



INOX Air Products Private Limited



**ANNUAL
REPORT
2022-23**

INSIDE THIS REPORT

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

CORPORATE OVERVIEW

- 01 Journey of Growth
- 02 INOX Air Products at a glance
- 03 Financial Highlights
- 04 Greenfield Solar Plant
- 06 Major Highlights of the year
- 07 Transforming India through CSR Initiatives

STATUTORY REPORTS

- 12 Corporate Information
- 13 Notice
- 19 Boards' Report

FINANCIAL STATEMENTS

- 37 Independent Auditors' Report
- 46 Standalone Balance Sheet
- 48 Standalone Statement of Profit & Loss
- 49 Standalone Statement of changes in Equity
- 50 Standalone Statement of Cash Flows
- 52 Notes to the Standalone Financial Statements
- 116 Independent Auditor's Report to Consolidated
- 122 Consolidated Balance Sheet
- 124 Consolidated Statement of Profit & Loss
- 125 Consolidated Statement of changes in Equity
- 126 Consolidated Statement of Cash Flows
- 128 Notes to the Consolidated Financial Statements



JOURNEY OF GROWTH



In 2022, INOXAP gave the partnership with AMNS a new dimension of speed and precision by commissioning the 5th ASU at the Hazira site in a record time creating new global benchmark in the industrial gases industry. INOXAP operates the largest gas complex in the country under BOO model at Hazira for AMNS.



Post commissioning of the 5th ASU, INOXAP has been awarded another contract by AMNS in 2023 for the 6th ASU which will have the capacity to produce 1000 tons of oxygen per day, besides Nitrogen and Argon gases.

INOX AIR PRODUCTS AT A GLANCE

INOXAP has an illustrious journey of 6 decades with transition from selling gases to offering comprehensive solutions. It is the leading Industrial & Medical Gases Company in India, based on any metric, with strong financials to support a long-term vision of growth. With a strategic intent of investing ahead of time, we have aligned our values, which enable us to achieve excellence in customer service.

From large air separation plants to ultra-high purity gases, INOXAP offers flexible supply options to satisfy all your gases needs. With the largest geographic spread & distribution fleet, INOXAP has all what it takes to fuel the growth of core sectors like manufacturing, infrastructure and healthcare.



5750 Cr

(Gross Investment in Fixed Assets)



1800+

Customers



1400+

Employees



47

Operating locations in 17 States



AA+/stable

(CRISIL Rating NET DEbt Free)



600+

Fleet size



15+

Industries served



6

Decades in Business



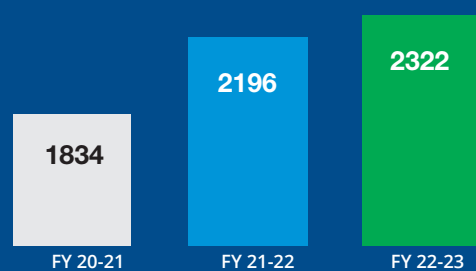
3750 TPD+

Liquid Manufacturing Capacity

FINANCIAL HIGHLIGHTS

TOTAL INCOME

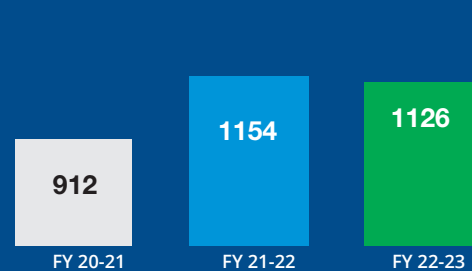
(₹ in Cr.)



Note: Excluding profit on sale of property, plant & equipment.

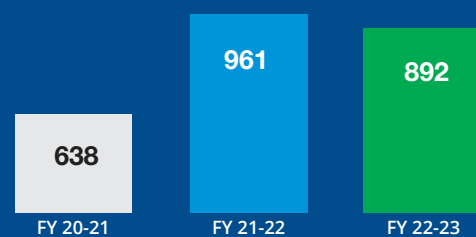
EBITDA

(₹ in Cr.)



PBT

(₹ in Cr.)



GREENFIELD SOLAR PLANT

Your Company is cognizant of its responsibility towards using clean and renewable energy as an important part of present and future strategy. Sustainability is a strategic business imperative. Keeping this in mind, INOXAP has commissioned a 21.3 MWp Solar Power Plant at Bangarmau in Unnao, Uttar Pradesh.





This solar power plant will be supplying over 3.1 Crore units of green power to INOXAP's units in Uttar Pradesh, enabling an offset of 28,000 tonnes of CO₂ every year, for the next 25 years. Taking inspiration from the UNSDGs, INOXAP has assigned topmost priority to sustainable and environment-friendly operations, and has been making giant strides to lower its carbon footprint.



The project was completed within a record time of 9 months, showcasing INOXAP's robust and strategic intent to enhance dependence on renewable fuels. The Company aims to increase the share of Green Oxygen in its overall Oxygen production, by increasing the use of renewable energy across its ASUs in India.

MAJOR HIGHLIGHTS OF THE YEAR



INOXAP has joined hands with Tata Power Renewable Energy Ltd, for setting up captive solar plant at Dhule, Maharashtra. The solar power project would cater to the energy needs of the Air Separation Units operated by INOXAP in the state of Maharashtra.

This project aligns with long-term strategy of INOXAP to reduce dependency on fossil fuels, lower the carbon footprint of the nation, and manufacture Green Medical & Industrial Gases.



Tata Steel's Meramandali Plant

INOXAP has partnered with Tata Steel for setting up 2 Air Separation Units (ASUs) at Tata Steel's Meramandali Plant, located in Dhenkanal district of Odisha. Each of the two ASUs will have the capacity to produce 1800 Tons of Oxygen per day, besides Nitrogen and Argon. The ASUs will also have a provision to generate rare gases. INOXAP's first-ever collaboration with Tata Steel would coincide with an ongoing steel capacity expansion for the renowned steel major and also INOXAP's expanding its presence in the East.

TRANSFORMING INDIA THROUGH CSR INITIATIVES

INOXAP aims to ensure the fostering of a strong corporate culture with an emphasis on integrating our Corporate Social Responsibility (CSR) values with our business objectives.

Environment Sustainability



INOXAP's commitment towards environment is absolute. We believe in sustainable development by ensuring that we are in harmony with the environment.

During the year INOXAP has initiated tree plantation drive towards its commitment to sustainable practices and has therefore collaborated with various agencies to support initiatives that conserve and protect natural resources.



TRANSFORMING INDIA THROUGH CSR INITIATIVES

Education



Education is one of the most important drivers of the socio-economic prosperity and stability of a self-reliant nation. INOXAP has joined hands with various social organisations with an aim to support quality education, scholarships for under-privileged, and conducting training program for teachers.

Achievements

- Empowered more than 650 students including 85 differently abled children to join mainstream education
- Scholarship to 61 students



- B.Ed training to Teachers. Direct Beneficiaries Impacted: 1000 teachers Indirect Beneficiaries Impacted: 49575 Students Total no. of PCMC Schools: 107 (English, Marathi and Urdu medium)
- Research and development of Cryogenic Research facility at IIT Mumbai
- Infrastructure development includes Construction of Sanitation Block & Compound wall, for school at Shithan Village, Surat , Gujarat and Building sports facility for the under-privileged students in village school at Udipi district.

Healthcare



INOXAP aims to make a positive difference in the lives of underprivileged sections of the society through a wide array of initiatives, that include paediatric cardiac surgeries, cancer care, eye care, infrastructure and equipment to upgrade healthcare facilities

Achievement

- Sponsored more than 520 cataract surgeries
- Financial Aid for 13 paediatric Heart Surgeries at KEM Hospital
- Renovation of Tata Memorial Hospital's Paediatric Ward and New Cancer ward at Muni Seva Ashram Hospital , Gujarat
- Provided financial aid to Shanti Mukand Hospital for Heart & Medical Care as part of an expansion project.



- Partnered with Indraprastha Global Education and Research Foundation to establish a hospital and an educational research centre in the village Sewah in Panipat.
- Provided various heart surgery related life saving equipments to KEM hospital, Mumbai , Sarojini Naidu Hospital Agra and critical equipments for Cancer detection to ACTREC, TMC
- Donation of OPD cum Pathology Van in Ujjain, MP

TRANSFORMING INDIA THROUGH CSR INITIATIVES

Nation Building



Indian defence services upholds the security of our nation. INOXAP salutes our defence forces

- Financial support provided to help establish the free residential IIT JEE coaching program - 'Prabal Super 50' by the Indian Army for the wards of serving and retired army personnel.
- Contributed for building the Sahara Hostel , Mumbai Project for the widows /families of Naval Personnel who sacrificed their lives for nation . The initiative for Naval Veer Naris aims to benefit 24 families.



Rural Development



INOXAP has been working towards empowering and uplifting rural India by helping implement modern technology and mechanisation in agriculture that in turn improves productivity, efficiency and profitability

Achievement

The contribution is utilised in Gargaon in Wada , Palghar dist, Maharashtra for imparting training to 300 farmers in better farming methods, Rain water harvesting, vermicompost pits, computer education, sewing class, and various skill development programs for economic upliftment of the villagers

Women Empowerment



Empowering women is a way to unleash the true spirit of shared responsibility where women can live in the society without any prejudice, bias and discrimination.

Achievement

- INOXAP, in partnership with the Happy Faces Foundation, made a significant contribution by establishing a Solar Power Plant in Karnali village and And provided 15 hand weaving looms to support woman artisan.
- INOXAP joined hands with Red Brigade to support their Project Nishastra Shakti, voice for safe women. Around 5000 girls are trained in self defense and life skills. An approximate 2500 boys are sensitized about Gender Sensitization and Gender Sensitivity.



Sports



INOXAP supports initiatives that use sports as a medium to encourage learning and development.

We are honoured and privileged to be able to support India's Olympic dream through this prestigious association with the Indian Olympic Association

CORPORATE INFORMATION

BOARD OF DIRECTORS:

P.K. Jain	: Chairman (w.e.f. 01.04.2023)
Siddharth Jain	: Managing Director (w.e.f. 01.04.2023)
Juan Gonzalez	: Director (w.e.f. 19.10.2022)
S.K. Jain	: Director
Melissa Schaeffer	: Director
Samir Jawdat Serhan	: Director (upto 27.07.2023)
Ahmed Hababou	: Director (w.e.f. 27.07.2023)

KEY MANAGERIAL PERSONNEL:

Sandeep Divekar	: Chief Financial Officer (w.e.f. 28.04.2023)
Vishal M. Shah	: Company Secretary

STATUTORY AUDITORS:

Patankar & Associates
Chartered Accountants

BANKERS:

Standard Chartered Bank
DBS Bank India Limited
HDFC Bank Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.
Citibank N.A.
Axis Bank Ltd.

REGISTERED OFFICE:

A-2, TTC Industrial Area,
Off. Thane Belapur Road, MIDC
Pawane, Navi Mumbai 400 710
CIN: U24999MH1963PTC012625
WEB SITE: www.inoxairproducts.com
E-MAIL: info@inoxap.com
Tel: +91-011 -68860000 / 41621100 / 50510000

FACTORIES:

Ahmedabad, Aurangabad, Bangalore, Barjora,
Barotiwala, Bhiwadi, Bhopal, Bokaro, Butibori,
Chakan, Chennai, Hazira, Hospet, Hosur, Hyderabad,
Indore, Jejuri, Karjan, Mandi-Gobindgarh, Modinagar,
Narmadapuram, Palakkad, Patalganga, Puducherry,
Pune, Salem, Simej, Sri Perumbudur, Surajpur, Thane,
Vashind, Vile Bhagad, & Visakhapatnam.

60th Annual General Meeting

at 11.00 am, Thursday,
28th September,
2023

Venue:
A-2, TTC Industrial Area,
Off Thane Belapur Road, Pawane,
Navi Mumbai - 400 710

NOTICE

NOTICE is hereby given that the 60th Annual General Meeting of the members of INOX Air Products Private Limited will be held on Thursday, 28th September, 2023 at 11.00 a.m at the Registered Office of the Company situated at A/2, TTC Industrial Area, Off Thane Belapur Road, Pawane, Navi Mumbai 400 710 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023 alongwith the reports of the Board of Directors and Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023 alongwith the report of the Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31st March, 2023.

SPECIAL BUSINESS:

3. To approve remuneration of the Cost Auditors for the financial year ending 31st March, 2023.

To consider and, if thought fit, to pass with or without modification(s) as may be deemed fit, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Rule 6(2) of the Companies (Cost records and Audit Rules) 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies remuneration of ₹ 6,00,000/- (Rupees Six Lakhs Only) plus taxes at the applicable rates and reimbursement of out of pocket expenses to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No.: 000030) who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024."

"RESOLVED FURTHER THAT the Board of Directors of the Company or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds & things and to take all such steps as they may deem necessary, proper or expedient to give effect to this resolution."

4. To approve regularization of office of Mr. Juan Miguel Gonzalez Barboteo Additional Director as Director of the Company

To consider and, if thought fit, to pass with or without modification(s) as may be deemed fit, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) thereto or re-enactment thereof), the consent of Shareholders be and is hereby accorded for the appointment of Mr. Juan Miguel Gonzalez Barboteo (DIN: 0009765133), who was appointed as an Additional Director of the Company with effect from 19th October 2022 pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, as a Director of the Company."

5. To approve regularization of office of Mr. Ahmed Hababou, Additional Director as Director of the Company

To consider and, if thought fit, to pass with or without modification(s) as may be deemed fit, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) thereto or re-enactment thereof), the consent of Shareholders be and is hereby accorded for the appointment of Mr. Ahmed Hababou (DIN:10208799), who was appointed as an Additional Director of the Company with effect from July 27, 2023 pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, as a Director of the Company."

6. To approve re-designation of Mr. Pavan Kumar Jain (DIN: 00030098), as Executive Chairman of the Company

To consider and, if thought fit, to pass with or without modification(s) as may be deemed fit, the following resolution as an **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196(3) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in furtherance to the resolution dated 28th March, 2019 passed by the Board of Directors of the Company, the consent of the Shareholders of the Company be and is hereby accorded to designate Mr. Pavan Kumar Jain (DIN: 00030098), who has attained 70 years of age as Executive Chairman of the Company for his remaining tenure upto 31st March, 2024."

"RESOLVED FURTHER THAT a copy of the above resolution certified by any one of the Directors or Company Secretary be submitted to the concerned authorities and they be requested to act upon the same."

On behalf of the Board of Directors

SIDDHARTH JAIN
Managing Director
DIN: 00030202

Mumbai, 27th July, 2023

Registered Office:

A - 2 TTC Industrial Area,
Off Thane Belapur Road,
Pawane Navi Mumbai,
Thane – 400710.
CIN: U24999MH1963PTC012625
E-mail: vishalshah.madhukant@inoxap.com
Website: www.inoxairproducts.com

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
- c) Pursuant to section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not exceeding fifty members and holding in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his/her identity at the time of attending meetings.
- d) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- e) The record date for the purpose of declaration of dividend shall be 21st September, 2023
- f) Copies of all documents referred to in the Notice and Explanatory Statement annexed thereto are available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 pm on all working days till the date of the Annual General Meeting.
- g) Corporate Members intending to send their authorised representative(s) to attend the AGM, pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
- h) In compliance with the provisions of Section 124 and Section 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends declared up to financial years 2014-15, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 30th September, 2022 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link <http://www.inoxairproducts.com/Investor> Relations/Unclaimed Dividend. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members who have not encashed their dividend warrants for the financial year ended 31st March, 2016 or any subsequent financial year(s) are requested to make their claims to the Company for issue of duplicate dividend warrants.

- i) In compliance with various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 31st October, 2022. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: http://www.inoxairproducts.com/Investor_Relations/Transfer_of_Shares to IEPF. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in. (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> and no claim shall lie against the Company in respect of such dividends/shares.
- j) Members are requested to update their bank mandate / NECS / Direct credit details / name / address / power of attorney and update their Core Banking Solutions enabled account number:
- For shares held in physical form: with the Company / Registrar and Share Transfer Agent of the Company.
 - For shares held in dematerialised form: with the Depository Participants with whom they maintain their demat accounts
- k) In terms of Section 72 of the Act, nomination facility is available to individual Members holding shares in the physical mode. The Members who are desirous of availing this facility, may kindly write to Company's RTA for nomination form by quoting their folio number.
- l) A Route Map showing directions to the venue of the 60th AGM and nearby prominent landmark is given at the end of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors- M/s. Dhananjay V. Joshi & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 at remuneration of ₹ 6,00,000/- (Rupees Six Lakhs Only) plus taxes at the applicable rates and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024.

None of the Promoters, Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. The Board recommends the Resolution for approval of the Members.

Item No. 4

The members are informed that Mr. Juan Miguel Gonzalez Barboteo (DIN: 0009765133) was appointed as an Additional Director on the Board of the Company with effect from 19th October, 2022 upto the date of ensuing Annual General Meeting of the Company. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director.

Accordingly, in terms of the aforesaid section, it is proposed to appoint Mr. Juan Miguel Gonzalez Barboteo, Additional Director of the Company as Director on the Board of the Company.

The details of Mr. Juan Miguel Gonzalez Barboteo in terms of Secretarial Standard – 2 on General Meetings is enclosed as Annexure-1.

The Board recommends the resolution set out in item no. 4 of this notice for the approval of the Shareholders of the Company.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Juan Miguel Gonzalez Barboteo are in any way concerned or interested in the resolution except to the extent of their shareholding, if any.

Item No. 5

The members are informed that Mr. Ahmed Hababou (DIN: 10208799) was appointed as an Additional Director on the Board of the Company with effect from 27th July, 2023 upto the date of ensuing Annual General Meeting of the Company. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director.

Accordingly, in terms of the aforesaid section, it is proposed to appoint Mr. Ahmed Hababou, Additional Director of the Company as Director on the Board of the Company.

The Board recommends the resolution set out in item no. 5 of this notice for the approval of the Shareholders of the Company.

The details of Mr. Ahmed Hababou, in terms of Secretarial Standard – 2 on General Meetings is enclosed as Annexure-1.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Ahmed Hababou are in any way concerned or interested in the resolution except to the extent of their shareholding, if any.

Item 6

The Board of Directors of the Company at their meeting held on 4th February, 2023 had discussed regarding succession planning. The Board noted that under the leadership of Mr. Pavan Kumar Jain the Company had grown manifold. The Board also noted that his association and continuous guidance would be beneficial for performance of the Company. Accordingly, the Board approved to designate Mr. Pavan Kumar Jain as Executive Chairman of the Company for his remaining tenure of appointment i.e. upto 31st March, 2024 and thereafter be designated as Non-Executive Chairman of the Company.

Since, Mr. Pavan Kumar Jain has attained the age of 70 years of the Company, the approval of Shareholders is sought for resolution set out in item 6 as Special Resolution.

The details of Mr. Pavan Kumar Jain, Executive Chairman of the Company in terms of Secretarial Standard – 2 on General Meetings is enclosed as Annexure-1.

None of the Directors, Key Managerial Personnel and their relatives except Mr. P K Jain and Siddharth Jain, are in any way concerned or interested in the resolution except to the extent of their Directorship and shareholding in the Company.

On behalf of the Board of Directors

SIDDHARTH JAIN
Managing Director
DIN: 00030202

Mumbai, 27th July, 2023

Registered Office:

A - 2 TTC Industrial Area,
Off Thane Belapur Road,
Pawane Navi Mumbai,
Thane – 400710.

CIN: U24999MH1963PTC012625

E-mail: vishalshah.madhukant@inoxap.com

Website: www.inoxairproducts.com

Information as required to be provided under the Secretarial Standard – 2

Name of the Director	Mr. Juan Miguel Gonzalez Barboteo	Mr. Ahmed Hababou	Mr. Pavan Kumar Jain
Brief Resume	Mr. Juan Gonzalez is MSc in Analytical Chemistry from University College Cork (Ireland), and an MBA from the London Business School and member of Chartered Institute of Management Accountants, UK. Mr. Gonzalez joined Air Products in 2003 and in 2014, he moved from Hersham, UK to Barcelona, Spain after being named Commercial Director Southern Europe. In that role, Mr. Gonzalez significantly grew top line revenues and led a large team focused on business development and sales activities. Mr. Gonzalez is currently Vice President, Large Project Business Development (LPBD) for Air Products business in the Middle East, Egypt & Turkey (MEET), and India. He is responsible for pursuing and winning strategic projects that support Air Products' profitable growth in the region and also for the industrial gases business of Air Products in India, including industrial gas facility in Kochi, Kerala and responsible for the relationship with its JV operations, INOXAP.	Mr. Ahmed Hababou holds a Master of Science degree in Industrial Engineering from the École Centrale de Paris and has completed the Advanced Management Programme at INSEAD. Mr. Hababou joined Air Products in 2002 and has held several key leadership positions. In 2020, Mr. Hababou assumed the position of Vice President, Green Hydrogen, where he played a leadership role in developing Air Products' green hydrogen project pipeline worldwide. Mr. Hababou is currently President, Middle East, Egypt and Turkey (MEET) & India at Air Products. He is responsible for driving the strategy of the Company's business entities in the aforesaid regions.	Mr. Pavan Kumar Jain is a Chemical Engineer from IIT, New Delhi, and an industrialist with over 48 years of experience. As the Executive Chairman of INOXAP, Mr. Jain has steered the company's growth from a single plant business to one of the leading players in the domestic industrial gases business. In addition, Mr. Jain has been instrumental in diversifying the INOX Group into various industries such as Refrigerant Gases, Chemicals, Cryogenic Engineering and Entertainment.
Date of Birth	21 st September, 1977	11 th March, 1968	17 th May, 1951
Age	45 years	55 years	72 years
Date of first Appointment on the Board	19 th October, 2022	27 th July, 2023	17 th October, 2004
Director Identification No. (DIN)	09765133	10208799	00030098
Qualification	MSc (Analytical Chemistry), MBA (London) and ICMA (U.K.)	MSc (Industrial Engineering), Advanced Management Programme (INSEAD)	Chemical Engineer (IIT, Delhi)
Experience	20 years	21 years	48 years

Name of the Director	Mr. Juan Miguel Gonzalez Barboteo	Mr. Ahmed Hababou	Mr. Pavan Kumar Jain
Directorships held in other Companies	Prodair Air Products India Private Limited, India Air Products Qudra, Saudi Arabia Blue Hydrogen Industrial Gases, Saudi Arabia	Prodair Air Products India Private Limited, India Air Products Qudra for Energy, Saudi Arabia Jazan Integrated Gasification and Power Company, Saudi Arabia NEOM Green Hydrogen Co. Ltd, Saudi Arabia	PVR INOX Limited INOX India Limited INOX Infrastructure Limited GFL Limited
Membership/ Chairmanship of Committees of other Companies	NIL	NIL	- INOX India Limited, (Chairman of Stakeholders Relationship Committee, Finance and Operation Committee. Member of IPO Committee) - GFL Limited, (Member of Stakeholders Relationship Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors for Operations) - INOX Infrastructure Limited, (Member of Audit Committee, Nomination and Remuneration Committee)
Number of meetings of the Board attended during the financial year (2022-2023)	2	NA	3
Remuneration p.a.	NIL	NIL	₹ 546 lakhs
Relationship with other Directors/ Key Managerial Personnel	NIL	NIL	Related to Mr. Siddharth Jain
Shareholding in the Company	NIL	NIL	No direct shareholding. Indirect shareholding through corporate bodies.

BOARDS' REPORT- 2022-23

To,
The Members of
INOX Air Products Private Limited

Dear Member,

Your Directors take pleasure in submitting the Company's 60th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

1. FINANCIAL SUMMARY AND THE STATE OF COMPANY'S AFFAIRS

Given below is the financial performance of the Company as reflected in the Financials for the year ended 31st March, 2023.

Particulars	Consolidated		Standalone	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations	219182.57	209041.85	219182.57	209041.85
Other Income (excluding profit on sale of assets)	12102.78	8475.60	13002.78	10575.60
Total Income (excluding profit on sale of assets)	231285.35	217517.45	232185.35	219617.45
Operating profit before Finance cost & Depreciation and excluding Profit on Sale of Assets	112137.90	113557.06	112634.40	115368.09
Finance Cost	6140.12	5463.06	6140.12	5463.06
Depreciation	20119.64	19203.66	20119.64	19203.66
Profit on Sale of Assets	2845.73	5354.50	2845.73	5354.50
Share of profit of joint venture	403.50	288.97	-	-
Profit before Tax	88723.87	94244.84	89220.37	96055.87
Less: Provision for taxation	22183.69	23470.21	22183.69	23470.21
Profit after Tax	66540.18	70774.63	67036.68	72585.66
Add/ (Less) : Other Comprehensive Income	(23.98)	(132.81)	(23.98)	(132.81)
Total Comprehensive Income for the year	66516.20	70641.82	67012.70	72452.85

(₹ in Lakhs)

2. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company which include its Joint Venture Company viz., Bellary Oxygen Company Private Limited (Belloxy) have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and are presented in Annual Report.

The financial statement of Belloxy for the year ended on 31st March 2023 are not prepared on going concern basis since the Company does not have any business operations after November 2021.

3. DIVIDEND

Your Company has recommended a final dividend of ₹ 10 /- per equity share for the financial year 2022-23, which shall be placed for approval of the shareholders at the ensuing Annual General Meeting (AGM).

4. PROJECTS

During the year, following major projects are commissioned:

- 700 TPD Air Separation Plant at Hazira, Gujarat
- 200 TPD Air Separation Plant at Hosur, Tamil Nadu
- 21.3 MWp Solar Power Generation Plant in Uttar Pradesh

BOARDS' REPORT- 2022-23 (contd.)

The following major projects are under implementation as at year end:

- 200 TPD Air Separation Plant at Aurangabad, Maharashtra (Commissioned in May 2023)
- 200 TPD Air Separation Plant at Narmadapuram, Madhya Pradesh (Commissioned in June 2023)
- 200 TPD Air Separation Plant at Rae Bareilly, Uttar Pradesh
- 200 TPD Air Separation Plant at Wada (Palghar), Maharashtra
- 200 TPD Air Separation Plant at Barjora, West Bengal
- 2150 TPD Air Separation Plant at Bokaro, Jharkhand
- 1000 TPD Air Separation Plant at Hazira, Gujarat

Your Company has been awarded Contract to set up 2 x 1800 TPD Air Separation Plants by Tata Steel Limited for their site at Meramandali, Odisha.

5. ACQUISITION AND AMALGAMATION OF GREENYANA ENERGY PRIVATE LIMITED

During the year, the Company had acquired 100% of the equity shares in Greenyana Energy Private Limited ("Greenyana") and consequently Greenyana had become a wholly owned subsidiary of the Company on September 30, 2022. Subsequently, a Scheme of Amalgamation in the nature of merger of Greenyana Energy Private Limited ('the Transferor Company') with INOX Air Products Private Limited ('the Transferee Company') and their respective shareholders and creditors ('the Scheme') under section 233 and other applicable provisions of the Companies Act, 2013 ('the Act') was filed by the respective companies, with appointed date as September 30, 2022. A certified copy of the order from the Regional Director, Western Region ("RD") of Registrar of Companies (ROC) was received by the Company on May 11, 2023. Upon filing of the said order with the Registrar of Companies, Mumbai, on June 1, 2023 ("Effective Date"), the Scheme has been made effective w.e.f. the appointed date i.e., September 30, 2022.

6. BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were convened and held on 30th June, 2022, 19th October, 2022, 27th January, 2023 and 04th February, 2023.

The 59th Annual General Meeting of your Company was held on 30th September, 2022.

7. DIRECTORS and KMP

During the year under review, there were following changes in the composition of the Board of Directors of the Company:

Mr. Pavan Kumar Jain and Mr. Siddharth Jain are designated as Executive Chairman and Managing Director, respectively, with effect from 1st April 2023.

Ms. Melissa Schaeffer (DIN 09248793) was appointed as Directors of the company with effect from 30th June 2022.

Mr. Juan Miguel Gonzalez Barboteo (09765133), nominee of Prodair Corporation (shareholder of the Company), was appointed as an Additional Director of the company with effect from 19th October, 2022 and he holds office upto the date of the ensuing Annual General Meeting. Necessary resolution for his appointment as Director of the Company is inserted in the notice of Annual General Meeting for approval of members.

Mr. Ahmed Hababou (DIN: 10208799), nominee of Prodair Corporation (shareholder of the Company), was appointed as an Additional Director of the company with effect from 27th July, 2023 and he holds office upto the date of the ensuing Annual General Meeting. Necessary resolution for his appointment as Director of the Company is inserted in the notice of Annual General Meeting for approval of members.

Mr. Surendra Choudhary, Chief Financial Officer (CFO) of the Company superannuated on 10th April 2023. He was designated as Key Managerial Personnel of the Company as on 31 March 2023. Mr. Sandeep Divekar was appointed as CFO in his place at the Board of Directors meeting held on 28th April 2023. Mr. Divekar is a Chartered Accountant. He comes with 26 years of rich experience in the field of Accounts, Finance and Taxation.

Mr. Sandeep Divekar, CFO and Mr. Vishal Shah, Company Secretary of the Company are Key Managerial Personnel of the Company as on date of this report.

BOARDS' REPORT- 2022-23 (contd.)

8. AUDIT COMMITTEE

During the year under review, Mr. Juan Gonzalez, Director was inducted to the Audit Committee w.e.f 27th January, 2023 of the Company. The Audit committee now comprises of Mr. P.K. Jain, Mr. Siddharth Jain and Mr. Juan Gonzalez, Directors of the Company. The Audit Committee met two times during the year on 30th June, 2022 and 27th January, 2023.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors would like to confirm that;

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no departures from the requirements of the Accounting Standards.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.
- (v) the Directors have devised systems to ensure compliance with all applicable laws and such systems were adequate and operating effectively.

10. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual report. There are no guarantees or securities provided by the Company covered under section 186 of the Companies Act, 2013.

11. SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Subsidiary Companies and Associate Companies - NIL

Joint Ventures - Bellary Oxygen Company Private Limited.

No entity has become subsidiary, associate and joint venture of the Company and the joint venture has not ceased to be joint venture of the Company, during the year under review.

The Report on the highlights of performance and financial position of the Joint Venture Company in Form No. AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 along with the contribution of the Joint Venture Company to overall performance of the Company during the year in terms of Rule 8 of Companies (Accounts) Rules, 2014 is annexed to this Report, Annexed as Annexure 2.

12. DEPOSITS

The Company has neither invited nor accepted any deposits from the public during the year under review. There are no unclaimed or unpaid deposits as on March 31, 2023.

13. AMOUNT, IF ANY, WHICH IS PROPOSED TO BE CARRIED TO ANY RESERVES

The Board proposes to transfer an amount of ₹ 60000 lakhs to the General Reserve Account, out of the profits during the financial year ended as on March 31, 2023.

14. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures to review key elements of risks involved and measures taken to ensure that risk is controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company.

BOARDS' REPORT- 2022-23 (contd.)

15. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. The Audit Committee and the Board has approved all related party transactions for FY 2022-23. Accordingly, the details of Related Party Transactions to be disclosed under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable to the Company.

16. AUDITORS

(A) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) M/s. Patankar & Associates (Firm Registration No. 107628W) were appointed as Auditors of Company for a term of next 5 (Five) consecutive years i.e. from conclusion of 59th AGM to conclusion of 64th AGM on such remuneration, exclusive of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the proposed Statutory Auditors from time to time.

In accordance with Companies Act, 2017 enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of statutory auditors is not required to be ratified at every Annual General Meeting. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

(B) COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited. The Company has appointed M/s Dhananjay V. Joshi & Associates to audit cost accounts of the Company for Financial Year 2022-23 on a proposed remuneration of ₹ 6,00,000/- (Rupees Six Lakhs Only). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

(C) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Krishna Rathi & Associates, Practicing Company Secretaries, (Membership No. F9359, COP No. 10079) to conduct the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report is annexed to this Report as Annexure 4.

17. APPOINTMENT OF INTERNAL AUDITORS

Pursuant to Section 138 of the Companies Act, 2013 and Rules made thereunder the Company has appointed M/s. T R Chadha & Co. LLP, Chartered Accountants, M/s. Shanti Prashad & Co., Chartered Accountants, K. C. Mehta & Co., Chartered Accountants and S C. Bandi & Co, Chartered Accountants as Internal Auditors for Financial Year 2023-24.

18. EXPLANATIONS OR COMMENTS BY THE BOARD ON AUDITOR'S REPORT

The Notes on Financial Statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditors Report and Secretarial Auditor Report does not contain any disqualification, reservation, adverse remark or disclaimer.

19. VIGIL MECHANISM

In staying true to our values of Strength, Performance and Passion, and in line with our vision of being one of the most respected companies in India, the Company is committed to high standards of Corporate Governance and stakeholder responsibility. The Company has in place Code of Conduct Policy to deal with instances of fraud and mismanagement. All ethics complaints are reviewed by the Board of Directors. The Company has instituted and regularly circulates various policies to ensure ethical compliance at workplace, including Whistle Blowers' Policy, Gifts Policy, and POSH Policy.

BOARDS' REPORT- 2022-23 (contd.)

During the year no complaints/communications were received by the Company/Audit Committee under the above policy.

Whistle Blower Policy of the Company is available on the Company's website www.inoxairproducts.com.

20. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Prevention of Sexual Harassment of Women at Workplace Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year no complaints have been received under the above policy.

21. ANNUAL RETURN

The annual return of the Company in the prescribed form MGT-7 is available on the Company's website at www.inoxairproducts.com.

22. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

During the year under review, Mr. Juan Gonzalez, Director was inducted to the Corporate Social Responsibility (CSR) at the Board Meeting held on 27th January, 2023 of the Company. The CSR Committee now comprises of Mr. Pavan Kumar Jain, Mr. Siddharth Jain and Mr. Juan Gonzalez, Directors of the Company. The CSR Policy of the Company is disclosed on the website of the Company which can be viewed at www.inoxairproducts.com.

The report on CSR activities as per Companies (Corporate Social Responsibility) Rules, 2014 is annexed to this Report as Annexure 3.

The Company considers social responsibility as an integral part of its business activities. During the year under review, the Company has fulfilled its statutory obligation towards CSR by spending ₹1285.21 lakhs against its total obligation of ₹1285.11 lakhs during the financial year 2022-23 and the excess obligation of ₹0.10 lakhs can be set off against the CSR to be spent during financial year 2023-24, the details of which are given in the CSR Report.

23. PERSONNEL RELATIONS

The Company continues to maintain cordial relations with employees.

24. INSURANCE

All the properties and insurable interest of the Company including Building, Plant and equipment and Stocks are adequately insured.

25. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF REPORT

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this report.

26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review there has been no orders passed by the regulators or courts or tribunals that would impact the ongoing business of the Company and/or its operation in future.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this report as Annexure 1.

BOARDS' REPORT- 2022-23 (contd.)

28. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the year under review.

29. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls commensurate with its size and nature of its business. The Board has reviewed internal financial controls of the Company and the Audit Committee monitors the same.

30. VOTING RIGHTS

The Company has not provided monies to any scheme for purchase of or subscription for, fully paid up shares in the company for the benefit of the employees of the company as provided for in Section 67 of the Companies Act, 2013. As such no disclosures of the nature as specified in the proviso to the said Section are required.

31. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 relating to 'Meetings of the Board of Directors' and SS-2, relating to 'General Meetings', have been duly followed by the Company.

32. REPORTING OF FRAUDS BY AUDITORS:

There were no frauds reported by Auditors under Section 143(12) of the Act during FY 2022-23.

33. DETAILS ON INSOLVENCY AND BANKRUPTCY CODE:

During the year under review, no application has been made by the Company nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code.

34. ACKNOWLEDGEMENT

Your Directors place on record their appreciation and gratitude to the Employees and Bankers for their continued support and co-operation.

On behalf of the Board of Directors

P.K. Jain
Chairman
DIN: 00030098

Siddharth Jain
Managing Director
DIN: 00030202

Place : Mumbai
Date : 27 July, 2023

BOARDS' REPORT- 2022-23 (contd.)

ANNEXURES FORMING PART OF BOARDS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023

Annexure 1 -

Information as required under Section 134 (3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is forming part of Boards' Report for the year ended 31st March, 2023.

1. CONSERVATION OF ENERGY

		2022-23	2021-22
A	Power & Fuel Consumption		
	1. Electricity		
	a) Purchase Units (lakhs)	9846.44	9587.57
	b) Total amount (₹ Lakhs)	62061.47	55366.89
	c) Rate / Unit (₹)	6.30	5.77
	2. Coal	-	-
	3. Furnace Oil	-	-
	a) Quantity (K.Ltrs)	-	-
	b) Total amount (₹ Lakhs)	-	-
	c) Rate/ K.Ltrs (₹ Lakhs)	-	-
	4. Others/Internal Generation	-	-
B	Consumption per unit of Production (per cubic meter of Industrial Gases)	-	-
	Electricity (KWH) [#]	0.53	0.51

[#]Company manufactures various types of Industrial Gases from different plants and hence it is not possible to indicate product-wise consumption of electricity.

2. TECHNOLOGY ABSORPTION

- A. All earlier Technologies imported have already been absorbed.
- B. There was no expenditure incurred during the year on Research and Development.

3. FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange utilized – ₹11298.05 lakhs

Foreign Exchange earned – ₹983.03 lakhs

On behalf of the Board of Directors

P.K. Jain
Chairman
DIN: 00030098

Siddharth Jain
Managing Director
DIN: 00030202

Place : Mumbai
Date : 27 July, 2023

BOARDS' REPORT- 2022-23 (contd.)

Annexure 2

Form No. AOC 1

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures.

Part A – Subsidiaries

NIL

Part B – Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in lakhs

Sr. No.	Particulars	Bellary Oxygen Company Private Limited (BELLOXY)
1	Latest Balance Sheet date	31st March, 2023
2	Date on which the Associate or Joint Venture was associated or acquired	6th June, 2005
3	Shares of Associates / Joint Ventures held by the Company on the year end	
	Number	15,000,000
	Amount of investment in Associates / Joint Venture	1,500.00
	Extent of holding (in percentage)	50%
4	Description of how there is significant influence	Joint Venture through shareholding and voting rights
5	Reason why the associate/joint venture is not consolidated	N.A.
6	Net worth attributable to Shareholding as per latest Balance Sheet	1657.69
7	Profit or Loss for the year	
	i. Considered in consolidation	403.50
	ii. Not considered in consolidation	N.A.

Note: The financial statement of the joint venture for the year ended on 31st March 2023 are not prepared on going concern basis. The relevant disclosure is given in Note 8B of the consolidated financial statement which is re-produced below:

BELLOXY was set up as Special purpose vehicle (SPV) to supply gas to one of the main customer under long term supply agreement. The agreement with the said customer expired in the month of November 2021. The customer had shown its unwillingness for renewal of the agreement, as a result of which BELLOXY entered into an asset sale agreement to realise value of its Building, Plant and Machinery and other related assets through sale transaction with the said customer which is consummated during the previous year. BELLOXY does not have any further business operations or other business plans. Accordingly, financial statements of BELLOXY have not been prepared on a going concern basis.

Name of associates or joint ventures which are yet to commence operations: Nil.

Names of associates or joint ventures which have been liquidated or sold during the year: Nil.

On behalf of the Board of Directors

P.K. Jain
Chairman
DIN: 00030098

Siddharth Jain
Managing Director
DIN: 00030202

Place : Mumbai
Date : 27 July, 2023

BOARDS' REPORT- 2022-23 (contd.)

Annexure 3

The Annual Report on CSR Activities for Financial Year Commencing on or after 1st Day of April, 2022

1. Brief outline on CSR Policy of the Company.

CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on website of the Company at www.inoxairproducts.com. The Company is committed to behave responsibly towards people, society, and the environment for inclusive growth of the society where we operate, to conserve natural resources and to develop sustainable products.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pavan Kumar Jain	Chairman	5	5
2	Mr. Siddharth Jain	Managing Director	5	5

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.inoxairproducts.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable for financial year under review.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-2023	0.10 lakhs	0.10 lakhs
2	2021-2022	1.01 lakhs	1.01 lakhs
3	2020-2021	NA	NA
	TOTAL	1.11 lakhs	1.11 lakhs

6. Average net profit of the company as per section 135(5): ₹ 64255.67 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1285.11 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 1285.11 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 1285.21 lakhs	Not Applicable		Not Applicable		

BOARDS' REPORT- 2022-23 (contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District.					Name
										CSR Registration number.

1.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

₹ Lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	CSR project or activity identified Sector in which the project is covered- Schedule VII	Sector in which the project is covered - Schedule VII	Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency	CSR Reg. No.
1	Cataract Surgeries of poor and needy	Promote Health	Mumbai	2.00	2.00	2.00	Thru-Blind Organisation of India	CSR00003325
2	Pediatric and General Heart Surgeries for patient belonging to below poverty line, poor socio economic background	Promote Health	Mumbai	25.00	25.00	25.00	Thru-Satishchandra Makharia Charitable Trust	CSR00003111
3	Equipment viz Hemotherm machine for KEM Hospital	Promote Health	Mumbai	7.28	7.28	7.28	Thru-Satishchandra Makharia Charitable Trust	CSR00003111
4	Support Elderly Residents at Old Age Home	Promote Health	New Delhi & Garhmukh-teshwar (UP)	25.20	25.20	25.20	Thru-Saint Hardy Educational & orphans Welfare Society (SHEOWS)	CSR00000665
5	Sponsor One Single Room at Shanti Mukand Hospital	Promote Health	Delhi	10.00	10.00	10.00	Thru-Shri Mukandi Lal Memorial Foundation for Heart & Medical Care	CSR00017059
6	Support (part contribution) construction of New Hospital	Promote Health	Sewah, Dist Panipat, Haryana	100.00	100.00	100.00	Thru-Indraprastha Global Education And Research Foundation	CSR00008796

BOARDS' REPORT- 2022-23 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	CSR project or activity identified Sector in which the project is covered- Schedule VII	Sector in which the project is covered - Schedule VII	Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency	CSR Reg. No.
7	Renovation of Pediatric Ward at TATA Memorial Hospital	Promote Health	Mumbai	150.00	150.00	150.00	Thru-Anjeze Charitable Trust	CSR00005771
8	Equipment for Eye Treatment - HFA3 for Gaze Tracking	Promote Health	Visakhapatnam	19.25	19.25	19.25	Thru-Sankar Foundation	CSR00006331
9	Cataract Surgeries for poor and needy section of society	Promote Health	Visakhapatnam	20.00	20.00	20.00	Thru-Sankar Foundation	CSR00006331
10	Healthcare of Disabled Orphans and Destitute Senior Citizens	Promote Health	Coimbatore, Tamil Nadu	2.50	2.50	2.50	Thru- The United Educational And Social Welfare Trust	CSR00000029
11	Mobile Ambulance for less privileged and poor.	Promote Health	Ujjain, M.P	36.71	36.71	36.71	Thru-Swargiya Bhurelal Ji Firojiya Samajik Avam Shodh Sanstha Ujjain	CSR00008367
12	Critical Equipment for operation theatre at Advanced Centre for Treatment, Research and Education in Cancer (Tata Memorial Hospital)	Promote Health	Navi Mumbai	150.00	150.00	150.00	Thru-Rotary Foundation (India)	CSR00008486
13	Portable Dental Chair	Promote Health	Kolkata	1.00	1.00	1.00	Thru-Jyotirmai Club	CSR00015025
14	One Fully Furnished General Ward for poor Cancer patients	Promote Health	Vadodara	19.00	19.00	19.00	Thru- Muni Seva Ashram	CSR00004688
15	Medical checkup camps for underprivileged	Promote Health	Mumbai	15.00	15.00	15.00	Thru-Jankalyan Foundation	CSR00026411

BOARDS' REPORT- 2022-23 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	CSR project or activity identified Sector in which the project is covered- Schedule VII	Sector in which the project is covered - Schedule VII	Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency	CSR Reg. No.
16	Healthcare of mentally challenged and disabled patients	Promote Health	Virar, Palghar, Maharashtra	7.00	7.00	7.00	Thru-Rajput Old Age Home And Educational Charitable Trust	CSR00039444
17	Medical equipment for Cardiac patients at Sarojini Naidu Medical College & Hospital	Promote Health	Agra	19.04	19.04	19.04	N.A.	Direct
18	Empowering Youth through Education (Scholarship Program for College Education)	Promote Education	Vadodara	6.93	6.93	6.93	Thru- United Way of Baroda	CSR00002187
19	Construction of Auditorium Hall at College	Promote Education	Sanganer, Jaipur, Raj.	25.00	25.00	25.00	Thru-Shri Digamber Jain Sanskrit Shiksha Samiti	CSR00018771
20	Support Tribal/Village Education vide 'One Teacher School'	Promote Education	Guna - MP, Koshi-Bihar	66.00	66.00	66.00	Thru- Friends of Tribals Society	CSR00001898
21	Har Ghar Tiranga - Flags Distribution	Promote Education	Mumbai	9.00	9.00	9.00	Direct - Thru - BMC	Direct
22	Distribution of National Flags- under Har Ghar Tiranga Campaign	Promote Education	Gautam Budh Nagar & Ghaziabad	1.71	1.71	1.71	Direct	Direct
23	Treatment of Children with Special Needs belonging to under-privileged	Promote Education	New Delhi	20.00	20.00	20.00	Thru- Webcom Foundation	CSR 00023565

BOARDS' REPORT- 2022-23 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	CSR project or activity identified Sector in which the project is covered- Schedule VII	Sector in which the project is covered - Schedule VII	Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency	CSR Reg. No.
24	Upskilling Teachers via Training and support students to take up B.Ed	Promote Education	Pune and Navi Mumbai	31.00	31.00	31.00	Thru-Aditya Birla Education Trust	CSR00004879
25	Education and Training of Children with Special Needs	Promote Education	New Delhi	82.00	82.00	82.00	Thru-Servants of the People Society	CSR00011109
26	Scholarship Program for deserving poor college students	Promote Education	Mumbai	10.00	10.00	10.00	Thru-Priyadarshni Academy	CSR00001748
27	Building sanitation Block & Compound Wall of School	Promote Education	Shithan Village, Surat	16.05	16.05	16.05	Thru-Primary School, Shithan, Surat	Direct
28	Set up Sports Facilities for underprivileged children at Rural School.	Promote Education	Hejamady, Karnataka	15.00	15.00	15.00	Thru-The Hejamady-Kodi Vidyaprasara Foundation	CSR00010322
29	Education support to downtrodden, needy and poor students.	Promote Education	Mathura, UP	50.00	50.00	50.00	Thru- Jan Jagrati Sevarth Sansthan	CSR00006903
30	Support Cryogenic Research Facility	Promote Education	Mumbai	50.00	50.00	50.00	Thru- IIT -Powai, Mumbai	CSR00007536
31	Plantation of Plant/ Shrubs and its Maintenance	Environmental Sustainability	Mumbai	46.38	46.38	46.38	Direct	
32	Defense Training to adolescent girls	Women Empowerment	Lucknow	8.50	8.50	8.50	Thru-Red Brigade-Lucknow	CSR00007354

BOARDS' REPORT- 2022-23 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	CSR project or activity identified Sector in which the project is covered- Schedule VII	Sector in which the project is covered - Schedule VII	Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	Amount outlay (budget project or programme wise)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency	CSR Reg. No.
33	Solar Power Plant to help women artisans and Supply of Hand Weaving Looms and peripherals	Women Empowerment	Karnali & Melsamot, Gujarat	19.90	19.90	19.90	Thru-Happy Faces Foundation (Trust)	CSR00029458
34	Training to farmers on better farming methods and other skills for upliftment of rural people	Rural Development	Wada, Palghar	25.00	25.00	25.00	Thru- Eklavya Swavalamban Trust	CSR00006663
35	Promote Sports	Promote Sports	New Delhi	18.75	18.75	18.75	Thru-Indian Olympic Association	
36	Promote Education of Wards of Army Personnel		Delhi	50.00	50.00	50.00	Thru-Army Welfare CSR Fund	CSR00018831
37	Welfare of War Widows Support to build Sahara Hostel-(Mumbai Project-Veer Naris).		Mumbai	100.00	100.00	100.00	Thru-Western Naval Command Corporate Social Responsibility Trust	CSR00043041
38	Improving Environment & Cleanliness.		Delhi / NCR	25.00	25.00	25.00	Thru-Swachh Bharat Kosh	
Reasons for failure to spend two percent of the average net profits of the last three financial year or any part thereon						N.A.		
CSR Committee Responsibility Statement						The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.		

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount to be spent for the Financial Year : ₹ 1285.11 Lakhs
- (g) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 1285.21 Lakhs
- (h) Amount – paid short, if any : NIL

BOARDS' REPORT- 2022-23 (contd.)

Sl. No.	Particular	Amount ₹ In lakhs
(i)	Two percent of average net profit of the Company as per section 135(5)	1285.11
(ii)	Total amount spent for the Financial Year	1285.21
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.10
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	1.01
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.11

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)(in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							
TOTAL							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in ₹).	(7) Amount spent on the project in the reporting Financial Year (in ₹).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project -Completed /Ongoing.
Not Applicable								
TOTAL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **Not Applicable (asset-wise details).**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).
Not Applicable

P.K. Jain
Chairman
DIN: 00030098

Siddharth Jain
Managing Director
DIN: 00030202

Place : Mumbai
Date : 27 July, 2023

BOARDS' REPORT- 2022-23 (contd.)

Annexure 4

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
INOX Air Products Private Limited
Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INOX Air Products Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("the audit period"), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms, and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts ("Regulation") Act, 1956 ("SCRA") and the rules made thereunder; **(Not applicable to the Company as it is a Private Limited Company)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **(Not applicable to the Company as it is a Private Limited Company)**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws being specifically applicable to the Company based on their sector/industry:

BOARDS' REPORT- 2022-23 (contd.)

- a) The Explosive Act, 1884 and the following rules framed thereunder:
 - (i) The Explosive Rules, 2008
 - (ii) The Gas Cylinder Rules, 2016
 - (iii) The Static & Mobile Pressure Vessels (Unfired) Rules, 2016
 - (iv) The Ammonium Nitrate Rules, 2012
- b) The Petroleum Act, 1934 and the Petroleum Rules, 2002
- c) The Drug and Cosmetic Act, 1940 and the Drug and Cosmetic Rules, 1945
- d) The Drug (Prices Control) Order, 2013 under the Essential Commodities Act, 1955
- e) The Environment (Protection) Act, 1986 and the Rules framed thereunder.

I have also examined compliance with the applicable clauses of the Secretarial Standards (i.e. SS-1 and SS-2) issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, as applicable.

I further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors/members to schedule the Board Meetings/ Committee Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance, except when Board Meetings were called by giving less than seven days' notice in accordance with the provisions of Section 173 of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings held during the year and signed by the Chairperson, the decision of the Board were unanimous and no dissenting views have been recorded. Further, as confirmed by the management, mechanism to capture and record the dissenting Members' views as a part of the minutes, exist.

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

I further report that during the audit period, the Company had following specific events/actions having a major bearing on the Company's affairs in pursuance of laws, rules, regulations, guidelines, standards, etc. referred to above:

During the year, the Company had acquired 100% of the equity shares in Greenyana Energy Private Limited ("Greenyana") and consequently Greenyana had become a wholly owned subsidiary of the Company on September 30, 2022. Subsequently, Company's application under Section 233 of the Act for Scheme of Amalgamation of Company's wholly owned subsidiary i.e. Greenyana into the Company was approved by Regional Director, Western Region ("RD") and the certified copy of the order was received by the Company on May 11, 2023. Consequent to the filing of RD's order approving the said merger with the concerned Registrar of Companies, the said merger has been made Greenyana has been amalgamated with the Company with effective from September 30, 2022 i.e. the Appointed Date and Greenyana stands dissolved.

For **Krishna Rathi & Associates**

Company Secretaries

Krishna Rathi

Proprietor

CP. NO.: 10079

FCS NO.: 9359

UDIN: F009359E000692261

Place: Mumbai

Date: 27 July, 2023

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

BOARDS' REPORT- 2022-23 (contd.)

Annexure A

To,

The Members

INOX Air Products Private Limited

Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Krishna Rathi & Associates**

Company Secretaries

Krishna Rathi

Proprietor

CP. NO.: 10079

FCS NO.: 9359

UDIN: F009359E000692261

Place: Mumbai

Date: 27 July, 2023

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **INOX AIR PRODUCTS PRIVATE LIMITED**, ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED (contd.)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including (Other Comprehensive Income), the Standalone Statement of Changes in Equity, and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED (contd.)

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v.
 - a) The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

Other Matters

The standalone financial statements of the Company for the year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2022.

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S S Agrawal

Partner

Membership No. 049051

UDIN: 23049051BGXDFD1065

Place: Pune

Date: 27 July 2023

Annexure I

Annexure I to Independent auditor's report to the members of INOX AIR PRODUCTS PRIVATE LIMITED on the standalone financial statements for the year ended 31 March 2023 – referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date.

In term of the Companies (Auditor's Report) Order, 2020 (“the Order”), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has also maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) and intangibles assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventories were physically verified by the management at reasonable intervals during the year and the coverage and procedures of the verification were appropriate. No material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.
- (b) The Company has not been sanctioned any working capital limit in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The Company has made investments in and granted unsecured loans to other parties during the year, in respect of which the requisite information is as below.

- (a) During the year the Company has provided loans to its employees as follows:

(₹ in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/provided during the year	-	-	154.05	-
- Others – loans to employees				
Balance outstanding as at balance sheet date in respect of above cases	-	-	121.32	-
- Others – loans to employees				

The Company has not made any investments in, provided guarantee or security and granted loans, secured or unsecured, to companies, firms and limited liability partnerships during the year. The Company has not provided any advances in the nature of loans, secured or unsecured, to any entities during the year.

- (b) The investments made and the terms and conditions of the grant of all loans provided are not prejudicial to the Company's interest.
- (c) The schedule of repayment of principal has been stipulated for the loans granted to other parties and the repayment/receipts are regular.
- (d) There are no amounts of loans granted to other parties, which are overdue for more than ninety days.
- (e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The company has not granted any loans/advances in the nature of loans without specifying any terms or period of repayment.

Annexure I

- iv. The Company has complied with the provisions of section 186 of the Act in respect of investments made. The Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Act and the Company has not provided any guarantees or security as specified under Section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act, and the Rules framed thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, for activities of the Company to which the said Rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other material statutory dues applicable to it. There are no undisputed dues relating to sales tax, service tax, duty of excise or value added tax. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.
- (b) The details of statutory dues referred to in sub-clause (a) above, which have not been deposited on account of disputes are as under:

	Nature of Dues	Period	Amount (₹ in Lakhs)	Forum where dispute is pending
A.	Under Central Excise Act 1944 - in respect of:			
1	Undervaluation of Liquid Nitrogen	April 2006 to June 2017	237.01	CESTAT, Mumbai
2	Excise Duty on Carbide Drums	August 1999 to October 1999	0.06	CESTAT, Hyderabad
3	Excise Duty on transport expenses	June 2005 to March 2006	0.81	Commissioner (Appeals), Chennai
4	Non maintenance of separate records - exempted sales	August 2007 to July 2008	0.11	Commissioner (Appeals), Vizag
		April 2015 to December 2015	1.91	High Court, Vijayawada
		October 2007 to July 2012	302.20	Commissioner (Appeals), Chennai
5	Service Tax on storage Tank Hire Charges (Tangible goods)	May 2008 to May 2015	97.25	CESTAT, Chennai
		April 2011 to June 2012, October 2014 to June 2017	65.89	CESTAT Bangalore
		July 2012 to September 2014	33.13	Commissioner (Appeals), Bangalore
6	Service tax denial on ISD credit	December 2015	120.03	CESTAT, Ahmedabad
7	Service tax levied on interest income	June 2016 to June 2017	78.54	CESTAT, Ahmedabad
8	Service tax on lease rent - Immovable Property	June 2007 to March 2010	524.54	High Court, Mumbai
		June 2007 to March 2014	807.42	CESTAT, Mumbai
		April 2011 to April 2014	9.18	Commissioner (Appeals), Noida
9	Excise duty on investment subsidy	2008-09 to 2013-14	358.44	CESTAT, Kolkata
		April 2016 to June 2017	47.70	Commissioner (Appeals), Bokaro
10	Differential excise duty on Nitrous Oxide	2011 to June 2017	37.07	CESTAT, Chennai

Annexure I

	Nature of Dues	Period	Amount (₹ in Lakhs)	Forum where dispute is pending
11	Disallowance of Service Tax credit - activity not considered as manufacturing	2006-2007 to 2010-2011	29.27	CESTAT, Chennai
12	Disallowance of Cenvat credit on capital goods	January 2007 to November 2010	150.29	CESTAT, Kolkata
13	Service Tax on Leasing of Equipment - supply of Tangible Goods	May 2008 to December 2013	361.15	CESTAT, Ahmedabad
		FY 2007-08 to September 2012	40.53	Commissioner (Appeals), Ahmedabad
14	Service tax on Cylinder Rental	October 2012 to March 2016	18.67	Commissioner (Appeals), Ahmedabad
15	Service tax credit denial on GTA considered as supply of tangible goods	November 2014 to September 2015	13.76	CESTAT, New Delhi
16	Service Tax on storage Tank Hire Charges (Tangible goods)	June 2015 to June 2017	54.88	CESTAT, Chennai
17	Service tax on GTA	April 2010 to November 2011 and April 2016 to June 2017	19.85	CESTAT, Mumbai
B. Under Local/ CST Act – in respect of:				
1	Non-Transfer of Eligibility Certificate	2000-2001 & 2001-2002	49.00	Dy. Commissioner Commercial Tax (Appeals), Bhopal
2	Resale of Oxygen Sale treated as first sale	1997-1998 & 1999-2000	0.85	Sales Tax Appellate Tribunal Hyderabad
3	VAT rate difference on Argon	2008-2009	9.43	Dy. Commissioner Commercial Tax (Appeals), Bhopal
4	Entry tax on assets acquired	2000-2001	8.68	Dy. Commissioner Commercial Tax (Appeals), Bhopal
C. Under Income Tax Act 1961 – in respect of:				
1	Treatment of capital subsidy / industrial promotion subsidy	AY 2015-2016 to AY 2017-18	630.98	Commissioner of Income Tax (Appeal), Pune
2	Treatment of capital subsidy / industrial promotion subsidy and disallowance of deductions under Chapter VIA	AY 2020-21	30.84	National Faceless Appeal Centre

- viii. There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans and other borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have not been used for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its joint venture.
- x. (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.

Annexure I

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible).
- xi. (a) No fraud by the Company or on the Company has been noticed or reported during the year.
- (b) During the year, no report has been filed by the auditors, under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with them and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) There is no CIC in the Group.
- xvii. The Company has not incurred cash losses in the current and the immediately preceding financial year.
- xviii. There has been no resignations of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities following due within a period of one year, from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. In respect of expenditure on Corporate Social Responsibility (CSR)
 - (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
 - (b) The Company did not have any ongoing project and accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner

Place: Pune
Date: 27 July 2023

Membership No. 049051
UDIN: 23049051BGXDFD1065

Annexure II

Annexure II to Independent auditor's report to the members of INOX AIR PRODUCTS PRIVATE LIMITED on the standalone financial statements for the year ended 31 March 2023 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

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

We have audited the internal financial controls with reference to financial statements of **INOX AIR PRODUCTS PRIVATE LIMITED**, ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

Annexure II

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

Place: Pune
Date: 27 July 2023

S S Agrawal
Partner
Membership No. 049051
UDIN: 23049051BGXDFD1065

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5	315853.49	270679.72
(b) Capital work-in-progress	6	52565.60	50020.24
(c) Right-of-use assets	41	7154.05	5897.75
(d) Intangible assets	7	138.14	98.36
(e) Financial assets			
(i) Investments			
a) Investment in joint venture	8A	1500.00	1500.00
b) Other investments	8B	77923.07	77705.30
(ii) Loans	10	38.02	32.41
(iii) Other non current financial assets	11	22790.92	19358.24
(f) Income Tax assets	12	221.25	523.28
(g) Other non-current assets	13	21808.53	15715.23
Total non-current assets		499993.07	441530.53
(2) Current assets			
(a) Inventories	14	11049.84	9875.27
(b) Financial assets			
(i) Other Investments	8B	34574.83	38266.24
(ii) Trade receivables	9	23940.45	21272.84
(iii) Cash and cash equivalents	15	937.56	419.67
(iv) Bank balances other than (iii) above	16	912.95	685.67
(v) Loans	10	83.30	77.53
(vi) Other current financial assets	11	54950.57	40890.16
(c) Income Tax assets	12	-	158.33
(d) Other current assets	13	8183.97	7418.68
		134633.47	119064.39
Assets held for sale	17	13.35	138.81
Total current assets		134646.82	119203.20
Total Assets (1+2)		634639.89	560733.73

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
(1) EQUITY			
Equity Share capital	18	1034.07	1034.07
Other equity	19	470739.52	404554.08
Total equity		471773.59	405588.15
LIABILITIES			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	47030.46	51326.01
(ia) Lease liabilities	21	592.98	120.88
(ii) Other non current financial liabilities	22	200.00	115.04
(b) Provisions	23	1503.29	1355.71
(c) Deferred tax liabilities (net)	24	36355.62	32653.40
(d) Other non-current liabilities	25	6599.99	6951.88
Total non - current liabilities		92282.34	92522.92
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	36836.23	35191.56
(ia) Lease liabilities	21	42.37	49.95
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	27	173.58	70.77
b) total outstanding dues of creditors other than micro enterprises and small enterprises	27	8707.04	7505.49
(iii) Other current financial liabilities	22	16918.79	12100.15
(b) Other current liabilities	25	3576.30	3434.16
(c) Provisions	23	4132.53	4146.18
(d) Current tax liabilities (net)	28	197.12	124.40
Total current liabilities		70583.96	62622.66
Total equity and liabilities (1+2+3)		634639.89	560733.73

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and On behalf of the Board of Directors
of INOX Air Products Private Limited**

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	2022 - 2023	2021 - 2022
I. Revenue from operations	29	219182.57	209041.85
II. Other income	30	15848.51	15930.10
III. Total Income (I+II)		235031.08	224971.95
IV. Expenses			
Cost of materials consumed		13842.51	9235.26
Purchase of stock-in-trade		4284.18	3488.99
Changes in inventories of finished goods and stock-in-trade	31	(78.39)	(144.65)
Employee benefits expense	32	16991.59	16133.78
Finance costs	33	6140.12	5463.06
Power and fuel	34	51263.62	44927.84
Depreciation and amortization expense	35	20119.64	19203.66
Other expenses	36	33247.44	30608.14
Total Expenses		145810.71	128916.08
V. Profit before tax (III-IV)		89220.37	96055.87
VI. Tax expense	37		
Current tax		18471.00	20433.00
Deferred tax		3680.34	3078.51
Taxation pertaining to earlier years		32.35	(41.30)
Total tax expense		22183.69	23470.21
VII. Profit for the year (V-VI)		67036.68	72585.66
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(32.04)	(177.48)
Tax on above		8.06	44.67
Total other comprehensive income		(23.98)	(132.81)
Total comprehensive income for the year (VII+VIII)		67012.70	72452.85
(Comprising profit and other comprehensive income for the year)			
Earning per equity share of ₹ 10 each	53		
Basic and Diluted (in ₹)		648.28	701.94

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

For and On behalf of the Board of Directors
of INOX Air Products Private Limited

S S Agrawal
Partner
Membership No. 049051

P. K. Jain
Chairman
DIN: 00030098

Siddharth Jain
Managing Director
DIN: 00030202

Sandeep Divekar
Chief Financial Officer
Place: Mumbai.
Date: July 27, 2023

Vishal Shah
Company Secretary

Place: Pune.
Date: July 27, 2023

Standalone Statement of changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1034.07	1034.07
Changes in equity share capital during the year	-	-
Balance at the end of the year	1034.07	1034.07

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus						Total
	Capital reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	
Balance at April 1, 2021	875.14	25.28	1323.02	17500.00	300000.00	13722.08	333445.52
Profit for the year	-	-	-	-	-	72585.66	72585.66
Other Comprehensive income for the year, net of tax (*)	-	-	-	-	-	(132.81)	(132.81)
Total Comprehensive income for the year	-	-	-	-	-	72452.85	72452.85
Payment of dividends						(1344.29)	(1344.29)
Transfer from retained earnings	-	-	-	-	70000.00	(70000.00)	-
Balance at March 31, 2022	875.14	25.28	1323.02	17500.00	370000.00	14830.64	404554.08
Profit for the year	-	-	-	-	-	67036.68	67036.68
Other Comprehensive income for the year, net of tax (*)	-	-	-	-	-	(23.98)	(23.98)
Total Comprehensive income for the year	-	-	-	-	-	67012.70	67012.70
Payment of dividends						(827.26)	(827.26)
Transfer from retained earnings	-	-	-	-	60000.00	(60000.00)	-
Balance at March 31, 2023	875.14	25.28	1323.02	17500.00	430000.00	21016.08	470739.52

(*) Other Comprehensive income is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and On behalf of the Board of Directors
of INOX Air Products Private Limited**

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

Particulars	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Cash flow from operating activities		
Profit for the year	67036.68	72585.66
Adjustments for :		
Tax expense	22183.69	23470.21
Depreciation and amortisation expense	20119.64	19203.66
Interest income	(3925.75)	(2806.70)
Dividend income	(900.45)	(2100.45)
Profit on disposal/retirement of property, plant and equipment (net)	(2845.73)	(5354.50)
Impairment of goodwill on business combination	5.42	-
Finance costs	6140.12	5463.06
Allowance for doubtful trade receivables/expected credit losses (net)	8.81	74.18
Bad debts and remissions	16.09	21.37
Liabilities and provisions no longer required, written back	(404.30)	(56.61)
Mark-to-market (gain)/loss on derivative financial instruments (net)	114.04	297.82
Net unrealised foreign exchange (gain)/loss	(6.35)	(321.94)
Government grants - deferred income	(489.43)	(429.82)
Net gain on investments carried at fair value through profit or loss	(5281.79)	(4594.79)
	34734.01	32865.49
Operating profit before working capital changes	101770.69	105451.15
Adjustments for :		
(Increase)/decrease in trade receivables	(2691.32)	440.87
(Increase)/decrease in financial assets	(8.89)	421.67
(Increase)/decrease in loans	(11.38)	16.02
(Increase)/decrease in inventories	(1174.57)	(1148.77)
(Increase)/decrease in other assets	795.52	(2363.51)
Increase/(decrease) in trade payables	1713.80	779.20
Increase/(decrease) in financial liabilities	(671.88)	(381.99)
Increase/(decrease) in other liabilities	(376.31)	(447.58)
Increase/(decrease) in provisions	101.88	1037.16
	(2323.15)	(1646.93)
Cash generated from operations	99447.54	103804.22
Income-tax paid (net)	17966.75	20835.68
Net cash generated from operating activities	81480.79	82968.54
Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in capital work in progress, capital advances / capital creditors)	(69508.27)	(52400.33)
Purchase of other intangible assets	(5.14)	-
Payment towards right of use assets	(892.12)	(1300.90)
Sale of property, plant and equipment	3020.93	5997.48
Capital Subsidy (Government grants) received	804.44	320.92
Purchase consideration for business combination	(1.00)	-
Purchase of non current investments	(4499.78)	(69360.43)
Redemption of non current investments	12641.44	31351.58
Purchase of current investments	(40997.95)	(41497.95)
Redemption of current investments	41611.73	58818.38
Interest received	2966.04	1693.67
Dividend received on shares	900.45	2100.45
Term deposits with financial institutions	(53505.00)	(50000.00)
Maturity of term deposits with financial institutions	50000.00	25500.00
Movement in other bank balances	(13302.18)	(1889.98)
Net cash used in investing activities	(70766.41)	(90667.11)

Standalone Statement of Cash Flows

for the year ended March 31, 2023 (contd.)

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Cash flow from financing activities		
Proceeds from non current borrowings	30000.00	30000.00
Repayment of non current borrowings	(30406.81)	(23428.23)
Movement in cash credit account (net)	(2127.30)	3923.81
Payment of lease liabilities	(84.80)	(75.70)
Finance costs paid	(6760.12)	(6463.81)
Dividend paid	(827.26)	(1344.29)
Net cash (used in) / generated from financing activities	(10206.29)	2611.78
Net increase/(decrease) in cash and cash equivalents	508.09	(5086.79)
Cash and cash equivalents as at the beginning of the year	419.67	5506.46
Add: On amalgamation (See Note 49)	9.80	-
Cash and cash equivalents as at the end of the year	937.56	419.67

Changes in liabilities arising from financing activities during the year ended March 31, 2023

(₹ in Lakhs)		
Particulars	Current borrowings	Non-current borrowings
Opening balance	3923.81	82593.76
Cash flows	(2127.30)	(406.81)
Interest expense	81.25	6568.95
Interest paid	(81.25)	(6685.72)
Closing balance	1796.51	82070.18

Changes in liabilities arising from financing activities during the year ended March 31, 2022

(₹ in Lakhs)		
Particulars	Current borrowings	Non-current borrowings
Opening balance	-	76335.78
Cash flows	3923.81	6571.77
Interest expense	37.07	6321.32
Interest paid	(37.07)	(6300.60)
Impact of exchange differences	-	(334.51)
Closing balance	3923.81	82593.76

Notes to the Standalone Statement of Cash Flows for the year ended March 31, 2023

- The above standalone statement of cash flows has been prepared under the Indirect method.
- Components of cash and cash equivalents are as per Note 15.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and On behalf of the Board of Directors
of INOX Air Products Private Limited**

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

1. Corporate Information

INOX Air Products Private Limited (the "Company") is a limited liability company, incorporated and domiciled in India. It is a joint venture company between the Jain group and Air Products and Chemicals Inc., USA. The Company is engaged in manufacture and supply of industrial, medical and other gases, including on job-work basis, and trading in such gases. The Company has also given plants on operating lease and earns lease rentals and operations and maintenance charges. The Company mainly caters to the domestic market.

The Company's registered office is located at A-2, TTC Industrial Area, Off Thane Belapur Road, Pawane, Navi Mumbai – 400 710, India.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.3).

These financial statements are authorized for issue by the Company's Board of Directors on July 27, 2023.

2.2 Basis of preparation, presentation and measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

These financial statements have been prepared on an accrual basis and under the historical cost basis except as under:

- a) certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost (refer accounting policy regarding financial instruments)
- b) asset held for sale – measured at fair value less cost to sell
- c) defined benefit liability is measured as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

Particulars of investment in joint venture is as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights	Method used to account for the investment
Bellary Oxygen Company Private Limited	Torangallu, Bellary, Karnataka, India	50%	At Cost

2.3 New accounting standards and recent accounting pronouncements

a. Amendments to existing accounting standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated March 23, 2022, amendments to the existing standards have been notified and these amendments are effective from April 1, 2022. The summary of these amendments is as under:

- Amendments to Ind AS 103 Business Combinations: The amendments specify that in a business combination, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed, at the acquisition date, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.
- Amendments to Ind AS 16 Property Plant & Equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
- Amendments to Ind AS 37 Provisions, Contingent Liabilities & Contingent assets: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- Amendments to Ind AS 109 Financial Instruments: The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The above amendments did not have any impact on the financial statements of the Company.

b. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated March 31, 2023, amendments to the existing standards have been notified and these amendments are effective from April 1, 2023. The summary of these amendments is as under

- Amendments to Ind AS 1 Presentation of Financial Statements: The amendments require the entities to disclose their material accounting policies rather than their significant accounting policies.
- Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments have introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- Amendments to Ind AS 12 Income Taxes: The amendments has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off-setting temporary differences.

The Company does not expect the above amendments to have any significant impact on its financial statements.

3. Significant Accounting Policies:

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.1 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.3 Revenue

a) Revenue from contracts with customers

Revenue from contracts with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes and duties collected on behalf of the Government.

Revenue from sale of products:

Revenue from sale of products is recognized, at a point in time or over time, on satisfaction of performance obligation for the products sold, as under:

- i) Onsite customers: Revenue from sale to onsite customers is recognized when the control of the goods has been transferred to the customer and the performance obligation is satisfied over time since the supply is on continuous basis and the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Output based measure of progress is used to recognize revenue over the period of time.
- ii) Others: Revenue is recognized when the control of the goods has been transferred to the customer and the performance obligation is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

Other operating revenue:

In the case of revenue from operations and maintenance of plants, the performance obligation is satisfied over time as the services are rendered. Revenue is recognized over the period of contract, on time proportion basis. Other operating revenue is recognized over the period of contract or at a point in time, when it accrues in terms of the respective arrangements/contracts.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are made with a credit term of generally less than 45 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Any consideration payable to the customer is adjusted to the transaction price, unless it is payment for a distinct product or service from the customer.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Contract balances:

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as 'Advances from customers'.

b) Other income:

Dividend income from investments is recognised when the right to receive payment is established. Interest income from a financial asset is recognized on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognized to the extent there is a reasonable certainty of the realizability of the claim amount.

3.4 Leases

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

a) The Company as lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Company comprise of only operating leases.

b) The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liability" and "Right of use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'Rent, lease rentals and hire charges'.

3.5 Foreign currency transactions and translation

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.7 Investment in joint venture

Investment in joint venture is carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint venture the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.8 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants, whose primary condition is that the Company should establish and operate manufacturing facilities in specified areas, are initially recognised as deferred revenue in the balance sheet and subsequently transferred to profit or loss as other income on a systematic and rational basis over the useful lives of the related assets. Grants that compensate the Company for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.9 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, performance incentives, short-term compensated absences etc.

Long-term employee benefits:

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans:

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan and is funded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the start of the reporting period, taking account of any change in the net defined benefit liability or asset during the year as a result

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.10 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Presentation of current and deferred tax:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.11 Property, Plant and Equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any. Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses are capitalized to various eligible PPE in respective units. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- Solar power plant is depreciated over 25 years based on the technical assessment of useful life and applicable warranty conditions.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all the property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.12 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and impairment losses, on the same basis as intangible assets as above.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful life of intangible asset is as follows:

- Software costs: amortized on a straight-line basis over a period of six years.
- Power generation license: amortized on a straight-line basis over a period of twenty five years.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.13 Impairment of property, plant & equipment and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant & equipment and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount 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 immediately in profit or loss.

3.14 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Valuation of work-in-progress and finished goods includes proportionate production overheads.

3.15 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

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

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, other financial assets and certain investments of the Company. Such financial assets are subsequently measured

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

at amortized cost using the effective interest method. The amortized cost is adjusted for loss allowance and impairment losses, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in joint venture. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

3.17 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities

a) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities:

A financial liability is derecognized 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 between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.18 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 44.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Even though the Company has hedged its foreign currency and variable interest rate risks by entering into Principal and Interest swap contracts, it has not designated a hedging relationship between the hedging instrument and hedged items and has not done hedge accounting.

3.19 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company 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 bonus shares, 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 net profit 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

4. Critical accounting judgements, assumptions and use of estimates

The preparation of Company's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) In respect of recognition of revenue from contract with customers

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer and acceptance of delivery by the customer etc.

The Company also exercises judgements and estimations to determine the cost and margin to arrive at an appropriate standalone transaction price for performance obligation particularly in respect of operation and maintenance charges out of the total consideration received by the Company.

In the case of contracts negotiated as a package as referred in (b) below, judgment is required in estimating transaction price in respect of performance obligations other than lease.

b) In respect of assets given on lease

The Company has established certain gas manufacturing units for supply of gases at customers' site and some of the arrangements do not take legal form of lease. The Company is required to assess whether a contract is, or contains, a lease.

As per Ind AS 116, in order to identify a lease, the Company is required to assess whether a contract conveys to the customer the right to control the use of an identified asset based on certain criterion. For this purpose, the Company has examined the various terms of the agreement, especially those relating to customer's right to direct the use of the identified assets, extent of economic benefits derived and other rights and obligations of both the parties to the arrangement. On the basis of analysis carried out, the Company has concluded that such arrangements contain a lease.

Further, the leases are required to be classified as 'operating leases' or 'finance leases' on the basis of transfer of substantially all the risks and rewards incidental to ownership of an underlying asset. For this purpose, the Company has examined the various terms of the said agreements, especially those relating to the transfer of ownership, extension of the lease term, the responsibility of operation and maintenance and the risk associated with non-supply of gases etc. for their impact on the transfer of risks and rewards incidental to ownership of the plant and also the economic life of the underlying asset. On the basis of analysis carried out, the Company has concluded that all such arrangements are operating leases.

As required by Ind AS 116 and Ind AS-115, the amount of lease income is separated from payments for other elements in the arrangement by using the estimation technique on the basis of rate of return over the estimated life of the underline asset. Such determination requires significant judgment by the management.

c) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.

d) In respect of Government Grants

Some of the Company's manufacturing units are entitled to capital investment subsidy/investment promotion subsidy in terms of the schemes notified by the respective State Governments, whose primary condition is that the Company should establish and operate manufacturing units in specified areas. Therefore, in terms

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

of Ind AS 20 – Accounting for Government Grants, these grants are classified as Grants related to assets of such manufacturing units. Accordingly, the Company presents the same in the balance sheet by setting up the grant as deferred income and is recognized in profit or loss as other income on a systematic basis over the useful lives of the related assets.

e) Useful lives of Property, Plant & Equipment (PPE) and intangible assets (other than goodwill):

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.11 and 3.12 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE and intangible assets (other than goodwill) at the end of each reporting period.

f) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

g) Defined employee benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

h) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

i) Recognition and measurement of provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Judgment is required to determine the probability of such potential liabilities actually crystallising. In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

j) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

5. Property, plant and equipment (PPE)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Freehold Land	1621.58	1556.90
Buildings	17929.21	16095.52
Plant and equipment	137497.55	114746.21
Plant and equipment given on operating lease	156976.58	136540.45
Furniture and fixtures	997.78	1010.11
Vehicles	111.94	137.39
Office equipments	718.85	593.14
Total	315853.49	270679.72

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Plant and equipment given on operating lease	Furniture and fixtures	Vehicles	Office equipments	Total
I. Cost or deemed cost								
Balance as at April 1, 2021	1341.32	20356.01	158754.47	180739.30	1932.74	399.05	2123.88	365646.77
Additions	354.39	-	4718.82	2795.72	52.11	-	142.58	8063.62
Disposals	-	(19.97)	(118.45)	(7.74)	(6.22)	-	(5.08)	(157.46)
Transfer	-	-	185.48	(185.48)	-	-	-	-
Reclassified as held for sale	(138.81)	-	-	-	-	-	-	(138.81)
Balance as at March 31, 2022	1556.90	20336.04	163540.32	183341.80	1978.63	399.05	2261.38	373414.12
Additions	78.03	2,650.38	31516.20	29497.38	171.79	15.42	437.83	64367.03
Borrowing cost	-	34.13	748.43	-	-	-	-	782.56
Disposals	-	(54.22)	(70.97)	(9.62)	(48.31)	(26.38)	(30.58)	(240.08)
Reclassified as held for sale	(13.35)	-	-	-	-	-	-	(13.35)
Balance as at March 31, 2023	1621.58	22966.33	195733.98	212829.56	2102.11	388.09	2668.63	438310.28

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Plant and equipment given on operating lease	Furniture and fixtures	Vehicles	Office equipments	Total
II. Accumulated depreciation and impairment								
Balance as at April 1, 2021	-	3465.78	39669.82	38357.56	788.04	221.13	1322.65	83824.98
Eliminated on disposal of assets	-	-	(71.05)	(18.10)	(5.05)	-	(4.89)	(99.09)
Depreciation for the year	-	774.74	9009.55	8647.68	185.53	40.53	350.48	19008.51
Transfer	-	-	185.79	(185.79)	-	-	-	-
Balance as at March 31, 2022	-	4240.52	48794.11	46801.35	968.52	261.66	1668.24	102734.40
Eliminated on disposal of assets	-	(49.55)	(46.20)	(9.12)	(45.03)	(24.22)	(29.57)	(203.69)
Depreciation for the year	-	846.15	9488.52	9060.75	180.84	38.71	311.11	19926.08
Balance as at March 31, 2023	-	5037.12	58236.43	55852.98	1104.33	276.15	1949.78	122456.79
III. Carrying amount								
Balance as at March 31, 2022	1556.90	16095.52	114746.21	136540.45	1010.11	137.39	593.14	270679.72
Balance as at March 31, 2023	1621.58	17929.21	137497.55	156976.58	997.78	111.94	718.85	315853.49

- (i) Gross block includes buildings of ₹ 4973.51 lakhs (as at March 31, 2022: ₹ 4134.79 lakhs) constructed on lands owned by customers with whom the Company has entered into long term gas supply/job work/lease contracts.
- (ii) Building with a carrying amount of ₹ Nil lakhs (as at March 31, 2022: ₹ 394.28 lakhs) has been mortgaged to secure debentures of the Company (see Note 20 & 43).
- (iii) Plant and equipments (including given on operating lease), furniture and fixtures, vehicles and office equipments have been hypothecated to secure debentures and loans (see Note 20 & 43). Details of the carrying amount of these PPE are as under.

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Plant and equipment (including given on operating lease)	135312.57	98090.77
Furniture and fixtures	300.95	128.80
Vehicles	11.04	23.61
Office equipments	176.46	71.34
Total	135801.02	98314.52

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

6. Capital work in progress

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	50263.10	48246.33
Pre-operative expenditure pending allocation	2302.50	1773.91
Total	52565.60	50020.24

a) Particulars of pre-operative expenditure

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Opening Balance	A	1773.91	65.74
Add: Expenses incurred during the year			
Salaries and wages		353.26	122.00
Contribution to provident fund and other funds		21.86	8.53
Staff welfare		18.38	13.71
Rates and taxes		72.81	11.24
Travelling and conveyance expenses		117.55	68.23
Power and fuel		390.12	48.55
Insurance		44.08	32.33
Legal & professional fees and expenses		143.50	173.03
Borrowing costs		741.87	1071.13
Miscellaneous expenses		250.19	171.50
	B	2153.62	1720.25
Less: Capitalised during the year	C	1625.03	12.08
Closing balance	A+B-C	2302.50	1773.91

b) Capital work in progress (CWIP) Aging

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
For Projects in Progress		
Less than 1 year	42283.07	49356.68
1-2 years	9965.59	663.56
2-3 years	316.94	-
More than 3 years	-	-
Total	52565.60	50020.24

There are no projects which are temporarily suspended.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- c) Capital work in progress (CWIP) completion schedule of projects which has exceeded its cost compared to its original plan

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
To be completed in		
For Projects in Progress		
Project 1		
Less than 1 year	-	28776.93
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	28776.93

- d) Capital work in progress includes amount of ₹ 12101.57 lakhs (preceding year ₹ 30850.92 lakhs) in respect of moveable PPE under construction which have been hypothecated to secure loans from banks (see Note 43).

7. Intangible assets

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of:		
Computer software	65.64	98.36
Power generation license	72.50	-
Total	138.14	98.36

(₹ in Lakhs)			
Particulars	Computer Software	Power generation license	Total
I. Cost or deemed cost			
Balance as at April 1, 2021	503.89	-	503.89
Additions	-	-	-
Balance as at March 31, 2022	503.89	-	503.89
Additions	5.14	73.73	78.87
Balance as at March 31, 2023	509.03	73.73	582.76
II. Accumulated amortisation			
Balance as at April 1, 2021	348.31	-	348.31
Amortisation expense for the year	57.22	-	57.22
Balance as at March 31, 2022	405.53	-	405.53
Amortisation expense for the year	37.86	1.23	39.09
Balance as at March 31, 2023	443.39	1.23	444.62
III. Carrying amount			
Balance as at March 31, 2022	98.36	-	98.36
Balance as at March 31, 2023	65.64	72.50	138.14

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

8A. Investment in Joint Venture

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
Non - Current (carried at cost)					
Unquoted Investments (fully paid)					
Investments in equity instruments					
Bellary Oxygen Company Private Limited	10	15,000,000	1500.00	15,000,000	1500.00
Total			1500.00		1500.00

8B. Other Investments

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
Non - Current					
Quoted Investments (fully paid)					
- In Mutual Funds (mandatorily measured at FVTPL)					
Kotak FMP Series 250 - Growth (Regular Plan)	10	-	-	10,000,000	1312.54
UTI Fixed Term Income Fund Series- XXX-X (1267 Days) Regular Growth Plan	10	-	-	10,000,000	1307.79
L & T FMP Series XVIII Plan B (1229 Days) Growth	10	-	-	20,120,072	2587.60
Total			-		5207.93
Less: current portion of non-current investments disclosed under current investments			-		(5207.93)
Total quoted non current investments			-		-
Unquoted investments (fully paid)					
a) Investments in equity instruments (measured at FVTPL)					
Watsun Infrabuild Private Limited	10	1,690,171	169.02	1,690,171	169.02
			169.02		169.02
b) Investments in Preference shares (measured at FVTPL)					
1% Redeemable Cumulative Non Convertible Preference shares of Enviro Infrastructure Company Ltd.	10	450,000	45.00	450,000	45.00
			45.00		45.00
c) Investments in mutual funds (mandatorily measured at FVTPL)					
Aditya Birla Sun Life Corporate Bond Fund-Growth-Regular Plan	10	2,320,360	2190.18	4,068,257	3669.14
Bandhan Corporate Bond Fund Regular Plan - Growth (erstwhile IDFC Corporate Bond Fund Regular Plan-Growth)	10	19,830,368	3219.86	19,830,368	3120.23
Nippon India Short Term Fund - Growth Plan	10	4,889,086	2169.20	4,889,086	2092.35
DSP Short Term Fund - Regular Growth	10	4,788,790	1889.56	4,788,790	1822.89

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
Bandhan Banking & PSU Debt Fund-Regular Plan-Growth (erstwhile IDFC Banking & PSU Debt Fund-Regular Plan-Growth)	10	10,372,226	2166.69	10,372,226	2076.15
Nippon India Corporate Bond Fund - Growth	10	5,470,557	2738.60	5,470,557	2613.22
Aditya Birla Sun Life Corporate Bond Fund - Regular Growth	10	5,453,955	2187.16	5,453,955	2088.07
SBI Corporate Bond Fund - Regular Growth	10	40,859,744	5337.96	40,859,744	5139.99
SBI Banking & PSU Fund - Regular Growth	1000	101,747	2684.19	101,747	2592.87
SBI Short Term Debt Fund - Regular Growth	10	11,933,372	3237.58	11,933,372	3108.13
HDFC Corporate Bond Fund - Growth	10	19,788,860	5378.61	19,788,860	5171.44
HDFC Short Term Debt Fund - Growth	10	8,113,448	2176.20	8,113,448	2084.56
Kotak Short Term Bond Fund - Growth	10	8,493,681	3747.09	8,493,681	3617.24
Kotak Corporate Bond Fund - Regular Growth	1000	136,187	4305.40	178,637	5419.55
Axis Corporate Debt Fund - Growth	10	18,847,209	2703.35	18,847,209	2592.72
Bandhan Bond Fund-Short Term Plan-Growth -(Regular Plan) (erstwhile IDFC Bond Fund-Short Term Plan-Growth-Regular Plan)	10	8,842,135	4259.57	8,842,135	4109.19
UTI Corporate Bond Fund- Regular Growth	10	23,137,763	3191.95	23,137,763	3065.55
Invesco India Corporate Bond Fund - Regular Growth - AIRG	1000	19,640	525.12	19,640	507.45
Bharat Bond FOF - April, 2030 - Direct Plan - Growth	10	84,262,373	10542.32	84,262,373	10116.88
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40: 60 Index Fund Growth	10	19,873,993	2074.82	19,873,993	2019.99
Axis CRISIL IBX 70:30 CPSE Plus SDL April 2025 Index fund - Regular Growth	10	9,961,646	1030.82	9,961,646	1004.18
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Regular Growth	10	19,803,735	2071.97	19,803,735	2013.58
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Growth Plan	10	20,062,955	2063.11	14,999,250	1505.34
Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Regular - Growth	10	20,755,704	2148.05	15,690,769	1575.31
Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund Regular Growth	10	15,070,534	1571.96	-	-
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 Index Fund -Growth	10	10,127,512	1048.69	-	-
Axis CRISIL IBX SDL May 2027 Index Fund	10	10,159,616	1049.04	-	-
UTI Treasury Advantage Fund - Regular Growth Plan	1000	-	-	152,832	4365.26
Sub total (unquoted non current mutual funds)			77709.05		77491.28
Total unquoted non current investments (a+b+c)			77923.07		77705.30
Total - non current investments (A)			77923.07		77705.30

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
Current investments					
Quoted investments (fully paid up)					
Current portion of Non current investments					
Investments in Mutual funds			-		5207.93
Unquoted investments (fully paid up)					
- in mutual funds (mandatorily measured at FVTPL)					
Axis Banking & PSU Debt Fund - Regular Growth	1000	194,235	4338.41	194,235	4158.02
Nippon India Banking & PSU Debt Fund - Growth	10	18,808,556	3291.48	18,808,556	3170.14
Axis Treasury Advantage Fund- Growth	1000	106,893	2804.29	106,893	2669.26
Aditya Birla Sunlife Floating Rate Fund – Regular Growth	100	965,442	2828.23	965,442	2683.10
Tata Short Term Bond Fund Regular Plan - Growth	10	7,966,140	3250.96	7,966,140	3127.55
ICICI Pru Corporate Bond Fund - Growth	10	21,908,193	5470.96	21,908,193	5182.56
Aditya Birla Sunlife Banking & PSU Debt Fund- Regular Growth	10	1,234,228	3817.86	1,234,228	3659.66
Axis Short Term Fund - Regular Growth	10	14,837,394	3858.73	14,837,394	3698.84
Nippon India Floating Rate Growth Plan - Growth	10	12,998,072	4913.91	12,998,072	4709.18
Sub total (unquoted current mutual funds)			34574.83		33058.31
Total - current investments (B)			34574.83		38266.24
Total other Investments (A+B)			112497.90		115971.54

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	-	5207.93
Aggregate market value of quoted investments	-	5207.93
Aggregate carrying value of unquoted investments	113997.90	112263.61
Aggregate amount of impairment in value of investments	-	-

Category wise investments as per Ind AS 109

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments carried at cost		
Equity instruments in joint venture	1500.00	1500.00
Financial assets carried at fair value through profit and loss (FVTPL)		
Equity instruments	169.02	169.02
Preference shares	45.00	45.00
Mutual Funds	112283.88	115757.52
	112497.90	115971.54
	113997.90	117471.54

Note: The Company has pledged certain mutual funds against borrowings facilities (See Note 20 and 43).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

9. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current (Unsecured)		
Considered good	23940.45	21272.84
Trade receivables which have significant increase in credit risk	70.11	60.45
Trade receivables - credit impaired	657.27	674.26
	24667.83	22007.55
Less: Provision for expected credit loss and impairment	(727.38)	(734.71)
Net Trade receivables	23940.45	21272.84
Note: Trade receivables include dues from private companies where Director of the Company is Director. (See Note 46)	16.11	151.96

Ageing for trade receivables - outstanding as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due (*)	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	17970.95	5564.93	188.76	201.54	11.27	3.00	23,940.45
Which have significant increase in credit risk	36.08	27.82	1.89	4.03	0.23	0.06	70.11
Credit impaired	-	-	-	68.82	17.04	23.91	109.77
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	0.71	4.23	4.23	14.60	-	523.73	547.50
Total	18007.74	5596.98	194.88	288.99	28.54	550.70	24667.83
Less: Provision for expected credit loss and impairment	(36.79)	(32.05)	(6.12)	(87.45)	(17.27)	(547.70)	(727.38)
Balance at the end of the year	17970.95	5564.93	188.76	201.54	11.27	3.00	23940.45

(*) Includes unbilled amount of ₹ 997.51 lakhs

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Ageing for trade receivables - outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due (*)	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	15925.72	5043.26	303.86	-	-	-	21272.84
Which have significant increase in credit risk	32.19	25.22	3.04	-	-	-	60.45
Credit impaired	-	-	-	131.64	-	-	131.64
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	6.42	11.77	0.71	7.98	515.74	542.62
Total	15957.91	5074.90	318.67	132.35	7.98	515.74	22007.55
Less: Provision for expected credit loss and impairment	(32.19)	(31.64)	(14.81)	(132.35)	(7.98)	(515.74)	(734.71)
Balance at the end of the year	15925.72	5043.26	303.86	-	-	-	21272.84

(*) Includes unbilled amount of ₹ 603.73 lakhs

10. Loans

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current		
Loans to employees	38.02	32.41
Sub-total (non current)	38.02	32.41
II. Current		
Loans to employees	83.30	77.53
Sub-total (current)	83.30	77.53
Total	121.32	109.94

The above loans are carried at amortised cost.

11. Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current		
Bank fixed deposits with original maturity of more than 12 months (from Note 16)	16334.75	2632.10
Security deposits	3024.24	3061.25
Term deposits with financial institutions	2054.01	13344.29
Government grant receivable	1377.92	320.60
Sub-total (non current)	22790.92	19358.24

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
II. Current		
Government grant receivable	1054.73	2260.50
Derivative assets (at FVTPL)	-	114.04
Term deposits with financial institutions	53667.84	38344.50
Other receivables	112.01	66.11
Interest accrued - others	115.99	105.01
Sub-total (current)	54950.57	40890.16
Total	77741.49	60248.40

12. Income Tax assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current		
Income tax (net of provision)	221.25	523.28
Sub-total	221.25	523.28
II. Current		
Income tax refund receivable	-	158.33
Sub-total	-	158.33
Total	221.25	681.61

13. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current assets		
Capital Advances	16720.36	9066.25
Security deposits with government authorities	320.42	318.15
Other security deposits	154.05	147.38
Prepaid expenses	209.91	177.27
Balance with government authorities towards GST	4403.79	6006.18
Sub-total (non current)	21808.53	15715.23
II. Current assets		
Advance to suppliers	1096.73	856.76
Prepaid expenses	851.52	699.79
Balance with government authorities towards GST	6152.76	5855.78
Others	82.96	6.35
Sub-total (current)	8183.97	7418.68
Total	29992.50	23133.91
Note: Capital advances include advances paid to private companies where a Director of the Company is a director. (See Note 46)	6558.96	8281.46

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

14. Inventories

(For basis of valuation see Note 3.14)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	1414.65	1128.43
Finished goods	1221.12	1188.47
Stock in trade	204.94	159.20
Stores and spares	8209.13	7399.17
Total	11049.84	9875.27

Included above, goods in transit

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	567.67	368.97
Stock in trade	-	1.28
Stores and spares	16.84	2.41
Total	584.51	372.66

15. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In current accounts	106.17	29.01
In cash credit accounts	803.98	364.61
Cash on hand	27.41	26.05
Total	937.56	419.67

16. Other bank balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank fixed deposits with original maturity of more than 3 months but less than 12 months	911.94	378.41
Bank fixed deposits with original maturity of more than 12 months	16334.75	2632.10
Balance in unclaimed dividend account	1.01	307.26
Sub-total	17247.70	3317.77
Less: Bank fixed deposits disclosed in Note no.11	16334.75	2632.10
Total	912.95	685.67

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Notes:

Other bank balances include margin money deposits kept as security against bank guarantee as under:

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Bank fixed deposits with original maturity of more than 12 months	208.71	-

17. Assets held for sale

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Freehold Land	13.35	138.81
Total	13.35	138.81

During the current year, freehold land at one of the location is classified as held for sale on the basis of memorandum of understanding to sell the said land. The same is carried at carrying value being lower than the fair value less cost to sell.

The freehold land held for sale in the previous year, has been sold in the current year and the profit of ₹ 2679.26 lakhs has been recognised in the standalone Statement of Profit and Loss.

18. Share Capital

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Authorised capital		
30,000,000 (March 31, 2022 - 30,000,000) Equity shares of ₹ 10 each	3000.00	3000.00
1,500,000 (March 31, 2022 - 1,500,000) Redeemable cumulative preference shares of ₹ 100 each	1500.00	1500.00
Total	4500.00	4500.00
Issued, Subscribed and fully paid up capital		
10,340,697 (March 31, 2022 - 10,340,697) Equity Shares of ₹ 10 each	1034.07	1034.07
Total	1034.07	1034.07

Note: The authorised share capital has increased to 31,000,000 equity shares of ₹ 10 each amounting to ₹ 3100.00 lakhs post the scheme of amalgamation with Greenyana Energy Private Limited becoming effective from May 8, 2023.

18.1 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

During the year, the Company has paid final dividend of ₹ 8 per equity share for the year ended March 31, 2022 aggregating to ₹ 827.26 lakhs.

In the preceding year, the Company had paid final dividend of ₹ 6 per equity share for the year ended March 31, 2021 aggregating to ₹ 620.44 lakhs and ₹ 7 per equity share as interim dividend aggregating to ₹ 723.85 Lakhs.

The Board of Directors at its meeting held on July 27, 2023 have recommended a payment of final dividend of ₹ 10 per equity share for the financial year ended March 31, 2023. The same amounts to ₹ 1034.07 lakhs. This is subject to approval at the ensuing Annual General Meeting of the Company and is not recognised as a liability.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

18.2 Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2023		As at March 31, 2022	
	Nos.	holding %	Nos.	holding %
Prodair Corporation, USA	5,143,777	49.74	5,143,777	49.74
Siddhomal Air Products Private Limited	1,956,400	18.92	1,956,400	18.92
Inox Chemicals LLP	1,568,704	15.17	1,568,704	15.17
Siddho Mal Trading LLP	1,553,260	15.02	1,553,260	15.02

18.3 Shareholding of promoters and promoter group

Details of shares held by promoters at the end of the year As at March 31, 2023

Promoter Name	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Inox Chemicals LLP	1,568,704	15.17%	1,568,704	15.17%	-
Siddho Mal Trading LLP	1,553,260	15.02%	1,553,260	15.02%	-
Siddhomal Air Products Pvt. Ltd	1,956,400	18.92%	1,956,400	18.92%	-
Sitashri Trading & Finance Pvt. Ltd	65,414	0.63%	65,414	0.63%	-
Prodair Corporation	5,143,777	49.74%	5,143,777	49.74%	-

Details of shares held by promoters at the end of the year As at March 31, 2022

Promoter Name	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Inox Chemicals LLP	1,568,704	15.17%	1,560,976	15.10%	0.07%
Siddho Mal Trading LLP	1,553,260	15.02%	1,553,260	15.02%	-
Siddhomal Air Products Pvt. Ltd	1,956,400	18.92%	1,956,400	18.92%	-
Sitashri Trading & Finance Pvt. Ltd	65,414	0.63%	65,414	0.63%	-
Prodair Corporation	5,143,777	49.74%	5,143,777	49.74%	-
Siddhapavan Trading LLP	-	-	3,774	0.04%	-0.04%
Devansh Trademart LLP	-	-	3,954	0.04%	-0.04%

19. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserves	875.14	875.14
Capital redemption reserve	25.28	25.28
Securities premium	1323.02	1323.02
Debenture redemption reserve	17500.00	17500.00
General reserve	430000.00	370000.00
Retained earnings	21016.08	14830.64
Total	470739.52	404554.08

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
19.1 Capital reserve		
Balance at beginning of the year	875.14	875.14
Balance at the end of the year	875.14	875.14
Capital reserve includes amalgamation reserve and was created on merger of 'Hydro Gas India Private Limited' with the Company in financial year 2002-03 and on bargain purchase in a business combination.		
19.2 Capital redemption reserve		
Balance at beginning of the year	25.28	25.28
Balance at the end of the year	25.28	25.28
Capital redemption reserve amounting to ₹0.50 lakhs was created on merger of 'Hydro Gas India Private Limited' with the Company in financial year 2002-03 and balance amount was created on buy back of equity shares during the financial year 2003-04 and 2005-06.		
19.3 Securities premium		
Balance at beginning of the year	1323.02	1323.02
Balance at the end of the year	1323.02	1323.02
Securities Premium represents premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
19.4 Debenture redemption reserve		
Balance at beginning of the year	17500.00	17500.00
Balance at the end of the year	17500.00	17500.00
The Company has issued redeemable non-convertible debentures. Accordingly, as required by the Companies (Share capital and Debentures) Rules, 2014 (as amended), the Company has created Debenture Redemption Reserve (DRR) out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. This amount will be transferred to general reserves on redemption of debentures.		
19.5 General reserve		
Balance at beginning of the year	370000.00	300000.00
Add: Transfer from Retained earnings	60000.00	70000.00
Balance at the end of the year	430000.00	370000.00
General reserve is created from time to time by transfer of profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
19.6 Retained earnings		
Balance at beginning of the year	14830.64	13722.08
Profit for the year	67036.68	72585.66
Other comprehensive income for the year, net of income tax	(23.98)	(132.81)
Payment of Dividend on equity shares	(827.26)	(1344.29)
Amount transferred to General reserve	(60000.00)	(70000.00)
Balance at the end of the year	21016.08	14830.64
The amount that can be distributed by the Company as dividend to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

20. Non current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Secured Loans		
A. Debentures		
Redeemable Non Convertible Debentures	20509.69	26624.14
B. Term Loans From Banks		
Foreign currency loans	-	784.19
Rupee Term loans	58857.49	52482.43
Sub-total - Secured loans	79367.18	79890.76
2) Unsecured Loans		
Loans from related party (see Note 46)	2703.00	2703.00
Sub-total - Unsecured loans	2703.00	2703.00
Total	82070.18	82593.76
Less: Disclosed under Note 26 : Current borrowings		
i) Current maturities	34227.25	30290.65
ii) Interest accrued	812.47	977.10
Net Amount	47030.46	51326.01

- For nature of securities, terms of repayment etc, see Note 43.
- There is no default on repayment of principal or payment of interest on borrowings.
- See Note 51(i) for additional disclosures/regulatory information in respect of borrowings from banks, as required by Schedule III to the Companies Act, 2013.

21. Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
Lease liabilities (see Note 41)	592.98	120.88
Sub-total (Non current)	592.98	120.88
Current		
Lease liabilities (see Note 41)	42.37	49.95
Sub-total (Current)	42.37	49.95
Total	635.35	170.83

22. Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
Trade deposits	200.00	115.04
Sub-total (Non current)	200.00	115.04
Current		
Unclaimed dividend *	1.01	0.88

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
Payable towards capital expenditure **	13860.65	8465.14
Trade deposits	1388.83	1384.28
Employee dues	1603.68	1909.24
Payable towards interim dividend	-	306.38
Others	64.62	34.23
Sub-total (Current)	16918.79	12100.15
Total	17118.79	12215.19
* Investor Education and Protection Fund will be credited as and when due.		
** Includes dues to micro enterprises and small enterprises (See Note 52).	975.33	300.39

23. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
a. Provision for employee benefits (see Note 45)		
- Compensated absences	1445.85	1291.29
b. Other provisions (see Note below)	57.44	64.42
Sub-total (Non current)	1503.29	1355.71
Current		
a. Provision for employee benefits (see Note 45)		
- Gratuity	600.07	695.01
- Compensated absences	111.27	119.96
b. Other provisions (see Note below)	3421.19	3331.21
Sub-total (Current)	4132.53	4146.18
Total	5635.82	5501.89

Movement in Other Provisions:

- (a) In case of one of the customers, the Company is required to supply the specified quantity of gas in future, free of cost against the payments already made by the customer towards minimum off-take of gas. Accordingly, a provision towards estimated cost of supplies to be made in future is made in the books of accounts and is shown as 'Other Provisions'.

(₹ in Lakhs)

	2022 - 2023	2021 - 2022
Opening Balance	97.68	98.49
Add: Additions during the year	19.27	19.31
Less: Reversed / adjusted during the year	(25.54)	(20.12)
Closing Balance	91.41	97.68

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- (b) Provision towards claim by a supplier on account of non-lifting of agreed quantities i.e. Minimum Take or Pay (MTOP) (claim is disputed by the Company before the High Court).

	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Opening Balance	470.64	470.64
Closing Balance	470.64	470.64

Movement in Other Provisions continued

- (c) Provision towards Additional Surcharge (ASC) & Cross Subsidy Surcharge (CSS) etc.

In case of one of the units of the Company, where power was purchased under group captive power purchase agreement, the State Electricity Distribution Company had levied Additional Surcharge (ASC) & Cross Subsidy Surcharge (CSS) of Rs.1955.31 lakhs (including interest of Rs. 580.76 lakhs) for the financial years 2016-17 & 2017-18. This levy was disputed and challenged before appellate authorities. During the previous year, the same has been principally held in favour of the Company by the appellate authorities, subject to certain computations and verifications. The said matter is challenged before the Hon. Supreme Court by the State Electricity Distribution Company and has not reached finality and hence the provision is continued.

During the year, on the basis of the order of the appellate authorities, the State Electricity Distribution Company has raised additional demand of Rs. 89.27 lakhs towards classification of source of power. The same is also provided during the year and is contested by the Company before the appellate authorities.

	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Opening Balance	1955.31	1955.31
Add: Additions during the year	89.27	-
Less: Reversed / Adjusted during the year	-	-
	2044.58	1955.31

- (d) Provision towards demand on account of Power Tariff Revision

In case of one of the units of the Company, during the preceding year, the power distribution company had raised additional demand of ₹ 872.00 lakhs (including for earlier year ₹ 500.78 lakhs) towards power charges arising out of retrospective tariff revision by the power distribution company as per the directions of the State Regulatory Commission. The said demand is disputed by the Company before appellate authorities.

	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Opening Balance	872.00	-
Add: Additions during the year	-	872.00
Closing Balance	872.00	872.00
Closing Balance (a+b+c+d)	3478.63	3395.63
Non current - other provisions	57.44	64.42
Current - other provisions	3421.19	3331.21
	3478.63	3395.63

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

24. Deferred tax liabilities (net)

As at March 31, 2023

Deferred tax liabilities / (assets) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Gratuity and compensated absences	(454.60)	(11.05)	(8.06)	(473.71)
Effect of measuring loans as per effective interest method	19.93	(12.05)	-	7.88
Expenses allowable on payment basis	(53.29)	(0.99)	-	(54.28)
Effect of measuring investments at fair value	1345.11	647.90	-	1993.01
Government grants - deferred income	(1045.87)	(41.92)	-	(1087.79)
Property, plant & equipment	33025.91	3136.01	-	36161.92
Allowance for doubtful trade receivables and expected credit losses	(184.91)	1.84	-	(183.07)
Other deferred tax assets	(6.19)	(2.15)	-	(8.34)
Other deferred tax liabilities	7.31	(7.31)	-	-
Total	32653.40	3710.28	(8.06)	36355.62

As at March 31, 2022

Deferred tax liabilities / (assets) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Gratuity and compensated absences	(443.66)	33.73	(44.67)	(454.60)
Effect of measuring loans as per effective interest method	33.91	(13.98)	-	19.93
Expenses allowable on payment basis	(61.29)	8.00	-	(53.29)
Effect of measuring investments at fair value	1425.72	(80.61)	-	1345.11
Government grants - deferred income	(1018.62)	(27.25)	-	(1045.87)
Property, plant & equipment	29847.32	3178.59	-	33025.91
Allowance for doubtful trade receivables and expected credit losses	(171.13)	(13.78)	-	(184.91)
Other deferred tax assets	(3.24)	(2.95)	-	(6.19)
Other deferred tax liabilities	6.16	1.15	-	7.31
Total	29615.17	3082.90	(44.67)	32653.40

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

25. Other liabilities

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
(I) Other non current liabilities		
Deferred income arising from government grants (*)	3967.49	3793.21
Deferred lease rent income	-	136.17
Adjustable deposit from customers	2632.50	3022.50
Sub total	6599.99	6951.88
(II) Other current liabilities		
Deferred income arising from government grants (*)	354.61	362.33
Advances against sale of property, plant and equipment	500.00	288.12
Advances from customers	501.13	641.89
Deferred lease rent income	-	14.77
Adjustable deposit from customers	390.00	390.00
Statutory dues and taxes	1830.56	1737.05
Sub total	3576.30	3434.16
Total	10176.29	10386.04

(*) Movement in deferred income arising from government grants

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	4155.54	4047.30
Add: Recognised during the year	655.99	538.06
Less: Transferred to other income	489.43	429.82
Closing Balance	4322.10	4155.54

26. Current borrowings

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Secured Loan		
Current maturities of long term borrowings (from Note 20)	35039.72	31267.75
Unsecured Loan		
Cash credits from banks	1796.51	3923.81
Total	36836.23	35191.56

Terms of repayment and securities for current borrowings:

- Cash credits from banks are unsecured and are repayable on demand. Interest rate ranges from 6.65% to 8.59% per annum.
- There is no default in repayment of principal and payment of interest on borrowings.
- See Note 50(i) for additional disclosures/regulatory information in respect of borrowings from banks, as required by Schedule III to the Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

27. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (See Note 52)	173.58	70.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	8707.04	7505.49
Total	8880.62	7576.26

Aging Schedule

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	173.58	-	-	-	173.58
(ii) Others	130.30	8359.05	206.62	11.07	-	8707.04
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	130.30	8532.63	206.62	11.07	-	8880.62

Aging Schedule

As at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	68.97	0.95	0.85	-	70.77
(ii) Others	192.93	7249.89	13.21	20.27	29.19	7505.49
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	192.93	7318.86	14.16	21.12	29.19	7576.26

28. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax (net of payments)	197.12	124.40
Total	197.12	124.40

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Revenue from operations

	(₹ in Lakhs)	
Particulars	2022 - 2023	2021 - 2022
Sale of products		
Finished goods	155374.25	148731.23
Traded goods	15065.80	16007.89
	170440.05	164739.12
Other operating revenue		
Lease rent	26176.01	23529.42
Operation and maintenance charges	19158.42	16570.97
Charges for delayed return, repairs & testing of cylinders etc.	1413.89	851.74
Scrap sales	144.43	52.36
Other operating receipts	1849.77	3298.24
	48742.52	44302.73
Total	219182.57	209041.85

Disclosures required by Ind AS 115: Revenue from contracts with customers

(i) Disaggregated revenue information of revenue from contracts with customers:

	(₹ in Lakhs)	
Particulars	2022 - 2023	2021 - 2022
- Sale of products		
Oxygen/Medical oxygen	79517.01	86499.03
Nitrogen	49839.68	43646.91
Argon	15483.83	17093.88
Others	25599.53	17499.30
	170440.05	164739.12
- Other operating revenue		
Charges for delayed return, repairs & testing of cylinders etc.	1413.89	851.74
Scrap sales	144.43	52.36
Operation and maintenance charges	19158.42	16570.97
Other operating receipts	1849.77	3298.24
	22566.51	20773.31
Total Revenue from contracts with customers	193006.56	185512.43

(ii) Reconciliation of Revenue from sale of products with the contracted price

There is no material variation in contracted transaction price and revenue recognised in Statement of Profit and Loss on account of discounts, rebates, refund, credits, price concession, incentive, performances etc.

(iii) In respect of plants given on operating lease having composite arrangement and the contract with customers for job-work and facility charges in respect of certain onsite gas supply contracts classified as lease, the amount attributed to lease income in all such contracts is segregated in accordance with Ind AS 116 and Ind AS 115 and presented as 'Lease rent' and the balance amount is included in 'Operations and maintenance charges' and revenue from sale of products, as appropriate viz. revenue from contract with customers. These contracts are negotiated as a package deal with a single commercial objective. However, the invoicing in respect of such arrangements is done as per contractual terms i.e. job-work, facility charges etc.

(iv) Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors etc. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 191524.95 lakhs (Previous year ₹ 174362.12 lakhs) out of which about 15% (Previous year 17%) is expected to be recognised as revenue in the next year and the balance thereafter.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(v) Contract balances

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	23940.45	21272.84
Contract liabilities (Advance from customers)	501.13	641.89

During the year ended March 31, 2023, the Company has recognized revenue of ₹ 433.94 lakhs (as at March 31, 2022: ₹ 346.77 Lakhs) arising from opening contract liabilities.

- (vi) Reduction of revenue, on account of consideration payable to customers for supply of power accounted for as reduction in the transaction price is ₹ 10928.32 lakhs (preceding year ₹ 11063.73 lakhs).

30. Other income

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
a) Interest income		
On financial assets carried at amortised cost:		
- On bank deposits	631.69	166.07
- On deposits with financial institutions	3138.49	2505.15
- From others	116.41	101.69
	3886.59	2772.91
Other:		
- On income tax refund	39.16	33.79
Sub total	3925.75	2806.70
b) Dividend Income		
- On non current investments		
Joint Venture	900.00	2100.00
Others	0.45	0.45
Sub total	900.45	2100.45
c) Net gain on investments carried at fair value through profit or loss	5281.79	4594.79
d) Other non operating income		
Bad debts recovered	-	0.18
Refunds and claims (#)	940.11	-
Insurance claims	472.67	36.39
Liabilities and provisions no longer required, written back	404.30	56.61
Profit on disposal / retirement of property, plant and equipment (net) (Including impairment provision adjusted of ₹ Nil (March 31, 2022 - ₹421.00 lakhs))	2845.73	5354.50
Government grants - deferred income	489.43	429.82
Miscellaneous Income	588.28	550.66
Sub total	5740.52	6428.16
Total	15848.51	15930.10
Note: Realised gain on sale of investments	3349.95	7020.60

In case of one of the units of the Company, where power was purchased under group captive power purchase agreement, the State Electricity Distribution Company had levied Additional Surcharge (ASC) & Cross Subsidy Surcharge (CSS) in the financial year 2018-19. This levy was disputed and challenged before appellate authorities. However, considering the benefit of Load Factor Incentive (LFI) available to the Company on actual payment, the Company had paid the said amount and charged it to the Statement of Profit and Loss in that year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

On the basis of the decision of the appellate authorities in favour of the Company, during the year the Company has received the refund of ₹ 940.11 lakhs which is included in Refunds and claims in Statement of Profit and Loss. Further, demand of ₹ 91.54 lakhs in respect of classification of source of power received during the year is paid and charged to the Statement of Profit and Loss and included in Miscellaneous expenses.

31. Changes in inventories of finished goods and stock-in-trade

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Opening Stock		
Stock-in-trade	159.20	92.73
Finished goods	1188.47	1110.29
	1347.67	1203.02
Less: Closing Stock		
Stock-in-trade	204.94	159.20
Finished goods	1221.12	1188.47
	1426.06	1347.67
Increase in inventories	(78.39)	(144.65)

32. Employee benefits expense

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Salaries and wages	14980.82	14360.04
Contribution to Provident fund and other funds	1033.44	921.49
Gratuity	523.00	443.19
Staff welfare	454.33	409.06
Total	16991.59	16133.78

33. Finance costs

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
- On debentures	2706.55	3365.25
- On other borrowings	3991.51	3048.69
	6698.06	6413.94
b) Unwinding of discount on deposits	-	10.23
c) Interest on lease liabilities	30.68	18.43
d) Other Interest		
- On Income tax	28.00	21.00
- Others	41.07	2.42
	69.07	23.42
Sub-total (a to d)	6797.81	6466.02
(B) Other borrowing costs	84.18	68.17
Sub-total (A+B)	6881.99	6534.19
Less: Borrowing cost capitalised	(741.87)	(1071.13)
Total	6140.12	5463.06

Note: The weighted average capitalisation rate of funds borrowed is 5.38% per annum (Previous year 5.33% per annum).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

34. Power and fuel

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Power and fuel	51263.62	44927.84
Total	51263.62	44927.84

a) Impact of Ind AS 115 on power & fuel

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Gross Power & Fuel expense	62191.93	55991.57
Less : Impact of Ind AS 115 (See Note 29(vi))	(10928.32)	(11063.73)
	51263.61	44927.84

b) Power and fuel expenses for previous year included provision towards demand on account of Power Tariff Revision amounting to ₹ 872.00 lakhs (See Note 23(d)).

35. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Depreciation of property, plant and equipment	19926.08	19008.51
Amortization of intangible assets	39.09	57.22
Depreciation on right-of-use assets	154.47	137.93
Total	20119.64	19203.66

36. Other expenses

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Labour charges	1297.70	1166.28
Freight	18197.27	17770.77
Stores and spares consumed	2281.97	2050.53
Insurance	855.61	712.69
Repairs to		
- Plant & equipments	1362.82	1469.85
- Buildings	195.63	214.98
- Others	252.56	195.75
Rent	12.75	18.76
Rates and taxes	259.20	324.25
Communication expenses	253.80	261.31
Travelling and conveyance expenses	1502.33	1203.41
Legal & professional fees and expenses	1345.13	1235.59
Security charges	720.73	678.27
Hire charges	114.49	80.22
Indirect tax expenses	228.39	232.43
Bad debts and remissions (net of allowance for doubtful trade receivables adjusted of ₹ 16.14 lakhs (March 31, 2022 - ₹ 19.41 lakhs))	16.09	21.37
Allowance for doubtful trade receivables/expected credit losses	8.81	74.18
Net (gain)/loss on fair valuation of derivatives	114.04	297.82
Net (gain)/loss on foreign currency transactions and translation	(89.68)	(398.11)
	24.36	(100.29)
Corporate social responsibility expenses (see Note 48)	1285.21	940.05
Miscellaneous expenses#	3032.59	2057.74
Total	33247.44	30608.14

Miscellaneous expenses for the current year includes, compensation paid as per the terms of the contract, to one of the customer amounting to ₹ 996.37 Lakhs towards short supply of gas.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

37. Tax expense

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Current Tax:		
In respect of current year	18471.00	20433.00
In respect of earlier years	2.41	(45.69)
	18473.41	20387.31
Deferred Tax:		
In respect of current year	3680.34	3078.51
In respect of earlier years	29.94	4.39
	3710.28	3082.90
Total tax expense recognised	22183.69	23470.21

37.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Profit before tax	89220.37	96055.87
Applicable tax rate	25.17%	25.17%
Income tax using applicable tax rate	22454.98	24175.34
Tax effect of :		
Effect of expenses that are not deductible in determining taxable profit	381.66	270.24
Non taxable income/receipts	(234.11)	(541.67)
Effect of special rate of tax	(451.19)	(392.40)
	22151.34	23511.51
Taxation pertaining to earlier years	32.35	(41.30)
Income tax recognised in profit or loss	22183.69	23470.21

37.2 Income tax expense recognised in other comprehensive income:

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Deferred Tax		
Remeasurement of defined benefit obligations	8.06	44.67
Total	8.06	44.67

38. Commitments

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	107313.50	59677.76
b) Other commitments - The Company has been sanctioned capital subsidy/industrial promotion subsidy (Government grants) of ₹ 2690.19 lakhs (March 31, 2022 - ₹ 2034.28 lakhs) in respect of various units. The Company is required to fulfil the conditions specified in the respective schemes including continuation of the unit for the specified period.		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

39. Contingent liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
A) Claims against the Company not acknowledged as debts (see footnote 1)	624.06	270.00
B) Other contingent liabilities		
(i) Relating to property, plant and equipment		
Excise duty and Service Tax (see footnote 2)	150.77	150.77
Entry Tax (see footnote 3)	14.68	14.68
Total	165.45	165.45
(ii) Others		
Excise duty and Service Tax (see footnote 2)	3622.84	3608.02
Sales Tax (see footnote 3)	55.93	84.80
Income Tax (see footnote 4)	1250.80	1151.36
Goods and Service Tax (GST) (see footnote 5)	145.37	-
Total	5074.94	4844.18

Notes:

- Claims against the Company not acknowledged as debt ₹ 624.06 lakhs (March 31, 2022 - ₹ 270 lakhs):
 - One of the party had raised demand of ₹ 270.00 lakhs (March 31, 2022 - ₹ 270.00 lakhs) towards GST on transaction related to transfer of leasehold rights in favour of the Company.
 - Demand of ₹ 354.06 lakhs (March 31, 2022 - Nil) towards additional tariff revision by a power distribution company for earlier years. The said demand is disputed by the Company before appellate authorities.
- Excise duty and Service tax demands – ₹ 3773.61 lakhs (March 31, 2022 - ₹ 3758.79 lakhs) including demands relating to PPE:
 Amount of ₹ 3773.61 lakhs (March 31, 2022 - ₹ 3758.79 lakhs) for which the Company has received various demands including show cause notices regarding various issues on account of excise duty and service tax. In cases of confirmed demand orders the Company has filed the appeals at appropriate levels and in case of show cause notices the Company has filed the replies.
 The above excise and services tax demands includes ₹ 1314.20 lakhs (March 31, 2022 - ₹ 1289.50 lakhs) in respect of matters where the Company has already received a decision in appellate proceedings in its favour on similar issue. Amount paid against above liabilities and carried under 'Security deposits' under Non current assets - ₹ 147.63 lakhs (March 31, 2022 - ₹ 142.83 lakhs).
- Sales tax and entry tax demands – ₹ 70.61 lakhs (March 31, 2022 - ₹ 99.48 lakhs) includes:
 Amount of ₹ 70.61 lakhs (March 31, 2022 - ₹ 99.48 lakhs) for which the Company has received demand orders on various issues. The Company have filed the appeals at appropriate levels and matters are pending.
 Amount paid against above liabilities and carried under 'Security deposits' under Non current assets - ₹ 25.22 lakhs (March 31, 2022 - ₹ 27.75 lakhs).
- Income tax demands - ₹ 1250.80 lakhs (March 31, 2022 - ₹ 1151.36 lakhs) :
 During the year, the Company has received assessment order for Assessment year 2020-21 wherein the assessing officer has raised demand by treating the capital subsidy/industrial promotion subsidy as revenue receipt and disallowance of certain deductions claimed under Chapter VIA of the Income-tax Act.
 The issue of treating capital subsidy/industrial promotion subsidy as revenue receipt was also raised in the assessment orders for Assessment years 2015-16 to 2017-18. In the appellate order of ITAT for the A.Y. 2013-14 & A.Y. 2014-15, such subsidies are held as capital receipt.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The Company has preferred appeals for A.Y. 2015-16 to 2017-18 & A.Y. 2020-21 before CIT(A). The amounts paid/refund adjusted against the above demands is ₹ 588.98 lakhs (March 31, 2022 ₹ 520.38 lakhs).

5. GST demands - ₹ 145.37 lakhs (March 31, 2022 - ₹ Nil) :

Amount of ₹ 145.37 lakhs (March 31, 2022 - ₹ Nil) for which the Company has received demand orders on various issues. The Company is in the process of filing the appeals at appropriate levels and matters are pending.

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amount of the further cash outflow, if any, in respect of these matters.

40. Payments to Auditors:

Particulars	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Statutory audit fees	23.00	23.00
Tax audit fees	12.00	-
Taxation matters fees	7.20	-
Certification fees	3.25	0.25
Total	45.45	23.25

(Above amounts are exclusive of GST)

41. Leases

[A] Company as a lessor

Assets given on operating lease comprise of Air Separation Plants and equipments installed at the customers' premises. The lease tenure is ranging from five years to twenty years, which can be further extended as mutually agreed in some cases. The non-cancellable initial lease tenure is ranging from a period of five years to twenty years. The lease agreements broadly provide for minimum lease rent in case of non-operation of the leased assets by the lessee during the initial non-cancellable tenure. The Company purchases, on exclusive basis, surplus liquid gases wherever produced, from the lessee at an agreed price under a separate contract. Also see Note 29(iii).

The Company manages the risk associated with the rights it retains in the underlying assets by way of its legal and contractual right to repossess the underlying assets at the end of the lease term or in case of continuing default in payment of dues by the other party. In such cases, the underlying assets can be put to alternative use by the Company, particularly in view of the remaining economic life of the asset. Further, the underlying assets are leased with monthly charges which generally do not include any variable lease payments that depend on an index or rate.

Particulars of assets given on operating lease:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
a) Gross carrying amount of assets given on operating lease	212829.57	183341.80
b) Accumulated depreciation as at the end of the year	55852.98	46801.35
c) Depreciation for the year	9060.75	8647.68
d) Future minimum lease payments :		
i) not later than one year	26601.09	23403.76
ii) later than one year and not later than five years	102531.88	91702.42
iii) later than five years	157895.09	150992.44

[B] Company as a lessee

- (a) The Company's significant leasing arrangements are in respect of leasehold lands. The Company has also taken certain commercial premises on lease.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(b) Particulars of right-to-use assets and lease liabilities

i. Carrying value of right-of-use assets by class of underlying assets (₹ in Lakhs)

Particulars	Buildings	Land	Total
I. Gross Block			
Balance as at April 1, 2021	205.84	4712.45	4918.29
Additions	-	1300.90	1300.90
Balance as at March 31, 2022	205.84	6013.35	6219.19
Additions	93.63	1317.14	1410.77
Deductions/adjustments	(54.53)	-	(54.53)
Balance as at March 31, 2023	244.94	7330.49	7575.43
II. Accumulated depreciation			
Balance as at April 1, 2021	87.39	96.12	183.51
Depreciation for the year	51.69	86.24	137.93
Balance as at March 31, 2022	139.08	182.36	321.44
Depreciation for the year	45.89	108.58	154.47
Deductions/adjustments	(54.53)	-	(54.53)
Balance as at March 31, 2023	130.44	290.94	421.38
III. Carrying amount			
Balance as at March 31, 2022	66.76	5830.99	5897.75
Balance as at March 31, 2023	114.50	7039.55	7154.05

ii. Movement in lease liabilities during year ended: (₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2021	228.11
Interest on lease liabilities	18.43
Payment of lease liabilities	(75.71)
Balance as at March 31, 2022	170.83
Additions during the year	518.64
Interest on lease liabilities	30.68
Payment of lease liabilities	(84.80)
Balance as at March 31, 2023	635.35

iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Maturity analysis - contractual undiscounted cash flows		
Less than one year	82.34	63.27
One to five years	224.81	96.73
More than five years	972.63	119.25
Total undiscounted lease liabilities	1279.78	279.25

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

iv. Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	30.68	18.43
Included in rent expenses: Expense relating to short-term leases	12.75	18.76

v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	84.80	75.70

42. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of manufacture, trading and supply of industrial, medical gases and other gases, either through sale of products or manufacture and supply of gas on job work basis or providing facilities at customer location or giving plant on operating lease generally with a right to operate and maintenance of such plants. Hence the Company has only one operating segment.

Further, the Company caters mainly to the Indian market and the export turnover is about 1% of the Revenue from Operations of the Company. All the operating facilities of the Company are located in India.

a) Details of sale of major products and other operating revenue are as under :

(₹ in Lakhs)

	2022 - 2023	2021 - 2022
Sale of products		
i. Finished goods		
Oxygen/Medical oxygen	73275.99	80325.32
Nitrogen	46935.30	41086.33
Argon	10406.59	10776.73
Others	24756.37	16542.85
	155374.25	148731.23
ii. Traded goods		
Liquid oxygen/Medical oxygen	6241.02	6173.71
Liquid nitrogen	2904.38	2560.58
Liquid argon	5077.24	6317.15
Others	843.16	956.45
	15065.80	16007.89
	170440.05	164739.12
Other Operating Revenue		
Lease rent received	26176.01	23529.42
Operation and maintenance charges on leased plants	19158.42	16570.97
Charges for delayed return, repairs & testing of cylinders etc.	1413.89	851.74
Scrap sales	144.43	52.36
Other operating receipts	1849.77	3298.24
	48742.52	44302.73
	219182.57	209041.85

b) Included in the above, revenue from one customer (March 31, 2022 - one customer) amounting to ₹ 27955.84 lakhs (March 31, 2022 - ₹ 23249.49 lakhs) who contributed more than 10% of the Company's revenue.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

c) Reconciliation between segment revenue and revenue from contracts with customers

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Total Segment revenue	219182.57	209041.85
Less: Lease rent received	26176.01	23529.42
Revenue from contract with customers	193006.56	185512.43

43. Securities and Terms of repayment etc. :

1. Secured loans:

A. Debentures :-

Secured by first charge by way hypothecation of moveable fixed assets of 2 x 1700 TPD plants and related assets located at Company's unit at Hazira.

Rate of Interest and Maturity profile of privately placed unlisted redeemable non convertible debentures of ₹ 10 lakhs each is as under:

i. Rate of Interest @ 10.85% per annum and effective interest rate is 11.08%.

ii. Maturity profile

(₹ in Lakhs)

Maturity period	Number of Debentures	Amount
Current portion	2000	20000.00
Total	2000	20000.00

B. Term Loans from banks

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Foreign currency loans (Fully hedged)		
Secured by first exclusive specific charge on the moveable fixed assets of the Company situated at Bokaro steel city, Bokaro, Jharkhand. This loan was repaid in sixteen quarterly instalments of ₹ 663.40 lakhs each starting from September 14, 2018 & carried interest @ 7.90% per annum.	-	784.19
b) Rupee Term loans from Banks		
i. Term Loan 1	-	3422.12
ii. Term Loan 2	14194.74	18924.41
iii. Term Loan 3	2011.21	10042.47
iv. Term Loan 4	5586.87	10044.59
v. Term Loan 5	6956.89	10048.84
vi. Term Loan 6	20042.98	-
vii. Term Loan 7	10064.80	-
Sub Total - b (Rupee Term Loans)	58857.49	52482.43
Total	58857.49	53266.62

Securities and Terms of repayment etc. for Rupee Term loans from Banks

i. Term Loan 1

Secured by way of exclusive security of investment in certain mutual funds to the extent of 1.10 times of the outstanding loan amount. The loan was repaid in 5 equal instalments on quarterly basis starting from June 20, 2021 and carried variable interest rate linked to 1 month repo rate plus 0.75%.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

ii. Term Loan 2

Secured by way of first and exclusive charge on movable fixed assets of the Company's units located at Vile Bhagad, Wardha, Mangaon (POSCO), Hospet (SLRM) Hazira 885 TPD (AMNS), Salem(SSP), Jhagadia (UPL). The loan is repayable in 17 equal instalments on quarterly basis starting from March 31 2022 and carries interest @ 5.95% per annum.

iii. Term Loan 3

The loan is repayable in 5 equal instalments on quarterly basis starting from the end of 12th month of the first disbursement (i.e. from April 28, 2022) and carries interest @ 5% p.a. linked to 1 month repo with floor rate of 4.75% p.a. & cap rate 5.25% p.a. If repo rate is 5.25% and above, then applicable rate will be repo rate plus 0.25%.

iv. Term Loan 4

The loan is repayable in 9 equal instalments on quarterly basis starting from the end of 12th month of the first disbursement (i.e. from April 28, 2022) and carries interest @ 5.25% p.a. linked to 1 month repo with floor rate of 4.75% p.a. & cap rate 5.75% p.a. If repo rate is 5.75% and above, then applicable rate will be repo rate plus 0.25%.

v. Term Loan 5

The loan is repayable in 13 equal instalments on quarterly basis starting from the end of 12th month of the first disbursement (i.e. from April 28, 2022) and carries fixed interest rate @ 5.75% p.a.

Security for Term Loan 3, 4 and 5:

Secured by way of first and exclusive charge on movable fixed assets of the Company's units situated at its units at Simej (Gujarat), Hoshangabad (Madhya Pradesh) and Hazira 700 TPD (in the premises of Arcellor Mittal Nippon Steel India) at Hazira (Gujarat).

vi. Term Loan 6

The loan is repayable in 12 equal instalments on quarterly basis starting from August 2024 and carries annual interest rate @ 3 Months' Treasury bill plus margin spread of 0.82% and secured by way of first and exclusive charge on movable fixed assets of the Company's units situated at its units at Karjan (Gujarat), Palakkad (Kerala), Sriperumbandur (Tamil Nadu) and Chakan (Maharashtra).

vii. Term Loan 7

The loan is repayable in 12 equal instalments on quarterly basis starting from August 2024 and carries annual interest rate @ 3 Months' Treasury bill plus margin spread of 0.75% and secured by way of first and exclusive charge on movable fixed assets of the Company's 700 TPD plant situated in the premises of Arcellor Mittal Nippon Steel India at Hazira (Gujarat).

2. Unsecured loans:

The loan from a related party Prodair Corporation, USA is payable upon the liquidation, dissolution or winding up of the Company other than a bonafide solvent reconstruction or amalgamation of the Company and is interest free. Considering the uncertainty of the date of repayment, the same is carried at the amount actually received and payable.

44. Financial Instruments:

44.1 Capital Management

The Company manages its capital to ensure that entity will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirement.

The Company's Board of Directors (BOD) reviews the capital structure of the entity. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

44.1.1 The gearing ratio at the end of the reporting period was as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Total debt	81163.69	83814.57
Less: Cash and bank balances	(17975.54)	(3430.18)
Net Debt	63188.15	80384.39
Total Equity	471773.59	405588.15
Net Debt to equity Ratio (in times)	0.13	0.20

Note:

Debt is defined as Long term borrowing, short term borrowing, current maturities of long term borrowings and interest thereon and excludes loan from Prodair Corporation (see note 43(2)).

Cash and bank balances include cash and cash equivalents, other bank balances and excludes margin money deposit and balance in unclaimed dividend account.

44.2 Categories of financial instruments

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in mutual funds	112283.88	115757.52
(ii) Investment in preference shares	45.00	45.00
(b) Derivative instruments	-	114.04
(c) Investment in equity instruments	169.02	169.02
Sub-total (a to c)	112497.90	116085.58
Measured at amortised cost		
(a) Cash and bank balances	18185.26	3737.44
(b) Trade Receivables	23940.45	21272.84
(c) Loans	121.32	109.94
(d) Other financial assets		
i. Deposits with financial institutions	55721.85	51688.79
ii. Others	5684.89	5813.47
Sub-total (a to d)	103653.77	82622.48
Total financial assets	216151.67	198708.06
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	83866.69	86517.57
(b) Lease liabilities	635.35	170.83
(c) Trade payables	8880.62	7576.26
(d) Other financial liabilities	17118.79	12215.19
Total financial liabilities	110501.45	106479.85

The carrying amount reflected above represents the entity's maximum exposure to credit risk for such financial assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

44.3 Financial risk management

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations including acquisition of PPE. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances and deposits with financial institutions. The Company also holds investments at FVTPL.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Senior management provides assurance to the Board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not enter into any derivative instruments for trading or speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks.

44.4 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk.

a) Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company's import of materials and export of goods are not significant to cause major exposure to foreign currency variations. Further the entire foreign currency borrowings were fully hedged against foreign currency risk, both for principal and interest. Exchange rate exposures are managed within approved policy parameters utilising forward foreign currency contracts, as and when necessary.

(i) The Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(Amount in foreign currency)		
Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities		
Borrowings		
ECB Loans (fully hedged)		
USD	-	1031250
Other liabilities- trade and other payables		
USD	2096641	1798143
EURO	261	40919
Assets		
Trade and other receivables		
USD	111598	49171

The carrying amount in INR of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities		
Borrowings		
ECB Loans (fully hedged)		
USD	-	781.61

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other liabilities- trade and other payables		
USD	1735.60	1330.45
EURO	0.23	33.75
Assets		
Trade and other receivables		
USD	92.38	36.38

(ii) Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD.

The following table details the Company's sensitivity to a 5% increase and decrease in rupees against the foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged receivables and payables in currency other than the functional currency of the Company.

(₹ in Lakhs)

Change in USD rate	Effect on profit or and total equity (net of tax)	
	As at March 31, 2023	As at March 31, 2022
Increase by 5%	(61.48)	(48.42)
decrease by 5%	61.48	48.42

The Company has fully hedged all ECB loans by entering into principal and interest swaps and hence substantially reduced its exposure to foreign currency fluctuations.

(iii) Forward Foreign Exchange Contracts

The Company enters into Principal and interest swap agreements to hedge the foreign currency risk and interest rate risk.

Outstanding Contracts	Currency	Exchange Rate		Foreign currency amounts (Principal)		Nominal amounts (₹ in Lakhs)		Fair Value derivative assets (₹ in Lakhs)	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Principal and interest swap contracts	USD	-	75.79	-	1031250	-	781.61	-	114.04

The line-items in the standalone balance sheet that include the above hedging instruments are "other financial assets".

b) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly on account of its borrowings from term loans from banks. The external commercial borrowings (ECB Loans) are fully repaid during the current year.

The term loans from banks have both fixed and floating interest rates. Cash credits are subject to variable rate of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Debentures carry fixed rate of interest. Financial assets i.e. deposits with

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

financial institutions & bank deposits carry fixed rate of interest. Thus, the Company's exposure to the risk of changes in the interest rate is not significant.

For floating rate borrowings (i.e. term loans from banks), the analysis is as under:

Particulars	(₹ In Lakhs)	
	Impact (net of tax)	
	As at 31 March 2023	As at 31 March 2022
Increase by 50 basis points	140.52	87.55
Decrease by 50 basis points	136.78	68.85

c) Other price risks

The Company is exposed to equity price risks arising from equity investments. Investments in equity/preference instruments in Joint Venture and other companies are held for strategic purposes rather than trading purposes. The Company does not actively trade in these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

44.5 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations to pay resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks/financial institutions, loans and other receivables.

a) Trade receivables

For trade receivables, the average credit period generally ranges from 30 to 45 days. Before accepting any new customer, the Company uses information available in public domain and industry sources to assess the potential customer's credit quality and defines credit limits for respective customer. Credit Limits attributed to customers are reviewed periodically.

Customers representing more than 5% of the total balance of trade receivables as at March 31, 2023 of ₹ 3113.15 lakhs (as at March 31, 2022 of ₹ 3237.13 lakhs) are due from two major customers (Previous year - two major customers) with whom the Company is having long term contracts.

The Company has used a practical expedient for computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)	
	As at March 31, 2023	As at March 31, 2022
Within the credit period	0.20%	0.20%
0-6 months	0.50%	0.50%
6 months to 1 years	1.00%	1.00%
> 1 years	2.00%	2.00%

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	60.45	53.00
Movement in expected credit loss allowance on trade receivables	9.66	7.45
Balance at the end of the year	70.11	60.45

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

b) Loans and Other Receivables

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses/Other income'.

c) Other financial assets

Credit risk arising from balances with banks / financial institutions, investment in mutual funds and derivative financial instruments is limited because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies.

44.6 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk table

The following table detail the analysis of financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
As at March 31, 2023					
Financial Liabilities					
Borrowings	36825.98	44369.03	2703.00	83898.01	83866.69
Other financial liabilities	16918.79	100.00	100.00	17118.79	17118.79
Trade payables	8880.62	-	-	8880.62	8880.62
	62625.39	44469.03	2803.00	109897.42	109866.10
As at March 31, 2022					
Financial Liabilities					
Borrowings	35179.25	48714.49	2703.00	86596.74	86517.56
Other financial liabilities	11805.15	-	410.04	12215.19	12215.20
Trade payables	7576.26	-	-	7576.26	7576.22
	54560.66	48714.49	3113.04	106388.19	106308.98

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Company also has unutilised borrowing facilities.

44.7 Fair Value Measurements

- a. The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value

(₹ in Lakhs)

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2023	As at March 31, 2022				
1. Investments in Mutual Funds (Note 8B)	112283.88	115757.52	Level 1	Quoted bid prices in an active market.	NA	NA
2. Investments in equity instruments of Watsun Infrabuild Private Limited (unquoted) - (Note 8B)	169.02	169.02	Level 2	The fair valuation is derived from the shareholder's agreement as per which the shares will be transferred only at cost i.e. carrying amount of the investment.	NA	NA
3. Investments in preference shares of Enviro Infrastructure Company Ltd. (unquoted) - (Note 8B)	45.00	45.00	Level 2	The fair valuation is derived from the issue documents where in the preference shares will be redeemed only at the face value i.e. carrying amount of the investment.	NA	NA
4. Principal and interest swaps (Note 11)	-	114.04	Level 2	Discounted cash flow method is used for valuation. Key input used are foreign currency LIBOR, INR MIFOR and spot rates at each valuation date.	NA	NA

During the period, there were no transfers between Level 1 and 2.

44.8 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

45. Employee Benefits:

(i) Defined Contribution Plans:

The Company contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident and pension fund of ₹ 846.83 Lakhs (March 31, 2022 - ₹ 771.35 Lakhs) is recognised as an expense and included in "Contribution to provident and other funds" in statement of profit and loss and ₹ 21.86 lakhs (March 31, 2022 - ₹ 8.53 lakhs) included in pre-operative expenses.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(ii) Defined Benefit Plans:

a) The Company has a defined benefit gratuity plan (funded):

The Company has defined benefit gratuity plan for its employees. It is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company has created a fund in the form of Gratuity Trust which is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the gratuity plan. The plan assets have been invested in various Group Gratuity Schemes with Life Insurance Corporation of India.

b) This plan typically exposes the Company to actuarial risks such as interest risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, any variation in the expected rate of salary increase of the plan participants will change the plan liability.

c) The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2023 by Mr. G.N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

d) The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.21%	7.35%
Expected rate of salary increase	10.00%	10.00%
Employee Attrition Rate	1.00%	1.00%
Mortality rate	IALM (2012-14) Ult.	

e) Amount recognised in statement of profit and loss in respect of gratuity are as under.

Particulars	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Service Cost		
Current Service Cost	456.84	403.55
Premium for group gratuity policy	21.50	19.23
Net interest expense	44.66	20.41
Components of defined benefit costs recognised in profit or loss	523.00	443.19
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(26.74)	(31.79)
Actuarial (gains) and loss arising from changes in financial assumptions	66.45	142.87
Actuarial (gains) and loss arising from experience adjustments	(7.67)	66.41
Components of defined benefit costs recognised in other comprehensive income	32.04	177.49

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Gratuity	
	2022 - 2023	2021 - 2022
Total	555.04	620.68

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans are as follow:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	6663.47	5989.06
Fair value of plan assets	6063.40	5294.05
Funded status	(600.07)	(695.01)
Net liability arising from defined benefit obligation disclosed in balance sheet	600.07	695.01

Movement in the defined benefit obligation in respect of gratuity :

(₹ in Lakhs)

Particulars	Gratuity	
	2022 - 2023	2021 - 2022
Opening defined benefit obligation	5989.06	5408.07
Current Service Cost	456.84	403.55
Interest cost	424.02	339.72
Actuarial (gains) and loss arising form changes in financial assumptions	66.45	142.87
Actuarial (gains) and loss arising form experience adjustments	(7.67)	66.41
Benefits Paid	(265.23)	(371.56)
Closing defined benefit obligation	6663.47	5989.06

Movement in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	2022 - 2023	2021 - 2022
Opening fair value of plan assets	5294.06	4902.14
Interest Income	379.36	319.29
Return on Plan Assets (excluding amounts included in net interest expense)	26.74	31.79
Contribution from the Employer	628.47	412.40
Benefits Paid	(265.23)	(371.56)
Closing fair value of plan assets	6063.40	5294.06

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- f) The fair value of the plan assets at the end of the reporting period for each category, is as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	5.65	4.70
Fund Balance with LIC of India in various Group Gratuity Schemes	6057.75	5289.36
Total	6063.40	5294.06

- g) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Impact on Present Value of defined benefit obligation		
If Discount Rate increased by 1%	(445.92)	(410.63)
If Discount Rate decreased by 1%	518.04	475.77
If Salary Escalation Rate increased by 1%	495.57	455.71
If Salary Escalation Rate decreased by 1%	(436.09)	(401.97)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- h) The Company expects to contribute ₹ 275.00 lakhs to gratuity trust during the financial year 2023-2024. There is no compulsion on the part of the Company to fully pre fund the liability of the plan.
- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 7.43 years.
- j) **Expected outflow in future years (as provided in actuarial report)**

(₹ in Lakhs)

Particulars	As at March 31, 2023
Expected outflow in 1st Year	488.40
Expected outflow in 2nd Year	862.96
Expected outflow in 3rd Year	359.48
Expected outflow in 4th Year	1844.90
Expected outflow in 5th Year	399.89
Expected outflow in 6th to 10th Year	2027.78

- k) There are no other post retirement benefits provided by the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

iii) Other short term and long term employment benefits:

Annual leave & Short term leave

The liability towards compensated absences based on actuarial valuation carried out by using Projected unit method resulted in increase in liability by ₹ 149.55 lakhs for the year ended March 31, 2023 (March 31, 2022 - increase by ₹ 148.45 lakhs), which is included in the employee benefits in the statement of profit and loss.

The principal assumptions used for the purposes of the actuarial valuations of compensated absences are as follows.

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.21%	7.35%
Expected rate of salary increase	10.00%	10.00%
Employee Attrition Rate	1.00%	1.00%
Mortality rate	IALM (2012-14) Ult.	

46. Related Party Disclosures :

(i) Names of the related parties with whom transactions have taken place during the year:

- (a) Enterprise having joint control, its holding, subsidiaries and associate companies.
 - Prodair Corporation.
 - Air Products and Chemicals Inc.
 - Air Products PLC
 - Air Products (ME) FZE
 - Air Products GmbH
 - Air Products France
 - Air Products S.A Spl Gases
 - Prodair Air Products India Pvt. Ltd.
- (b) Joint Venture
 - Bellary Oxygen Co.Pvt.Ltd.
- (c) Key Management Personnel (KMP)
 - Mr P K Jain - Managing Director
 - Mr Siddharth Jain - Whole time Director
- (d) Entities where directors/close family members of directors having control/significant influence
 - INOX India Limited (earlier known as INOX India Private Limited)
 - Gujarat Fluorochemicals Ltd.
 - GFCL EV Products Ltd
- (e) Other related party
 - INOX Gratuity Fund (Control trust in India)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(ii) Particulars of Transactions :

(₹ in Lakhs)

Particulars	Enterprise having joint control, its holding / subsidiaries / associate companies		Joint Venture		Entities where directors/close family members of directors having control/significant influence		Total	
	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022
(A) Transactions during the year								
1. Purchase of assets								
INOX India Limited					10473.02	7182.17	10473.02	7182.17
Air Products and Chemicals Inc.	3234.59	10908.67					3234.59	10908.67
Air Products PLC	10.12	44.32					10.12	44.32
Air Products GmbH	-	35.33					-	35.33
Air Products France	191.11	-					191.11	-
Prodair Air Products India Pvt. Ltd.	31008.63	5703.20					31008.63	5,703.20
Total	34444.45	16691.52			10473.02	7182.17	44917.47	23873.69
2. Purchase of stores and spares								
Air Products and Chemicals Inc.	1.25	18.13					1.25	18.13
Gujarat Fluorochemicals Ltd.					0.67	-	0.67	-
INOX India Limited					150.87	181.05	150.87	181.05
Total	1.25	18.13			151.54	181.05	152.79	199.18
3. Purchase of goods								
Air Products (ME) FZE	5596.04	2023.08					5596.04	2023.08
Air Products S.A Spl Gases	13.54	-					13.54	-
Bellary Oxygen Co.Pvt.Ltd.			-	618.59			-	618.59
Gujarat Fluorochemicals Ltd.					-	0.61	-	0.61
Total	5609.58	2023.08	-	618.59	-	0.61	5609.58	2642.28
4. Repair charges paid								
INOX India Limited					246.98	216.38	246.98	216.38
Air Products and Chemicals Inc.	-	12.87					-	12.87
Total	-	12.87			246.98	216.38	246.98	229.25
5. Lease rent/hire charges paid								
Air Products (ME) FZE	57.43	23.03					57.43	23.03
Total	57.43	23.03					57.43	23.03
6. Miscellaneous expenses								
Prodair Air Products India Pvt. Ltd.	2.34	-					2.34	-
7. Reimbursement of expenses paid								
Gujarat Fluorochemicals Ltd.					3.35	4.72	3.35	4.72
8. Rent paid								
Gujarat Fluorochemicals Ltd.					8.72	20.92	8.72	20.92
9. Transport Expenses paid								
INOX India Limited					32.69	30.59	32.69	30.59
10. Sale of goods								
Gujarat Fluorochemicals Ltd.					2484.08	1766.45	2484.08	1766.45
GFCL EV Products Ltd					35.55	-	35.55	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Enterprise having joint control, its holding / subsidiaries / associate companies		Joint Venture		Entities where directors/close family members of directors having control/significant influence		Total	
	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022
Bellary Oxygen Co.Pvt.Ltd.			-	0.13			-	0.13
Prodair Air Products India Pvt. Ltd.	357.20	26.47					357.20	26.47
INOX India Limited					1166.42	1004.10	1166.42	1004.10
Total	357.20	26.47	-	0.13	3686.05	2770.55	4043.25	2797.15
11. Miscellaneous Income								
Prodair Air Products India Pvt. Ltd.	-	3.28					-	3.28
Gujarat Fluorochemicals Ltd.					-	0.04	-	0.04
INOX India Limited					0.73	2.24	0.73	2.24
Total	-	3.28	-	-	0.73	2.28	0.73	5.56
12. Lease Rent / Hire Charges received								
Gujarat Fluorochemicals Ltd.					64.40	64.40	64.40	64.40
13. O & M Charges received (in respect of Leased plant)								
Gujarat Fluorochemicals Ltd.					142.50	128.69	142.50	128.69
14. Fixed Facility charges received (included in sale of products)								
Gujarat Fluorochemicals Ltd.					28.08	20.14	28.08	20.14
15. Service charges received								
Bellary Oxygen Co.Pvt.Ltd.			-	85.00			-	85.00
16. Cylinder damaged / recovery charges recd.								
Bellary Oxygen Co.Pvt.Ltd.			-	0.01			-	0.01
Prodair Air Products India Pvt. Ltd.	0.86	-					0.86	-
Gujarat Fluorochemicals Ltd.					0.03	-	0.03	-
Total	0.86	-	-	0.01	0.03	-	0.89	0.01
17. Other operating receipts								
Gujarat Fluorochemicals Ltd.					-	3.00	-	3.00
18. Reimbursement of Expenses (Receipt)								
INOX India Limited					1.75	-	1.75	-
19. Dividend received								
Bellary Oxygen Co.Pvt.Ltd.			900.00	2100.00			900.00	2100.00
20. Sale of assets								
Gujarat Fluorochemicals Ltd.					41.57	-	41.57	-
(B) Balance at the year end								
1. Unsecured loan received								
Prodair Corporation	2703.00	2703.00					2703.00	2703.00
2. Amounts payable								
Air Products and Chemicals Inc.	655.96	1017.35					655.96	1017.35
Air Products GmbH	-	33.65					-	33.65
Air Products (ME) FZE	1025.91	296.83					1025.91	296.83
Prodair Air Products India Pvt. Ltd.	7535.54	428.35					7535.54	428.35
INOX India Limited					2670.86	499.87	2670.86	499.87

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Enterprise having joint control, its holding / subsidiaries / associate companies		Joint Venture		Entities where directors/close family members of directors having control/significant influence		Total	
	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022
Gujarat Fluorochemicals Ltd.					-	0.42	-	0.42
Total	9217.41	1776.18	-	-	2670.86	500.29	11888.27	2276.47
3. Amounts receivable								
Gujarat Fluorochemicals Ltd.					316.70	513.55	316.70	513.55
GFCL EV Products Ltd.					20.80	-	20.80	-
INOX India Limited					114.62	149.85	114.62	149.85
Prodair Air Products India Pvt. Ltd.	16.11	2.11					16.11	2.11
Total	16.11	2.11	-	-	452.12	663.40	468.23	665.51
4. Advance paid for purchase of Capital goods								
INOX India Limited					1989.69	1143.04	1989.69	1143.04
Prodair Air Products India Pvt. Ltd.	6558.96	7138.42					6558.96	7138.42
Air Products and Chemicals Inc.	7157.49	-					7157.49	-
Total	13716.45	7138.42			1989.69	1143.04	15706.14	8281.46

(₹ in Lakhs)

Particulars	Other related party	
	2022 - 2023	2021 - 2022
Transactions during the year		
Contribution given		
INOX Gratuity Fund	628.47	412.40

Notes:

- Sales, purchases and service transactions with related party are made at arms length price.
- Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- No expense has been recognised in the current or prior year for bad or doubtful debts in respect of amounts owed by related parties.
- There have been no guarantees received or provided for any related party receivables or payables.
- Compensation of Key management personnel

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
(i) Transactions during the year		
Remuneration paid -		
Shri P K Jain	546.00	546.00
Shri Siddharth Jain	264.21	224.91
Total	810.21	770.91

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 24.96 lakhs (as at 31st March 2022: ₹ 21.24 lakhs) included in the amount of remuneration reported above.

(f) There are no transactions with other directors.

47. The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the Company towards certain employment benefits. However, the date from which the Code will come into effect has not been notified. The Company will assess and give appropriate impact in the financial statements in the period in which the Code comes into effect.

48 Corporate Social Responsibility (CSR)

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 1285.11 lakhs (March 31, 2022 - ₹ 941.54 lakhs.)

(₹ in Lakhs)

Particulars	2022-23	2021-22
1. Balance excess/(unspent) spent at the beginning of the year	1.01	2.50
2. Amount required to be spent during the year	1285.11	941.54
3. Amount spent during the year		
(i) Construction/acquisition of any fixed assets	-	-
(ii) On purposes other than (i) above	1285.21	940.05
4. Balance excess/(unspent) spent at the end of the year to be carried forward	1.11	1.01
5. Details of related party transactions	Nil	Nil
6. Provision is made with respect to a liability entering into a contractual obligation	Nil	Nil
7. Nature of CSR activities under taken:	Rural Development projects, Promoting healthcare, Promoting education, Army welfare, Promoting Environmental Sustainability etc.	

49. Acquisition of Greenyana Energy Private Limited and its amalgamation with the Company

During the year, the Company had acquired 100% of the equity shares in Greenyana Energy Private Limited ("Greenyana") and consequently Greenyana had become a wholly owned subsidiary of the Company on September 30, 2022. Subsequently, a Scheme of Amalgamation in the nature of merger of Greenyana Energy Private Limited ('the Transferor Company') with INOX Air Products Private Limited ('the Transferee Company') and their respective shareholders and creditors ('the Scheme') under section 233 and other applicable provisions of the Companies Act, 2013 ('the Act') was filed by the respective companies, with appointed date as September 30, 2022. A certified copy of the order from the Regional Director, Western Region ("RD") of Registrar of Companies (ROC) was received by the Company on May 11, 2023. Upon filing of the said order with the Registrar of Companies, Mumbai, on June 1, 2023 ("Effective Date"), the Scheme has been made effective w.e.f. the appointed date i.e., September 30, 2022.

Greenyana is engaged in business of generation of solar power and this acquisition is for the purpose of setting up a captive solar plant.

Since the acquisition date and merger date is same i.e. September 30, 2022, as per the requirements of the Ind AS 103 Business combination, the merger has been accounted for using acquisition accounting method and the difference between the fair values of the net identifiable assets acquired and consideration paid on the merger has been accounted for as Goodwill.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Particulars	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Current Investments	200.00	
Cash and cash equivalent	9.80	
Loans and advances	204.87	
Other current assets	19.48	
Power generation license	73.73	
Total assets taken over		507.88
Total liabilities taken over		512.30
Net assets/(liabilities)		(4.42)
Less: Purchase consideration (Payment towards acquisition of shares in Greenyana)		1.00
Goodwill arising on acquisition		5.42

The Goodwill arising on acquisition represents facilitation of setting up captive power plant. This Goodwill is impaired during the year considering the nature of underlying assets and materiality involved and is included in miscellaneous expenses in the statement of profit and loss.

Acquisition related costs of ₹ 15.00 Lakhs have been recognised under Legal & professional fees and expenses in the statement of profit and loss.

50 Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013

a) Details of benami property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

b) Relationship with Struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Compliance with number of layers of companies

The Company does not have any subsidiaries and hence the provisions regarding compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.

d) Compliance with approved Scheme(s) of Arrangements

The Scheme of Amalgamation in the nature of merger of Greenyana Energy Private Limited and INOX Air Products Private Limited and their respective shareholders and creditors ('the Scheme') under section 233 and other applicable provisions of the Companies Act, 2013 ('the Act') with appointed date fixed as September 30, 2022 has been approved by the competent authority vide order dated May 8, 2023. The effects of accounting for amalgamation has been given in the books of account as per the Scheme (See Note 49).

e) Loans and advances granted to related party

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties.

f) Undisclosed income

There is no income surrendered or disclosed as income during the current or preceding year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), that has not been recorded in the books of account.

g) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

h) Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i) In case of borrowings from banks

1) Utilisation of borrowed funds

At the balance sheet date, the Company has used the borrowings from banks for the specific purpose for which it was taken.

2) Security of current assets against borrowings

The Company does not have any borrowings from banks on the basis of security of current assets.

3) Wilful defaulter

The Company is not declared wilful defaulter by any bank or financial institution or other lender.

4) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.

j) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets.

51. Ratios

Sr. No.	Analytical Ratios	Numerator	Denominator	Methodology	Year ended 31 March 2023	Year ended 31 March 2022	% Variance	Reason for variance of more than 25%
1	Current Ratio (in times)	Total current assets	Total Current liabilities	Current assets over Current Liabilities	1.91	1.90	0.53%	Not applicable
2	Debt - Equity Ratio (in times)	Total debt (including lease liabilities)	Shareholder's equity	Total Debt over Shareholder's equity	0.18	0.21	-14.29%	Not applicable
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service = Net profit/(loss) after taxes + finance cost + depreciation and amortisation + Other non-cash expenses/ income	Debt Service = Interest and lease payments + term loans principal repayment	Earnings available for debt services over Debt Services	2.51	3.25	-22.77%	Not applicable
4	Return on Equity (ROE) (in %)	Net profit/(loss) after taxes	Average shareholder's equity	PAT over Average Total Equity	15.28%	19.62%	-22.12%	Not applicable
5	Inventory Turnover Ratio (in times)	Net Sales	Average FG & Traded goods inventory	Net Sales over Average Inventory	64.11	74.12	-13.51%	Not applicable
6	Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average trade receivables	Revenue from Operations over Average Trade Receivables	9.70	9.70	0.00%	Not applicable

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sr. No.	Analytical Ratios	Numerator	Denominator	Methodology	Year ended 31 March 2023	Year ended 31 March 2022	% Variance	Reason for variance of more than 25%
7	Trade Payable Turnover Ratio (in times)	Purchases of goods/ services and other expenses	Average trade payables	Net credit Purchase over Average Trade payables	12.27	12.05	1.83%	Not applicable
8	Net Capital Turnover Ratio (in times)	Revenue from Operations	Average working capital	Revenue from operations over Working Capital	3.63	2.72	33.46%	Better working capital management.
9	Net Profit Ratio (in %)	Net profit/(loss) after tax	Revenue from Operations	PAT over Revenue from Operations	30.58%	34.72%	-11.92%	Not applicable
10	Return on Capital Employed (ROCE) (in %)	Profit before tax and finance cost	Capital employed = tangible net worth + total debt (including lease liabilities) + Deferred tax liability	EBIT over capital Employed	16.20%	19.50%	-16.92%	Not applicable
11	Return on Investment (ROI) (in %)	Income generated from investments - on mutual funds	Weighted average investment - Mutual Funds	Net gain on sale of investment and net fair value gain over Average Investment	4.45%	4.29%	3.73%	Not applicable

52. Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal amount due to suppliers under MSMED Act, 2006 at the year end		
Trade payable	173.58	70.77
Payable towards capital expenditure	975.33	300.39
	1148.91	371.16
Out of above, amount overdue beyond the due date	257.82	27.67
b) Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end	3.51	1.91
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	18.59	12.10
d) Interest paid to suppliers under section 16 of MSMED Act, 2006 during the year	-	-
e) Interest due and payable to suppliers under MSMED Act for payments already made	4.48	1.95
f) Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	7.99	3.86

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

53. Calculation of Earnings per Share (EPS)

Particulars	2022 - 2023	2021 - 2022
i) Amount used as the numerator - Profit after taxation(₹Lakhs)	67036.68	72585.66
ii) Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos)	10340697	10340697
iii) Nominal value of each share (₹)	10	10
iv) Basic & diluted EPS (in ₹)	648.28	701.94

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

**For and On behalf of the Board of Directors
of INOX Air Products Private Limited**

S S Agrawal
Partner
Membership No. 049051

P. K. Jain
Chairman
DIN: 00030098

Siddharth Jain
Managing Director
DIN: 00030202

Sandeep Divekar
Chief Financial Officer
Place: Mumbai.
Date: July 27, 2023

Vishal Shah
Company Secretary

Place: Pune.
Date: July 27, 2023

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INOX AIR PRODUCTS PRIVATE LIMITED** ("the Company") and its jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("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 ("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 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2023, the profit and total comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company and its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board'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 express any form of assurance conclusion thereon.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the Company and its jointly controlled entity included in the consolidated financial statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED (contd.)

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its jointly controlled entity included in the consolidated financial statements are responsible for assessing the ability of the Company and jointly controlled entity 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 Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its jointly controlled entity included in the consolidated financial statements is responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 Company and its jointly controlled entity'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 auditor's report. However, future events or conditions may cause the Company and its jointly controlled entity 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 or business activities of the Company and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company of which we are the independent auditors.

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

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

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED (contd.)

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" or "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by the auditors of the Company and jointly controlled entity included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statement.
2. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Company as on 31 March 2023 taken on record by the Board of Directors of the Company and its jointly controlled entity incorporated in India, none of the directors of the Company and its jointly controlled entity incorporated in India are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entity;
 - ii. The Company and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the jointly controlled entity incorporated in India.
 - iv.
 - (a) The respective management of the Company and its jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its jointly controlled entity to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective management of the Company and its jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company and its jointly controlled entity from any persons or entities, including foreign

Independent Auditor's Report

to the members of INOX AIR PRODUCTS PRIVATE LIMITED (contd.)

entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its jointly controlled entity shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v.
 - a) The final dividend proposed in the previous year, declared and paid by the Company and its jointly controlled entity during the year, is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - b) The interim dividend declared and paid by the jointly controlled entity during the year is in accordance with section 123 of the Act.
 - c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

Other Matters

The consolidated financial statements of the Company for the year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2022.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

Place: Pune
Date: 27 July 2023

S S Agrawal
Partner
Membership No. 049051
UDIN: 23049051BGXDFE9811

Annexure

Annexure to Independent auditor's report to the members of INOX AIR PRODUCTS PRIVATE LIMITED on the consolidated financial statements for the year ended 31 March 2023 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

In conjunction with our audit of the consolidated financial statements of **INOX AIR PRODUCTS PRIVATE LIMITED** (hereinafter referred to as "the Company") as of and for the year ended March 31 2023, we have audited the internal financial controls system with reference to financial statements of the Company, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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.

Annexure (contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S S Agrawal

Partner

Membership No. 049051

Place: Pune

Date: 27 July 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5	315853.49	270679.72
(b) Capital work-in-progress	6	52565.60	50020.24
(c) Right-of-use assets	41	7154.05	5897.75
(d) Intangible assets	7	138.14	98.36
(e) Investment accounted for using the equity method	8B	1657.69	2154.19
(f) Financial assets			
(i) Other investments	8C	77923.07	77705.30
(ii) Loans	10	38.02	32.41
(iii) Other non current financial assets	11	22790.92	19358.24
(g) Income tax assets	12	221.25	523.28
(h) Other non-current assets	13	21808.53	15715.23
Total non-current assets		500150.76	442184.72
(2) Current assets			
(a) Inventories	14	11049.84	9875.27
(b) Financial assets			
(i) Other Investments	8C	34574.83	38266.24
(ii) Trade receivables	9	23940.45	21272.84
(iii) Cash and cash equivalents	15	937.56	419.67
(iv) Bank balances other than (iii) above	16	912.95	685.67
(v) Loans	10	83.30	77.53
(vi) Other current financial assets	11	54950.57	40890.16
(c) Income tax assets	12	-	158.33
(d) Other current assets	13	8183.97	7418.68
		134633.47	119064.39
Assets held for sale	17	13.35	138.81
Total current assets		134646.82	119203.20
Total Assets (1 + 2)		634797.58	561387.92

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
(1) EQUITY			
Equity Share capital	18	1034.07	1034.07
Other equity	19	470897.21	405208.27
Total equity		471931.28	406242.34
LIABILITIES			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	47030.46	51326.01
(ia) Lease liabilities	21	592.98	120.88
(ii) Other non current financial liabilities	22	200.00	115.04
(b) Provisions	23	1503.29	1355.71
(c) Deferred tax liabilities (net)	24	36355.62	32653.40
(d) Other non-current liabilities	25	6599.99	6951.88
Total non - current liabilities		92282.34	92522.92
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	36836.23	35191.56
(ia) Lease liabilities	21	42.37	49.95
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	27	173.58	70.77
b) total outstanding dues of creditors other than micro enterprises and small enterprises	27	8707.04	7505.49
(iii) Other current financial liabilities	22	16918.79	12100.15
(b) Other current liabilities	25	3576.30	3434.16
(c) Provisions	23	4132.53	4146.18
(d) Current tax liabilities (net)	28	197.12	124.40
Total current liabilities		70583.96	62622.66
Total equity and liabilities (1 + 2 + 3)		634797.58	561387.92

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and On behalf of the Board of Directors
of INOX Air Products Private Limited**

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	2022 - 2023	2021 - 2022
I. Revenue from operations	29	219182.57	209041.85
II. Other income	30	14948.51	13830.10
III. Total Income (I+II)		234131.08	222871.95
IV. Expenses			
Cost of materials consumed		13842.51	9235.26
Purchase of stock-in-trade		4284.18	3488.99
Changes in inventories of finished goods and stock-in-trade	31	(78.39)	(144.65)
Employee benefits expense	32	16991.59	16133.78
Finance costs	33	6140.12	5463.06
Power and fuel	34	51263.62	44927.84
Depreciation and amortization expense	35	20119.64	19203.66
Other expenses	36	33247.44	30608.14
Total Expenses		145810.71	128916.08
V. Share of profit of joint venture (See Note 8B)		403.50	288.97
VI. Profit before tax (III-IV+V)		88723.87	94244.84
VII. Tax expense	37		
Current tax		18471.00	20433.00
Deferred tax		3680.34	3078.51
Taxation pertaining to earlier years		32.35	(41.30)
Total tax expense		22183.69	23470.21
VIII. Profit for the year (VI-VII)		66540.18	70774.63
IX. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(32.04)	(177.48)
Tax on above		8.06	44.67
Total other comprehensive income		(23.98)	(132.81)
Total comprehensive income for the year (VIII+IX)		66516.20	70641.82
(Comprising profit and other comprehensive income for the year)			
Earning per equity share of ₹ 10 each	49		
Basic and Diluted (in ₹)		643.48	684.43

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

For and On behalf of the Board of Directors
of INOX Air Products Private Limited**S S Agrawal**

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Consolidated Statement of changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1034.07	1034.07
Changes in equity share capital during the year	-	-
Balance at the end of the year	1034.07	1034.07

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus						Total
	Capital reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	
Balance at April 1, 2021	875.14	25.28	1323.02	17500.00	300000.00	16187.30	335910.74
Profit for the year	-	-	-	-	-	70774.63	70774.63
Other Comprehensive income for the year, net of tax (*)	-	-	-	-	-	(132.81)	(132.81)
Total Comprehensive income for the year	-	-	-	-	-	70641.82	70641.82
Payment of dividends	-	-	-	-	-	(1344.29)	(1344.29)
Transfer from retained earnings	-	-	-	-	70000.00	(70000.00)	-
Balance at March 31, 2022	875.14	25.28	1323.02	17500.00	370000.00	15484.83	405208.27
Profit for the year	-	-	-	-	-	66540.18	66540.18
Other Comprehensive income for the year, net of tax (*)	-	-	-	-	-	(23.98)	(23.98)
Total Comprehensive income for the year	-	-	-	-	-	66516.20	66516.20
Payment of dividends	-	-	-	-	-	(827.26)	(827.26)
Transfer from retained earnings	-	-	-	-	60000.00	(60000.00)	-
Balance at March 31, 2023	875.14	25.28	1323.02	17500.00	430000.00	21173.77	470897.21

(*) Other Comprehensive income is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and On behalf of the Board of Directors
of INOX Air Products Private Limited**

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

Particulars	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Cash flow from operating activities		
Profit for the year	66540.18	70774.63
Adjustments for :		
Tax expense	22183.69	23470.21
Depreciation and amortisation expense	20119.64	19203.66
Share of profit of a joint venture	(403.50)	(288.97)
Interest income	(3925.75)	(2806.70)
Dividend income	(0.45)	(0.45)
Profit on disposal/retirement of property, plant and equipment (net)	(2845.73)	(5354.50)
Impairment of goodwill on business combination	5.42	-
Finance costs	6140.12	5463.06
Allowance for doubtful trade receivables/expected credit losses (net)	8.81	74.18
Bad debts and remissions	16.09	21.37
Liabilities and provisions no longer required, written back	(404.30)	(56.61)
Mark-to-market (gain)/loss on derivative financial instruments (net)	114.04	297.82
Net unrealised foreign exchange (gain)/loss	(6.35)	(321.94)
Government grants - deferred income	(489.43)	(429.82)
Net gain on investments carried at fair value through profit or loss	(5281.79)	(4594.79)
	35230.51	34676.52
Operating profit before working capital changes	101770.69	105451.15
Adjustments for :		
(Increase)/decrease in trade receivables	(2691.32)	440.87
(Increase)/decrease in financial assets	(8.89)	421.67
(Increase)/decrease in loans	(11.38)	16.02
(Increase)/decrease in inventories	(1174.57)	(1148.77)
(Increase)/decrease in other assets	795.52	(2363.51)
Increase/(decrease) in trade payables	1713.80	779.20
Increase/(decrease) in financial liabilities	(671.88)	(381.99)
Increase/(decrease) in other liabilities	(376.31)	(447.58)
Increase/(decrease) in provisions	101.88	1037.16
	(2323.15)	(1646.93)
Cash generated from operations	99447.54	103804.22
Income-tax paid (net)	17966.75	20835.68
Net cash generated from operating activities	81480.79	82968.54
Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in capital work in progress, capital advances / capital creditors)	(69508.27)	(52400.33)
Purchase of other intangible assets	(5.14)	-
Payment towards right of use assets	(892.12)	(1300.90)
Sale of property, plant and equipment	3020.93	5997.48
Capital Subsidy (Government grants) received	804.44	320.92
Purchase consideration for business combination	(1.00)	-
Purchase of non current investments	(4499.78)	(69360.43)
Redemption of non current investments	12641.44	31351.58
Purchase of current investments	(40997.95)	(41497.95)
Redemption of current investments	41611.73	58818.38
Interest received	2966.04	1693.67
Dividend received on shares	900.45	2100.45
Term deposits with financial institutions	(53505.00)	(50000.00)
Maturity of term deposits with financial institutions	50000.00	25500.00
Movement in other bank balances	(13302.18)	(1889.98)
Net cash used in investing activities	(70766.41)	(90667.11)

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Cash flow from financing activities		
Proceeds from non current borrowings	30000.00	30000.00
Repayment of non current borrowings	(30406.81)	(23428.23)
Movement in cash credit account (net)	(2127.30)	3923.81
Payment of lease liabilities	(84.80)	(75.70)
Finance costs paid	(6760.12)	(6463.81)
Dividend paid	(827.26)	(1344.29)
Net cash (used in) / generated from financing activities	(10206.29)	2611.78
Net increase/(decrease) in cash and cash equivalents	508.09	(5086.79)
Cash and cash equivalents as at the beginning of the year	419.67	5506.46
Add: On amalgamation (See Note 48)	9.80	-
Cash and cash equivalents as at the end of the year	937.56	419.67

Changes in liabilities arising from financing activities during the year ended March 31, 2023

(₹ in Lakhs)		
Particulars	Current borrowings	Non-current borrowings
Opening balance	3923.81	82593.76
Cash flows	(2127.30)	(406.81)
Interest expense	81.25	6568.95
Interest paid	(81.25)	(6685.72)
Closing balance	1796.51	82070.18

Changes in liabilities arising from financing activities during the year ended March 31, 2022

(₹ in Lakhs)		
Particulars	Current borrowings	Non-current borrowings
Opening balance	-	76335.78
Cash flows	3923.81	6571.77
Interest expense	37.07	6321.32
Interest paid	(37.07)	(6300.60)
Impact of exchange differences	-	(334.51)
Closing balance	3923.81	82593.76

Notes to the Consolidated Statement of Cash Flows for the year ended March 31, 2023

- The above consolidated statement of cash flows has been prepared under the Indirect method.
- Components of cash and cash equivalents are as per Note 15.

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

For and On behalf of the Board of Directors
of INOX Air Products Private Limited

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

1. Corporate Information

Inox Air Products Private Limited (the "Company") is a limited liability company, incorporated and domiciled in India. These Consolidated Financial Statements ("these CFS") relate to the Company and its jointly controlled entity. The Company is engaged in manufacture and supply of industrial, medical and other gases, including on job-work basis, and trading in such gases. The Company has also given plants on operating lease and earns lease rentals and operations and maintenance charges. The Company mainly caters to the domestic market.

The Company's registered office is located at A-2, TTC Industrial Area, Off Thane Belapur Road, Pawane, Navi Mumbai – 400 710, India.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These CFS comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.3).

These CFS for the year ended March 31, 2023 are approved for issue by the Board of Directors at its meeting held on July 27, 2023.

2.2 Basis of preparation, presentation and measurement

These CFS are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

These CFS have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.3 New accounting standards and recent accounting pronouncements

a. Amendments to existing accounting standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated March 23, 2022, amendments to the existing standards have been notified and these amendments are effective from April 1, 2022. The summary of these amendments is as under:

- Amendments to Ind AS 103 Business Combinations: The amendments specify that in a business combination, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed, at the acquisition date, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.
- Amendments to Ind AS 16 Property Plant & Equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
- Amendments to Ind AS 37 Provisions, Contingent Liabilities & Contingent assets: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- Amendments to Ind AS 109 Financial Instruments: The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The above amendments did not have any impact on the financial statements of the Company.

b. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated March 31, 2023, amendments to the existing standards have been notified and these amendments are effective from April 1, 2023. The summary of these amendments is as under

- Amendments to Ind AS 1 Presentation of Financial Statements: The amendments require the entities to disclose their material accounting policies rather than their significant accounting policies.
- Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments have introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.
- Amendments to Ind AS 12 Income Taxes: The amendments has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off-setting temporary differences.

The Company does not expect the above amendments to have any significant impact on its financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

3. Significant Accounting Policies:

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its jointly controlled entity.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Company continues to use the equity method when an investment in an associate becomes an investment in joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Company reduces its ownership interest in a joint venture but the Company continues to use the equity method, the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Company transacts with a joint venture, unrealised gains and losses resulting from such transactions are eliminated to the extent of the interest in the joint venture.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.2 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.4 Revenue

a) Revenue from contracts with customers

Revenue from contracts with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes and duties collected on behalf of the Government.

Revenue from sale of products:

Revenue from sale of products is recognized, at a point in time or over time, on satisfaction of performance obligation for the products sold, as under:

- i) Onsite customers: Revenue from sale to onsite customers is recognized when the control of the goods has been transferred to the customer and the performance obligation is satisfied over time since the supply is on continuous basis and the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Output based measure of progress is used to recognize revenue over the period of time.
- ii) Others: Revenue is recognized when the control of the goods has been transferred to the customer and the performance obligation is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

Other operating revenue:

In the case of revenue from operations and maintenance of plants, the performance obligation is satisfied over time as the services are rendered. Revenue is recognized over the period of contract, on time proportion basis. Other operating revenue is recognized over the period of contract or at a point in time, when it accrues in terms of the respective arrangements/contracts.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are made with a credit term of generally less than 45 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Any consideration payable to the customer is adjusted to the transaction price, unless it is payment for a distinct product or service from the customer.

Contract balances:

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as 'Advances from customers'.

b) Other income:

Dividend income from investments is recognised when the right to receive payment is established. Interest income from a financial asset is recognized on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognized to the extent there is a reasonable certainty of the realizability of the claim amount.

3.5 Leases

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

a) The Company as lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Company comprise of only operating leases.

b) The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'Rent, lease rentals and hire charges'.

3.6 Foreign currency transactions and translation

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

3.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.8 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants, whose primary condition is that the Company should establish and operate manufacturing facilities in specified areas, are initially recognised as deferred revenue in the balance sheet and subsequently transferred to profit or loss as other income on a systematic and rational basis over the useful lives of the related assets. Grants that compensate the Company for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.9 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, performance incentives, short-term compensated absences etc.

Long-term employee benefits:

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans:

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan and is funded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the start of the reporting period, taking account of any change in the net defined benefit liability or asset during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.10 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current income tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences, including those associated with investment in joint venture. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Presentation of current and deferred tax:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.11 Property, Plant and Equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any. Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses are capitalized to various eligible PPE in respective units. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- Solar power plant is depreciated over 25 years based on the technical assessment of useful life and applicable warranty conditions.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all the property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and impairment losses, on the same basis as intangible assets as above.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful life of intangible asset is as follows:

- Software costs: amortized on a straight-line basis over a period of six years.
- Power generation license: amortized on a straight-line basis over a period of twenty five years.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.13 Impairment of property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of property, plant & equipment and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount 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 immediately in profit or loss.

3.14 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Valuation of work-in-progress and finished goods includes proportionate production overheads.

3.15 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of 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 liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

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

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

This category applies to cash and bank balances, trade receivables, loans, other financial assets and certain investments of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is adjusted for loss allowance and impairment losses, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in joint venture. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

3.17 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities:

a) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities:

A financial liability is derecognized 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 between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.18 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 44.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Even though the Company has hedged its foreign currency and variable interest rate risks by entering into Principal and Interest swap contracts, it has not designated a hedging relationship between the hedging instrument and hedged items and has not done hedge accounting.

3.19 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

3.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company 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 bonus shares, 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 net profit 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.

4. Critical accounting judgements, assumptions and use of estimates

The preparation of these CFS requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) In respect of recognition of revenue from contract with customers

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer and acceptance of delivery by the customer etc.

The Company also exercises judgements and estimations to determine the cost and margin to arrive at an appropriate standalone transaction price for performance obligation particularly in respect of operation and maintenance charges out of the total consideration received by the Company.

In the case of contracts negotiated as a package as referred in (b) below, judgment is required in estimating transaction price in respect of performance obligations other than lease.

b) In respect of assets given on lease

The Company has established certain gas manufacturing units for supply of gases at customers' site and some of the arrangements do not take legal form of lease. The Company is required to assess whether a contract is, or contains, a lease.

As per Ind AS 116, in order to identify a lease, the Company is required to assess whether a contract conveys to the customer the right to control the use of an identified asset based on certain criterion. For this purpose, the Company has examined the various terms of the agreement, especially those relating to customer's right to direct the use of the identified assets, extent of economic benefits derived and other rights and obligations of both the parties to the arrangement. On the basis of analysis carried out, the Company has concluded that such arrangements contain a lease.

Further, the leases are required to be classified as 'operating leases' or 'finance leases' on the basis of transfer of substantially all the risks and rewards incidental to ownership of an underlying asset. For this purpose, the Company has examined the various terms of the said agreements, especially those relating to the transfer of ownership, extension of the lease term, the responsibility of operation and maintenance and the risk associated with non-supply of gases etc. for their impact on the transfer of risks and rewards incidental to ownership of the plant and also the economic life of the underlying asset. On the basis of analysis carried out, the Company has concluded that all such arrangements are operating leases.

As required by Ind AS 116 and Ind AS 115, the amounts of lease income is separated from payments for other elements in the arrangement by using the estimation technique on the basis of rate of return over the estimated life of the underline asset. Such determination requires significant judgment by the management.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

c) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.

d) In respect of Government Grants

Some of the Company's manufacturing units are entitled to capital investment subsidy/investment promotion subsidy in terms of the schemes notified by the respective State Governments, whose primary condition is that the Company should establish and operate manufacturing units in specified areas. Therefore, in terms of Ind AS 20 – Accounting for Government Grants, these grants are classified as Grants related to assets of such manufacturing units. Accordingly, the Company presents the same in the balance sheet by setting up the grant as deferred income and is recognized in profit or loss as other income on a systematic basis over the useful lives of the related assets.

e) Useful lives of Property, Plant and Equipment (PPE) and intangible assets (other than goodwill):

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.11 and 3.12 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE and intangible assets (other than goodwill) at the end of each reporting period.

f) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

g) Defined employee benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

h) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

i) Recognition and measurement of provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Judgment is required to determine the probability of such potential liabilities actually crystallizing.

In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

j) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

5. Property, plant and equipment (PPE)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Freehold Land	1621.58	1556.90
Buildings	17929.21	16095.52
Plant and equipment	137497.55	114746.21
Plant and equipment given on operating lease	156976.58	136540.45
Furniture and fixtures	997.78	1010.11
Vehicles	111.94	137.39
Office equipments	718.85	593.14
Total	315853.49	270679.72

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Plant and equipment given on operating lease	Furniture and fixtures	Vehicles	Office equipments	Total
I. Cost or deemed cost								
Balance as at April 1, 2021	1341.32	20356.01	158754.47	180739.30	1932.74	399.05	2123.88	365646.77
Additions	354.39	-	4718.82	2795.72	52.11	-	142.58	8063.62
Disposals	-	(19.97)	(118.45)	(7.74)	(6.22)	-	(5.08)	(157.46)
Transfer	-	-	185.48	(185.48)	-	-	-	-
Reclassified as held for sale	(138.81)	-	-	-	-	-	-	(138.81)
Balance as at March 31, 2022	1556.90	20336.04	163540.32	183341.80	1978.63	399.05	2261.38	373414.12
Additions	78.03	2,650.38	31516.20	29497.38	171.79	15.42	437.83	64367.03
Borrowing cost	-	34.13	748.43	-	-	-	-	782.56
Disposals	-	(54.22)	(70.97)	(9.62)	(48.31)	(26.38)	(30.58)	(240.08)
Reclassified as held for sale	(13.35)	-	-	-	-	-	-	(13.35)
Balance as at March 31, 2023	1621.58	22966.33	195733.98	212829.56	2102.11	388.09	2668.63	438310.28

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Plant and equipment given on operating lease	Furniture and fixtures	Vehicles	Office equipments	Total
II. Accumulated depreciation and impairment								
Balance as at April 1, 2021	-	3465.78	39669.82	38357.56	788.04	221.13	1322.65	83824.98
Eliminated on disposal of assets	-	-	(71.05)	(18.10)	(5.05)	-	(4.89)	(99.09)
Depreciation for the year	-	774.74	9009.55	8647.68	185.53	40.53	350.48	19008.51
Transfer	-	-	185.79	(185.79)	-	-	-	-
Balance as at March 31, 2022	-	4240.52	48794.11	46801.35	968.52	261.66	1668.24	102734.40
Eliminated on disposal of assets	-	(49.55)	(46.20)	(9.12)	(45.03)	(24.22)	(29.57)	(203.69)
Depreciation for the year	-	846.15	9488.52	9060.75	180.84	38.71	311.11	19926.08
Balance as at March 31, 2023	-	5037.12	58236.43	55852.98	1104.33	276.15	1949.78	122456.79
III. Carrying amount								
Balance as at March 31, 2022	1556.90	16095.52	114746.21	136540.45	1010.11	137.39	593.14	270679.72
Balance as at March 31, 2023	1621.58	17929.21	137497.55	156976.58	997.78	111.94	718.85	315853.49

- (i) Gross block includes buildings of ₹ 4973.51 lakhs (as at March 31, 2022: ₹ 4134.79 lakhs) constructed on lands owned by customers with whom the Company has entered into long term gas supply/job work/lease contracts.
- (ii) Building with a carrying amount of ₹ Nil lakhs (as at March 31, 2022: ₹ 394.28 lakhs) has been mortgaged to secure debentures of the Company (see Note 20 & 43).
- (iii) Plant and equipments (including given on operating lease), furniture and fixtures, vehicles and office equipments have been hypothecated to secure debentures and loans (see Note 20 & 43). Details of the carrying amount of these PPE are as under.

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Plant and equipment (including given on operating lease)	135312.57	98090.77
Furniture and fixtures	300.95	128.80
Vehicles	11.04	23.61
Office equipments	176.46	71.34
Total	135801.02	98314.52

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

6. Capital work in progress

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	50263.10	48246.33
Pre-operative expenditure pending allocation	2302.50	1773.91
Total	52565.60	50020.24

a) Particulars of pre-operative expenditure

(₹ in Lakhs)			
Particulars		As at March 31, 2023	As at March 31, 2022
Opening Balance	A	1773.91	65.74
Add: Expenses incurred during the year			
Salaries and wages		353.26	122.00
Contribution to provident fund and other funds		21.86	8.53
Staff welfare		18.38	13.71
Rates and taxes		72.81	11.24
Travelling and conveyance expenses		117.55	68.23
Power and fuel		390.12	48.55
Insurance		44.08	32.33
Legal & professional fees and expenses		143.50	173.03
Borrowing costs		741.87	1071.13
Miscellaneous expenses		250.19	171.50
	B	2153.62	1720.25
Less: Capitalised during the year	C	1625.03	12.08
Closing balance	A+B-C	2302.50	1773.91

b) Capital work in progress (CWIP) Aging

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
For Projects in Progress		
Less than 1 year	42283.07	49356.68
1-2 years	9965.59	663.56
2-3 years	316.94	-
More than 3 years	-	-
Total	52565.60	50020.24

There are no projects which are temporarily suspended.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- c) Capital work in progress (CWIP) completion schedule of projects which has exceeded its cost compared to its original plan

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
To be completed in		
For Projects in Progress		
Project 1		
Less than 1 year	-	28776.93
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	28776.93

- d) Capital work in progress includes amount of ₹ 12101.57 lakhs (preceding year ₹ 30850.92 lakhs) in respect of moveable PPE under construction which have been hypothecated to secure loans from banks (see Note 43).

7. Intangible assets

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of:		
Computer software	65.64	98.36
Power generation license	72.50	-
Total	138.14	98.36

(₹ in Lakhs)			
Particulars	Computer Software	Power generation license	Total
I. Cost or deemed cost			
Balance as at April 1, 2021	503.89	-	503.89
Additions	-	-	-
Balance as at March 31, 2022	503.89	-	503.89
Additions	5.14	73.73	78.87
Balance as at March 31, 2023	509.03	73.73	582.76
II. Accumulated amortisation			
Balance as at April 1, 2021	348.31	-	348.31
Amortisation expense for the year	57.22	-	57.22
Balance as at March 31, 2022	405.53	-	405.53
Amortisation expense for the year	37.86	1.23	39.09
Balance as at March 31, 2023	443.39	1.23	444.62
III. Carrying amount			
Balance as at March 31, 2022	98.36	-	98.36
Balance as at March 31, 2023	65.64	72.50	138.14

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

8A. Investment accounted for using the equity method

Investment in Joint Venture

Details and financial information of Joint Venture:

Details of the Joint Venture at the end of the reporting period are as follows:

(₹ in Lakhs)

Name of Joint Venture	Proportion of ownership interest and voting rights held by the Company	
	As at March 31, 2023	As at March 31, 2022
Bellary Oxygen Company Private Limited (BELLOXY)	50%	50%

BELLOXY is incorporated in India and was engaged in the manufacture and supply of industrial and medical gases.

The above Joint Venture is accounted for using the equity method in these consolidated financial statements.

BELLOXY was set up as Special purpose vehicle (SPV) to supply gas to one of the main customer under long term supply agreement. The agreement with the said customer expired in the month of November 2021. The customer had shown its unwillingness for renewal of the agreement, as a result of which BELLOXY entered into an asset sale agreement to realise value of its Building, Plant and Machinery and other related assets through sale transaction with the said customer which is consummated during the previous year. BELLOXY does not have any further business operations or other business plans and hence, financial statements of BELLOXY have not been prepared on a going concern basis. Accordingly, its assets are stated at their expected realisable values and liabilities at their expected settlement values, as estimated by the management.

8B. Summarised financial information in respect of the Company's Joint Venture is set out below. The summarised financial information below represents amounts shown in the Joint Venture's audited financial statements for the current year prepared in accordance with the Ind AS, adjusted by the Company for equity accounting purposes.

(₹ in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Non current assets	40.29	-
Current assets	3283.82	4368.57
Non current liabilities	-	-
Current liabilities	8.78	60.20
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	158.60	3256.99
Non current financial liabilities (excluding trade payables)	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	2022-2023 (Audited)	2021-2022 (Audited)
Revenue from operations	-	2952.99
Other Income	1034.73	367.66
Profit before tax	864.18	1796.86
Profit after tax	806.99	1402.75
Other comprehensive income	-	-
Total comprehensive income	806.99	1402.75
The above profit for the year includes the following:		
Depreciation and amortisation expense	-	436.00
Interest income	156.35	62.21
Interest expense	2.70	42.99
Income tax expense	57.19	394.11
Dividend received from the Joint Venture during the year	900.00	2100.00

Share in contingent liability and capital commitment in interest in Joint Venture is as under:

(₹ in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Contingent Liability	15.02	-
Capital commitments	-	-

Reconciliation of above summarised financial information to the carrying amount of the interest in the Joint Venture recognised in the consolidated financial statements:

(₹ in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Net assets of the Joint Venture	3315.33	4308.37
Proportion of the Company's ownership interest in the Joint Venture	50%	50%
Carrying amount of the Company's interest in the Joint Venture	1657.69	2154.19

Carrying amount of the Company's interest in the Joint Venture

(₹ in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Cost of investment in Joint Venture	1500.00	1500.00
Add:		
Share in accumulated retained earnings	654.19	2465.22
Share in profit for the year	403.50	701.38
Difference in share in profit/(loss) for preceding year*	-	(412.41)
Less: Dividend received	(900.00)	(2100.00)
Share in total retained earnings	157.69	654.19
	1657.69	2154.19

* The difference of ₹ 412.41 lakhs in the share of loss in joint venture between unaudited financials and audited financial statements for the year ended March 31, 2021, was adjusted in the amount of share of profit recognised in the previous year.

There are no restrictions on the ability of Joint Venture to transfer funds to the Company in the form of cash dividend.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

8C. Other Investments

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
Non - Current					
Quoted Investments (fully paid)					
- In Mutual Funds (mandatorily measured at FVTPL)					
Kotak FMP Series 250 - Growth (Regular Plan)	10	-	-	1,00,00,000	1312.54
UTI Fixed Term Income Fund Series- XXX-X (1267 Days) Regular Growth Plan	10	-	-	1,00,00,000	1307.79
L & T FMP Series XVIII Plan B (1229 Days) Growth	10	-	-	2,01,20,072	2587.60
Total			-		5207.93
Less: current portion of non-current investments disclosed under current investments			-		(5207.93)
Total quoted non current investments			-		-
Unquoted investments (fully paid)					
a) Investments in equity instruments (measured at FVTPL)					
Watsun Infrabuild Private Limited	10	16,90,171	169.02	16,90,171	169.02
			169.02		169.02
b) Investments in Preference shares (measured at FVTPL)					
1% Redeemable Cumulative Non Convertible Preference shares of Enviro Infrastructure Company Ltd.	10	4,50,000	45.00	4,50,000	45.00
			45.00		45.00
c) Investments in mutual funds (mandatorily measured at FVTPL)					
Aditya Birla Sun Life Corporate Bond Fund-Growth-Regular Plan	10	23,20,360	2190.18	40,68,257	3669.14
Bandhan Corporate Bond Fund Regular Plan - Growth (erstwhile IDFC Corporate Bond Fund Regular Plan-Growth)	10	1,98,30,368	3219.86	1,98,30,368	3120.23
Nippon India Short Term Fund - Growth Plan	10	48,89,086	2169.20	48,89,086	2092.35
DSP Short Term Fund - Regular Growth	10	47,88,790	1889.56	47,88,790	1822.89
Bandhan Banking & PSU Debt Fund-Regular Plan-Growth (erstwhile IDFC Banking & PSU Debt Fund-Regular Plan-Growth)	10	1,03,72,226	2166.69	1,03,72,226	2076.15
Nippon India Corporate Bond Fund - Growth	10	54,70,557	2738.60	54,70,557	2613.22
Aditya Birla Sun Life Corporate Bond Fund - Regular Growth	10	54,53,955	2187.16	54,53,955	2088.07
SBI Corporate Bond Fund - Regular Growth	10	4,08,59,744	5337.96	4,08,59,744	5139.99
SBI Banking & PSU Fund - Regular Growth	1000	1,01,747	2684.19	1,01,747	2592.87
SBI Short Term Debt Fund - Regular Growth	10	1,19,33,372	3237.58	1,19,33,372	3108.13
HDFC Corporate Bond Fund - Growth	10	1,97,88,860	5378.61	1,97,88,860	5171.44

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
HDFC Short Term Debt Fund - Growth	10	81,13,448	2176.20	81,13,448	2084.56
Kotak Short Term Bond Fund - Growth	10	84,93,681	3747.09	84,93,681	3617.24
Kotak Corporate Bond Fund - Regular Growth	1000	1,36,187	4305.40	1,78,637	5419.55
Axis Corporate Debt Fund - Growth	10	1,88,47,209	2703.35	1,88,47,209	2592.72
Bandhan Bond Fund-Short Term Plan-Growth -(Regular Plan) (erstwhile IDFC Bond Fund-Short Term Plan-Growth-Regular Plan)	10	88,42,135	4259.57	88,42,135	4109.19
UTI Corporate Bond Fund- Regular Growth	10	2,31,37,763	3191.95	2,31,37,763	3065.55
Invesco India Corporate Bond Fund - Regular Growth - AIRG	1000	19,640	525.12	19,640	507.45
Bharat Bond FOF - April, 2030 - Direct Plan - Growth	10	8,42,62,373	10542.32	8,42,62,373	10116.88
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40: 60 Index Fund Growth	10	1,98,73,993	2074.82	1,98,73,993	2019.99
Axis CRISIL IBX 70:30 CPSE Plus SDL April 2025 Index fund - Regular Growth	10	99,61,646	1030.82	99,61,646	1004.18
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Regular Growth	10	1,98,03,735	2071.97	1,98,03,735	2013.58
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Growth Plan	10	2,00,62,955	2063.11	1,49,99,250	1505.34
Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Regular - Growth	10	2,07,55,704	2148.05	1,56,90,769	1575.31
Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund Regular Growth	10	1,50,70,534	1571.96	-	-
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 Index Fund -Growth	10	1,01,27,512	1048.69	-	-
Axis CRISIL IBX SDL May 2027 Index Fund	10	1,01,59,616	1049.04	-	-
UTI Treasury Advantage Fund - Regular Growth Plan	1000	-	-	1,52,832	4365.26
Sub total (unquoted non current mutual funds)			77709.05		77491.28
Total unquoted non current investments (a+b+c)			77923.07		77705.30
Total - non current investments (A)			77923.07		77705.30
Current investments					
Quoted investments (fully paid up)					
Current portion of Non current investments					
Investments in Mutual funds			-		5207.93
Unquoted investments (fully paid up)					
- in mutual funds (mandatorily measured at FVTPL)					
Axis Banking & PSU Debt Fund - Regular Growth	1000	1,94,235	4338.41	1,94,235	4158.02
Nippon India Banking & PSU Debt Fund - Growth	10	1,88,08,556	3291.48	1,88,08,556	3170.14
Axis Treasury Advantage Fund- Growth	1000	1,06,893	2804.29	1,06,893	2669.26

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2023		As at March 31, 2022	
		Nos.	Amount	Nos.	Amount
Aditya Birla Sunlife Floating Rate Fund – Regular Growth	100	9,65,442	2828.23	9,65,442	2683.10
Tata Short Term Bond Fund Regular Plan - Growth	10	79,66,140	3250.96	79,66,140	3127.55
ICICI Pru Corporate Bond Fund - Growth	10	2,19,08,193	5470.96	2,19,08,193	5182.56
Aditya Birla Sunlife Banking & PSU Debt Fund-Regular Growth	10	12,34,228	3817.86	12,34,228	3659.66
Axis Short Term Fund - Regular Growth	10	1,48,37,394	3858.73	1,48,37,394	3698.84
Nippon India Floating Rate Growth Plan - Growth	10	1,29,98,072	4913.91	1,29,98,072	4709.18
Sub total (unquoted current mutual funds)			34574.83		33058.31
Total - current investments (B)			34574.83		38266.24
Total other Investments (A+B)			112497.90		115971.54

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	-	5207.93
Aggregate market value of quoted investments	-	5207.93
Aggregate carrying value of unquoted investments	112497.90	110763.61
Aggregate amount of impairment in value of investments	-	-

Category wise investments as per Ind AS 109

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets carried at fair value through profit and loss (FVTPL)		
Equity instruments	169.02	169.02
Preference shares	45.00	45.00
Mutual Funds	112283.88	115757.52
	112497.90	115971.54

Note: The Company had pledged certain mutual funds against borrowings facilities (See Note 20 and 43).

9. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current (Unsecured)		
Considered good	23940.45	21272.84
Trade receivables which have significant increase in credit risk	70.11	60.45
Trade receivables - credit impaired	657.27	674.26
	24667.83	22007.55
Less: Provision for expected credit loss and impairment	(727.38)	(734.71)
Net Trade receivables	23940.45	21272.84
Note: Trade receivables include dues from private companies where Director of the Company is director. (See Note 46)	16.11	151.96

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Ageing for trade receivables - outstanding as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due (*)	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	17970.95	5564.93	188.76	201.54	11.27	3.00	23,940.45
Which have significant increase in credit risk	36.08	27.82	1.89	4.03	0.23	0.06	70.11
Credit impaired	-	-	-	68.82	17.04	23.91	109.77
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	0.71	4.23	4.23	14.60	-	523.73	547.50
Total	18007.74	5596.98	194.88	288.99	28.54	550.70	24667.83
Less: Provision for expected credit loss and impairment	(36.79)	(32.05)	(6.12)	(87.45)	(17.27)	(547.70)	(727.38)
Balance at the end of the year	17970.95	5564.93	188.76	201.54	11.27	3.00	23940.45

(*) Includes unbilled amount of ₹ 997.51 lakhs

Ageing for trade receivables - outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due (*)	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	15925.72	5043.26	303.86	-	-	-	21272.84
Which have significant increase in credit risk	32.19	25.22	3.04	-	-	-	60.45
Credit impaired	-	-	-	131.64	-	-	131.64
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	6.42	11.77	0.71	7.98	515.74	542.62
Total	15957.91	5074.90	318.67	132.35	7.98	515.74	22007.55
Less: Provision for expected credit loss and impairment	(32.19)	(31.64)	(14.81)	(132.35)	(7.98)	(515.74)	(734.71)
Balance at the end of the year	15925.72	5043.26	303.86	-	-	-	21272.84

(*) Includes unbilled amount of ₹ 603.73 lakhs

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

10. Loans

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current		
Loans to employees	38.02	32.41
Sub-total (non current)	38.02	32.41
II. Current		
Loans to employees	83.30	77.53
Sub-total (current)	83.30	77.53
Total	121.32	109.94

The above loans are carried at amortised cost.

11. Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current		
Bank fixed deposits with original maturity of more than 12 months (from Note 16)	16334.75	2632.10
Security deposits	3024.24	3061.25
Term deposits with financial institutions	2054.01	13344.29
Government grant receivable	1377.92	320.60
Sub-total (non current)	22790.92	19358.24
II. Current		
Government grant receivable	1054.73	2260.50
Derivative assets (at FVTPL)	-	114.04
Term deposits with financial institutions	53667.84	38344.50
Other receivables	112.01	66.11
Interest accrued - others	115.99	105.01
Sub-total (current)	54950.57	40890.16
Total	77741.49	60248.40

12. Income Tax assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current		
Income tax (net of provision)	221.25	523.28
Sub-total	221.25	523.28
II. Current		
Income tax refund receivable	-	158.33
Sub-total	-	158.33
Total	221.25	681.61

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

13. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Non current assets		
Capital Advances	16720.36	9066.25
Security deposits with government authorities	320.42	318.15
Other security deposits	154.05	147.38
Prepaid expenses	209.91	177.27
Balance with government authorities towards GST	4403.79	6006.18
Sub-total (non current)	21808.53	15715.23
II. Current assets		
Advance to suppliers	1096.73	856.76
Prepaid expenses	851.52	699.79
Balance with government authorities towards GST	6152.76	5855.78
Others	82.96	6.35
Sub-total (current)	8183.97	7418.68
Total	29992.50	23133.91
Note: Capital advances include advances paid to private companies where a Director of the Company is a director. (See Note 46)	6558.96	8281.46

14. Inventories

(For basis of valuation see Note 3.14)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	1414.65	1128.43
Finished goods	1221.12	1188.47
Stock in trade	204.94	159.20
Stores and spares	8209.13	7399.17
Total	11049.84	9875.27

Included above, goods in transit

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	567.67	368.97
Stock in trade	-	1.28
Stores and spares	16.84	2.41
Total	584.51	372.66

15. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In current accounts	106.17	29.01
In cash credit accounts	803.98	364.61
Cash on hand	27.41	26.05
Total	937.56	419.67

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

16. Other bank balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank fixed deposits with original maturity of more than 3 months but less than 12 months	911.94	378.41
Bank fixed deposits with original maturity of more than 12 months	16334.75	2632.10
Balance in unclaimed dividend account	1.01	307.26
Sub-total	17247.70	3317.77
Less: Bank fixed deposits disclosed in Note no.11	16334.75	2632.10
Total	912.95	685.67

Notes:

Other bank balances include margin money deposits kept as security against bank guarantee as under:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank fixed deposits with original maturity of more than 12 months	208.71	-

17. Assets held for sale

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold Land	13.35	138.81
Total	13.35	138.81

During the current year, freehold land at one of the location is classified as held for sale on the basis of memorandum of understanding to sell the said land. The same is carried at carrying value being lower than the fair value less cost to sell.

The freehold land held for sale in the previous year, has been sold in the current year and the profit of ₹ 2679.26 lakhs has been recognised in the consolidated Statement of Profit and Loss.

18. Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised capital		
30,000,000 (March 31, 2022 - 30,000,000) Equity shares of ₹ 10 each	3000.00	3000.00
1,500,000 (March 31, 2022 - 1,500,000) Redeemable cumulative preference shares of ₹ 100 each	1500.00	1500.00
Total	4500.00	4500.00
Issued, Subscribed and fully paid up capital		
10,340,697 (March 31, 2022 - 10,340,697) Equity shares of ₹ 10 each	1034.07	1034.07
Total	1034.07	1034.07

Note: The authorised share capital has increased to 31,000,000 equity shares of ₹ 10 each amounting to ₹ 3100.00 lakhs post the scheme of amalgamation with Greenyana Energy Private Limited becoming effective from May 8, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

18.1 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

During the year, the Company has paid final dividend of ₹ 8 per equity share for the year ended March 31, 2022 aggregating to ₹ 827.26 lakhs.

In the preceding year, the Company had paid final dividend of ₹ 6 per equity share for the year ended March 31, 2021 aggregating to ₹ 620.44 lakhs and ₹ 7 per equity share as interim dividend aggregating to ₹ 723.85 Lakhs.

The Board of Directors at its meeting held on July 27, 2023 have recommended a payment of final dividend of ₹ 10 per equity share for the financial year ended March 31, 2023. The same amounts to ₹ 1034.07 lakhs. This is subject to approval at the ensuing Annual General Meeting of the Company and is not recognised as a liability.

18.2 Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2023		As at March 31, 2022	
	Nos.	holding %	Nos.	holding %
Prodair Corporation, USA	51,43,777	49.74	51,43,777	49.74
Siddhomal Air Products Private Limited	19,56,400	18.92	19,56,400	18.92
Inox Chemicals LLP	15,68,704	15.17	15,68,704	15.17
Siddho Mal Trading LLP	15,53,260	15.02	15,53,260	15.02

18.3 Shareholding of promoters and promoter group

Details of shares held by promoters at the end of the year as at March 31, 2023

Promoter Name	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Inox Chemicals LLP	15,68,704	15.17%	15,68,704	15.17%	-
Siddho Mal Trading LLP	15,53,260	15.02%	15,53,260	15.02%	-
Siddhomal Air Products Pvt. Ltd	19,56,400	18.92%	19,56,400	18.92%	-
Sitashri Trading & Finance Pvt. Ltd	65,414	0.63%	65,414	0.63%	-
Prodair Corporation	51,43,777	49.74%	51,43,777	49.74%	-

Details of shares held by promoters at the end of the year as at March 31, 2022

Promoter Name	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Inox Chemicals LLP	15,68,704	15.17%	15,60,976	15.10%	0.07%
Siddho Mal Trading LLP	15,53,260	15.02%	15,53,260	15.02%	-
Siddhomal Air Products Pvt. Ltd	19,56,400	18.92%	19,56,400	18.92%	-
Sitashri Trading & Finance Pvt. Ltd	65,414	0.63%	65,414	0.63%	-
Prodair Corporation	51,43,777	49.74%	51,43,777	49.74%	-
Siddhapavan Trading LLP	-	-	3,774	0.04%	-0.04%
Devansh Trademart LLP	-	-	3,954	0.04%	-0.04%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

19. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserves	875.14	875.14
Capital redemption reserve	25.28	25.28
Securities premium	1323.02	1323.02
Debenture redemption reserve	17500.00	17500.00
General reserve	430000.00	370000.00
Retained earnings	21173.77	15484.83
Total	470897.21	405208.27

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
19.1 Capital reserve		
Balance at beginning of the year	875.14	875.14
Balance at the end of the year	875.14	875.14
Capital reserve includes amalgamation reserve and was created on merger of 'Hydro Gas India Private Limited' with the Company in financial year 2002-03 and on bargain purchase in a business combination.		
19.2 Capital redemption reserve		
Balance at beginning of the year	25.28	25.28
Balance at the end of the year	25.28	25.28
Capital redemption reserve amounting to ₹ 0.50 lakhs was created on merger of 'Hydro Gas India Private Limited' with the Company in financial year 2002-03 and balance amount was created on buy back of equity shares during the financial year 2003-04 and 2005-06.		
19.3 Securities premium		
Balance at beginning of the year	1323.02	1323.02
Balance at the end of the year	1323.02	1323.02
Securities Premium represents premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
19.4 Debenture redemption reserve		
Balance at beginning of the year	17500.00	17500.00
Balance at the end of the year	17500.00	17500.00
The Company has issued redeemable non-convertible debentures. Accordingly, as required by the Companies (Share capital and Debentures) Rules, 2014 (as amended), the Company has created Debenture Redemption Reserve (DRR) out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. This amount will be transferred to general reserves on redemption of debentures.		
19.5 General reserve		
Balance at beginning of the year	370000.00	300000.00
Add: Transfer from Retained earnings	60000.00	70000.00
Balance at the end of the year	430000.00	370000.00
General reserve is created from time to time by transfer of profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
19.6 Retained earnings		
Balance at beginning of the year	15484.83	16187.30
Profit for the year	66540.18	70774.63
Other comprehensive income for the year, net of income tax	(23.98)	(132.81)
Payment of dividend on equity shares	(827.26)	(1344.29)
Amount transferred to General reserve	(60000.00)	(70000.00)
Balance at the end of the year	21173.77	15484.83

The amount that can be distributed by the Company as dividend to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

20. Non current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Secured Loans		
A. Debentures		
Redeemable Non Convertible Debentures	20509.69	26624.14
B. Term Loans From Banks		
Foreign currency loans	-	784.19
Rupee Term loans	58857.49	52482.43
Sub-total - Secured loans	79367.18	79890.76
2) Unsecured Loans		
Loans from related party (see Note 46)	2703.00	2703.00
Sub-total - Unsecured loans	2703.00	2703.00
Total	82070.18	82593.76
Less: Disclosed under Note 26 : Current borrowings		
i) Current maturities	34227.25	30290.65
ii) Interest accrued	812.47	977.10
Net Amount	47030.46	51326.01

- For nature of securities, terms of repayment etc, see Note 43.
- There is no default on repayment of principal or payment of interest on borrowings.
- See Note 47(i) for additional disclosures/regulatory information in respect of borrowings from banks, as required by Schedule III to the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

21. Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
Lease liabilities (see Note 41)	592.98	120.88
Sub-total (Non current)	592.98	120.88
Current		
Lease liabilities (see Note 41)	42.37	49.95
Sub-total (Current)	42.37	49.95
Total	635.35	170.83

22. Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
Trade deposits	200.00	115.04
Sub-total (Non current)	200.00	115.04
Current		
Unclaimed dividend *	1.01	0.88
Others		
Payable towards capital expenditure	13860.65	8465.14
Trade deposits	1388.83	1384.28
Employee dues	1603.68	1909.24
Payable towards interim dividend	-	306.38
Others	64.62	34.23
Sub-total (Current)	16918.79	12100.15
Total	17118.79	12215.19
* Investor Education and Protection Fund will be credited as and when due.		

23. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
a. Provision for employee benefits (see Note 45)		
- Compensated absences	1445.85	1291.29
b. Other provisions (see Note below)	57.44	64.42
Sub-total (Non current)	1503.29	1355.71
Current		
a. Provision for employee benefits (see Note 45)		
- Gratuity	600.07	695.01
- Compensated absences	111.27	119.96
b. Other provisions (see Note below)	3421.19	3331.21
Sub-total (Current)	4132.53	4146.18
Total	5635.82	5501.89

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Movement in Other Provisions:

- (a) In case of one of the customers, the Company is required to supply the specified quantity of gas in future, free of cost against the payments already made by the customer towards minimum off-take of gas. Accordingly, a provision towards estimated cost of supplies to be made in future is made in the books of accounts and is shown as 'Other Provisions'.

	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Opening Balance	97.68	98.49
Add: Additions during the year	19.27	19.31
Less: Reversed / adjusted during the year	(25.54)	(20.12)
Closing Balance	91.41	97.68

- (b) Provision towards claim by a supplier on account of non-lifting of agreed quantities i.e. Minimum Take or Pay (MTOP) (claim is disputed by the Company before the High Court).

	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Opening Balance	470.64	470.64
Closing Balance	470.64	470.64

Movement in Other Provisions continued

- (c) Provision towards Additional Surcharge (ASC) & Cross Subsidy Surcharge (CSS) etc

In case of one of the units of the Company, where power was purchased under group captive power purchase agreement, the State Electricity Distribution Company had levied Additional Surcharge (ASC) & Cross Subsidy Surcharge (CSS) of ₹ 1955.31 lakhs (including interest of ₹ 580.76 lakhs) for the financial years 2016-17 & 2017-18. This levy was disputed and challenged before appellate authorities. During the previous year, the same has been principally held in favour of the Company by the appellate authorities, subject to certain computations and verifications. The said matter is challenged before the Hon. Supreme Court by the State Electricity Distribution Company and has not reached finality and hence the provision is continued.

During the year, on the basis of the order of the appellate authorities, the State Electricity Distribution Company has raised additional demand of ₹ 89.27 lakhs towards classification of source of power. The same is also provided during the year and is contested by the Company before the appellate authorities.

	(₹ in Lakhs)	
	2022 - 2023	2021 - 2022
Opening Balance	1955.31	1955.31
Add: Additions during the year	89.27	-
Less: Reversed / Adjusted during the year	-	-
Closing Balance	2044.58	1955.31

- (d) Provision towards demand on account of Power Tariff Revision

In case of one of the units of the Company, during the preceding year, the power distribution company had raised additional demand of ₹ 872.00 lakhs (including for earlier year ₹ 500.78 lakhs) towards power charges arising out of retrospective tariff revision by the power distribution company as per the directions of the State Regulatory Commission. The said demand is disputed by the Company before appellate authorities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

	2022 - 2023	2021 - 2022
Opening Balance	872.00	-
Add: Additions during the year	-	872.00
Closing Balance	872.00	872.00
Closing Balance (a+b+c+d)	3478.63	3395.63
Non current - other provisions	57.44	64.42
Current - other provisions	3421.19	3331.21
	3478.63	3395.63

24 Deferred tax liabilities (net)

As at March 31, 2023

Deferred tax liabilities / (assets) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Gratuity and compensated absences	(454.60)	(11.05)	(8.06)	(473.71)
Effect of measuring loans as per effective interest method	19.93	(12.05)	-	7.88
Expenses allowable on payment basis	(53.29)	(0.99)	-	(54.28)
Effect of measuring investments at fair value	1345.11	647.90	-	1993.01
Government grants - deferred income	(1045.87)	(41.92)	-	(1087.79)
Property, plant & equipment	33025.91	3136.01	-	36161.92
Allowance for doubtful trade receivables and expected credit losses	(184.91)	1.84	-	(183.07)
Other deferred tax assets	(6.19)	(2.15)	-	(8.34)
Other deferred tax liabilities	7.31	(7.31)	-	-
Total	32653.40	3710.28	(8.06)	36355.62

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

As at March 31, 2022

Deferred tax liabilities / (assets) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Gratuity and compensated absences	(443.66)	33.73	(44.67)	(454.60)
Effect of measuring loans as per effective interest method	33.91	(13.98)	-	19.93
Expenses allowable on payment basis	(61.29)	8.00	-	(53.29)
Effect of measuring investments at fair value	1425.72	(80.61)	-	1345.11
Government grants - deferred income	(1018.62)	(27.25)	-	(1045.87)
Property, plant & equipment	29847.32	3178.59	-	33025.91
Allowance for doubtful trade receivables and expected credit losses	(171.13)	(13.78)	-	(184.91)
Other deferred tax assets	(3.24)	(2.95)	-	(6.19)
Other deferred tax liabilities	6.16	1.15	-	7.31
Total	29615.17	3082.90	(44.67)	32653.40

The Company can claim deduction in respect of dividend received from its joint venture, provided that the Company pays dividend to its shareholders to that extent. The Company expects that it will continue to pay dividend to its shareholders and the amount of such dividend will be sufficient to claim the said deduction in its entirety. Accordingly, no deferred tax liability has been recognised in respect of temporary differences associated with the investment in joint venture (on account of undistributed earnings) amounting to ₹ 157.67 lakhs (March 31, 2022 ₹ 654.19 lakhs).

25. Other liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Other non current liabilities		
Deferred income arising from government grants (*)	3967.49	3793.21
Deferred lease rent income	-	136.17
Adjustable deposit from customers	2632.50	3022.50
Sub total	6599.99	6951.88
(II) Other current liabilities		
Deferred income arising from government grants (*)	354.61	362.33
Advances against sale of property, plant and equipment	500.00	288.12
Advances from customers	501.13	641.89
Deferred lease rent income	-	14.77
Adjustable deposit from customers	390.00	390.00
Statutory dues and taxes	1830.56	1737.05
Sub total	3576.30	3434.16
Total	10176.29	10386.04

(*) Movement in deferred income arising from government grants

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	4155.54	4047.30
Add: Recognised during the year	655.99	538.06
Less: Transferred to other income	489.43	429.82
Closing Balance	4322.10	4155.54

26. Current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Loan		
Current maturities of long term borrowings (from Note 20)	35039.72	31267.75
Unsecured Loan		
Cash credits from banks	1796.51	3923.81
Total	36836.23	35191.56

Terms of repayment and securities for current borrowings:

- Cash credits from banks are unsecured and are repayable on demand. Interest rate ranges from 6.65% to 8.59% per annum.
- There is no default in repayment of principal and payment of interest on borrowings.
- See Note 47(i) for additional disclosures/regulatory information in respect of borrowings from banks, as required by Schedule III to the Companies Act, 2013.

27. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	173.58	70.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	8707.04	7505.49
Total	8880.62	7576.26

Aging Schedule

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	173.58	-	-	-	173.58
(ii) Others	130.30	8359.05	206.62	11.07	-	8707.04
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	130.30	8532.63	206.62	11.07	-	8880.62

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Aging Schedule

As at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	68.97	0.95	0.85	-	70.77
(ii) Others	192.93	7249.89	13.21	20.27	29.19	7505.49
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	192.93	7318.86	14.16	21.12	29.19	7576.26

28. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax (net of payments)	197.12	124.40
Total	197.12	124.40

29. Revenue from operations

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Sale of products		
Finished goods	155374.25	148731.23
Traded goods	15065.80	16007.89
	170440.05	164739.12
Other operating revenue		
Lease rent	26176.01	23529.42
Operation and maintenance charges	19158.42	16570.97
Charges for delayed return, repairs & testing of cylinders etc.	1413.89	851.74
Scrap sales	144.43	52.36
Other operating receipts	1849.77	3298.24
	48742.52	44302.73
Total	219182.57	209041.85

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Disclosures required by Ind AS 115: Revenue from contracts with customers

(i) Disaggregated revenue information of revenue from contracts with customers:

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
- Sale of products		
Oxygen/Medical oxygen	79517.01	86499.03
Nitrogen	49839.68	43646.91
Argon	15483.83	17093.88
Others	25599.53	17499.30
	170440.05	164739.12
- Other operating revenue		
Charges for delayed return, repairs & testing of cylinders etc.	1413.89	851.74
Scrap sales	144.43	52.36
Operation and maintenance charges	19158.42	16570.97
Other operating receipts	1849.77	3298.24
	22566.51	20773.31
Total Revenue from contracts with customers	193006.56	185512.43

(ii) Reconciliation of Revenue from sale of products with the contracted price

There is no material variation in contracted transaction price and revenue recognised in Statement of Profit and Loss on account of discounts, rebates, refund, credits, price concession, incentive, performances etc.

(iii) In respect of plants given on operating lease having composite arrangement and the contract with customers for job-work and facility charges in respect of certain onsite gas supply contracts classified as lease, the amount attributed to lease income in all such contracts is segregated in accordance with Ind AS 116 and Ind AS 115 and presented as 'Lease rent' and the balance amount is included in 'Operations and maintenance charges' and revenue from sale of products, as appropriate viz. revenue from contract with customers. These contracts are negotiated as a package deal with a single commercial objective. However, the invoicing in respect of such arrangements is done as per contractual terms i.e. job-work, facility charges etc.

(iv) Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors etc. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 191524.95 lakhs (Previous year ₹ 174362.12 lakhs) out of which about 15% (Previous year 17%) is expected to be recognised as revenue in the next year and the balance thereafter.

(v) Contract balances

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	23940.45	21272.84
Contract liabilities (Advance from customers)	501.13	641.89

During the year ended March 31, 2023, the Company has recognized revenue of ₹ 433.94 lakhs (as at March 31, 2022: ₹ 346.77 Lakhs) arising from opening contract liabilities.

(vi) Reduction of revenue, on account of consideration payable to customers for supply of power accounted for as reduction in the transaction price is ₹ 10928.32 lakhs (preceding year ₹ 11063.73 lakhs).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

30. Other income

	(₹ in Lakhs)	
Particulars	2022 - 2023	2021 - 2022
a) Interest income		
On financial assets carried at amortised cost:		
- On bank deposits	631.69	166.07
- On deposits with financial institutions	3138.49	2505.15
- From others	116.41	101.69
	3886.59	2772.91
Other:		
- On income tax refund	39.16	33.79
Sub total	3925.75	2806.70
b) Dividend Income		
- On non current investments	0.45	0.45
Sub total	0.45	0.45
c) Net gain on investments carried at fair value through profit or loss	5281.79	4594.79
d) Other non operating income		
Bad debts recovered	-	0.18
Refunds and claims (#)	940.11	-
Insurance claims	472.67	36.39
Liabilities and provisions no longer required, written back	404.30	56.61
Profit on disposal / retirement of property, plant and equipment (net) (Including impairment provision adjusted of ₹ Nil (March 31, 2022 - ₹ 421.00 lakhs))	2845.73	5354.50
Government grants - deferred income	489.43	429.82
Miscellaneous income	588.28	550.66
Sub total	5740.52	6428.16
Total	14948.51	13830.10
Note: Realised gain on sale of investments	3349.95	7020.60

In case of one of the units of the Company, where power was purchased under group captive power purchase agreement, the State Electricity Distribution Company had levied Additional Surcharge (ASC) & Cross Subsidy Surcharge (CSS) in the financial year 2018-19. This levy was disputed and challenged before appellate authorities. However, considering the benefit of Load Factor Incentive (LFI) available to the Company on actual payment, the Company had paid the said amount and charged it to the Statement of Profit and Loss in that year.

On the basis of the decision of the appellate authorities in favour of the Company, during the year the Company has received the refund of ₹ 940.11 lakhs which is included in Refunds and claims in Statement of Profit and Loss. Further, demand of ₹ 91.54 lakhs in respect of classification of source of power received during the year is paid and charged to the Statement of Profit and Loss and included in Miscellaneous expenses.

31. Changes in inventories of finished goods and stock-in-trade

	(₹ in Lakhs)	
Particulars	2022 - 2023	2021 - 2022
Opening Stock		
Stock-in-trade	159.20	92.73
Finished goods	1188.47	1110.29
	1347.67	1203.02

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Less: Closing Stock		
Stock-in-trade	204.94	159.20
Finished goods	1221.12	1188.47
	1426.06	1347.67
Increase in inventories	(78.39)	(144.65)

32. Employee benefits expense

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Salaries and wages	14980.82	14360.04
Contribution to Provident fund and other funds	1033.44	921.49
Gratuity	523.00	443.19
Staff welfare	454.33	409.06
Total	16991.59	16133.78

33. Finance costs

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
- On debentures	2706.55	3365.25
- On other borrowings	3991.51	3048.69
	6698.06	6413.94
b) Unwinding of discount on deposits	-	10.23
c) Interest on lease liabilities	30.68	18.43
d) Other Interest		
- On Income tax	28.00	21.00
- Others	41.07	2.42
	69.07	23.42
Sub-total (a+b+c+d)	6797.81	6466.02
(B) Other borrowing costs	84.18	68.17
Sub-total (A+B)	6881.99	6534.19
Less: Borrowing cost capitalised	(741.87)	(1071.13)
Total	6140.12	5463.06

Note: The weighted average capitalisation rate of funds borrowed is 5.38% per annum (Previous year 5.33% per annum).

34. Power and fuel

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Power and fuel	51263.62	44927.84
Total	51263.62	44927.84

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

a) Impact of Ind AS 115 on power and fuel

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Gross Power and fuel expense	62191.93	55991.57
Less: Impact of Ind AS 115 (See Note 29(vi))	(10928.32)	(11063.73)
	51263.61	44927.84

b) Power and fuel expenses for previous year included provision towards demand on account of Power Tariff Revision amounting to ₹ 872.00 lakhs (See Note 23(d)).

35. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Depreciation of property, plant and equipment	19926.08	19008.51
Amortization of intangible assets	39.09	57.22
Depreciation on right-of-use assets	154.47	137.93
Total	20119.64	19203.66

36. Other expenses

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Labour charges	1297.70	1166.28
Freight	18197.27	17770.77
Stores and spares consumed	2281.97	2050.53
Insurance	855.61	712.69
Repairs to		
- Plant & equipments	1362.82	1469.85
- Buildings	195.63	214.98
- Others	252.56	195.75
Rent	12.75	18.76
Rates and taxes	259.20	324.25
Communication expenses	253.80	261.31
Travelling and conveyance expenses	1502.33	1203.41
Legal & professional fees and expenses	1345.13	1235.59
Security charges	720.73	678.27
Hire charges	114.49	80.22
Indirect tax expenses	228.39	232.43
Bad debts and remissions (net of allowance for doubtful trade receivables adjusted of ₹ 16.14 lakhs (March 31, 2022 - ₹ 19.41 lakhs))	16.09	21.37
Allowance for doubtful trade receivables/expected credit losses	8.81	74.18
Net (gain)/loss on fair valuation of derivatives	114.04	297.82
Net (gain)/loss on foreign currency transactions and translation	(89.68)	(398.11)
	24.36	(100.29)
Corporate social responsibility expenses	1285.21	940.05
Miscellaneous expenses (#)	3032.59	2057.74
Total	33247.44	30608.14

Miscellaneous expenses for the current year includes, compensation paid as per the terms of the contract, to one of the customer amounting to ₹ 996.37 Lakhs towards short supply of gas.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

37. Tax expense

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Current Tax:		
In respect of current year	18471.00	20433.00
In respect of earlier years	2.41	(45.69)
	18473.41	20387.31
Deferred Tax:		
In respect of current year	3680.34	3078.51
In respect of earlier years	29.94	4.39
	3710.28	3082.90
Total tax expense recognised	22183.69	23470.21

37.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Profit before tax	88723.87	94244.84
Applicable tax rate	25.168%	25.168%
Income tax using applicable tax rate	22330.02	23719.54
Tax effect of :		
Effect of expenses that are not deductible in determining taxable profit	381.66	270.23
Non taxable income/receipts	(7.60)	(13.14)
Effect of special rate of tax	(451.19)	(392.40)
On account of share in income of joint venture	(101.55)	(72.72)
	22151.34	23511.51
Taxation pertaining to earlier years	32.35	(41.30)
Income tax recognised in profit or loss	22183.69	23470.21

37.2 Income tax expense recognised in other comprehensive income

(₹ in Lakhs)		
Particulars	2022 - 2023	2021 - 2022
Deferred Tax		
Remeasurement of defined benefit obligations	8.06	44.67
Total	8.06	44.67

38. Commitments

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	107313.50	59677.76
b) Other commitments - The Company has been sanctioned capital subsidy/industrial promotion subsidy (Government grants) of ₹ 2690.19 lakhs (March 31, 2022 - ₹ 2034.28 lakhs) in respect of various units. The Company is required to fulfil the conditions specified in the respective schemes including continuation of the unit for the specified period.		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

39. Contingent liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
A) Claims against the Company not acknowledged as debts (see footnote 1)	624.06	270.00
B) Other contingent liabilities		
(i) Relating to property, plant and equipment		
Excise duty and Service Tax (see footnote 2)	150.77	150.77
Entry Tax (see footnote 3)	14.68	14.68
Total	165.45	165.45
(ii) Others		
Excise duty and Service Tax (see footnote 2)	3622.84	3608.02
Sales Tax (see footnote 3)	55.93	84.80
Income Tax (see footnote 4)	1250.80	1151.36
Goods and Service Tax (GST) (see footnote 5)	145.37	-
Total	5074.94	4844.18

Notes:

- Claims against the Company not acknowledged as debt ₹ 624.06 lakhs (March 31, 2022 - ₹ 270.00 lakhs):
 - One of the party had raised demand of ₹ 270.00 lakhs (March 31, 2022 - ₹ 270.00 lakhs) towards GST on transaction related to transfer of leasehold rights in favour of the Company.
 - Demand of ₹ 354.06 lakhs (March 31, 2022 - Nil) towards additional tariff revision by a power distribution company for earlier years. The said demand is disputed by the Company before appellate authorities.
- Excise duty and Service tax demands – ₹ 3773.61 lakhs (March 31, 2022 - ₹ 3758.79 lakhs) including demands relating to PPE:
 Amount of ₹ 3773.61 lakhs (March 31, 2022 - ₹ 3758.79 lakhs) for which the Company has received various demands including show cause notices regarding various issues on account of excise duty and service tax. In cases of confirmed demand orders the Company has filed the appeals at appropriate levels and in case of show cause notices the Company has filed the replies.
 The above excise and services tax demands includes ₹ 1314.20 lakhs (March 31, 2022 - ₹ 1289.50 lakhs) in respect of matters where the Company has already received a decision in appellate proceedings in its favour on similar issue. Amount paid against above liabilities and carried under 'Security deposits' under Non current assets - ₹ 147.63 lakhs (March 31, 2022 - ₹ 142.83 lakhs).
- Sales tax and entry tax demands – ₹ 70.61 lakhs (March 31, 2022 - ₹ 99.48 lakhs) includes:
 Amount of ₹ 70.61 lakhs (March 31, 2022 - ₹ 99.48 lakhs) for which the Company has received demand orders on various issues. The Company have filed the appeals at appropriate levels and matters are pending.
 Amount paid against above liabilities and carried under 'Security deposits' under Non current assets - ₹ 25.22 lakhs (March 31, 2022 - ₹ 27.75 lakhs).
- Income tax demands - ₹ 1250.80 lakhs (March 31, 2022 - ₹ 1151.36 lakhs) :
 During the year, the Company has received assessment order for Assessment year 2020-21 wherein the assessing officer has raised demand by treating the capital subsidy/industrial promotion subsidy as revenue receipt and disallowance of certain deductions claimed under Chapter VIA of the Income-tax Act.
 The issue of treating capital subsidy/industrial promotion subsidy as revenue receipt was also raised in the assessment orders for Assessment years 2015-16 to 2017-18. In the appellate order of ITAT for the A.Y. 2013-14 & A.Y. 2014-15, such subsidies are held as capital receipt.
 The Company has preferred appeals for A.Y. 2015-16 to 2017-18 & A.Y. 2020-21 before CIT(A). The amounts paid/refund adjusted against the above demands is ₹ 588.98 lakhs (March 31, 2022 ₹ 520.38 lakhs).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

5. GST demands - ₹ 145.37 lakhs (March 31, 2022 - ₹ Nil) :

Amount of ₹ 145.37 lakhs (March 31, 2022 - ₹ Nil) for which the Company has received demand orders on various issues. The Company is in the process of filing the appeals at appropriate levels and matters are pending.

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amount of the further cash outflow, if any, in respect of these matters.

40. The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the Company towards certain employment benefits. However, the date from which the Code will come into effect has not been notified. The Company will assess and give appropriate impact in the financial statements in the period in which the Code comes into effect.

41. Leases

[A] Company as a lessor

Assets given on operating lease comprise of Air Separation Plants and equipments installed at the customers' premises. The lease tenure is ranging from five years to twenty years, which can be further extended as mutually agreed in some cases. The non-cancellable initial lease tenure is ranging from a period of five years to twenty years. The lease agreements broadly provide for minimum lease rent in case of non-operation of the leased assets by the lessee during the initial non-cancellable tenure. The Company purchases, on exclusive basis, surplus liquid gases wherever produced, from the lessee at an agreed price under a separate contract. Also see Note 29(iii).

The Company manages the risk associated with the rights it retains in the underlying assets by way of its legal and contractual right to repossess the underlying assets at the end of the lease term or in case of continuing default in payment of dues by the other party. In such cases, the underlying assets can be put to alternative use by the Company, particularly in view of the remaining economic life of the asset. Further, the underlying assets are leased with monthly charges which generally do not include any variable lease payments that depend on an index or rate.

Particulars of assets given on operating lease:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Gross carrying amount of assets given on operating lease	212829.57	183341.80
b) Accumulated depreciation as at the end of the year	55852.98	46801.35
c) Depreciation for the year	9060.75	8647.68
d) Future minimum lease payments :		
i) not later than one year	26601.09	23403.76
ii) later than one year and not later than five years	102531.88	91702.42
iii) later than five years	157895.09	150992.44

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

[B] Company as a lessee

(a) The Company's significant leasing arrangements are in respect of leasehold lands. The Company has also taken certain commercial premises on lease.

(b) Particulars of right-to-use assets and lease liabilities

i. Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Buildings	Land	Total
I. Gross Block			
Balance as at April 1, 2021	205.84	4712.45	4918.29
Additions	-	1300.90	1300.90
Balance as at March 31, 2022	205.84	6013.35	6219.19
Additions	93.63	1317.14	1410.77
Deductions/adjustments	(54.53)	-	(54.53)
Balance as at March 31, 2023	244.94	7330.49	7575.43
II. Accumulated depreciation			
Balance as at April 1, 2021	87.39	96.12	183.51
Depreciation for the year	51.69	86.24	137.93
Balance as at March 31, 2022	139.08	182.36	321.44
Depreciation for the year	45.89	108.58	154.47
Deductions/adjustments	(54.53)	-	(54.53)
Balance as at March 31, 2023	130.44	290.94	421.38
III. Carrying amount			
Balance as at March 31, 2022	66.76	5830.99	5897.75
Balance as at March 31, 2023	114.50	7039.55	7154.05

ii. Movement in lease liabilities during year ended:

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2021	228.11
Interest on lease liabilities	18.43
Payment of lease liabilities	(75.71)
Balance as at March 31, 2022	170.83
Additions during the year	518.64
Interest on lease liabilities	30.68
Payment of lease liabilities	(84.80)
Balance as at March 31, 2023	635.35

iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Maturity analysis - contractual undiscounted cash flows		
Less than one year	82.34	63.27
One to five years	224.81	96.73
More than five years	972.63	119.25
Total undiscounted lease liabilities	1279.78	279.25

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

iv. Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	30.68	18.43
Included in rent expenses: Expense relating to short-term leases	12.75	18.76

v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	84.80	75.70

42. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of manufacture, trading and supply of industrial, medical gases and other gases, either through sale of products or manufacture and supply of gas on job work basis or providing facilities at customer location or giving plant on operating lease generally with a right to operate and maintenance of such plants. Hence the Company has only one operating segment.

Further, the Company caters mainly to the Indian market and the export turnover is about 1% of the Revenue from Operations of the Company. All the operating facilities of the Company are located in India.

a) Details of sale of major products and other operating revenue are as under :

(₹ in Lakhs)

	2022 - 2023	2021 - 2022
Sale of products		
i. Finished goods		
Oxygen/Medical oxygen	73275.99	80325.32
Nitrogen	46935.30	41086.33
Argon	10406.59	10776.73
Others	24756.37	16542.85
	155374.25	148731.23
ii. Traded goods		
Liquid oxygen/Medical oxygen	6241.02	6173.71
Liquid nitrogen	2904.38	2560.58
Liquid argon	5077.24	6317.15
Others	843.16	956.45
	15065.80	16007.89
	170440.05	164739.12
Other Operating Revenue		
Lease rent received	26176.01	23529.42
Operation and maintenance charges on leased plants	19158.42	16570.97
Charges for delayed return, repairs & testing of cylinders etc.	1413.89	851.74
Scrap sales	144.43	52.36
Other operating receipts	1849.77	3298.24
	48742.52	44302.73
	219182.57	209041.85

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- b) Included in the above, revenue from one customer (March 31, 2022 - one customer) amounting to ₹ 27955.84 lakhs (March 31, 2022 - ₹ 23249.49 lakhs) who contributed more than 10% of the Company's revenue.
- c) Reconciliation between segment revenue and revenue from contracts with customers

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
Total Segment revenue	219182.57	209041.85
Less: Lease rent received	26176.01	23529.42
Revenue from contract with customers	193006.56	185512.43

43. Securities and Terms of repayment etc. :

1. Secured loans:

A. Debentures :-

Secured by first charge by way hypothecation of moveable fixed assets of 2 x 1700 TPD plants and related assets located at Company's unit at Hazira.

Rate of Interest and Maturity profile of privately placed unlisted redeemable non convertible debentures of ₹ 10 lakhs each is as under:

i. Rate of Interest @ 10.85% per annum and effective interest rate is 11.08%.

ii. Maturity profile

(₹ in Lakhs)

Maturity period	Number of Debentures	Amount
Current portion	2000	20000.00
Total	2000	20000.00

B. Term Loans from banks

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Foreign currency loans (Fully hedged)		
Secured by first exclusive specific charge on the moveable fixed assets of the Company situated at Bokaro steel city, Bokaro, Jharkhand. This loan was repaid in sixteen quarterly instalments of ₹ 663.40 lakhs each starting from September 14, 2018 & carried interest @ 7.90% per annum.	-	784.19
b) Rupee Term loans from Banks		
i. Term Loan 1	-	3422.12
ii. Term Loan 2	14194.74	18924.41
iii. Term Loan 3	2011.21	10042.47
iv. Term Loan 4	5586.87	10044.59
v. Term Loan 5	6956.89	10048.84
vi. Term Loan 6	20042.98	-
vii. Term Loan 7	10064.80	-
Sub Total - b (Rupee Term Loans)	58857.49	52482.43
Total	58857.49	53266.62

Securities and Terms of repayment etc. for Rupee Term loans from Banks

i. Term Loan 1

Secured by way of exclusive security of investment in certain mutual funds to the extent of 1.10 times of the outstanding loan amount. The loan was repaid in 5 equal instalments on quarterly basis starting from June 20, 2021 and carried variable interest rate linked to 1 month repo rate plus 0.75%.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

ii. Term Loan 2

Secured by way of first and exclusive charge on movable fixed assets of the Company's units located at Vile Bhagad, Wardha, Mangaon (POSCO), Hospet (SLRM) Hazira 885 TPD (AMNS), Salem (SSP), Jhagadia (UPL). The loan is repayable in 17 equal instalments on quarterly basis starting from March 31, 2022 and carries interest @ 5.95% per annum.

iii. Term Loan 3

The loan is repayable in 5 equal instalments on quarterly basis starting from the end of 12th month of the first disbursement (i.e. from April 28, 2022) and carries interest @ 5% p.a. linked to 1 month repo with floor rate of 4.75% p.a. & cap rate 5.25% p.a. If repo rate is 5.25% and above, then applicable rate will be repo rate plus 0.25%.

iv. Term Loan 4

The loan is repayable in 9 equal instalments on quarterly basis starting from the end of 12th month of the first disbursement (i.e. from April 28, 2022) and carries interest @ 5.25% p.a. linked to 1 month repo with floor rate of 4.75% p.a. & cap rate 5.75% p.a. If repo rate is 5.75% and above, then applicable rate will be repo rate plus 0.25%.

v. Term Loan 5

The loan is repayable in 13 equal instalments on quarterly basis starting from the end of 12th month of the first disbursement (i.e. from April 28, 2022) and carries fixed interest rate @ 5.75% p.a.

Security for Term Loan 3, 4 and 5:

Secured by way of first and exclusive charge on movable fixed assets of the Company's units situated at its units at Simej (Gujarat), Hoshangabad (Madhya Pradesh) and Hazira 700 TPD (in the premises of Arcelor Mittal Nippon Steel India) at Hazira (Gujarat).

vi. Term Loan 6

The loan is repayable in 12 equal instalments on quarterly basis starting from August 2024 and carries annual interest rate @ 3 Months' Treasury bill plus margin spread of 0.82% and secured by way of first and exclusive charge on movable fixed assets of the Company's units situated at its units at Karjan (Gujarat), Palakkad (Kerala), Sriperumbandur (Tamil Nadu) and Chakan (Maharashtra).

vii. Term Loan 7

The loan is repayable in 12 equal instalments on quarterly basis starting from August 2024 and carries annual interest rate @ 3 Months' Treasury bill plus margin spread of 0.75% and secured by way of first and exclusive charge on movable fixed assets of the Company's 700 TPD plant situated in the premises of Arcelor Mittal Nippon Steel India at Hazira (Gujarat).

2. Unsecured loans:

The loan from a related party Prodair Corporation, USA is payable upon the liquidation, dissolution or winding up of the Company other than a bonafide solvent reconstruction or amalgamation of the Company and is interest free. Considering the uncertainty of the date of repayment, the same is carried at the amount actually received and payable.

44. Financial Instruments:

44.1 Capital Management

The Company manages its capital to ensure that entity will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirement.

The Company's Board of Directors (BOD) reviews the capital structure of the entity. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

44.1.1 The gearing ratio at the end of the reporting period was as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Total debt	81163.69	83814.57
Less: Cash and bank balances	(17975.54)	(3430.18)
Net Debt	63188.15	80384.39
Total Equity	471931.28	406242.34
Net Debt to equity Ratio (in times)	0.13	0.20

Note:

Debt is defined as Long term borrowing, short term borrowing, current maturities of long term borrowings and interest thereon and excludes loan from Prodair Corporation (see note 43(2)).

Cash and bank balances include cash and cash equivalents, other bank balances and excludes margin money deposit and balance in unclaimed dividend account.

44.2 Categories of financial instruments

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured		
(i) Investment in mutual funds	112283.88	115757.52
(ii) Investment in preference shares	45.00	45.00
(b) Derivative instruments	-	114.04
(c) Investment in equity instruments	169.02	169.02
Sub-total (a+b+c)	112497.90	116085.58
Measured at amortised cost		
(a) Cash and bank balances	18185.26	3737.44
(b) Trade Receivables	23940.45	21272.84
(c) Loans	121.32	109.94
(d) Other financial assets		
i. Deposits with financial institutions	55721.85	51688.79
ii. Others	5684.89	5813.47
Sub-total (a+b+c+d)	103653.77	82622.48
Total financial assets	216151.67	198708.06
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	83866.69	86517.57
(b) Lease liabilities	635.35	170.83
(c) Trade payables	8880.62	7576.26
(d) Other financial liabilities	17118.79	12215.19
Total financial liabilities	110501.45	106479.85

The carrying amount reflected above represents the entity's maximum exposure to credit risk for such financial assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

44.3 Financial risk management

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations including acquisition of PPE. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances and deposits with financial institutions. The Company also holds investments at FVTPL.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Senior management provides assurance to the Board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not enter into any derivative instruments for trading or speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks.

44.4 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk.

a) Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company's import of materials and export of goods are not significant to cause major exposure to foreign currency variations. Further the entire foreign currency borrowings were fully hedged against foreign currency risk, both for principal and interest. Exchange rate exposures are managed within approved policy parameters utilising forward foreign currency contracts, as and when necessary.

(i) The Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

Particulars	(Amount in foreign currency)	
	As at March 31, 2023	As at March 31, 2022
Liabilities		
Borrowings		
ECB Loans (fully hedged)		
USD	-	1031250
Other liabilities- trade and other payables		
USD	2096641	1798143
EURO	261	40919
Assets		
Trade and other receivables		
USD	111598	49171

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The carrying amount in INR of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities		
Borrowings		
ECB Loans (fully hedged)		
USD	-	781.61
Other liabilities- trade and other payables		
USD	1735.60	1330.45
EURO	0.23	33.75
Assets		
Trade and other receivables		
USD	92.38	36.38

(ii) Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD.

The following table details the Company's sensitivity to a 5% increase and decrease in rupees against the foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged receivables and payables in currency other than the functional currency of the Company.

(₹ in Lakhs)

Change in USD rate	Effect on profit or and total equity (net of tax)	
	As at March 31, 2023	As at March 31, 2022
Increase by 5%	(61.48)	(48.42)
decrease by 5%	61.48	48.42

The Company had fully hedged all ECB loans by entering into principal and interest swaps and hence substantially reduced its exposure to foreign currency fluctuations.

(iii) Forward Foreign Exchange Contracts

The Company enters into Principal and interest swap agreements to hedge the foreign currency risk and interest rate risk.

Outstanding Contracts	Currency	Exchange Rate		Foreign currency amounts (Principal)		Nominal amounts (₹ in Lakhs)		Fair Value derivative assets (₹ in Lakhs)	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Principal and interest swap contracts	USD	-	75.79	-	1031250	-	781.61	-	114.04

The line-items in the consolidated balance sheet that include the above hedging instruments are "other financial assets".

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

b) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly on account of its borrowings from term loans from banks. The external commercial borrowings (ECB Loans) are fully repaid during the current year.

The term loans from banks have both fixed and floating interest rates. Cash credits are subject to variable rate of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Debentures carry fixed rate of interest. Financial assets i.e. deposits with financial institutions & bank deposits carry fixed rate of interest. Thus, the Company's exposure to the risk of changes in the interest rate is not significant.

For floating rate borrowings (i.e. term loans from banks), the analysis is as under:

Particulars	Impact (net of tax)	
	As at	
	March 31, 2023	March 31, 2022
Increase by 50 basis points	140.52	87.55
Decrease by 50 basis points	136.78	68.85

(₹ In Lakhs)

c) Other price risks

The Company is exposed to equity price risks arising from equity investments. Investments in equity/preference instruments in Joint Venture and other companies are held for strategic purposes rather than trading purposes. The Company does not actively trade in these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

44.5 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations to pay resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks/financial institutions, loans and other receivables.

a) Trade receivables

For trade receivables, the average credit period generally ranges from 30 to 45 days. Before accepting any new customer, the Company uses information available in public domain and industry sources to assess the potential customer's credit quality and defines credit limits for respective customer. Credit Limits attributed to customers are reviewed periodically.

Customers representing more than 5% of the total balance of trade receivables as at March 31, 2023 of ₹ 3113.15 lakhs (as at March 31, 2022 of ₹ 3237.13 lakhs) are due from two major customers (Previous year - two major customers) with whom the Company is having long term contracts.

The Company has used a practical expedient for computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)	
	As at March 31, 2023	As at March 31, 2022
Within the credit period	0.20%	0.20%
0-6 months	0.50%	0.50%
6 months to 1 years	1.00%	1.00%
> 1 years	2.00%	2.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	60.45	53.00
Movement in expected credit loss allowance on trade receivables	9.66	7.45
Balance at the end of the year	70.11	60.45

b) Loans and Other Receivables

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses/Other income'.

c) Other financial assets

Credit risk arising from balances with banks / financials institutions, investment in mutual funds and derivative financial instruments is limited because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies.

44.6 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk table

The following table detail the analysis of financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
As at March 31, 2023					
Financial Liabilities					
Borrowings	36825.98	44369.03	2703.00	83898.01	83866.69
Other financial liabilities	16918.79	100.00	100.00	17118.79	17118.79
Trade payables	8880.62	-	-	8880.62	8880.62
	62625.39	44469.03	2803.00	109897.42	109866.10
As at March 31, 2022					
Financial Liabilities					
Borrowings	35179.25	48714.49	2703.00	86596.74	86517.56
Other financial liabilities	11805.15	-	410.04	12215.19	12215.20
Trade payables	7576.26	-	-	7576.26	7576.22
	54560.66	48714.49	3113.04	106388.19	106308.98

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Company also has unutilised borrowing facilities.

44.7 Fair Value Measurements

- a. The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value

(₹ in Lakhs)

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2023	As at March 31, 2022				
1. Investments in Mutual Funds (Note 8C)	112283.88	115757.52	Level 1	Quoted bid prices in an active market.	NA	NA
2. Investments in equity instruments of Watsun Infrabuild Private Limited (unquoted) - (Note 8C)	169.02	169.02	Level 2	The fair valuation is derived from the shareholder's agreement as per which the shares will be transferred only at cost i.e. carrying amount of the investment.	NA	NA
3. Investments in preference shares of Enviro Infrastructure Company Ltd. (unquoted) - (Note 8C)	45.00	45.00	Level 2	The fair valuation is derived from the issue documents where in the preference shares will be redeemed only at the face value i.e. carrying amount of the investment.	NA	NA
4. Principal and interest swaps (Note 11)	-	114.04	Level 2	Discounted cash flow method is used for valuation. Key input used are foreign currency LIBOR, INR MIFOR and spot rates at each valuation date.	NA	NA

During the period, there were no transfers between Level 1 and 2.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

44.8 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

45. Employee Benefits:

(i) Defined Contribution Plans:

The Company contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident and pension fund of ₹ 846.83 Lakhs (March 31, 2022 - ₹ 771.35 Lakhs) is recognised as an expense and included in "Contribution to provident and other funds" in statement of profit and loss and ₹ 21.86 lakhs (March 31, 2022 - ₹ 8.53 lakhs) included in pre-operative expenses.

(ii) Defined Benefit Plans:

a) The Company has a defined benefit gratuity plan (funded):

The Company has defined benefit gratuity plan for its employees. It is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company has created a fund in the form of Gratuity Trust which is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. Each year, the Board of Trustees and the Company review the level of funding in the gratuity plan. The plan assets have been invested in various Group Gratuity Schemes with Life Insurance Corporation of India.

b) This plan typically exposes the Company to actuarial risks such as interest risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, any variation in the expected rate of salary increase of the plan participants will change the plan liability.

c) The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2023 by Mr. G.N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

d) The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.21%	7.35%
Expected rate of salary increase	10.00%	10.00%
Employee Attrition Rate	1.00%	1.00%
Mortality rate	IALM (2012-14) Ult.	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

e) Amount recognised in statement of profit and loss in respect of gratuity are as under.

(₹ in Lakhs)

Particulars	Gratuity	
	2022 - 2023	2021 - 2022
Service Cost		
Current Service Cost	456.84	403.55
Premium for group gratuity policy	21.50	19.23
Net interest expense	44.66	20.41
Components of defined benefit costs recognised in profit or loss	523.00	443.19
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(26.74)	(31.79)
Actuarial (gains) and loss arising from changes in financial assumptions	66.45	142.87
Actuarial (gains) and loss arising from experience adjustments	(7.67)	66.41
Components of defined benefit costs recognised in other comprehensive income	32.04	177.49
Total	555.04	620.68

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans are as follow:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	6663.47	5989.06
Fair value of plan assets	6063.40	5294.05
Funded status	(600.07)	(695.01)
Net liability arising from defined benefit obligation disclosed in balance sheet	600.07	695.01

Movement in the defined benefit obligation in respect of gratuity :

(₹ in Lakhs)

Particulars	Gratuity	
	2022 - 2023	2021 - 2022
Opening defined benefit obligation	5989.06	5408.07
Current Service Cost	456.84	403.55
Interest cost	424.02	339.72
Actuarial (gains) and loss arising from changes in financial assumptions	66.45	142.87
Actuarial (gains) and loss arising from experience adjustments	(7.67)	66.41
Benefits Paid	(265.23)	(371.56)
Closing defined benefit obligation	6663.47	5989.06

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Movement in the fair value of the plan assets are as follows

(₹ in Lakhs)

Particulars	Gratuity	
	2022 - 2023	2021 - 2022
Opening fair value of plan assets	5294.06	4902.14
Interest Income	379.36	319.29
Return on Plan Assets (excluding amounts included in net interest expense)	26.74	31.79
Contribution from the Employer	628.47	412.40
Benefits Paid	(265.23)	(371.56)
Closing fair value of plan assets	6063.40	5294.06

f) The fair value of the plan assets at the end of the reporting period for each category, is as follows :

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	5.65	4.70
Fund Balance with LIC of India in various Group Gratuity Schemes	6057.75	5289.36
Total	6063.40	5294.06

g) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Impact on Present Value of defined benefit obligation		
If Discount Rate increased by 1%	(445.92)	(410.63)
If Discount Rate decreased by 1%	518.04	475.77
If Salary Escalation Rate increased by 1%	495.57	455.71
If Salary Escalation Rate decreased by 1%	(436.09)	(401.97)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

h) The Company expects to contribute Rs. 275.00 lakhs to gratuity trust during the financial year 2023-2024. There is no compulsion on the part of the Company to fully pre fund the liability of the plan.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 7.43 years.

j) **Expected outflow in future years (as provided in actuarial report)**

(₹ in Lakhs)

Particulars	As at March 31, 2023
Expected outflow in 1st Year	488.40
Expected outflow in 2nd Year	862.96
Expected outflow in 3rd Year	359.48
Expected outflow in 4th Year	1844.90
Expected outflow in 5th Year	399.89
Expected outflow in 6th to 10th Year	2027.78

- k) There are no other post retirement benefits provided by the Company.

iii) **Other short term and long term employment benefits:**

Annual leave & Short term leave

The liability towards compensated absences based on actuarial valuation carried out by using Projected unit method resulted in increase in liability by ₹ 149.55 lakhs for the year ended March 31, 2023 (March 31, 2022 - increase by ₹ 148.45 lakhs), which is included in the employee benefits in the statement of profit and loss.

The principal assumptions used for the purposes of the actuarial valuations of compensated absences are as follows.

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.21%	7.35%
Expected rate of salary increase	10.00%	10.00%
Employee Attrition Rate	1.00%	1.00%
Mortality rate	IALM (2012-14) Ult.	

46 Related Party Disclosures :

(i) **Names of the related parties with whom transactions have taken place during the year:**

- (a) Enterprise having joint control, its holding, subsidiaries and associate companies.

Prodair Corporation.

Air Products and Chemicals Inc.

Air Products PLC

Air Products (ME) FZE

Air Products GmbH

Air Products France

Air Products S.A Spl Gases

Prodair Air Products India Pvt. Ltd.

- (b) Joint Venture

Bellary Oxygen Co.Pvt.Ltd.

- (c) Key Management Personnel (KMP)

Mr P K Jain - Managing Director

Mr Siddharth Jain - Whole time Director

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(d) Entities where directors/close family members of directors having control/significant influence

INOX India Limited (earlier known as INOX India Private Limited)

Gujarat Fluorochemicals Ltd.

GFCL EV Products Ltd

(e) Other related party

INOX Gratuity Fund (Control trust in India)

(ii) Particulars of Transactions :

(₹ in Lakhs)								
Particulars	Enterprise having joint control, its holding / subsidiaries / associate companies		Joint Venture		Entities where directors/close family members of directors having control/significant influence		Total	
	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022
(A) Transactions during the year								
1. Purchase of assets								
INOX India Limited					10473.02	7182.17	10473.02	7182.17
Air Products and Chemicals Inc.	3234.59	10908.67					3234.59	10908.67
Air Products PLC	10.12	44.32					10.12	44.32
Air Products GmbH	-	35.33					-	35.33
Air Products France	191.11	-					191.11	-
Prodair Air Products India Pvt. Ltd.	31008.63	5703.20					31008.63	5703.20
Total	34444.45	16691.52			10473.02	7182.17	44917.47	23873.69
2. Purchase of stores and spares								
Air Products and Chemicals Inc.	1.25	18.13					1.25	18.13
Gujarat Fluorochemicals Ltd.					0.67	-	0.67	-
INOX India Limited					150.87	181.05	150.87	181.05
Total	1.25	18.13			151.54	181.05	152.79	199.18
3. Purchase of goods								
Air Products (ME) FZE	5596.04	2023.08					5596.04	2023.08
Air Products S.A Spl Gases	13.54	-					13.54	-
Bellary Oxygen Co.Pvt.Ltd.			-	618.59			-	618.59
Gujarat Fluorochemicals Ltd.					-	0.61	-	0.61
Total	5609.58	2023.08	-	618.59	-	0.61	5609.58	2642.28
4. Repair charges paid								
INOX India Limited					246.98	216.38	246.98	216.38
Air Products and Chemicals Inc.	-	12.87					-	12.87
Total	-	12.87			246.98	216.38	246.98	229.25
5. Lease rent/hire charges paid								
Air Products (ME) FZE	57.43	23.03					57.43	23.03
Total	57.43	23.03					57.43	23.03
6. Miscellaneous expenses								
Prodair Air Products India Pvt. Ltd.	2.34	-					2.34	-
7. Reimbursement of expenses paid								
Gujarat Fluorochemicals Ltd.					3.35	4.72	3.35	4.72
8. Rent paid								
Gujarat Fluorochemicals Ltd.					8.72	20.92	8.72	20.92
9. Transport Expenses paid								
INOX India Limited					32.69	30.59	32.69	30.59
10. Sale of goods								
Gujarat Fluorochemicals Ltd.					2484.08	1766.45	2484.08	1766.45
GFCL EV Products Ltd					35.55	-	35.55	-
Bellary Oxygen Co.Pvt.Ltd.			-	0.13			-	0.13
Prodair Air Products India Pvt. Ltd.	357.20	26.47					357.20	26.47
INOX India Limited					1166.42	1004.10	1166.42	1004.10
Total	357.20	26.47	-	0.13	3686.05	2770.55	4043.25	2797.15
11. Miscellaneous Income								
Prodair Air Products India Pvt. Ltd.	-	3.28					-	3.28
Gujarat Fluorochemicals Ltd.					-	0.04	-	0.04

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Enterprise having joint control, its holding / subsidiaries / associate companies		Joint Venture		Entities where directors/close family members of directors having control/significant influence		Total	
	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022	2022 - 2023	2021 - 2022
INOX India Limited					0.73	2.24	0.73	2.24
Total	-	3.28	-	-	0.73	2.28	0.73	5.56
12. Lease Rent / Hire Charges received								
Gujarat Fluorochemicals Ltd.					64.40	64.40	64.40	64.40
13. O & M Charges received (in respect of Leased plant)								
Gujarat Fluorochemicals Ltd.					142.50	128.69	142.50	128.69
14. Fixed Facility charges received (included in sale of products)								
Gujarat Fluorochemicals Ltd.					28.08	20.14	28.08	20.14
15. Service charges received								
Bellary Oxygen Co.Pvt.Ltd.			-	85.00			-	85.00
16. Cylinder damaged / recovery charges recd.								
Bellary Oxygen Co.Pvt.Ltd.			-	0.01			-	0.01
Prodair Air Products India Pvt. Ltd.	0.86	-					0.86	-
Gujarat Fluorochemicals Ltd.					0.03	-	0.03	-
Total	0.86	-	-	0.01	0.03	-	0.89	0.01
17. Other operating receipts								
Gujarat Fluorochemicals Ltd.					-	3.00	-	3.00
18. Reimbursement of Expenses (Receipt)								
INOX India Limited					1.75	-	1.75	-
19. Dividend received								
Bellary Oxygen Co.Pvt.Ltd.			900.00	2100.00			900.00	2100.00
20. Sale of assets								
Gujarat Fluorochemicals Ltd.					41.57	-	41.57	-
(B) Balance at the year end								
1. Unsecured loan received								
Prodair Corporation	2703.00	2703.00					2703.00	2703.00
2. Amounts payable								
Air Products and Chemicals Inc.	655.96	1017.35					655.96	1017.35
Air Products GmbH	-	33.65					-	33.65
Air Products (ME) FZE	1025.91	296.83					1025.91	296.83
Prodair Air Products India Pvt. Ltd.	7535.54	428.35					7535.54	428.35
INOX India Limited					2670.86	499.87	2670.86	499.87
Gujarat Fluorochemicals Ltd.					-	0.42	-	0.42
Total	9217.41	1776.18	-	-	2,670.86	500.29	11888.27	2276.47
3. Amounts receivable								
Gujarat Fluorochemicals Ltd.					316.70	513.55	316.70	513.55
GFCL EV Products Ltd.					20.80	-	20.80	-
INOX India Limited					114.62	149.85	114.62	149.85
Prodair Air Products India Pvt. Ltd.	16.11	2.11					16.11	2.11
Total	16.11	2.11	-	-	452.12	663.40	468.23	665.51
4. Advance paid for purchase of Capital goods								
INOX India Limited					1989.69	1143.04	1989.69	1143.04
Prodair Air Products India Pvt. Ltd.	6558.96	7138.42					6558.96	7138.42
Air Products and Chemicals Inc.	7157.49	-					7157.49	-
Total	13716.45	7138.42			1989.69	1143.04	15706.14	8281.46

(₹ in Lakhs)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Other related party	
	2022 - 2023	2021 - 2022
Transactions during the year		
Contribution given		
INOX Gratuity Fund	628.47	412.40

Notes:

- Sales, purchases and service transactions with related party are made at arms length price.
- Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- No expense has been recognised in the current or prior year for bad or doubtful debts in respect of amounts owed by related parties.
- There have been no guarantees received or provided for any related party receivables or payables.
- Compensation of Key management personnel

(₹ in Lakhs)

Particulars	2022 - 2023	2021 - 2022
(i) Transactions during the year		
Remuneration paid -		
Shri P K Jain	546.00	546.00
Shri Siddharth Jain	264.21	224.91
Total	810.21	770.91

As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 24.96 lakhs (as at March 31, 2022: ₹ 21.24 lakhs) included in the amount of remuneration reported above.

- There are no transactions with other directors.

47. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013

a) Details of benami property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

b) Relationship with Struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Compliance with number of layers of companies

The Company does not have any subsidiaries and hence the provisions regarding compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.

d) Compliance with approved Scheme(s) of Arrangements

The Scheme of Amalgamation in the nature of merger of Greenyana Energy Private Limited and INOX Air Products Private Limited and their respective shareholders and creditors ('the Scheme') under section 233 and other applicable provisions of the Companies Act, 2013 ('the Act') with appointed date fixed as September 30, 2022 has been approved by the competent authority vide order dated May 8, 2023. The effects of accounting for amalgamation has been given in the books of account as per the Scheme (See Note 49).

e) Loans and advances granted to related party

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

f) Undisclosed income

There is no income surrendered or disclosed as income during the current or preceding year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), that has not been recorded in the books of account.

g) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

h) Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i) In case of borrowings from banks

1) Utilisation of borrowed funds

At the balance sheet date, the Company has used the borrowings from banks for the specific purpose for which it was taken.

2) Security of current assets against borrowings

The Company does not have any borrowings from banks on the basis of security of current assets.

3) Wilful defaulter

The Company is not declared wilful defaulter by any bank or financial institution or other lender.

4) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.

j) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets.

48. Acquisition of Greenyana Energy Private Limited and its amalgamation with the Company

During the year, the Company had acquired 100% of the equity shares in Greenyana Energy Private Limited ("Greenyana") and consequently Greenyana had become a wholly owned subsidiary of the Company on September 30, 2022. Subsequently, a Scheme of Amalgamation in the nature of merger of Greenyana Energy Private Limited ('the Transferor Company') with INOX Air Products Private Limited ('the Transferee Company') and their respective shareholders and creditors ('the Scheme') under section 233 and other applicable provisions of the Companies Act, 2013 ('the Act') was filed by the respective companies, with appointed date as September 30, 2022. A certified copy of the order from the Regional Director, Western Region ("RD") of Registrar of Companies (ROC) was received by the Company on May 11, 2023. Upon filing of the said order with the Registrar of Companies, Mumbai, on June 1, 2023 ("Effective Date"), the Scheme has been made effective w.e.f. the appointed date i.e., September 30, 2022.

Greenyana is engaged in business of generation of solar power and this acquisition is for the purpose of setting up a captive solar plant.

Since the acquisition date and merger date is same i.e. September 30, 2022, as per the requirements of the Ind AS 103 Business combination, the merger has been accounted for using acquisition accounting method and the difference between the fair values of the net identifiable assets acquired and consideration paid on the merger has been accounted for as Goodwill.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Current Investments	200.00	
Cash and cash equivalent	9.80	
Loans and advances	204.87	
Other current assets	19.48	
Power generation license	73.73	
Total assets taken over		507.88
Total liabilities taken over		512.30
Net assets/(liabilities)		(4.42)
Less: Purchase consideration (Payment towards acquisition of shares in Greenyana)		1.00
Goodwill arising on acquisition		5.42

The Goodwill arising on acquisition represents facilitation of setting up captive power plant. This Goodwill is impaired during the year considering the nature of underlying assets and materiality involved and is included in miscellaneous expenses in the statement of profit and loss.

Acquisition related costs of ₹ 15.00 Lakhs have been recognised under Legal & professional fees and expenses in the statement of profit and loss.

49. Calculation of Earnings per Share (EPS)

Particulars	2022 - 2023	2021 - 2022
i) Amount used as the numerator - Profit after taxation (₹ in Lakhs)	66540.18	70774.63
ii) Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos)	10340697	10340697
iii) Nominal value of each share (₹)	10	10
iv) Basic & diluted EPS (in ₹)	643.48	684.43

50. Additional information as required under Schedule III of the Companies Act, 2013 :

As at and for the year ended March 31, 2023

(₹ in Lakhs)

Name of the entity	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent - INOX Air Products Private Limited	99.97%	471773.59	100.78%	67036.68	100.00%	(23.98)	100.75%	67012.70
Indian Joint Venture - Bellary Oxygen Company Private Limited.	0.35%	1657.69	0.61%	403.50	-	-	0.61%	403.5
Consolidation elimination / adjustments	(0.32%)	(1500.00)	(1.39%)	(900.00)	-	-	(1.35%)	(900.00)
Grand Total	100.00%	471931.28	100.00%	66540.18	100.00%	(23.98)	100.00%	66516.20

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

As at and for the year ended March 31, 2022

(₹ in Lakhs)

Name of the entity	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent - INOX Air Products Private Limited	99.84%	405588.15	102.56%	72585.66	100.00%	(132.81)	102.56%	72452.85
Indian Joint Venture - Bellary Oxygen Company Private Limited.	0.53%	2154.19	0.41%	288.97	-	-	0.41%	288.97
Consolidation elimination / adjustments	(0.37%)	(1500.00)	(2.97%)	(2100.00)	-	-	(2.97%)	(2100.00)
Grand Total	100.00%	406242.34	100.00%	70774.63	100.00%	(132.81)	100.00%	70641.82

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

For and On behalf of the Board of Directors of INOX Air Products Private Limited

S S Agrawal

Partner

Membership No. 049051

P. K. Jain

Chairman

DIN: 00030098

Siddharth Jain

Managing Director

DIN: 00030202

Sandeep Divekar

Chief Financial Officer

Place: Mumbai.

Date: July 27, 2023

Vishal Shah

Company Secretary

Place: Pune.

Date: July 27, 2023

ATTENDANCE SLIP**INOX AIR PRODUCTS PRIVATE LIMITED
(CIN: U24999MH1963PTC012625)**

Registered Office: A - 2 TTC Industrial Area, Off Thane Belapur Road Pawane Navi Mumbai Thane MH 400710

DP Id*	
Client Id *	

Folio No.	
No. of Shares	

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and address of the Shareholder _____

I hereby record my presence at the Sixtieth Annual General Meeting of the Company on Thursday, 28th September, 2023 at 11.00 a.m. at A - 2 TTC Industrial Area, Off Thane Belapur Road Pawane Navi Mumbai 400 710, Thane._____
Signature of the Shareholder or Proxy

*Applicable for members holding shares in electronic form.

**FORM MGT-11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**INOX AIR PRODUCTS PRIVATE LIMITED
(CIN: U24999MH1963PTC012625)**

Registered Office: A - 2 TTC Industrial Area, Off Thane Belapur Road Pawane Navi Mumbai Thane MH 400710

Website: www.inoxairproducts.com60th Annual General Meeting, Thursday, 28th September, 2023 at 11.00 a.m.**Name of the Member(s)** : _____
_____**Registered Address** : _____
_____**E-mail ID** : _____**Folio No./ Client ID** :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/ We, being the Member(s) of _____ shares of the above named Company, hereby appoint

Name: _____ E-mail ID: _____

Address: _____

Signature: _____ Or failing him/ her

Name: _____ E-mail ID: _____

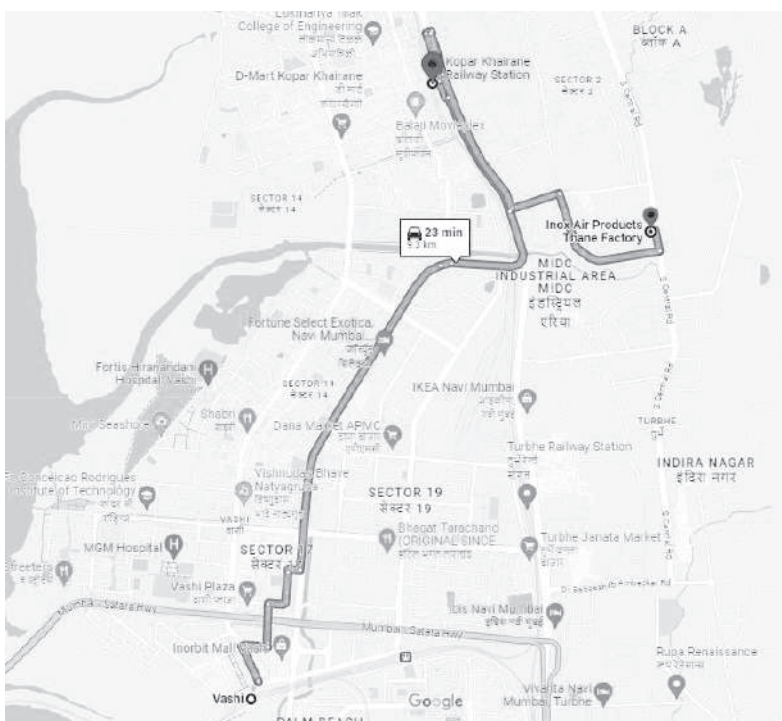
Address: _____

Signature: _____ Or failing him/ her

Name: _____ E-mail ID: _____

Address: _____

Signature: _____



ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 60th Annual General Meeting of the Company, to be held on Thursday, 28th September, 2023 at 11.00 a.m. at A - 2 TTC Industrial Area, Off Thane Belapur Road Pawane Navi Mumbai- 400 710, Thane and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1.	Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31 st March, 2023.			
2.	Payment of Dividend.			
Special Business				
3.	Approval of the remuneration to be paid to the Cost Auditor.			
4.	Regularization of office of Mr. Juan Miguel Gonzalez Barboteo, Additional Director as Director of the Company.			
5.	Regularization of office of Mr. Ahmed Hababou, Additional Director as Director of the Company.			
6.	Re-designation of Mr. Pavan Kumar Jain (DIN: 00030098), as Executive Chairman of the Company.			

Signed this _____ day of _____ 2023.

Affix Re
1/- Revenue
Stamp

Signature of Shareholder

Signature of Proxy Holder(s)

Notes:

- This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

It is optional, to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

[illegible]

NOTES

[illegible]



OFFICIAL SPONSOR OF THE INDIAN OLYMPIC TEAM

INOX Air Products Private Limited

A - 2 TTC Industrial Area,
Off Thane Belapur Road,
MIDC, Pawane, Navi Mumbai,
Thane – 400710.
E-mail: vishalshah.madhukant@inoxap.com
Tel : 022 4032 3960