20,081.83	14,556.05	-	-	20,081.83	14,556.05
Viraj Infrastructure Limited	-	6.49	-	-	-	6.49
Vaishno Logistic Pvt. Ltd	78.80	78.80	-	-	78.80	78.80
Nitya Processor LLP (Erstwhile Viraj Wrapping LLP)	3,055.69	-	-	-	3,055.69	-
Total	**23,216.34**	**14,641.34**	-	-	**23,216.34**	**14,641.34**
				Rs. In lakhs		
Interest receivable as on						
Vaishno Megamovers LLP	556.25	-	-	-	556.25	-
Total	**556.25**	-	-	-	**556.25**	-
Payables						
Nitya Processor LLP (Erstwhile Viraj Wrapping LLP)	-	2,169.44	-	-	-	2,169.44
Renu Kochhar			19.78	266.47	19.78	266.47
Neeraj Kochhar			0.77	-	0.77	-
Total	-	**2,169.44**	**20.55**	**266.47**	**20.55**	**2,435.91**

a. Directors of the Companies have given personal guarantees towards certain borrowings and cash credit facilities availed by the group from banks.

b. Gratuity and Compensated absences are not included in managerial remuneration as disclosed above.

c. All transactions with the related parties are priced on an arm's length prices and resulting outstanding balances are to be settled in cash. None of the balances are secured.

d. Transactions with the related parties are disclosed only till the relationships exists.

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Note 42 - Contingent liabilities and commitments (to the extent not provided for)

	31 March 2020	31 March 2019
a. Contingent liabilities		
Letter of credit pending receipt of material	10,614.19	23,269.26
Demands raised by Income tax authorities	26,076.20	2,574.76
Demands raised by Service tax authorities	3.70	51.73
Demands raised by Excise authorities	21.18	5,950.04
Demands raised by Custom authorities	1,321.14	1,854.48
Demand raised by VAT Authorities and appealed against after depositing Rs. 430.83 lakhs. (Previous Year Rs. 364.41 Lakhs). In additions Interest and penalty demand of Rs. 9,704.96 Lakhs (Previous year Rs 8202.08 Lakhs). The Company is confident that the demands are not tenable. Hence it has not availed Amnesty Scheme in which the company had option to pay interest and penalty of Rs. 1,774.76 lakhs (Previous Year Rs 1493.87 Lakhs).	5,607.15	4,936.60
Demand raised by Maharashtra State Electricity Distribution Co. Ltd on captive consumer due to alleged non-compliance of CPP status by Sai Wardha Power Generation Ltd.	2,890.69	2,890.69
Claims against the company not acknowledged as Debts	179.86	-

b. "The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative aspects related to the Judgement including the effective date of application.

The Company has complied with said order w.e.f. October 1, 2019 and also provided a sum of Rs. 96.36 lakhs towards Company's share of provident fund till Sept 30,2019. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

	31 March 2020	31 March 2019
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,979.54	2,863.81

(i) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. Based on the opinion received, the company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Note 43 - Dues to micro and small enterprises *

	31 March 2020	31 March 2019
The principal amounts remaining unpaid to micro and small suppliers as at the end of the year	1,556.72	1,207.19
The amount of interest accrued and remaining unpaid on above	31.93	3.00
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	85.86	111.91
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	6,282.87	5,561.17
The amount of interest accrued and remaining unpaid at the end of each accounting year	117.79	114.91
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	620.26	502.47

* Dues to Micro, Small and Medium Enterprises including interest have been determined to the extent such parties have been identified on the basis of information collected by the Management and information collected in this regard. This has been relied upon by the auditors.

Chadha & Co. Mumbai Chartered Accountants

Viraj Profiles Ltd. Mumbai

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Notes to the Consolidated financial statements for the year ended 31 March 2020
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Note 44 - Sigment Information

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- Segment-1, Manufacture, Trading of Stainless Steel (SS) Products
- Segment-2, Real Estate
- Segment-3, Others

Management evaluates the Group performance and allocates resources based on an analysis of various performance indicators by operating segments. Management reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

(b) Following are reportable segments

Reportable segment
Segment-1: Manufacture, Trading of Stainless Steel Products
Segment-2: Real Estate
Segment-3: Others
Others

B. Information about reportable segments

For the year ended March 31, 2020	Reportable segments			
Particulars	Manufacture, Trading of SS Product	Real Estate	Others	Total Segments
Revenue	5,42,907.92	6,873.14	-	5,49,781.06
Total Revenue	5,42,907.92	6,873.14	-	5,49,781.06
Segment profit / (loss)	29,948.93	(23,370.15)	-	6,578.77
Segment assets	3,02,556.01	64,453.51	-	3,67,009.52
Segment liabilities	2,23,286.10	-	-	2,23,286.10

For the year ended March 31, 2019	Reportable segments			
Particulars	Manufacture, Trading of SS Product	Real Estate	Others	Total Segments
Revenue	6,23,933.10	-	-	6,23,933.10
Total Revenue	6,23,933.10	-	-	6,23,933.10
Segment profit / (loss)	10,642.66	-	-	10,642.66
Segment assets	3,11,852.86	96,374.48	-	4,08,227.34
Segment liabilities	2,64,668.81		-	2,64,668.81

B. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Revenue		
Total revenue for reportable segments	5,49,781.06	6,23,933.10
Revenue for other segments	-	-
Elimination of inter-segment revenue	-	-
Total revenue	**5,49,781.06**	**6,23,933.10**
(b) Profit / loss before tax		
Total profit before tax for reportable segments	6,578.77	10,642.66
Profit before tax for other segments		
Elimination of inter-segment profit	-	-
Total profit before tax from operations	**6,578.77**	**10,642.66**
(c) Assets		
Total assets for reportable segments	3,67,009.52	4,08,227.34
Assets for other segments	-	-
Other unallocated amounts	-	-
Total assets	**3,67,009.52**	**4,08,227.34**
(d)Liabilities		
Total liabilities for reportable segments	2,23,286.10	2,64,668.81
Liabilities for other segments	-	-
Other unallocated amounts	-	-
Total liabilities	**2,23,286.10**	**2,64,668.81**

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C. Information about major customers

Revenues from one customer A of the segment 1 represented approximately 36.53% (previous year - NIL) of the Company's total revenue.

Viraj Profiles Limited
Notes to the Consolidated financial statements for the year ended 31 March 2020
(Currency: Indian Rupees in Lakhs)

Note 45 - Dislosure under Ind AS 115 - Revenue from contracts with customers

The Group is engaged into manufacturing of stainless steel products.There is no impact on the Group revenue on applying Ind AS 115 from the contract with customers.

Disaggregation of revenue from contracts with customers

Particulars	2019-20			2018-19		
	Steel Products	Others	Total	Steel Products	Others	Total
1. Sale of products (Transferred at point in time) Manufacturing						
India	53,115.48	3,356.92	56,472.40	41,155.97	1,546.84	42,702.81
Africa	11,203.80		11,203.80	13,926.34		13,926.34
America	162.30		162.30	214.82		214.82
Asia (Other Than India)	96,567.67		96,567.67	1,14,551.83		1,14,551.83
Europe	3,10,492.45		3,10,492.45	3,46,710.23	2,514.42	3,49,224.65
North America	4,299.01		4,299.01	8,048.44		8,048.44
Oceania	1,415.55		1,415.55	5,762.47		5,762.47
South America	32,056.31		32,056.31	33,781.51		33,781.51
Russia CIS	20,235.89		20,235.89	20,534.09		20,534.09
Total	**5,29,548.46**	**3,356.92**	**5,32,905.38**	**5,84,685.70**	**4,061.26**	**5,88,746.96**

Sales by performance obligations

Particulars	2019-20			2018-19		
	Steel Products	Others	Total	Steel Products	Others	Total
Upon shipment	2,15,625.04	-	2,15,625.04	2,45,035.05		2,45,035.05
Upon delivery	3,13,923.42	3,356.92	3,17,280.34	3,42,165.07	1,546.84	3,43,711.91
Total Revenue	**5,29,548.46**	**3,356.92**	**5,32,905.38**	5,87,200.12	1,546.84	5,88,746.96

Reconciliation of revenue from contract with customer

Particulars	2019-20			2018-19		
	Steel Products	Others	Total	Steel Products	Others	Total
Revenue from contract with customer as per the contract price	5,34,485.20	3,356.92	5,37,842.12	5,90,101.99	4,061.26	5,94,163.25
Adjustments made to contract price on account of :-						
a) Discounts / Rebates / Incentives	2,899.22		2,899.22	2,786.06		2,786.06
b) Sales Returns /Credits / Reversals	2,037.52		2,037.52	2,630.23		2,630.23
Revenue from contract with customer	5,29,548.46	3,356.92	5,32,905.38	5,84,685.70	4,061.26	5,88,746.96

Contract liabilities

Advance Collections is recognised when payment is received before the related performance obligation is satisfied.
This includes advances received from the customer towards sale of goods. Revenue is recognised once the performance obligation is met i.e. upon transfer of control of promised goods to customers.

	31 March 2020	31 March 2019
Opening contract liabilities	2,685.26	12,163.14
less: amount recognised in revenue	923.29	10,683.93
Add: amount received in advance during the year	821.04	1,206.05
Closing contract liabilities	2,583.01	2,685.26

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VIRAJ PROFILES LTD MUMBAI

Viraj Profiles Limited

Note: 46 Equity accounted investee
(Currency: Indian Rupees in Lakhs)
Information of interest of the Group in its equity accounted investee:

	Note reference	March 31, 2020	March 31, 2019
Interest in Joint Ventures	See Note (A) below	-	4,321.55
	Total	**-**	**4,321.55**

[A] Interest in Joint Venture (Refer Note - 48)

(I) List of Joint Venture of the Group

Sr No	Name	Country of Incorporation	Proportion of Ownership Interest March 31, 2020	March 31, 2019
1	Investment in partnership firm - M/s Dev Bhoomi	India	0.00%	60.00%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

The following table comprises the financial information of the Group's Joint Venture and their respective carrying amount.

Investment in partnership firm - M/s Dev Bhoomi		
Particulars	**As at 31/03/2020**	**As at 31/03/2019**
Non-current Assets	-	0.00
Current Assets		
Cash and cash equivalents	-	5.36
Other Assets	-	11,968.95
Total Current Assets	-	11,974.32
Current liabilities		
Finanical liabilities	-	7,161.45
Other liabilities		
Total current liabilities	-	7,161.45
Net Assets (100%)	-	4,812.87
Group's share of net assets	**-**	**2,887.72**
Consolidation adjustment	-	1,433.83
Loss set off against loan		
Carrying amount of interest in joint venture	-	4,321.55

Investment in partnership firm - M/s Dev Bhoomi		
	For the year ended 31/03/2020	**For the year ended 31/03/2019**
Finance costs	-	0.05
Profit for the year (100%)	-	(0.05)
Other comprehensive income for the year (100%)		
Total Comprehensive income for the year	-	-
	-	(0.05)
Group's share of profit	-	(0.03)

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Viraj Profiles Limited

Note 47

(Currency: Indian Rupees in Lakhs)

Additional information pursuant to paragraph 2 pf Division II of Schedule III to the Companies Act 2013 - "General instructions for the preparation of the consolidated financial statements" of Division II of Schedule III

As at March 31, 2020

Name of the entities in the Group	Net Assets , i.e Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (INR)	As % of Consolidated Profit or Loss	Amount (INR)	As % of Consolidated Other Comprehensive income	Amount (INR)	As % of Total Comprehensive income	Amount (INR)
Parent								
Viraj Profiles Limited	106%	1,58,149.73	110%	7,237.60	99.32%	(2,751.15)	117.79%	4,486.45
Subsidiaries								
Foreign								
Viraj USA INC.	0%	-	0%	(2.57)		-	-0.07%	(2.57)
Sino Investment Global Limited	8%	11,998.67	-7%	(441.27)		-	-11.59%	(441.27)
Non controlling interest	0%	11.76	0%			-	0.00%	-
Joint Venture								
Investment in partnership firm - M/s Dev Bhoomi	0%	-	0%	-		-	0.00%	-
Consolidation adjustment	-14%	(20,768.87)	-3%	(214.99)	0.68%	(18.79)	-6.14%	(233.78)
Total	100%	1,49,391.29	100%	6,578.77	100%	(2,769.94)	100%	3,808.83

As at March 31, 2019

Name of the entities in the Group	Net Assets , i.e Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (INR)	As % of Consolidated Profit or Loss	Amount (INR)	As % of Consolidated Other Comprehensive income	Amount (INR)	As % of Total Comprehensive income	Amount (INR)
Parent								
Viraj Profiles Limited	106%	1,53,663.29	74%	7,879.95	-47.42%	(249.59)	68.32%	7,630.36
Subsidiaries								
Foreign								
Viraj USA INC.	0%	194.26	-4%	(380.59)	0.00%	-	-3.41%	(380.59)
Sino Investment Global Limited	-6%	(8,566.24)	-53%	(5,618.09)	0.00%	-	-50.30%	(5,618.09)
Non controlling interest	0%	12.18	0%		0.00%	-	0.00%	-
Joint Venture								
Investment in partnership firm - M/s Dev Bhoomi	0%	-	0%	-	0.00%	-	0.00%	-
Consolidation adjustment	0%	278.94	82%	8,761.39	147.42%	775.88	85.39%	9,537.27
Total	100%	1,45,582.43	100%	10,642.66	100%	526.29	100%	11,168.95

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

VIRAJ PROFILES LTD. MUMBAI

Note - 48

Transfer of Investment in Joint Venture

During the year, the group has retired vide Retirement Deed dated 25th September 2019 from M/s Devbhoomi, joint venture by selling its 60% share to Mr Neeraj R. Kochhar.

The above transactions had resulted in profit on sale of investments of Rs. 591.59 Lakhs, which has been disclosed under other income in Statement of Profit & Loss.

Note - 48A

Dissolution of Wholly Owned Subsidiary

M/s Viraj USA, Inc. was dissolved wef January 15, 2020. The company is in the process to complete necessary compliance in this regard under FEMA / RBI regulations.

Note - 49

Exceptional items:

A. Impairment of property, plant and equipment:

In the previous year, one of subsidiary company i.e. Sino Global Investment Limited has carried out a review of the recoverable amount of its property, plant and equitments and recognised impairment loss of Rs. 1,114.19 Lakhs.

B. Impairment testing of goodwill:

For the purpose of impairment testing, goodwill relating to continuing business segments has been allocated to cash generating units. Goodwill recognised in the books relates to S C Tubinox S.A. Romania

	Rs. In lakhs
Goodwill Recognised	1,640.09
Less: Impairment recognised	-
Net Goodwill	1,640.09

Goodwill is tested for impairment on annual basis and wherever there is an indication that recoverable amount of cash generation is less than its carrying amount based on economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to S C Tubinox S. A. representing lowest level within the Group at which goodwill is monitored for internal management purpose. The above impairment is attributable to economic slow down.

Note - 50

The Group has entered into the license agreement dated 4 June 2010 with Maharashtra Industrial Development Corporation to take on lease Plot No. G-1/4 of land at Tarapur Industrial Area admeasuring 32,000 sq. mtrs. for which lease deed in pending amounting to Rs 1219.20 Lakhs.

The Company has entered into the license agreement dated October 27th, 2016 with Maharashtra Industrial Development Corporation to take on lease Plot No. S-18/2 of land at Tarapur Industrial Area admeasuring 13,000 sq. mtrs. for which lease deed in pending amounting to Rs 1390 Lakhs.

Note - 51

For the financial year ended March 31 2020, the impact of pandemic COVID 19 on company's operations and financials was not significant. The company is engaged in manufacturing of Stainless Steel engineering products and also having continuous process plant. The operations in 1st quarter of FY-21 were irregular and the company focused to absorb fixed overheads to maximum extent. The Company estimates minimum adverse impact on its business, operations, financials, cash flow, liquidity or ability to serve its financial obligations. However, the full extent to which the pandemic will impact the future financial results of the Company will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any.

Note - 52

In the opinion of the management, the current asset, loan and advances and current liabilities are approximately of the value stated, if realised/ paid in ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

VIRAJ PROFILES LTD. MUMBAI

Viraj Profiles Limited
Notes to the Consolidated financial statements for the year ended 31 March 2020
(Currency: Indian Rupees in Lakhs)

Note - 53
Previous years figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached.

For **T R Chadha & Co. LLP**
Chartered Accountants
Firm's Registration No: 006711N/N500028

PRAMOD TILWANI Digitally signed by PRAMOD TILWANI

Pramod Tilwani
Partner
Membership No: 76650
Mumbai
Date: 7 September 2020
UDIN : 20076650AAAACY1361

T R Chadha & Co. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Viraj Profiles Limited
CIN: U28113MH1996PLC096835

Digitally signed by NEERAJ RAJA KOCHHAR
Adobe Reader version: 11.0.23

Neeraj R. Kochhar
Chairman and Managing Director
DIN: 00115140

Digitally signed by PAWANKUMAR GOPINATH BAJAJ
Adobe Reader version: 11.0.23

Pawankumar G. Bajaj
Director
DIN: 08674519

Digitally signed by anuj jain
Adobe Reader version: 11.0.23

Anuj Jain
Chief Financial Officer
Mumbai
Date: 7 September 2020

Digitally signed by TAUQEER KHAN
Adobe Reader version: 11.0.23

Tauqeer Khan
Company Secretary
M No: A39951

VIRAJ PROFILES LTD. MUMBAI ★