June 19, 2023

Ref. No.: **AIL/SE/38/2023-24**

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001
Maharashtra, India

Scrip Code: **543534**

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051,
Maharashtra, India

Symbol: **AETHER**

Dear Madam / Sir,

Subject: <u>Outcome of the Board Meeting held on June 19, 2023</u>

In accordance with Regulation 30 and Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. **Monday, June 19, 2023**, commenced at **10:00 Hrs.** and concluded at **10:19 Hrs.,** has adopted the consent letter dated June 19, 2023 ("**Consent Letter**") issued by M/s. Birju S. Shah and Associates, the statutory auditor of the Company ("**Statutory Auditor**"), extending the use of special purpose audited standalone Ind AS financial statements of the Company for the financial year ending March 31, 2021, including the underlying Statutory Auditor's report dated December 6, 2021 (the "**Special Purpose Audited Standalone Ind AS Financial Statements"**) which was approved by the Board of Directors of the Company on December 6, 2021. A copy of the Consent Letter and the Special Purpose Audited Standalone Ind AS Financial Statements are attached herewith as **Annexures A and B**.

The Special Purpose Audited Standalone Ind AS Financial Statements are also being uploaded on the Company's website at https://aether.co.in/.

We request you to take the above on record and the same to be treated as compliance under the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

Further, the Special Purpose Audited Standalone Ind AS Financial Statements are being issued on a one-time basis only and should not be considered as any practice for disclosure of financial information that will be followed by the Company going forward.

Aether Industries Limited
Registered Office: Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat, India.
Phone: +91-261-6603000 **||** **Email:** info@aether.co.in **||** **Web:** www.aether.co.in **II** **CIN:** L24100GJ2013PLC073434
Factory: Plot No. 8203, Beside Shakti Distillery, Near Rajkamal Chokdi, Road No. 8, Sachin GIDC, Sachin, Surat-394230, Gujarat, India.

Thanking you.

For Aether Industries Limited

Chitrarth Rajan Parghi
Company Secretary & Compliance Officer
Mem. No.: F12563

Encl.: As annexed

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Factory: Plot No. 8203, Beside Shakti Distillery, Near Rajkamal Chokdi, Road No. 8, Sachin GIDC, Sachin, Surat-394230, Gujarat, India.

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,
PIPLOD, SURAT – 395 007.
Phone : (O) 91 99784 44603, (M) 91 98251 67067
Email :cabirjiushah@gmail.com, sarvam9@gmail.com

Date: June 19, 2023

To,

The Board of Directors
Aether Industries Limited
Plot No. 8203, GIDC,
Sachin, Surat- 394230
Gujarat, India

Sub: Auditor consent Letter in connection with the Special Purpose Audit Report and the Special Purpose Audited Standalone Ind AS Financial Statements

Re: Fund raising through issuance of equity shares or any other equity linked instruments or **securities including convertible preference shares, and / or bonds including foreign currency convertible bonds / debentures / non-convertible debt instruments along with warrants / convertible debentures / securities and / or any other equity based instruments, inter alia, a private placement or through one or more qualified institutions placement and / or further public issue of equity and / or rights issue and / or through any other permissible mode in accordance with the relevant provisions of applicable law (the "Potential Fund Raising")**

Ladies and Gentlemen,

We, Birju S. Shah & Associates have prepared the Audit Report on Special Purpose Audited Standalone Ind AS Financial Statements dated December 6, 2021 (the "**Special Purpose Audit Report**") upon auditing the Special Purpose Audited Standalone Ind AS Financial Statements of the Company, which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2021, and a summary of the significant accounting policies and other explanatory information (the "**Special Purpose Audited Standalone Ind AS Financial Statements**").

The Special Purpose Audit Report included the following:

"The financial statements are prepared solely to assist Aether Industries Limited to meet the requirements of preparation of Special Purpose Audited Standalone Ind AS Financial Statements in connection with its initial public offer. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Aether Industries Limited for the purpose of its initial public offer."

Further, the Special Purpose Audited Standalone Ind AS Financial Statements included the following:

*"These Restated Financial Statements have been prepared as required under the SEBI ICDR Regulations for the purpose of inclusion in this Draft Red Herring Prospectus, prepared in terms of the requirements of: (a) Section 26 of Part 1 of Chapter III of the Companies Act, 2013 (the "**Act**"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company*

BIRJU S. SHAH & ASSOCIATES
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*Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "**Guidance Note**").*

*"The Restated Ind AS Statement of Assets and Liabilities of the Company as at 31 March 2021 and the Restated Ind AS Statement of Profit and Loss, Restated Ind AS Statement of Changes in Equity and Restated Ind AS Statement of Cash Flows for the year ended 31 March 2021 (hereinafter collectively referred to as "**Restated Ind AS Financial Information**") have been prepared specifically for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**") in connection with the proposed initial public offering ("IPO") through Offer for Sale of its equity shares."*

We have been informed by the management of the Company that in order to comply with applicable law and market practice in connection with any Potential Fund Raising, the Company requires Birju S. Shah & Associates to consent to the usage of the Special Purpose Audit Report and the Special Purpose Audited Standalone Ind AS Financial Statements for such purposes.

Accordingly, we, Birju S. Shah & Associates, do hereby consent to use in any offering document or prospectus ("**Offering Documents**") prepared in connection with the Potential Fund Raising, our Special Purpose Audit Report relating to the Special Purpose Audited Standalone Ind AS Financial Statements and the Special Purpose Audited Standalone Ind AS Financial Statements.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We are not and have not been engaged or interested in the formation or promotion or management of the Company and are in compliance with section 26(5) of the Companies Act.

We also hereby consent to the inclusion of extracts of this certificate in part or in full, in the Offering Documents and any other document to be issued or filed in relation to the Potential Fund Raising, including in any corporate or investor presentation made by or on behalf of the Company.

This certificate has been issued at the request of the Company for use in connection with any Potential Fund Raising and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon any intermediaries appointed pursuant to any Potential Fund Raising and we undertake to immediately intimate such intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For Birju S. Shah & Associates
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086
Place: Surat
UDIN: 23107086BGVLAX1584

BIRJU S. SHAH & ASSOCIATES
M. No.
107086
SURAT.
CHARTERED ACCOUNTANTS

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,

PIPLOD, SURAT – 395 007.

Phone : (O) 91 99784 44603, (M) 91 98251 67067

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INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors
AETHER INDUSTRIES LIMITED,
Surat

I. Audit Report on the Special Purpose Standalone Ind AS Financial Statements

1. Opinion

A. We have audited the accompanying Special Purpose Standalone Ind AS Financial Statements of AETHER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Standalone Ind AS Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Special Purpose Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the [Rules] made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Key Audit Matters

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

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

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Special Purpose Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Special Purpose Standalone Ind AS 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.

5. Management's Responsibility for the Special Purpose Standalone Ind AS Financial Statements

A. The Company's management is responsible for preparation of these Special Purpose Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes 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 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 Special Purpose Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Special Purpose Standalone Ind AS 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.

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

6. Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Ind AS 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 Standards of Auditing issued by the institute of chartered accountants of India, 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 Special Purpose Standalone Ind AS Financial Statements.

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

i) 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.

ii) 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 with reference to financial statements in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) 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 Special Purpose Standalone Ind AS 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.

v) Evaluate the overall presentation, structure and content of the Special Purpose Standalone Ind AS Financial Statements, including the disclosures, and whether the Special Purpose Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the special purpose standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

i) planning the scope of our audit work and in evaluating the results of our work; and

ii) to evaluate the effect of any identified misstatements in the special purpose standalone financial statements.

D. 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.

E. 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.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Special Purpose Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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, as amended 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matters

1. Opening balance with respect to the financial information for the year ended 31 March 2021, included in these Special Purpose Standalone Ind AS financial statements, are based on audited special purpose financial statements for the year ended 31 March 2020, which has been approved by the Company's Board of Directors on 06.12.2021.

2. As our audit was conducted for a special purpose on a subsequent date to the period pertaining to these financial statements, we were unable to carry out regular audit procedures including physical verification of inventories, obtaining direct confirmations from debtors and certain other procedures. However, we have performed alternative procedures on these areas where we could not perform our regular audit procedures.

Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Distribution and Use

BIRJU S. SHAH & ASSOCIATES

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PIPLOD, SURAT – 395 007.

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The financial statements are prepared solely to assist Aether Industries Limited to meet the requirements of preparation of Special Purpose Standalone Ind AS Financial Statements in connection with its initial public offer. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Aether Industries Limited for the purpose of its initial public offer.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086

Place: SURAT.
Date: 06.12.2021
UDIN: 21107086AAAAIW3617

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LTD for the year ended March 31, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) A. **Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;**

Yes, all the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

B. **Whether the company is maintaining proper records showing full particulars of intangible assets;**

Yes, the company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

(b) **whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account;**

Yes, all the capitalized Assets are physically verified by the management.

(c) **Whether 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 favor of the lessee) disclosed in the financial statements are held in the name of the company, If not, provide the details thereof in the format below:-**

Yes, the Company has leasehold title of the plot No. 8203, GIDC Sachin, Surat in its name.

(d) **Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;**

No, there is no any kind of revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

(e) **Whether any 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 there under, if so, whether the Company has appropriately disclosed the details in its financial statements;**

No, there is no any kind of such proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period.

2. (a) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;

Yes, inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No any material discrepancies have been noticed during the course of audit.

(b) Whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;

Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-

During the audit period, the Company has not made any investment in, provided any guarantee or security or granted, secure or unsecured, to companies, firms, LLP or any other parties. The company has a policy to give short term loans to the employees and proper documentation as well as policy of the company has been followed.

(a) Whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-

A. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;

This particular clause is not applicable to the company for the audit period.

B. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;

This particular clause is not applicable to the company for the audit period.

(b) Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees

provided are not prejudicial to the company's interest;

This particular clause is not applicable to the company for the audit period.

(c) **In respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;**

In respect of loans provided to the employees of the company, a proper schedule of the repayment of loan has been stipulated and repayment or receipts are regular.

(d) **If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;**

This particular clause is not applicable to the company for the audit period.

(e) **Whether any 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 over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];**

This particular clause is not applicable to the company for the audit period.

(f) **Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;**

This particular clause is not applicable to the company for the audit period.

4. **In respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;**

Yes, the provisions of section 185 and 186 have been duly complied with.

5. **In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;**

This particular clause is not applicable to the company for the audit period.

6. **Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts and records have been**

so made and maintained;

Yes, the company has maintained proper cost records within the premises.

7 (a) **Whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;**

Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, excise duty, VAT etc. have been deposited at regular intervals during the audit period.

(b) **Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);**

There are appeals pending in income tax for the financial year 2017-18 and 2018-19. The disputed demand of Rs. 2,16,938/- for A.Y. 2017-18 and Rs.9,27,868/- for A.Y. 2018-19 are outstanding.

8. **Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;**

No such instances have been found.

9. (a) **Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:-**

Nature of borrowing, including debt securities	*Name of lender**	*Amount not paid on due date*	*Whether principal or interest*	*No. of days delay or unpaid*	*Remarks, if any*
	**lender wise details to be provided in case of defaults to banks, financial institutions and Government*				
NA	*NA*	-	-	-	-

(b) **Whether the company is a declared willful defaulter by any bank or financial institution or other lender;**

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No.

(c) **Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;**

Yes, disbursed amount of sanctioned for term loans have been utilized for the purpose for which same has been sanctioned and obtained.

(d) **Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;**

No.

(e) **whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;**

No, the company has not taken any fund for the stated purpose.

(f) **Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;**

No, the company has not taken any fund for the stated purpose.

10. (a) **Whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;**

No, the company has not raised any moneys by way of public offer or further public offer (Including debt instruments) during the year.

(b) **Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;**

The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. However, there was a conversion of Preference shares into Equity shares by the company amounting to Rs. 25 crores in the year. The provision of section 42 and 62 of the companies Act, 2013 has been duly complied with.

11. (a) **Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;**

No any kind of such instances has been noticed during the course of audit.

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(b) **Whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;**

No.

(c) **Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;**

No any kind of such instances has been noticed during the course of audit.

12. (a) **Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(c) **Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;**

This particular clause is not applicable to the company for the audit period.

13. **Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;**

Yes, the provisions of section 177 and 188 of the Companies Act, 2013 has been duly complied by the company and has also been duly disclosed in the financial statements as required by the AS 18.

14. (a) **Whether the company has an internal audit system commensurate with the size and nature of its business;**

Yes, the company has adequate internal audit system which commensurate with the size and nature of its business.

(b) **Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;**

Yes, the internal auditor's report has been duly considered for statutory audit.

15. **Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;**

The company has not entered into any non-cash transactions with any directors or persons connected with him.

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16. (a) **Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;**

This particular clause is not applicable to the company for the audit period.

(c) **Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;**

This particular clause is not applicable to the company for the audit period.

(d) **Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;**

This particular clause is not applicable to the company for the audit period.

17. **Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;**

No, the company has not incurred and cash losses in the financial year and in the immediately preceding financial year.

18. **Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;**

Yes, the previous auditor has resigned from the office in the last year. However, there is no any kind of issues, objections or concerns raised by the outgoing auditors.

19. **On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is 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;**

Yes, as per the substantive analytical procedures, the company is in position to meet its liability exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

20. (a) **Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section**

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(5) of section 135 of the said Act;

Yes, the company has duly complied with the provisions of section 135 of the companies act, 2013.

(b) Whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

This particular clause is not applicable to the company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks.

This particular clause is not applicable to the company for the audit period.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086
Place: SURAT

Place: **Surat**
Date: 06.12.2021.
UDIN: 21107086AAAAIW3617

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **AETHER INDUSTRIES LTD.** ("The Company") as of March 31, 2021 in conjunction with our audit of the 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 control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086
Place: SURAT.

Place : **Surat**
Date : 06.12.2021.
UDIN: 21107086AAAAIW3617

AETHER INDUSTRIES LIMITED

Annexure I - Restated Statement of Assets and Liabilities

(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,064.98	1,205.97
Capital work-in-progress	4	1.98	172.27
Right-of-use assets	5	91.74	81.58
Other intangible assets	6	5.61	5.75
Financial assets			
(i) Investments	7	2.09	2.09
(ii) Other financial assets	8	15.34	20.24
Other non-current assets	9	12.42	38.88
Total non-current assets		2,194.16	1,526.78
Current assets			
Inventories	10	847.28	719.39
Financial assets			
(i) Investments	11	220.90	0.13
(ii) Trade receivables	12	1,082.40	629.70
(iii) Cash and cash equivalents	13	35.14	0.73
(iv) Bank balances other than (iii) above	14	20.49	35.27
(v) Loans	15	7.92	7.04
(vi) Other financial assets	16	5.71	0.60
Other current assets	17	115.44	85.02
Total current assets		2,335.28	1,477.89
Total assets		4,529.44	3,004.67
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	100.99	85.60
Other equity	19	1,642.34	697.17
Total equity		1,743.33	782.77
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	1,037.87	950.98
(ii) Lease liabilities	21	27.11	15.94
Deferred tax liabilities (net)	36 (d)	102.07	76.42
Total non-current liabilities		1,167.05	1,043.34
Current liabilities			
Financial liabilities			
(i) Borrowings	22	1,044.13	753.91
(ii) Lease liabilities	23	3.56	2.54
(iii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		89.35	49.80
b) total outstanding dues of creditors other than micro enterprises and small enterprises		388.38	333.77
(iv) Other financial liabilities	25	44.43	15.75
Other current liabilities	26	41.51	16.01
Provisions	27	-	0.05
Current tax liabilities (net)	36 (c)	7.70	6.73
Total current liabilities		1,619.06	1,178.56
Total liabilities		2,786.11	2,221.90
Total equity and liabilities		4,529.44	3,004.67

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED
Annexure II - Restated Statement of Profit and Loss
(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	28	4,498.16	3,018.06
Other income	29	39.73	19.75
Total Income		**4,537.89**	**3,037.81**
Expenses			
Cost of materials consumed	30	2,249.16	1,729.90
Changes in inventories of finished goods and work-in-progress	31	57.72	(168.35)
Employee benefits expense	32	221.13	133.76
Finance costs	33	113.15	93.76
Depreciation and amortisation expense	34	110.11	78.48
Other expenses	35	848.56	605.19
Total expenses		**3,599.83**	**2,472.74**
Profit before tax		938.06	565.07
Tax expense:	36		
Current tax		201.00	121.92
Deferred tax		25.87	43.59
Total Tax Expenses		226.87	165.51
Profit for the period (A)		711.19	399.56
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(0.86)	(3.16)
(ii) Income tax relating to remeasurements of defined benefit liability / (asset)		0.22	0.92
		(0.64)	(2.24)
Total comprehensive income for the period (A+B)		**710.55**	**397.32**
Earnings per equity share			
(nominal value of Rs. 10)			
Basic	37	80.93	46.68
Diluted		80.93	46.68

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No. 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

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Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED
Annexure III-Restated Statement of Changes in Equity
(All amounts in Indian Rupees millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period / year	85,00,200	85.00	85,00,200	85.00
Changes in equity share capital during the period / year	15,38,362	15.38	-	-
Balance at the end of the reporting period / year	1,00,38,562	100.39	85,00,200	85.00

For any subsequent event changes relating to share capital, refer note number 58(a).

(b) Other equity

Particulars	Reserves and surplus		Total other equity
	Securities premium	Retained Earnings	
Balance at 1 April 2019	-	299.85	299.85
Total comprehensive income for the year ended 31 March 2020			
Profit for the year	-	300.56	300.56
Other comprehensive income (net of tax)			-
- Remeasurements of defined benefit liability / (asset)	-	(3.24)	(3.24)
Total comprehensive income	-	297.32	297.32
Balance at 31 March 2020	-	597.17	597.17
Balance at 1 April 2020	-	597.17	597.17
Total comprehensive income for the year ended 31 March 2021			
Profit for the year	-	711.19	711.19
Other comprehensive income (net of tax)			-
- Remeasurements of defined benefit liability / (asset)	-	(0.84)	(0.84)
Total comprehensive income	-	710.35	710.35
Share premium on conversion of preference shares	234.62	-	234.62
Balance at 31 March 2021	234.62	1,307.52	1,542.14

Nature and purpose of reserves

i) Retained earnings
Retained earnings comprises of undistributed earnings after taxes.

ii) Securities premium
Securities premium account is used to record the premium on issue of shares.

The above statements should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report of even date attached.

For [illegible] S. Shah & Associates
Chartered Accountants
Firm Registration No: [illegible]1354W

[illegible] S. Shah
Proprietor
Membership No: [illegible]

Place: Surat
Date: 6 December 2021
ICAI UDIN: [illegible]

For and on behalf of the board of directors of
[illegible] Limited
CIN: [illegible]

[illegible] Desai
Managing Director
DIN: [illegible]
Place: Surat
Date: 6 December 2021

[illegible] Desai
Whole Time Director
DIN: [illegible]
Place: Surat
Date: 6 December 2021

[illegible]
Chief Financial Officer
PAN: [illegible]
Place: Surat
Date: 6 December 2021

[illegible]
Company Secretary
Mem. No.: [illegible]
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED

Annexure IV - Restated Statement of Cash Flows
(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	938.06	565.07
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	0.90	4.84
Finance costs	113.15	93.76
Interest income	(1.00)	(1.71)
Income from Mutual Funds	-	(0.15)
Depreciation and amortisation expenses	110.11	78.48
Unrealised foreign exchange differences	-	-
Operating profit before working capital changes	1,161.22	740.29
Movement in working capital:		
(Increase)/Decrease in trade receivables	(468.46)	(130.54)
(Increase) / Decrease in current investments	(220.77)	(0.01)
(Increase)/Decrease in inventories	(127.89)	(321.03)
(Increase)/Decrease in other current assets	(33.61)	(20.97)
(Increase)/Decrease in other financial assets	(1.09)	(0.91)
Increase/(Decrease) in trade payables	97.45	149.46
Increase/(Decrease) in provisions other than income tax	(0.91)	(3.11)
Increase/(Decrease) in other current liabilities	26.03	(103.81)
Cash generated from operations	431.97	309.37
Net income tax (paid)	(200.01)	(132.42)
Net cash from operating activities (A)	231.96	176.95
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(969.95)	(291.20)
Proceeds on sale/maturity of financial assets	-	0.15
Capital work in progress and capital advance	196.75	(190.78)
Dividend from current investments	1.00	1.71
Proceeds from disposal of property, plant and equipment	6.27	-
Loans (Financial assets)	-	-
Net cash used in investing activities (B)	(765.93)	(480.12)
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	432.18	221.36
Proceeds / (Repayment) of borrowings (Unsecured)	15.10	20.20
Proceeds / (repayment) from working capital facilities (net)	194.06	183.45
Proceeds / (repayment) from/(of) short term borrowings	-	-
Proceeds / (repayment) of Other Financial liabilities	25.41	(5.08)
Interest paid	(113.15)	(93.77)
Net cash used in financing activities (C)	553.60	326.16
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	19.63	22.99
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	36.00	13.01
Cash and cash equivalents at the end of the period / year	55.63	36.00
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.39	0.43
Balances with bank		
- Current accounts	0.15	0.13
- EEFC accounts	34.60	0.17
Other bank balances	20.49	35.27
	55.63	36.00

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

	For the year ended 31 March 2021	For the year ended 31 March 2020
Conversion of Preference Shares to Equity Shares	(250.00)	-
Foreign exchange fluctuations	(14.23)	18.60
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	15.46	17.55

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report attached of even date

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED Authorised SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

18 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised :		
1,50,00,000 (31 March 2020: 1,00,00,000) equity shares of Rs.10 each.	150.00	100.00
2,50,00,000 (31 March 2020: 2,50,00,000) preference shares of Rs.10 each	250.00	250.00
TOTAL	400.00	350.00
Issued and subscribed and paid up:		
Equity share capital		
1,00,98,567 (31 March 2020: 85,60,200) equity shares of Rs.10 each fully paid-up	100.99	85.60
TOTAL	100.99	85.60

Reconciliation of number of shares outstanding at the beginning and end of the year/period :

Equity share :	As at 31 March 2021	As at 31 March 2020
	No. of Shares	No. of Shares
Outstanding at the beginning of the year/period	85,60,200	85,60,200
Add: Issued during the period	15,38,367	-
Outstanding at the end of the year/period	1,00,98,567	85,60,200

* Number of shares is presented as absolute number.

AETHER INDUSTRIES LIMITED Authorised SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares	
As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
As to voting	The Company has two class of shares referred to as Equity Shares and Preference Shares having a par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share.

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

Equity shares of Rs 10 each fully paid	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	No. of Shares %	No. of Shares	No. of Shares %
Purnima Ashwin Desai	51,50,269	51.00%	85,15,000	99.47%
Ashwin Jayantilal Desai	9,08,771	9.00%		
Rohan Ashwin Desai	20,09,613	19.90%		
Aman Ashwin Desai	13,00,912	12.88%		
Aman Desai (HUF)	7,13,802	7.07%		

Promotors Shareholding in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	No. of Shares %	No. of Shares	No. of Shares %
Purnima Ashwin Desai	51,50,269	51.00%	85,15,000	99.47%
Ashwin Jayantilal Desai	9,08,771	9.00%	15,000	0.18%
Rohan Ashwin Desai	20,09,613	19.90%	5,000	0.06%
Aman Ashwin Desai	13,00,912	12.88%	10,000	0.12%
Aman Desai (HUF)	7,13,802	7.07%	-	0.00%
Payal Rohan Desai	10,000	0.10%	10,000	0.12%
Ishita Surendra Manjrekar	5,000	0.05%	5,000	0.06%
Rohan Desai (HUF)	100	0.00%	100	0.00%
Ashwin Jayantilal Desai (HUF)	100	0.00%	100	0.00%

(All amounts in Indian Rupees millions, unless otherwise stated)

19 Other equity

Other equity	As at 31 March 2021	As at 31 March 2020
Reserves and surplus		
A. Retained earnings	1,407.72	697.17
B. Securities premium	234.62	-
	1,642.34	697.17

	As at 31 March 2021	As at 31 March 2020
A. Retained earnings		
Opening balance	697.17	299.85
Profit for the period / year	711.19	399.56
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(0.64)	(2.24)
Closing balance	1,407.72	697.17
B. Securities Premium		
As at beginning and end of the period/year	-	-
Add: Share Premium on conversion of Preference Shares into equity shares	234.62	-
	234.62	-
	1,642.34	697.17

1 Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is U24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven Industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 million in FY 2016-17, Rs. 1091.90 million in FY 2017-18, Rs. 2,011.80 million in FY 2018-19 and Rs. 3,018.61 million in FY 2019-20.

The Company achieved Sales Turnover of Rs. 4,498.16 and Total Revenue of Rs. 4,537.89 million in the FY 2020-21 with an EBIDTA Margin of 25.59%.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, is once again planning for yet another expansion. For the said new expansion, the Company has procured a Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs. and the same is located diagonally opposite tot he current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203.

Production capacity of 6096 MTPA (31 March 2020: 4128 MTPA) is available in our state-of-art and DCS automated manufacturing facilities. Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology.

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether's business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

2 Summary of Significant Accounting Policies

The Restated Financial Statements comprise of the Restated Statement of Assets and Liabilities as at 31 March 31, 2021, the related Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, and the Restated Statement of Cash Flows for the year ended 31 March 2021and the Significant Accounting Policies and Restated Other Financial Information.

These Restated Financial Statements have been prepared as required under the SEBI ICDR Regulations for the purpose of inclusion in this Draft Red Herring Prospectus, prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS:

The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

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A. Basis of Preparation:

(i) The Restated Ind AS Statement of Assets and Liabilities of the Company as at 31 March 2021and the Restated Ind AS Statement of Profit and Loss, Restated Ind AS Statement of Changes in Equity and Restated Ind AS Statement of Cash Flows for the year ended 31 March 2021 (hereinafter collectively referred to as "Restated Ind AS Financial Information") have been prepared specifically for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares.

(ii) The audited special purpose Ind AS financial statements as at and for the year ended 31 March 2021each prepared in accordance with Ind AS. The management of the Company has adjusted financial information for the year ended 31 March 2021 using recognition and measurement principles of Ind AS, on its first time adoption of Ind AS as on the transition date April 1, 2018, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended 31 March 2021. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented an explanation of how the transition to IND AS has affected the previously reported financial position, financial performance and cash flows (Refer Annexure VII).

The Board of Directors approved the Restated Financial Statements as per the Ind AS, for the year ended on 31 March 2021 and authorised to issue the same vide resolution passed in the Board Meeting held on December 6, 2021.

B. Basis of measurement:

The Restated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

C. Current and non-current classification of assets and liabilities:

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency:

The functional and presentation currency in these Restated Financial Statements is INR and all amounts are rounded to nearest millions, up to 2 decimal places, unless otherwise stated.

E. Use of Judgements, estimates and assumptions:

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

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Judgements:
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note Nos. 42 & 43- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 5 - Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.
- Note 38 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 36 - Recognition of tax expenses including deferred tax.
- Note 45 - Defined benefit obligation, key actuarial assumptions.
- Note 12 - Impairment of trade receivables.
- Note 10 - Valuation of Inventories.

Going concern assumption:
These Restated Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification:
The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

2.2 Property, Plant And Equipment:

Recognition and measurement:
The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

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Subsequent costs:

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal:

An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

Depreciation:

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The management has estimated the useful life of the Tangible Assets as mentioned below:

Asset Class	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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2.3 **Intangible Assets:**

Recognition and measurement:

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent measurement:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:

The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

Asset Class	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

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

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

2.4 Financial Assets:

A. **Fair Value Assessment:**

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 asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

B. **Subsequent Measurement:**

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

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

C. **Financial assets measured at amortized cost:**

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

D. **Financial assets at fair value through OCI ('FVTOCI'):**

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

E. **Financial assets at fair value through profit or loss ('FVTPL'):**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

F. **Derecognition:**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. **Impairment of Financial Assets:**

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

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2.5 **Financial Liabilities:**

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement:

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss.

B. Subsequent measurement:

The subsequent measurement of financial liabilities depends upon the classification as described below:-

a. Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

b. Financial Liabilities classified as Fair value through profit And loss (FVTPL):

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

D. Offsetting of financial instruments

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

Other incomes, other then interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

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2.6 Share Capital and Share Premium:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

2.8 Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

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2.10 **Revenue Recognition and Other Income:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

2.11 **Leases:**

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a sustentive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
the Company has the right to operate the asset; or
the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lase 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, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change n an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 79 years remaining as on the date of purchase.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

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2.12 Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the
accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

Minimum Alternate Tax (MAT):

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

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2.14 Employee benefits:

(i) **Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) **Long term benefits:**

Defined Contribution Plans:

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

2.15 Trade Receivables:

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories:

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

2.18 Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

2.20 Foreign currency transactions:

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.21 Government grants and subsidies:

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives:

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

However, the Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated March 24, 2021. The amendments revise Division I, II and II of Schedule III and are applicable from April 1, 2021. The Company is in the process of evaluating the effect of the amendments on its Financial Statements.

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Annexure VI - Notes to the restated financial information *(continued)*
(All amounts in Indian Rupees millions, unless otherwise stated)

3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Factory building	217.42	64.36	-	281.78	20.00	8.29	-	28.29	197.42	253.49
Other building	21.11	-	-	21.11	6.52	2.01	-	8.53	14.59	12.58
Plant & machinery	960.16	790.69	(6.79)	1,744.06	105.95	67.58	(0.52)	173.01	854.21	1,571.05
Office equipment	12.34	5.07	-	17.41	4.60	2.46	-	7.06	7.74	10.35
Factory equipment (electric)	87.57	87.05	-	174.62	17.59	11.38	-	28.97	69.98	145.65
Computer equipment	27.17	6.86	-	34.03	20.23	3.15	-	23.38	6.94	10.65
Other equipment	52.79	10.15	-	62.94	16.40	5.53	-	21.93	36.39	41.01
Furniture & fixtures	17.75	3.93	-	21.68	4.64	1.78	-	6.42	13.11	15.26
Vehicle equipment	6.15	0.08	-	6.23	0.56	0.73	-	1.29	5.59	4.94
Total	1,402.46	968.19	(6.79)	2,363.86	196.49	102.91	(0.52)	298.88	1,205.97	2,064.98

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 01 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Factory building	209.42	8.00	-	217.42	13.20	6.80	-	20.00	196.22	197.42
Other building	21.11	-	-	21.11	4.51	2.01	-	6.52	16.60	14.59
Plant & machinery	726.67	233.49	-	960.16	64.05	41.90	-	105.95	662.62	854.21
Office equipment	7.68	4.66	-	12.34	3.01	1.59	-	4.60	4.67	7.74
Factory equipment (electric)	62.44	25.13	-	87.57	10.34	7.25	-	17.59	52.10	69.98
Computer equipment	22.20	4.97	-	27.17	14.10	6.13	-	20.23	8.10	6.94
Other equipment	45.68	7.11	-	52.79	11.68	4.72	-	16.40	34.00	36.39
Furniture & fixtures	16.67	1.08	-	17.75	3.02	1.62	-	4.64	13.65	13.11
Vehicle equipment	-	6.15	-	6.15	-	0.56	-	0.56	-	5.59
Total	1,111.87	290.59	-	1,402.46	123.91	72.58	-	196.49	987.96	1,205.97

Title deeds of Immovable Properties not held in name of the Company:

Descriptions	As at 31 March 2021	As at 31 March 2020
Title deeds held in the name of	Aether Industries Limited	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 20 and 22 for information on property, plant and equipment pledged as securities by the company.

4 Capital work-in-progress

Particulars	As at 01 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Capital work-in-progress	172.27	800.62	(970.91)	1.98
Total	172.27	800.62	(970.91)	1.98

Particulars	As at 01 April 2019	Additions	Capitalised during the year	As at 31 March 2020
Capital work-in-progress	12.44	452.22	(292.39)	172.27
Total	12.44	452.22	(292.39)	172.27

Additional disclosures as per Schedule -III requirement:

Amount in CWIP for a period of	Projects in Progress		Projects temporarily suspended	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Less than 1 Year	1.62	164.43	-	-
1-2 Years	0.36	-	-	-
2-3 Years	-	7.85	-	-
More than 3 Years	-	-	-	-
Total	1.98	172.28	-	-

5 Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Leasehold land	68.19	-	-	68.19	4.31	0.86	-	5.17	63.88	63.02
Properties (Land & Building)	23.01	15.46	-	38.47	5.31	4.44	-	9.75	17.70	28.72
Total Assets	91.20	15.46	-	106.66	9.62	5.30	-	14.92	81.58	91.74

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2019	Additions	Disposals during the period	As at 31 March 2020	As at 01 April 2019	Charge for the year	Disposals during the period	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Leasehold land	68.19	-	-	68.19	3.45	0.86	-	4.31	64.74	63.88
Properties (Land & Building)	5.46	17.55	-	23.01	2.08	3.23	-	5.31	3.38	17.70
Total Assets	73.65	17.55	-	91.20	5.53	4.09	-	9.62	68.12	81.58

(All amounts in Indian Rupees millions, unless otherwise stated)

6 Other Intangibles assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2020	Additions	Deletions during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Deletions during the year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Computer Software	9.59	1.76	-	11.35	4.30	1.59	-	5.89	5.29	5.46
Others	1.45	-	-	1.45	0.99	0.31	-	1.30	0.46	0.15
Total	**11.04**	**1.76**	-	**12.80**	**5.29**	**1.90**	-	**7.19**	**5.75**	**5.61**

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2019	Additions	Deletions during the year	As at 31 March 2020	As at 01 April 2019	Charge for the year	Deletions during the year	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Computer Software	9.10	0.49	-	9.59	2.83	1.47	-	4.30	6.27	5.29
Others	1.33	0.12	-	1.45	0.65	0.34	-	0.99	0.68	0.46
Total	**10.43**	**0.61**	-	**11.04**	**3.48**	**1.81**	-	**5.29**	**6.95**	**5.75**

(All amounts in Indian Rupees millions, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
7	**Investments**		
	Unquoted equity shares		
	3 (31 March 2020: 3) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up	-	-
	1,16,651 (31 March 2020: 1,16,651) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up	2.09	2.09
		2.09	2.09
	Aggregate value of unquoted investments	2.09	2.09
	Aggregate amount of impairment in value of investments	-	-
8	**Others financial assets** (Unsecured, considered good)		
	Security deposits	15.34	20.24
		15.34	20.24
9	**Other non-current assets** (Unsecured, considered good)		
	Capital advances	12.42	38.88
		12.42	38.88
10	Inventories		
	Raw material	392.82	199.72
	Work in progress	271.53	298.54
	Finished goods	115.06	181.28
	Stores and spares	48.54	26.47
	Others:		
	Packing materials	10.80	6.59
	Research and development materials	8.53	6.79
		847.28	719.39

Notes:
(1) Raw Materials, Work In Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(2) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(3) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(4) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

(5) Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

(All amounts in Indian Rupees millions, unless otherwise stated)

11 Investments	As at 31 March 2021	As at 31 March 2020
Investment in mutual funds - Quoted		
28 (31 March 2020: 28) SBI Magnum Insta Cash Funds	0.13	0.13
68,545 (31 March 2020: Nil) Nippon India Money Market Fund	220.77	-
	220.90	0.13
(a) Aggregate book value of quoted investments	220.90	0.13
(b) Aggregate market value of quoted investments	220.90	0.13

12 Trade receivables	As at 31 March 2021	As at 31 March 2020
Trade Receivables considered good - Secured	31.73	19.39
Trade Receivables considered good - Unsecured	1,049.78	609.78
Trade Receivables which have significant increase in credit risk	0.89	0.53
Trade Receivables - credit impaired	-	-
	1,082.40	629.70
Less: Allowance for doubtful receivables	-	-
Total trade receivables	1,082.40	629.70
The above amount includes :		
Receivable from related parties	-	-
Receivable from other than related parties	1,082.40	629.70
Total	1,082.40	629.70

The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

As at 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6	6 Months-	1-2 Years	2-3 Years	More than 3	Total
(i) Undisputed Trade Receivables - considered good	1,081.51	-	-	-	-	1,081.51
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	0.31	0.57	0.01	-	0.89
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	1,081.51	0.31	0.57	0.01	-	1,082.40

As at 31 March 2020

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6	6 Months-	1-2 Years	2-3 Years	More than 3	Total
(i) Undisputed Trade Receivables - considered good	629.17	-	-	-	-	629.17
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	0.53	-	-	-	0.53
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	629.17	0.53	-	-	-	629.70

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(All amounts in Indian Rupees millions, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
13	**Cash and cash equivalents**		
	Cash in hand	0.39	0.43
	Balances with banks		
	Current accounts	0.15	0.13
	EEFC accounts	34.60	0.17
		35.14	0.73
14	**Bank balances other than cash and cash equivalents**		
	Other bank balances		
	Margin Money - Fixed Deposits (with maturity of more than 3 months but less than 12 months)	20.49	35.27
		20.49	35.27
15	**Loans**		
	Loans to employees*	7.92	7.04
		7.92	7.04
	Breakup of security details		
	Loans, considered good - secured	-	-
	Loans, considered good - unsecured	7.92	7.04
	Loans, considered doubtful / credit impaired	-	-
	Total	7.92	7.04
	Less: Loss allowance	-	-
	Total loans receivables	7.92	7.04

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

		As at 31 March 2021	As at 31 March 2020
16	**Other financial assets**		
	Security deposit	3.60	0.60
	Interest receivable (from fixed deposits with banks)	0.36	-
	Interest receivable	-	-
	Gratuity asset (Refer note 45 for further disclosures)	1.75	-
		5.71	0.60
17	**Other current assets**		
	Advances recoverable in cash	4.43	35.31
	Balances with government authorities	98.78	39.46
	Prepaid expenses	12.23	10.25
	Other advances	-	-
		115.44	85.02

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(All amounts in Indian Rupees millions, unless otherwise stated)

20 Borrowings	As at 31 March 2021	As at 31 March 2020
Unsecured – measured at fair value through profit or loss account (FVTPL)		
Compulsorily Convertible Preference Shares (Refer to the Note No. 1 Below)	-	250.00
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan	507.34	331.83
HDFC Bank Term Loan - ECGLS	244.79	-
SBI Term Loan	228.55	297.25
SBI Term Loan New	55.17	69.00
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	2.02	2.90
From related parties (Directors & Promoters)		-
	1,037.87	950.98

(1) 25,000,000 Compulsorily Convertible Preference Shares were issued on 25.01.2016 @ Rs. 10/- per share. At the time of Issuance of these Preference Shares, there was a condition attached that these Preference Shares will be converted to Equity Shares anytime, after the completion of 4 years from the date of Issue of such Preference Shares. There was fixed dividend of 8% attached at the time of Issuance of the Preference Shares but later on the same was waived off by the Preference Shareholders at their own discretion. On 06.02.2021, all the 25,000,000 Preference Shares were converted to Equity Shares in the ratio of 1:16.251 i.e. for every 16.251 Preference Shares, the Shareholders received 1 Equity Share. The company has followed the due compliance with regulatory authorities.

(2) Reconciliation of Preference Shares:

Preference Share Capital	Amount (Rs.)
Balance as at 31st March 2020	250.00
Changes during the year: Converted to Equity Shares	(250.00)
Balance as at 31st March 2021	-
Balance as at 31st March 2019	250.00
Changes during the year	-
Balance as at 31st March 2020	250.00

(3) Details of Shareholders of Preference Shares:

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
Preference Shares of Rs.10 each fully paid				
a) Rohan Ashwin Desai	-	-	1,16,00,000	46.40%
b) Aman Desai (HUF)	-	-	1,16,00,000	46.40%
c) Ashwin Jayantilal Desai	-	-	18,00,000	7.20%

(4) Terms of Repayment, Nature of Security in case of Secured Loans:

Nature of Security	Terms of Repayment	Principal o/s. as at 31st March 2021	Principal o/s. as at 31st March 2020
1. HDFC Car Loan	From April 05, 2019 up to March 05, 2024 (60 Instalments)	2.90	3.70
Hypothecation of Car			
2. SBI Term Loan	28 Quarterly	319.95	388.65
#Secured by way of Hypothecation of movable and Immovable assets of the Company as first pari passu charge	Rs. 22.85 million each		
#Personal Guarantees of all Promoters			
#Personal Properties of Promoters as Collateral Security			
3. SBI Term Loan New	25 Quarterly	73.57	87.40
#Same as per SBI Term Loan	Rs. 4.60 million each		
4. HDFC Bank Term Loan	20 Quarterly	597.34	331.83
#Same as per SBI Term Loan	Rs. 30.00 million each		
5. HDFC Bank Term Loan - ECGLS	48 Quarterly	250.00	-
	Rs. 5.21 million each		

(All amounts in Indian Rupees millions, unless otherwise stated)

21 Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Lease liabilities	27.11	15.94
	27.11	15.94

22 Borrowings

	As at 31 March 2021	As at 31 March 2020
Working capital loan (Refer note 1)		
Secured	712.54	532.71
Current maturities of long term debt		
Secured		
Term loans from banks	205.01	109.80
Vehicle loans from banks	0.88	0.80
Unsecured		
From related parties (Directors & Promoters)	125.70	110.60
	1,044.13	753.91

(1) The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promoters located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230. There is also charge created against both of these properties at ROC with SBI and HDFC banks.

(2) For details of terms of repayment and security for current maturities, refer note of non-current borrowings.

(3) Break-up of the Working capital loan:

Particulars	As at 31 March 2021	As at 31 March 2020
Working Capital Limits with SBI	197.82	187.26
Working Capital Limits with HDFC Bank	509.71	326.84
Total outstanding	**707.53**	**514.10**
Foreign exchange valuation impact on PCFC loans	5.00	14.29
Foreign exchange valuation impact on Bill Discountings	-	4.32
Net outstanding	**712.54**	**532.71**

23 Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Lease liabilities	3.56	2.54
	3.56	2.54

24 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)	89.35	49.80
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	388.38	333.77
	477.73	383.57

Notes:
(1) Refer note 40 for related party disclosure.
(2) Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

As at 31 March 2021

Particulars	Outstanding for following periods Particulars from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	89.35	-	-	-	89.35
(ii) Others	-	388.27	0.11	-	-	388.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	477.62	0.11	-	-	477.73

As at 31 March 2020

Particulars	Outstanding for following periods Particulars from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	49.80	-	-	-	49.80
(ii) Others	-	333.58	0.19	-	-	333.77
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	383.38	0.19	-	-	383.57

(All amounts in Indian Rupees millions, unless otherwise stated)

25 Other financial liabilities

Employee related payable		
Salary and other benefits	14.84	11.40
Bonus payable	7.60	0.05
Other payables	0.53	0.05
Bills payable	12.10	0.28
Creditor for expenses	9.76	3.97
	44.49	15.75

26 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advance received from customers	34.47	11.59
Statutory dues payables	7.04	4.42
	41.51	16.01

27 Provisions

Gratuity (Refer note 45 for further disclosures)	-	0.05
	-	0.05

(All amounts in Indian Rupees millions, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
28	**Revenue from operations**		
	Sale of products		
	Manufactured goods		
	Local sales	1,985.69	1,493.40
	Export sales	1,919.21	1,021.22
	Deemed exports	238.37	229.54
	Export sales - CRAMS	182.41	85.02
	Sale of services		
	Export services	176.63	189.57
	Domestic services	-	-
	Total revenue from operations	4,502.31	3,018.75
	Less: Rebate and discount	(4.15)	(0.69)
		4,498.16	3,018.06

Refer note no. 46 for further disclosures.

		For the year ended 31 March 2021	For the year ended 31 March 2020
29	**Other income**		
	Interest		
	Interest on fixed deposits	1.00	1.71
	Interest accrued on loans to employees	0.85	0.72
	Interest on deposits	0.03	0.03
	Interest on income tax refund	-	-
	Interest on other deposits	-	-
	Miscellaneous		
	Foreign exchange fluctuation	18.32	8.84
	Duty drawback - exports	2.92	1.73
	MEIS duty credit	15.42	6.40
	Income from mutual funds	-	0.15
	Income accrued from mutual funds	0.79	0.01
	Profit on sale of assets	0.02	-
	Interest subsidy (term loan)	-	-
	Misc. Income	0.38	0.16
		39.73	19.75

Subsidies from the Government:
Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.
Subsidies from the Government 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 are received.

		For the year ended 31 March 2021	For the year ended 31 March 2020
30	**Cost of materials consumed**		
	Raw Materials		
	Opening	199.72	139.85
	Add: Purchase	2,238.03	1,763.64
	Add: Custom duty and clearing forwarding charges	87.21	48.77
		2,524.96	1,952.26
	Closing	392.82	199.72
		2,132.14	1,752.54
	Packing Materials		
	Opening	6.59	3.30
	Purchase	32.16	21.86
		38.75	25.16
	Closing	10.80	6.59
		27.95	18.57
	Stores & Spares		
	Opening	26.47	17.35
	Purchase	65.26	38.60
		91.73	55.95
	Closing	48.54	26.47
		43.19	29.48
	Other Material		
	Opening	157.52	77.11
	Purchase	12.11	9.72
		169.63	86.83
	Closing	123.75	157.52
		45.88	(70.69)
		2,249.16	1,729.90

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(All amounts in Indian Rupees millions, unless otherwise stated)

31 Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening inventories		
Finished goods	181.28	35.10
Work-in-progress	147.81	125.64
Total (A)	329.09	160.74
Closing inventories		
Finished goods	115.06	181.28
Work-in-progress	156.31	147.81
Total (B)	271.37	329.09
Total (A-B)	57.72	(168.35)

32 Employee benefits expense

Salaries, wages and bonus	164.60	102.95
Contribution to gratuity	3.69	2.39
Contribution to provident fund	8.62	6.69
Staff welfare expenses	18.84	6.64
Leave encashment expenses	2.85	2.44
Employee medical insurance expenses	1.91	1.84
Other employee related expenses	20.62	10.81
	221.13	133.76

33 Finance costs

Interest on term loan	67.18	54.45
Interest on term loan - ECGLS	1.61	-
Interest on cash credit	10.58	1.56
Interest on PCFC	10.90	11.91
Interest on bill discounting	6.55	11.76
Interest on SLC	0.11	0.12
Interest on car loan	0.32	0.36
Interest on unsecured loans	1.00	1.40
Bank charges	12.18	10.33
Interest on financial liabilities at amortized cost	2.72	1.87
	113.15	93.76

34 Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 3)	102.91	72.58
Amortisation of right-of-use asset (refer note 5)	5.30	4.09
Amortisation of intangible assets (refer note 6)	1.90	1.81
	110.11	78.48

(All amounts in Indian Rupees millions, unless otherwise stated)

35 Other expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Manufacturing service cost expenses		
Power and fuel	138.91	92.24
Water charges	3.80	4.09
Other manufacturing costs	347.71	249.62
Administrative and general expenses		
Telephone and postage	3.05	3.26
Printing and stationery	0.75	0.84
Rent	7.32	4.71
Rates and taxes	8.40	7.66
Payment to statutory auditors (Refer note below)	0.45	0.30
Directors' sitting fees	0.33	0.38
Managerial remuneration	30.52	16.90
Repairs and maintenance expenses	33.67	20.72
Electricity expenses	129.64	87.92
Travelling expenses	2.66	8.37
Legal and professional expenses	17.74	18.75
Insurance expenses	13.21	4.84
Vehicle running expenses	6.16	3.13
Other administrative and general expenses	20.22	19.92
Selling and distribution expenses	64.09	56.57
Research and development expenses	8.24	0.71
Other expenses	11.69	4.26
	848.56	**605.19**

(a) Payment to auditors

Statutory audit fee	0.45	0.30
	0.45	**0.30**

(All amounts in Indian Rupees millions, unless otherwise stated)

36 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Current income tax charge	201.00	121.92
Deferred tax	25.87	43.59
Income tax expense reported in the statement of profit or loss	**226.87**	**165.51**

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.22)	(0.92)
Income tax recognised in OCI	**(0.22)**	**(0.92)**

(c) Balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (net of advance tax)	7.70	6.73
Total current tax liabilities	**7.70**	**6.73**

(All amounts in Indian Rupees millions, unless otherwise stated)

(d) Deferred tax liabilities / (assets)

Particulars	As at 31 March 2021	As at 31 March 2020
Excess of depreciation/amortisation on property plant and equipment under income tax act	102.58	76.32
Fair valuation of Mutual funds	(0.20)	-
Fair valuation of Security deposits	(0.01)	(0.01)
Amortization of processing fees on loan	(0.18)	1.02
Provision for employee benefits	0.45	(0.22)
Leases	(0.57)	(0.69)
Net deferred tax liability/(asset)	**102.07**	**76.42**

(e) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	**938.06**	**565.07**
Tax rate	**25.17%**	**29.12%**
Tax as per IT Act on above	**236.09**	**164.55**
Tax expenses (P&L)		
(i) Current tax	201.00	121.92
(ii) Deferred tax	25.87	43.59
(iii) Taxation in respect of earlier years		
	226.87	**165.51**
Tax expenses (OCI)	**(0.22)**	**(0.92)**
Difference	**9.44**	**(0.04)**
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	(9.13)	-
Effect of Temporary Adjustments:		
(i) Impact as a result of Tax Rate Change	-	-
(ii) Impact as a result of Capital Gains	-	-
(iii) Others	(0.31)	0.04
	-	-

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Annexure VI - Notes to the restated financial information (continued)
(All amounts in Indian Rupees millions, unless otherwise stated)

(f) Movement in temporary differences:

	1 April 2020	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2021
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under Income tax act	76.32	26.26	-	102.58
Fair valuation of Mutual funds	-	(0.20)	-	(0.20)
Fair valuation of Security deposits	(0.01)	-	-	(0.01)
Amortization of processing fees on loan	1.02	(1.20)		(0.18)
Provision for employee benefits	(0.22)	0.89	(0.22)	0.45
Leases	(0.69)	0.12		(0.57)
Net deferred tax liability/(asset)	76.42	25.87	(0.22)	102.07

	1 April 2019	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2020
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	33.81	42.51	-	76.32
Fair valuation of Mutual funds	-	-	-	-
Fair valuation of Security deposits	-	(0.01)	-	(0.01)
Amortization of processing fees on loan	-	1.02	-	1.02
Provision for employee benefits	0.06	0.64	(0.92)	(0.22)
Leases	(0.11)	(0.58)	-	(0.69)
Net deferred tax liability/(asset)	33.76	43.58	(0.92)	76.42

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(All amounts in Indian Rupees millions, unless otherwise stated)

37 Earnings Per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the period / Year (in Rs.)	711.19	399.56
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200
Basic EPS (Rs.)	80.93	46.68
Diluted Earnings Per Share		
Profit for diluted earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	711.19	399.56
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200
Diluted EPS (Rs.)	80.93	46.68

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the period*	85,60,200	85,60,200
Issued during the period	2,27,594	-
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the period*	85,60,200	85,60,200
Issued during the period	2,27,594	-
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200

*Note: The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares subsequent to 30 September 2021 in accordance with Ind AS 33 - Earnings per Share. (refer note 51).

38 **Contingent liabilities, contingent assets and commitments :**

Contingent liabilities

Particulars	Currency	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank Guarantees Issued for:			
Customs	INR	6.89	18.20
Gujarat Gas Ltd	INR	6.43	4.59
DGVCL	INR	21.25	10.55
Total Margin for above items	INR	10.37	11.45
Raw Material LC	INR	-	15.64
Raw Material FLC	US$	0.82	1.42
Total Margin for above items	INR	10.12	23.83
Income Tax Demand:			
AY 2017-18 (PY: 2016-17)	INR	0.22	0.22
AY 2018-19 (PY: 2017-18)	INR	0.93	0.93

All the Contingent Liabilities listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	89.35	49.80
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(All amounts in Indian Rupees millions, unless otherwise stated)

40 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Entities where directors are interested :
Ashwin Jayantilal Desai (Managing Director)

Aether Foundation
Globe Enviro Care Limited

Purnima Ashwin Desai (Director)

Aether Foundation

Rohan Ashwin Desai (Director)
Aether Foundation

Kamalvijay Ramchandra Tulsiyan (Director)
J R Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd
Surat Mega Textiles Processing Park Association

Jeevanlal Nagori (Director)
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt Ltd
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.

Ishita Surendra Manjrekar (Director)
Sunanda Speciality Coatings Pvt. Ltd.
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

Key Management Personnel (KMP)

Name	Designation
Ashwin Jayantilal Desai	Managing Director
Purnima Ashwin Desai	Whole Time Director
Rohan Ashwin Desai	Whole Time Director
Aman Ashwin Desai	Whole Time Director

Relative of Key Management Personnel

Name	Designation
Payal Rohan Desai	Spouse of Rohan Ashwin Desai
Kamalvijay Ramchandra HUF	HUF of Director - Kamalvijay Ramchandra Tulsian
Pramilaben Kamalvijay Tulsian	Spouse of Kamalvijay Tulsian

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended 31 March 2021			For the year ended 31 March 2020		
		Promoters and their relatives	Companies Controlled by Directors / Relatives	Total	Promoters and their relatives	Companies Controlled by Directors / Relatives	Total
1	Rent Paid	8.75	-	8.75	4.20	-	4.20
2	Interest Paid	1.00	-	1.00	1.40	-	1.40
3	Loan accepted	15.00	-	15.00	20.20	-	20.20
4	Managerial Remuneration	29.58	-	29.58	16.90	-	16.90
5	Purchase of Consumables	-	0.32	0.32	-	0.57	0.57
6	Purchase of Material for Building & Structure	-	4.56	4.56	-	4.30	4.30
7	ETP Expenses	-	32.37	32.37	-	21.65	21.65
8	CSR Activities	-	4.61	4.61	-	1.21	1.21
9	Salary	4.55	-	4.55	-	-	-
		58.88	41.86	100.74	42.70	27.73	70.43

(c) Balances outstanding at the end of the period / year:-

Particulars	As at 31 March 2021	As at 31 March 2020
Rent payable	0.29	-
Interest payable	0.10	-
Managerial remuneration payable	3.22	1.30
Unsecured loans received	125.70	110.60
Salary Payable	0.25	-

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	As at 31 March 2021	As at 31 March 2020
Rent Paid		
Purnima Desai	1.35	0.90
Payal Desai	1.80	0.90
Ashwin Desai	0.90	-
Rohan Desai	0.50	-
Kamalvijay Ramchandra HUF	2.40	2.40
Pramilaben Kamalvijay Tulsian	1.80	-
Total	8.75	4.20

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Annexure VI - Notes to the restated financial information (continued)
(All amounts in Indian Rupees millions, unless otherwise stated)

Managerial Remuneration		
Ashwin Desai	6.83	3.90
Purnima Desai	6.83	3.90
Rohan Desai	7.96	4.55
Aman Desai	7.96	4.55
Total	29.58	16.90
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	0.32	0.57
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	4.56	4.30
Globe Enviro Care Limited (ETP Expenses)	32.37	21.65
Aether Foundation (CSR Expenses)	4.61	1.21
Total	41.86	27.73
Loans Accepted		
Ashwin Jayantilal Desai	1.98	0.70
Purnima Ashwin Desai	1.60	1.00
Rohan Ashwin Desai	5.84	15.30
Aman Ashwin Desai	4.49	1.20
Aman Desai (HUF)		-
Payal Rohan Desai	1.10	2.00
Total	15.01	20.20
Salary Paid		
Payal Rohan Desai	4.55	-
Total	4.55	-

(All amounts in Indian Rupees millions, unless otherwise stated)

41 Section 35(2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, Wages & Bonus		
Salary Expense	16.98	13.94
Overtime Wages	0.34	0.10
Employer's Contribution to PF	1.04	0.77
Employee Medical Insurance Expenses		-
Employer's Contribution to ESI	0.15	0.14
Leave Encashment Expenses		-
Leave Encashment Expenses	0.46	0.74
Other Employee Related Expenses		-
Bonus	1.95	1.63
Managerial Remuneration		-
Salaries to Directors	5.25	3.00
Bonus to Directors	0.44	0.25
Consumption of Material		-
R&D Material	10.37	7.18
Power & Fuel		-
Diesel Expenses	19.49	13.96
Repairs & Maintenance		-
Plant & Machinery	1.68	1.06
Buildings	0.31	0.24
Others	0.07	0.26
Electricity Expenses		-
Electricity Expenses	21.47	17.82
Vehicle Running Expenses		-
Petrol & Other Expenses	0.28	-
Vehicle Repairing Expenses	0.20	-
Vehicle Hiring Charges	1.40	-
Rent, Rates & Taxes		-
Rent	4.20	2.40
Other Administrative & General Expenses		-
Security Expenses	1.58	0.77
Total Revenue Expenditure (A)	**87.66**	**64.26**
Capital Expenditure		
Buildings	3.05	
Computers	0.49	0.02
Factory Equipment (Electric)	4.91	1.66
Furniture & Fixtures	0.02	0.12
Other Equipment (Lab)	2.57	2.80
Office Equipment	0.19	0.36
Plant & Machinery	67.19	33.47
Computer Software	0.40	0.44
CWIP	0.56	0.36
Total Capital Expenditure (B)	**79.38**	**39.23**
Total Expenditure (A) + (B)	**167.04**	**103.49**

Approval for registration of In-house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020.
As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.

(All amounts in Indian Rupees millions, unless otherwise stated)

42 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:
- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

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

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

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

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

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at 31 March 2021	As at 31 March 2020
Total current assets (A)	2,335.28	1,477.89
Total current liabilities (B)	1,619.06	1,178.56
Working capital (A-B)	**716.22**	**299.33**
Current Ratio:	**1.44**	**1.25**

(All amounts in Indian Rupees millions, unless otherwise stated)

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2021			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,082.00	1,044.13	1,037.87	2,082.00
Trade payables	477.73	477.62	0.11	477.73
Lease liabilities	30.67	3.56	27.11	30.67
Other liabilities	44.43	44.43	-	44.43

	As at 31 March 2020			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1,704.89	753.91	950.98	1,704.89
Trade payables	383.57	383.38	0.19	383.57
Lease liabilities	18.48	2.54	15.94	18.48
Other liabilities	15.75	15.75	-	15.75

(All amounts in Indian Rupees millions, unless otherwise stated)

(c) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) Foreign currency risk :

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade receivables	6.51	475.26	4.13	292.08
Balance with banks - in EEFC accounts	0.47	33.96	-	0.17
	6.98	**509.22**	**4.13**	**292.25**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(ii) Financial liabilities

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable	0.98	72.14	0.98	70.39
	0.98	**72.14**	**0.98**	**70.39**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(All amounts in Indian Rupees millions, unless otherwise stated)

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at 31 March 2021		As at 31 March 2020	
Particulars	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	6.00	437.08	3.15	221.86
Total	**6.00**	**437.08**	**3.15**	**221.86**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iv) Sensitivity analysis

Particulars	Impact on profit/equity (1% strengthening)	
	31 March 2021	31 March 2020
USD	4.37	2.22
Total	**4.37**	**2.22**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

Particulars	Impact on profit/equity (1% weakening)	
	31 March 2021	31 March 2020
USD	(4.37)	(2.22)
Total	**(4.37)**	**(2.22)**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(2) Interest rate risk:

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's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	1,953.40	1,340.59
Fixed rate borrowings	128.60	364.30
Total borrowings	**2,082.00**	**1,704.89**

Sensitivity analysis

Particulars	Impact on profit before tax /pre- tax equity	
	As at 31 March 2021	As at 31 March 2020
Increase by 50 basis points	(9.77)	(6.70)
Decrease by 50 basis points	9.77	6.70

43 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	2,786.11	2,221.90
Less: cash and cash equivalents and bank balances	55.63	36.00
Net debt	2,730.48	2,185.90
Total equity	1,743.33	782.77
Debt-equity ratio	1.57	2.79

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(All amounts in Indian Rupees millions, unless otherwise stated)

44 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2021					As at 31 March 2020				
	Carrying amount	Fair values				Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost		FVTPL	FVTPL	FVTOCI	Amortised cost
Category		Level 1	Level 3	Level 3	Level 2		Level 1	Level 3	Level 3	Level 2
Financial assets										
Trade receivables	1,082.40	-	-	-	1,082.40	629.70	-	-	-	629.70
Cash and cash equivalents	35.14	-	-	-	35.14	0.73	-	-	-	0.73
Other bank balances	20.49	-	-	-	20.49	35.27	-	-	-	35.27
Investment in mutual funds - Quoted	220.90	220.90	-	-	-	0.13	0.13	-	-	-
Investments in equity shares- Unquoted	2.09	-	-	2.09	-	2.09	-	-	2.09	-
Loans	7.92	-	-	-	7.92	7.04	-	-	-	7.04
Other financial assets	21.05	-	-	-	21.05	20.84	-	-	-	20.84
Total financial assets	**1,389.99**	**220.90**	**-**	**2.09**	**1,167.00**	**695.80**	**0.13**	**-**	**2.09**	**693.58**
Financial liabilities										
Borrowings	2,082.00	-	-	-	2,082.00	1,704.89	-	250.00	-	1,454.89
Trade payables	477.73	-	-	-	477.73	383.57	-	-	-	383.57
Other financial liabilities	75.10	-	-	-	75.10	34.23	-	-	-	34.23
Total financial liabilities	**2,634.83**	**-**	**-**	**-**	**2,634.83**	**2,122.69**	**-**	**250.00**	**-**	**1,872.69**

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & Investment in shares which are classified as FVTOCI are at fair value.

(All amounts in Indian Rupees millions, unless otherwise stated)

45 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provident fund		
Employer's Contribution	8.27	6.43
Administration charges	0.34	0.27
Employer's Contribution to ESI (Employee State Insurance)	1.91	1.84
	10.52	8.53

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.

2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Present Value of Benefit Obligation at the Beginning of the Period	11.73	6.71
Interest cost	0.80	0.52
Current service cost	3.69	2.44
Benefits paid	(0.48)	(0.13)
Actuarial (Gains)/Losses on Obligations	-	-
-Due to Change in Demographic Assumptions	-	-
-Due to Change in Financial Assumptions	0.05	1.44
-Due to Experience	1.62	0.75
Present value of obligation at the end of the period / year	**17.41**	**11.73**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the period / year	11.69	7.41
Interest income	0.80	0.58
Contributions	6.36	4.81
Mortality charges and taxes	-	-
Benefits paid	(0.48)	(0.13)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.81	(0.98)
Fair value of Plan assets at end of the period / year	**19.18**	**11.69**

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Net interest cost for current period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present Value of Benefit Obligation at the Beginning of the Period	11.73	6.71
Fair Value of Plan Assets at the Beginning of the Period	(11.69)	(7.41)
Net Liability/(Asset) at the Beginning	0.04	(0.70)
Interest Cost	0.80	0.52
Interest Income	(0.80)	(0.58)
Net Interest Cost for Current Period	-	(0.06)

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	3.69	2.44
Net Interest (Income)/ Expense	-	(0.06)
Net benefit expense	3.69	2.38

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurement for the year - obligation (gain) / loss	1.67	2.19
Re-measurement for the year - plan assets (gain) / loss	(0.81)	0.98
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	0.86	3.17

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit Obligation	17.41	11.73
Fair value of plan assets	19.18	11.69
Closing net defined benefit liability/(asset)	(1.77)	0.04

Particulars	As at 31 March 2021	As at 31 March 2020
Current	(1.77)	0.04
Non-Current	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
	%	%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	6.82%	6.84%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	6.82%	6.82%
Withdrawal rate #		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

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A quantitative sensitivity analysis for significant assumption as at 31 March 2021 & 31 March 2020 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2021		As at 31 March 2020	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(2.24)	2.77	(1.53)	1.90
Delta effect of 1% change in rate of salary increase	2.68	(2.23)	1.86	(1.53)
Delta effect of 1% change in rate of employee turnover	(0.41)	0.47	(0.30)	0.34

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments
The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	31 March 2021	31 March 2020
1st Following Year	0.44	0.25
2nd Following Year	0.64	0.36
3rd Following Year	0.73	0.50
4th Following Year	0.84	0.58
5th Following Year	0.88	0.62
Sum of Years 6 To 10	4.89	3.26
Sum of Years 11 and above	50.53	35.16

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(All amounts in Indian Rupees millions, unless otherwise stated)

Note 46: Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gross Sales (Contracted Price)	4,502.31	3,018.75
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	(4.15)	(0.69)
Revenue recognised	4,498.16	3,018.06

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

(b) External revenue by Product Line

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
4'-Methyl-2-Cyanobiphenyl (OTBN)	620.76	804.43
4-(2-Methoxyethyl) Phenol (4MEP)	944.35	603.75
Thiophene-2-Ethanol (T2E)	682.15	346.12
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	289.86	259.41
3-Methoxy-2-Methylbenzoyl Chloride (MMBC)	694.76	188.32
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	182.43	103.71
2-Methoxy-6-Chlorotoluene (MCT)	176.80	34.65
BFA	-	-
Other Products	548.01	403.08
Revenue from products (Recognised at point in time) (A)	4,139.12	2,743.47
Service name		
CRAMS	359.04	274.59
Revenue from services (Recognised over the period) (B)	359.04	274.59
Grand Total (A) + (B)	4,498.16	3,018.06

(c) Revenue by Business Classification

Product Name	For the year ended 31 March 2021	For the year ended 31 March 2020
Large Scale Manufacturing	3,249.18	2,489.04
Contract Manufacturing	871.57	222.98
Contract Research And Manufacturing Services (CRAMS)	359.04	274.59
Others	18.37	31.45
Total revenue	4,498.16	3,018.06

(d) Revenue by Geographies / Regions:

Country / Region	For the year ended 31 March 2021	For the year ended 31 March 2020
India (including Deemed Exports)	2,219.91	1,722.25
India (SEZ)	380.84	375.41
Spain	389.57	181.91
Italy	725.30	151.11
USA	211.68	131.69
Germany	237.27	96.14
Belgium	43.84	77.76
China	28.73	72.48
Mexico	47.80	68.59
Switzerland	8.70	34.59
Israel	23.08	22.56
Taiwan	64.92	0.15
Netherlands	46.25	10.67
Japan	37.79	18.51
Romania	16.13	21.50
Others - Europe	16.35	32.70
Others - ROW	-	0.04
Total revenue	4,498.16	3,018.06

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(All amounts in Indian Rupees millions, unless otherwise stated)

47 : Explanation of transition to Ind AS

These restated Ind AS financial statements, for the period ended 30 September 2021 are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended 31 March 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2021 together with comparative period data as at and for the year ending on 31 March 2020 as described in the Basis of Preparation and Summary of Significant Accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018 being the Company's date of transition to Ind AS.

The restated financial statements for the year ended 31 March 2021 and 31 March 2020 were prepared in accordance with Ind AS complying with the requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For all the years the company has adopted the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e. 1 April 2018.

This note explains exemptions availed by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2021 and 31 March 2020.

A. Exemptions availed
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has elected to apply the following exemptions:

1. Deemed cost : Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

2. Designation of previously recognised financial instruments

Financial assets and financial liabilities are classified at fair value based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. 1 April 2018 and not from the date of initial recognition.

3. Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

B. Exceptions applied

1. Estimates

The estimates at 1 April 2018 being the transition date and at 31 March 2021 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2018 , the date of transition to Ind AS and as of 31 March 2021.

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first-time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initial accounting of transactions.
The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

C. Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-
i) Reconciliation of equity as at 31 March 2020 and 31 March 2021
ii) Reconciliation of total comprehensive income for the year ended 31 March 2020 and 31 March 2021;
There are no material adjustments to the cash flow statements.

D. Statement of reconciliation of total equity and profit and loss as per previous GAAP and Ind AS

Reconciliation of total equity as at 31 March 2021 and 31 March 2020:

Particulars	Note	31 March 2021	31 March 2020
Equity as per Indian GAAP		1,744.71	1,034.49
Adjustments to retained earnings			
Leases	C	(7.14)	(5.10)
Fair valuation of security deposit	b	(0.00)	(0.01)
Investment in mutual funds	c	0.82	0.04
Reclassification of preference shares into	d	-	(250.00)
Provision of gratuity	e	1.75	(0.05)
Transaction cost on borrowings	f	2.67	3.50
Deferred tax impact	g	0.52	(0.10)
Total of Ind AS adjustment to retained earnings		(1.38)	(251.72)
Equity as per Ind AS		1,743.33	782.77

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(All amounts in Indian Rupees millions, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2021 and 31 March 2020:

Particulars	Note	31 March 2021	31 March 2020
Net profit as per Indian GAAP		710.22	396.12
Adjustments to net profit			
Leases	c	(2.04)	(1.42)
Fair valuation of security deposit	b	0.00	(0.00)
Investment in mutual funds	a	0.79	0.01
Provision of gratuity	d,e	2.66	2.44
Transaction cost on borrowings	g	(0.83)	3.49
Deferred tax impact	h	0.39	(1.08)
Total of Ind AS adjustments to net profit		0.98	3.44
Net Profit as per Ind AS		711.20	399.56
Adjustments to other comprehensive income			
Actuarial gains and losses (net of tax)	d	(0.86)	(3.16)
Deferred tax impact on investments	h	0.22	0.92
Total of Ind AS adjustments to other comprehensive income		(0.64)	(2.24)
Total comprehensive income as per Ind AS		710.55	397.32

Notes to the reconciliations:

a) Investment in mutual funds
Under Indian GAAP, long-term investments are valued at cost less provision for other than temporary diminution in the value of such investments. Under Ind AS, investment in mutual funds are classified as 'Fair value through profit and loss' are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.

b) Interest-free security deposits (Assets)
Under Indian GAAP, security deposits are recorded at transaction value. Under Ind AS, security deposits given to lessors for leased premises have been fair valued and the difference between the fair value and the transaction value have been presented as a part of right-of-use assets. Right-of-use assets has been depreciated in the statement of profit and loss over the lease term. Interest income on security deposit is recorded using effective interest rate method.

c) Leases
Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using effective interest rate method.

d) Employee benefit expenses - actuarial gains and losses and return on plan assets
Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

e) Prior period adjustments
Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the statement of profit and loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening balance sheet. Under Indian GAAP, the company did not take actuarial valuation of gratuity provision and its corresponding impact. However while restatement of financial information, impact of actuarial valuation of gratuity provision has been considered.

f) Liability - Preference shares
Under Indian GAAP, preference shares forms part of share capital. Under Ind AS, these preference shares are classified as borrowings (liability) and are subsequently measured at fair value profit or loss account (FVTPL).

g) Borrowings
Under Indian GAAP, transaction costs incurred in connection with borrowings are recognised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition of financial liability and charged to profit or loss using the effective interest method.

h) Income tax
Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

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48 : Leases

(a) For Right-of-use assets schedule - Please refer note 3.

(b) Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current	3.56	2.54
Non Current	27.11	15.94
Total	**30.67**	**18.48**

(c) Interest expenses on lease liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	2.72	1.87

(d) Expenses on short term leases / low value assets

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term lease	7.08	3.77
Low value assets	0.24	0.94

(e) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	3.27	2.68

(f) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	9.80	4.19
One to five years	46.51	14.47
More than five years	10.20	4.80
Total undiscounted lease liabilities	**66.51**	**23.46**

(g) Other notes

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.

Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

AETHER INDUSTRIES LIMITED
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SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

49 Operating Segment

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sales Value		
India	2,219.91	1,722.25
Rest of the World	2,278.25	1,295.81
	4,498.16	3,018.06
Carrying amount of assets*		
India	607.14	337.62
Rest of the world	475.26	292.08
	1,082.40	629.70
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right of use assets and intangible assets		
India	985.42	308.74
	985.42	308.74

(b) Information about major customers (External Customers):

The following is the transactions by the company with external customers individually contributing 10% or more of revenue from operations:

(i) For the year ended 31 March 2021, revenue from operations of one customer of the company represented approximately 19.98% of revenue from operations.
(ii) For the year ended 31 March 2020, revenue from operations of one customer of the company represented approximately 10.29% of revenue from operations.

50 Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 6.53 million (31 March 2020: Rs. 2.83 million), being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 6.53 million (31 March 2020: Rs. 1.93 millions) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR activities	For the year ended 31 March 2021	For the year ended 31 March 2020
Aether Foundation	Promoting health care including preventive health care and promoting education in tribal and rural area, vocational training support, assistance for research program	4.36	1.21
Friends of Tribal Society	Promoting education in rural area	0.66	0.33
Surat City Taekwondo Association	Training to promote Olympic sports (Karate)	-	0.15
Direct fund support	Provision of bed at a hospital as promoting health care including preventive health care	-	0.08
Dang Yuvak Seva samiti	Promoting education in rural area	-	0.12
Disable Welfare Trust of India	Provision of aid / facilities to senior citizens	0.10	-
Shree Jaganath Vruddhashram Trust	Provision of aid / facilities to senior citizens	0.20	-
Laado Sansthan	Contribution of various facilities for skill development for females	0.01	-
Sachin Vibhag Kelvani Mandal	Promoting education support	1.00	-
Provision of food to the needy during lock-down (CoVID-19)	Disaster management	0.20	0.01
Sanitisation activity in local area (CoVID-19)	Disaster management	-	0.03
Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	-
Nimar Abhyudaya Rural Management & Development Association	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	-	-
Aether Foundation	Promoting education in rural area and setting up homes and hostels for women	-	-
Kajorimal Basantilal Nagori Trust	Promoting education in rural area	-	-
Surat Manav Sewa Sangh	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	-
Surat Raktadan Kendra and Research Centre	Preventive health-care measure	-	-
	Total	6.53	1.93

51 Events subsequent to 31 March 2021

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of the Board of Directors of
Aether Industries Limited

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

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(All amounts in Indian Rupees millions, unless otherwise stated)

52 **Ratios as per the Schedule III requirements**

(a) **Current Ratio = Current Assets divided by Current Liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Current Assets	2,335.28	1,477.89
Current Liabilities	1,619.06	1,178.56
Current Ratio (Times)	**1.44**	**1.25**
% Change from previous period / year	15.02%	

(b) **Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
Total Debt	2,082.00	1,704.89
Total Equity	1,743.33	782.77
Debt Equity Ratio (Times)	1.19	2.18
% Change from previous period / year	-45.17%	

(c) **Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total Interest and principal repayments**

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	711.19	399.56
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	110.11	78.48
Finance costs	113.15	93.76
Earnings available for debt services	934.45	571.80
Interest cost on borrowings	97.25	80.16
Principal repayments (including certain prepayments)	110.60	83.02
Total Interest and principal repayments	207.85	163.18
Debt Service Coverage Ratio (Times)	4.50	3.50
% Change from previous period / year	28.30%	

(d) **Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity**

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	711.19	399.56
Total Equity	1,743.33	782.77
Return on Equity Ratio (%)	40.79%	51.04%
% Change from previous period / year	-20.08%	

(e) **Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366**

Particulars	As at 31 March 2021	As at 31 March 2020
Cost of materials consumed	2,306.88	1,561.55
Closing Inventory	847.28	719.39
Inventory Turnover Ratio (Days)	134.06	168.61
% Change from previous period / year	-20.49%	

(f) **Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivabes in to 365/366**

Particulars	As at 31 March 2021	As at 31 March 2020
Credit Sales	4,498.16	3,018.06
Closing Trade Receivables	1,082.40	629.70
Trade Recelbables Ratio (Days)	87.83	76.36
% Change from previous period / year	15.02%	

(g) **Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366**

Particulars	As at 31 March 2021	As at 31 March 2020
Cost of materials consumed	2,306.88	1,561.55
Closing Trade Payables	477.73	383.57
Trade Payables Turnover Ratio (Days)	75.59	89.90
% Change from previous period / year	-15.92%	

(h) **Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue from operations	4,498.16	3,018.06
Net Working Capital	716.22	299.33
Net Capital Turnover Ratio (Times)	6.28	10.08
% Change from previous period / year	-37.71%	

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	711.19	399.56
Revenue from operations	4,498.16	3,018.06
Ratio (Times)	0.16	0.13
% Change from previous period / year	19.43%	

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Particulars	As at 31 March 2021	As at 31 March 2020
Profit/(Loss) before tax* (A)	938.06	565.07
Finance Costs* (B)	113.15	93.76
Other Income* (C)	39.73	19.75
EBIT (D) = (A)+(B)-(C)	1,011.48	639.08
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	3,548.80	2,451.53
Total Equity (E)	1,743.33	782.77
Non-Current Borrowings (F)	1,037.87	950.98
Current Borrowings (G)	1,044.13	753.91
Current Investments (H)	220.90	0.13
Cash and Cash equivalents (I)	35.14	0.73
Bank balances other than cash and cash equivalents (J)	20.49	35.27
Ratio (D)/(K) (%)	28.50%	26.07%
% Change from previous period / year	9.33%	

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AETHER INDUSTRIES LIMITED
Annexure VII - Statement of Adjustments to the Restated Standalone Financial Information
(All amounts in Indian Rupees millions, unless otherwise stated)

Summarised below are the restatement adjustments made to the equity of the Audited Standalone Financial Statements of the Company for the years ended 31 March 2021 and 31 March 2020 and their consequential impact on the equity of the Company:

Particulars	Notes reference	31 March 2021	31 March 2020
A. Total equity as per Restated Standalone Financial Information - IND AS		1,743.33	782.77
Adjustment:			
Material restatement Adjustment:			
(i) Audit qualifications	1	-	-
(ii) Adjustments due to prior period items / other adjustments	2	-	-
B. Total impact of adjustments (i + ii)		-	-
C. Total Equity as per ICDR restated Standalone Financial Stattements (A +/- B)		1,743.33	782.77

Summarised below are the restatement adjustments made to the net profit of the audited standalone financial statements of the Company for the years ended 31 March 2021 and 31 March 2020 and their impact on the profit of the Company:

Particulars	Notes reference	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Net Profit after tax as per Restated Standalone Financial Information		711.19	399.56
Adjustment:			
Material restatement Adjustment:			
(i) Audit qualifications	1		
(ii) Adjustments due to prior period items / other adjustments	2		
B. Total impact of adjustments (i + ii)		-	-
C. Net Profit as per ICDR restated Standalone Financial Stattements (A +/- B)		711.19	399.56

1. Adjustments for audit qualification : None

2. Adjustments due to prior period items / other adjustments.

3. Material regrouping :
Appropriate regroupings have been made in the Restated standalone balance sheet, Restated standalone Statement of Profit and Loss and Restated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended 31 March 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

Non-adjusting items
1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Standalone Financial Information: None