

Acknowledgement Receipt of Income Tax Forms

(Other Than Income Tax Return)



e-Filing Acknowledgement Number / Quarterly Statement Receipt Number
534573410301123

Date of e-Filing
30-Nov-2023

Name	:	VINEY CORPORATION PRIVATE LIMITED
PAN/TAN	:	AAACV0446L
Address	:	35, Basement, Community Center, Munirka Marg, Basant Lok, Vasant Vihar-1, Vasant Vihar-1, SOUTH WEST DELHI, Delhi, INDIA, 110057
Form No.	:	Form 3CEAA
Form Description	:	Report to be furnished under sub-section (4) of section 92D of the Income-tax Act, 1961
Assessment Year	:	2023-24
Financial Year	:	-
Month	:	-
Quarter	:	-
Filing Type	:	Original
Capacity	:	MD
Verified By	:	AALPA3343B

(This is a computer generated Acknowledgement Receipt and needs no signature)

FORM NO. 3CEAA [See rule 10DA]

Report to be furnished under sub-section (4) of section 92D of the Income-tax Act, 1961

Acknowledgement Number -534573410301123



e-Filing *Anywhere Anytime*
Income Tax Department, Government of India

Part-A

1. Name of the assessee	VINEY CORPORATION PRIVATE LIMITED
2. Address of the assessee	35, Basement, Community Center, Munirka Marg, Basant Lok, Vasant Vihar-1, Vasant Vihar-1, SOUTH WEST DELHI, Delhi, India - 110057
3. PAN of the assessee	AAACV0446L
4. Name of the international group of which the assessee is a constituent entity	VINEY CORPORATION
5. Address of the international group of which the assessee is a constituent entity	35, Basement Community Center, Vasant Vihar-1, Vasant Vihar-1, SOUTH WEST DELHI, Delhi, India - 110057
6. Accounting Year for which the report is being submitted	01-Apr-2022 - 31-Mar-2023
7. Number of constituent entities of the international group operating in India	2
8. Name, PAN and address of all the constituent entities included in item no. 7	

Sl. No.	Name of the constituent entities of the international group	Permanent account number of the constituent entities of the international group	Address of the constituent entities of the international group
1	Viney Corporation Private Limited	AAACV0446L	35, Basement Community Center, Munirka Marg, Basant Lok, Vasant Vihar-1, Vasant Vihar-1, SOUTH WEST DELHI, Delhi, India - 110057
2	Viney Auto Ancillary Private Limited	AAJCV1837G	House No.872, Ground Floor, BLK-E, Pitampura, Saraswati Vihar, Saraswati Vihar, NORTH WEST DELHI, Delhi, India - 110034

Part-B

Whether Part B is applicable as per Section 92D of the Income Tax Act, 1961 read with Sub-rule 3(ii) of Rule 10DA? **Yes**

1. List of all entities of the international group along with their addresses

Form3CEAA_Clause_1_Part_B.csv

2. Chart depicting the legal status of the constituent entity and ownership structure of the entire international group

Group Structure - Clause 2.pdf

3. Written description of the business of the international group during the accounting year in accordance with clause (c) of sub-rule (1) of rule 10DA containing the following, namely

(i) the nature of the business or businesses

The nature of the businesses of Viney Corporation Group is described below: Viney Corporation Group is a premier manufacturer and supplier of auto components. Founded in 1989, the group continues to be a pioneer in mechanical, mechatronic and electronic technologies for wiring harnesses, terminals, connectors, wires and switches, supplied to leading Two-Wheeler, Passenger Vehicle, Commercial Vehicle Manufacturers and Tier 1 Customers in India and overseas. The product portfolio of the group for Indian business consists of wiring harness, plastic parts/ connectors, terminals, Teflon and auto-grade wires and rubber components. In Europe, the group focuses on mechatronic/ mechanical switches, plastic parts and wiring harness, moulds for plastic material and sheet metal. The group also has presence in the solar power industry and has commissioned a 1 MW Solar power plant at Jodhpur in Rajasthan in 2014. The power purchase agreements are entered into by the group with the state government for the sale of power. The group has also installed a 160KW solar power plant at its Manesar (Haryana) facility for captive consumption.

<p>(ii) the important drivers of profits of such business or businesses</p>	<p>The important drivers of profits of Viney Corporation Group are: a) Multi-location Manufacturing Capability: It operates through 11 production facilities -07 plants in India, 2 plants in Italy and 2 plants in Romania. The plants in India are located within the vicinity of the various auto industry clusters across India, thus providing the locational edge to cater to the OEMs & Tier 1 customers demand in the least possible turn-around time. European plants also have the close proximity with the OEMs and operate through a blend of highly automated plant in Italy and labor-intensive plant in Romania, with low labor cost, thus propelling the profits. b) Backward-integration and Latest Technology: It is fully backward-integrated with a lean organization structure, low key operations and having plants in Tax-free zones in India. It has highly sophisticated, flexible manufacturing facilities with latest, technologically advanced, imported machines and in-house design and development facilities. c) Logistics Management: Effective coordination by the logistics team of the constituent entities with their production units ensures availability of auto-components in the warehouses at the right time for timely delivery and to attain customer retention and continuity. d) Customer satisfaction: The group has built up a customer portfolio of leading OEMs and Tier 1 suppliers (majorly under contract with OEMs), resulting in robust exports and marking its presence in global markets.</p>
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(iii) a description of the supply chain for the five largest products or services of the international group in terms of revenue and any other products including services amounting to more than five per cent. of the consolidated group revenue

Viney Corporation Supply Chain-Clause 3(iii).pdf

Sl. No.	Name of the product or service	Description of supply chain
1	PDF Attached	PDF Attached

Viney Corporation Group

(iv)	a list and brief description of important service arrangements made among members of the international group, other than those for research and development services	Service Arrangements - Clause 3(iv).pdf
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(v)	a description of the capabilities of the main service providers within the international group
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Sl. No.	Name of the service provider	Address of the service provider	Description of the capabilities
1	Vimercati S.p.A, Italy	Via Vincenzo, Monti 38 200016 Pero, Milano, Italy, Foreign, Italy - 999999	Nature : Provision of marketing support, quality control and information technology (IT) services; Description : a) Preference of European OEM customers to deal with an Italian company vis-a-vis a Romanian company b) Scarcity of required personnel in Romania c) Availability of professional and experienced team and IT infrastructure and servers in Vimercati S.p.A.

(vi)	the transfer pricing policies for allocating service costs and determining prices to be paid for intra-group services	Service : Provision of marketing support, quality control and information technology (IT) services ; TP Policy : The fee charged by Vimercati S.p.A, Italy is calculated at 8% of direct sales made to third party customers by the service recipient.
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(vii)	a list and description of the major geographical markets for the products and services offered by the international group
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Sl. No.	Name of the product or services offered	Description of Geographical markets (Country wise)
1	Wiring Harness	India
2	Terminals and Connectors	India
3	Visible Switches and Mechatronic Devices	Germany
4	Visible Switches and Mechatronic Devices	China

Sl. No.	Name of the product or services offered	Description of Geographical markets (Country wise)
5	Visible Switches and Mechatronic Devices	France
6	Visible Switches and Mechatronic Devices	Spain
7	Visible Switches and Mechatronic Devices	United Kingdom Of Great Britain And Northern Ireland
8	Visible Switches and Mechatronic Devices	United States Of America
9	Sliding Door Switches	Italy
10	Sliding Door Switches	France
11	Sliding Door Switches	Romania
12	Sliding Door Switches	Turkey
13	Sliding Door Switches	Poland
14	Steering Wheel Switches	Romania
15	Steering Wheel Switches	Turkey
16	Steering Wheel Switches	Germany
17	Steering Wheel Switches	Portugal
18	Steering Wheel Switches	Brazil

(viii) the functions, assets and risks analysis of the constituent entities of the international group that contribute at least ten per cent. of the revenues or assets or profits of such group.	Viney Corporation Group FAR - Clause 3(viii).pdf
Whether any of the constituent entities of the international group contribute at least ten per cent. of the revenues or assets or profits of such group?	Yes

Sl. No.	Name of the constituent entity	Functions	Assets	Risk
1	PDF Attached	PDF Attached	PDF Attached	PDF Attached

(ix) a description of the important business restructuring transactions, acquisitions and divestments	-
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4. Description of the overall strategy of the international group for the development, ownership and exploitation of intangible property, including location of principal research and development facilities and their management

For Viney Corporation Group, R&D is a very important function in the complete supply chain. It has two R&D centres in Italy and in India respectively. R&D activities for European operations are centralised and are performed by Vimercati S.p.A, Italy. It has a strong niche for design and development of new products & prototypes with in-house 3D modelling capabilities and testing lab. It consists of professionals highly qualified in Electronics and Mechatronics stream with state-of-the-art Software and Hardware for Design and Analysis. The center caters to all the present and future product development needs of the current and prospective customers. In India also, Viney Corporation Group has established a R&D Lab in Gurugram, having state of the art facilities continuously engaged in industrial research endeavors to transcend the refined techniques employed by the automotive industry. This R&D Lab is driven by technically qualified engineers & rich experienced personnel who continuously striving for new product development, improvement in existing products, cost reductions and import substitution of Automotive Parts and Components by adopting advanced technology and designing capabilities. Hence, it is recognized and registered as a research institute by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Government of India.

5. List of all entities of the international group engaged in development of intangible property and in management of intangible property along with their addresses

Sl. No.	Name of the entity of the international group	Address of the entity of the international group
1	Viney Corporation Private Limited	35, Basement Community Center, Munirka Marg, Basant Lok, Vasant Vihar-1, Vasant Vihar-1, SOUTH WEST DELHI, Delhi, India - 110057
2	Vimercati S.p.A, Italy	Via Vincenzo, Monti 38 200016 Pero, Milano, Italy, Foreign, Iceland - 999999

6. List of all the important intangible property or groups of intangible property owned by the international group along with the names and addresses of the group entities that legally own such intangible property

Sl. No.	Intangible property /group of intangible property	Name of the entity who legally owns the intangible property/group of intangible property	Address of the entity
1	Technical know-how (Products manufactured by Vimercati S.p.A, Italy & Vimercati East Europe S.r.L., Romania)	Vimercati S.p.A, Italy	Via Vincenzo, Monti 38 200016 Pero, Milano, Italy, Foreign, Italy - 999999
2	Technical know-how (Products manufactured by Vimercati East Europe S.r.L., Romania)	Vimercati East Europe S.r.L. Romania	Strada Garii, NR 100, Hemius, Bacau, Foreign, Romania - 607235

7. List and brief description of important agreements among members of the international group related to intangible property, including cost contribution arrangements, principal research service agreements and license agreements

Vimercati S.p.A, Italy has entered into a Technical know-how agreement with Vimercati East Europe S.r.L., Romania, whereby Vimercati S.p.A, provides technical know-how and engineering support to Vimercati East Europe S.r.L. in respect of development of technical know-how on project basis by technically qualified engineers and experienced personnel who continuously strive for new product design development, prototype creation, commissioning and setting up of production line, improvement in existing automotive parts and components by adopting advanced technology and designing capabilities.

8. Description of the transfer pricing policies of the international group related to research and development and intangible property

Vimercati East Europe S.r.L, Romania makes payment to Vimercati S.p.A, Italy for technical know-how development cost and product design modification cost incurred for the first entity and considers such cost as intangible assets in its books of account.

9. Description of important transfers of interest in intangible property, if any, among entities of the international group, including the names and addresses of the selling and buying entities and the

compensation paid for such transfers

Sl. No.	Description of the intangible property	Name of the selling entity(s)	Address of the selling entity(s)	Name of the buying entity(s)	Address of the buying entity(s)	Compensation paid	Currency
No Records Added							

10. Detailed description of the financing arrangements of the international group, including the names and addresses of the top ten unrelated lenders	
Not Applicable	
11. List of group entities that provide central financing functions, including their addresses of operation and of effective management	

Sl. No.	Name of the group entity	Address of operation	Address of effective management
No Records Added			

12. Detailed description of the transfer pricing policies of the international group related to financing arrangements among group entities	Not Applicable
13. A copy of the annual consolidated financial statement of the international group	Viney Corporation Group Consolidated Financials - Clause 13.pdf
14. A list and brief description of the existing unilateral advance pricing agreements and other tax rulings in respect of the international group for allocation of income among countries	Not Applicable

Verification

I, **BRIJESH AGGARWAL**, son of Shri **VED PARKASH AGGARWAL** hereby declare that I am furnishing the information in my capacity as **Managing Director** (designation) of **VINEY CORPORATION PRIVATE LIMITED** (name of the assessee) and I am competent to furnish the said information and verify it.

Name of the Signatory

BRIJESH AGGARWAL

Address of the declarant

**D-631, 1st Floor, Saraswati Vihar,
Saraswati Vihar, Saraswati Vihar,
NORTH WEST DELHI, Delhi, India -
110034**

PAN of the declarant

AALPA3343B

Place

New Delhi

IP Address

103.248.119.82

Date

30-Nov-2023

Acknowledgement Number - 534573410301123

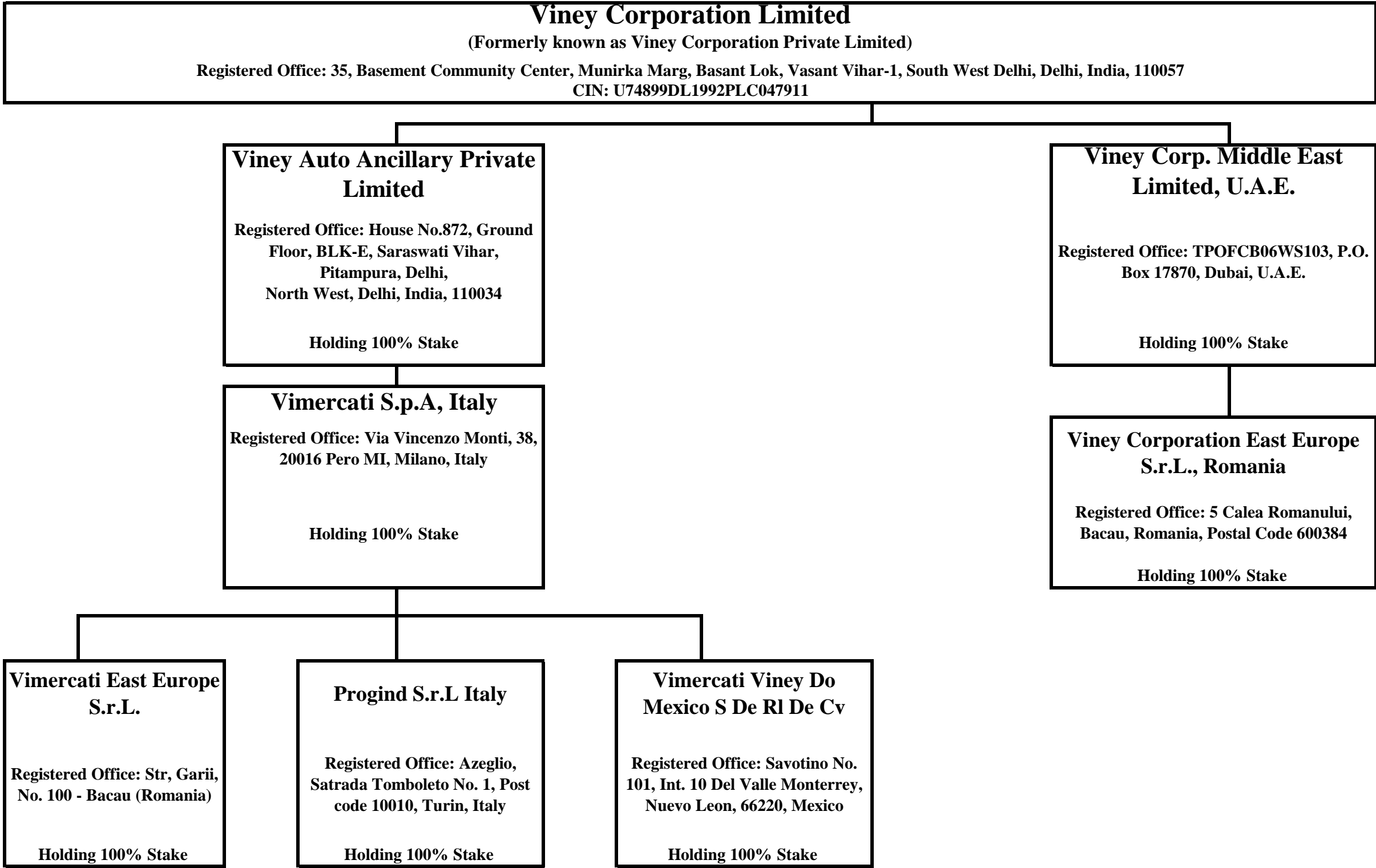
This form has been digitally signed by DINESH CHAND SHARMA having PAN AKZPS5524L from IP Address 103.248.119.82 on 30-Nov-2023 10:43:19 AM

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S. No.	Company Name	Address
1	Viney Corporation Limited	35, Basement Community Center, 110057, Munirka Marg, Basant Lok, Vasant Vihar-1, South West Delhi, Delhi
2	Viney Auto Ancillary Private Limited	House No.872,"Ground Floor, BLK-E",110034, Saraswati Vihar, Pitampura, North West Delhi, Delhi
3	Vimercati S.p.A	Via Vincenzo, Monti 38 200016 Pero, Milano, Italy
4	Viney Corporation Middle East Limited	P. O. Box 17870, Dubai, UAE
5	Vimercati East Europe S.r.L.	Strada Garii, NR 100, Hemius 607235, Bacau, Romania
6	Viney Corporation East Europe S.r.L.	Via Calea Romanului, Nr.5,Bacau, Romania-600384
7	Progind S.r.L Italy	Satrada Tomboleto 1, 10010 Azeglio, Torino, Italy
8	Vimercati Viney Do Mexico S De Rl De Cv	Int. 10 Del Valle Monterrey No. 101, 66220, Savotino, Nuevo Leon, Mexico

Viney Corporation Group
Group Chart as on 31st March 2024



Clause 3(iii): a description of the supply chain for the five largest products or services of the international group in terms of revenue and any other products including services amounting to more than five per cent of the consolidated group revenue

Revenue ratio table in relation to supply chain for the five largest products or services of the international group:

Nature of Products	Percentage of consolidated group revenue
Steering Wheel Switches	24.87%
Visible Switches and Mechatronic Devices	22.47%
Wiring Harness	17.75%
Terminals and Connectors	9.72%
Sliding Door Switches	6.65%

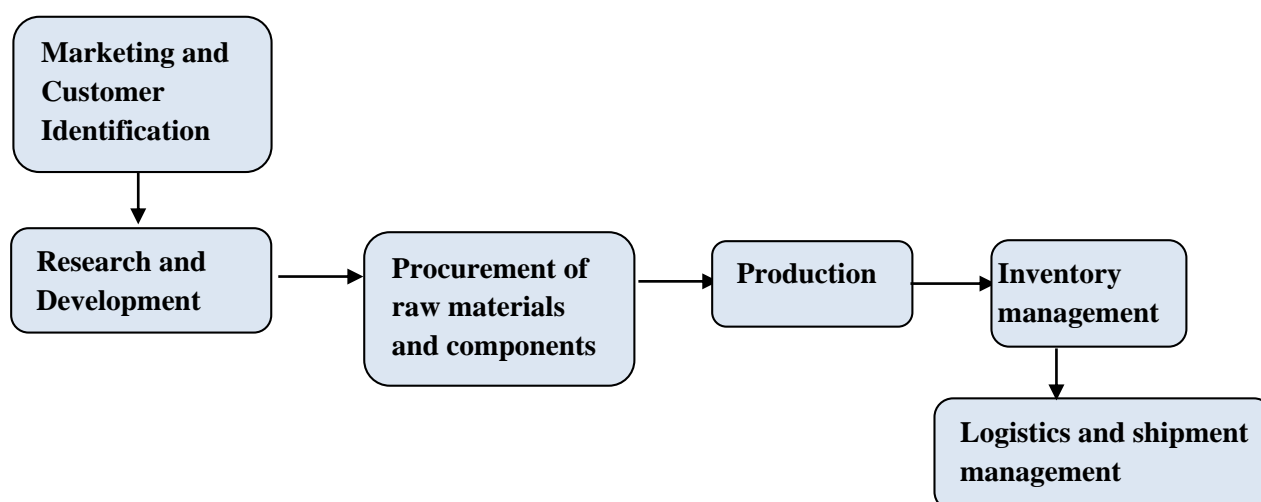
Viney Corporation Group is a multinational auto-component manufacturing conglomerate, with disintegrated value chain around manufacturing, marketing and distribution supply chain for the global automotive industry.

Viney Corporation Group is mainly engaged in manufacturing of auto components. The Group has its manufacturing entities in India, Italy and Romania viz. Viney Corporation Limited, Vimercati S.p.A, Italy, Progind S.r.L., Italy, Vimercati East Europe S.r.L., Romania and Viney Corporation East Europe S.r.L., Romania respectively. The product portfolio of the group in India comprises wiring harness, plastic parts/connectors, terminals, teflon and auto-grade wires and rubber components. In Europe, the group focuses on mechatronic/mechanical switches, plastic parts and wiring harness, moulds for plastic material and sheet metal.

The constituent entities of the group follow a decentralised business model with disintegrated supply chain comprising Marketing & Customer Identification, Research and Development, Procurement of Raw Materials and Components, Production, Inspection and Quality Control, Inventory Management, Logistics and Shipment Management. However, Marketing & Customer Identification and Research & Development activity for European operations is centralised and performed by Vimercati S.p.A, Italy and rest of the activities are decentralised and performed by the individual constituent entities.

Description of the supply chain of the Group

A. Diagrammatic representation of the supply chain



B. Summary of the activities undertaken by each constituent entity of the Viney Corporation Group along the supply chain

1. Marketing and Customer Identification

Each constituent entity invests significant resources in identifying new customers with customized marketing plans with strategic focus on enduring long-term relationship with its existing customers.

The marketing team of each entity undertakes extensive market research, formulates marketing strategies and engages in promotion of the auto-products to enhance the entity's sales.

The activity for Marketing & Customer identification for European operations are centralized under Vimercati S.p.A, Italy. The function is responsible for connecting customers with all 3 entities named Vimercati SpA Italy, Progind S.r.L., Italy, and Vimercati S.r.l. Romania based on the capabilities of respective plants and customers' requirements.

2. Research & Development (R&D)

For Viney Corporation Group, R&D is a very important function in the complete supply chain. It has two R&D centres in Italy and in India respectively. R&D activities for European operations are centralised and are performed by Vimercati S.p.A, Italy. It has a strong niche for design and development of new products & prototypes with in-house 3D modelling capabilities and testing lab. It consists of professionals highly qualified in Electronics and Mechatronics stream with state-of-the-art Software and Hardware for Design and Analysis. The centre caters to all the present and future product development needs of the current and prospective customers.

In India also, Viney Corporation Group has established a R&D Lab in Gurugram, having state of the art facilities continuously engaged in industrial research endeavors to transcend the refined techniques employed by the automotive industry. This R&D Lab is driven by technically qualified engineers & rich experienced personnel who continuously striving for new product development, improvement in existing products, cost reductions and import substitution of Automotive Parts and Components by adopting advanced technology and designing capabilities. Hence, it is recognized and registered as a research institute by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Government of India.

3. Procurement of raw materials and components

Procurement function deals with the sourcing activities, negotiation with vendors and strategic selection of goods and services that are usually of importance to a manufacturing organization. Procurement is a value adding function and it deals not only with procurement of raw materials and components, but also with purchase of capital equipments, process of selecting vendors, establishing payment terms, strategic vetting, selection, the negotiation of contracts and actual purchasing of goods, spare parts procurement, managing rejections, defective returns, warranty replacement process with suppliers too.

As a business strategy, each of the group manufacturing entities has its own decentralized procurement team, which conducts quality checks with help of quality department for raw material and components to be procured and also enters into long-term tie ups with major suppliers to procure the required raw material and components, in order to achieve cost efficiency. This enables the group to sustain in the competitive environment.

The Supply chain team engages in the following functions:

- Identification of raw material requirement across the manufacturing plants;
- Identification of raw material suppliers and vendors (“suppliers”);
- Setting quality standards along with Quality department team for the raw materials to be procured;
- Negotiation with the suppliers;
- Selection of the suppliers and entering into contracts with the suppliers;
- Planning demand requirements across the manufacturing departments; and
- Timely delivery of the raw material requirement to the manufacturing plants.

For the manufacturing of auto components, timely and cost-effective procurement of auto-parts plays a key role in the efficient supply chain thereby playing a vital role in the strategy of the business.

4. Production

The Group manufactures its auto-products across its **11** production facilities – **7** plants in India and **4** plants overseas in Italy (2 plants) and Romania (2 plants).

The group manufacturing entities have various teams in its production department undertaking functions starting from scheduling of production to managing outbound logistics of the manufactured auto-products. The production function begins with the production plans formulated by the **planning team**, defining the quantity of various types of auto-components to be manufactured based on the sales order and delivery schedules from customers. The **processing team** ensures the smooth conversion of the raw materials into finished products. Once the auto-components are manufactured, the quality control team undertakes extensive quality checks. During this process, the defective goods are identified and excluded from the manufactured batches. The group manufacturing entities deploy high quality testing equipment and investigative tools. Once the products qualify the quality checks, the same are packaged and labeled by the **packaging and labeling team**. The packages designed by the team ensure complete protection of the manufactured goods from any damage. The packaged goods are stored in the factory premises before being shipped to the warehouses for further distribution.

5. Inventory management

The inventory management teams of group manufacturing entities oversee the movement of manufactured products from factories to the point of sale. The team undertakes numerous activities including:

- Warehousing of the packaged products,
- Stock keeping of the inventory,
- Detailed recording of new or returned stock as it enters or leaves a warehouse; and
- Outbound logistics.

Efficient inventory management plays a vital role in deciding the Group’s ability to operate with high profit margins. The inventory management teams are equipped with a modern, robust and an automated inventory management system to provide efficient solutions to inventory management.

Close interaction with production team ensures timely and cost-effective delivery of the products to its customers.

This has not only led to an optimal balance between supply and demand, but has also led to:

- Scheduled planning and forecasting;
- Gaining the competitive edge by catering customer demands in time;
- Cost efficiency by reducing excess inventory cost; and
- Better customer satisfaction.

6. Logistics and shipment management

Logistics is a function that ensures orderly and timely shipment and delivery of manufactured goods. The logistics teams of group manufacturing entities coordinate and manage the flow of inventory to the customers. Local logistic teams manage last mile shipments of products from the manufacturing facilities or other requested locations. These teams are responsible for the contracts with the shipping and logistics companies and for general policies related to this function.

The inventory is managed across the warehouses maintained across various strategic locations. The teams ensure smooth and on-time outbound logistics of the stock to the OEMs and Tier 1 customers across the globe.

Clause 3(iv): a list and brief description of important service arrangements made among members of the international group, other than those for research and development services

Table: List of Important Service Arrangements

S. No.	Description of service arrangements	Provider of services	Recipient of services
1	Provision of marketing support, quality control and information technology ('IT') services	Vimercati S.p.A, Italy	Vimercati East Europe S.r.L., Romania

Note: Description of Important Service Arrangements

- **Provision of marketing support, quality control and IT services:** Vimercati S.p.A, Italy provides marketing support, quality control and IT & EDP services to Vimercati East Europe S.r.L., Romania, in particular, relating to the following categories:

a) Marketing Support

Marketing support services are provided by Vimercati S.p.A, Italy to Vimercati East Europe S.r.L., Romania in respect of New Customer identification, additional customer orders for existing products, information of market, customer, product, competitor, providing support for marketing strategies, providing support for participating in worldwide exhibitions and conferences, providing guidance and support in product management, providing product training etc.

b) Quality Control Administration

Quality control administration involves testing and maintaining of quality of products manufactured by Vimercati East Europe S.r.L., Romania in line with the quality standards set by Vimercati S.p.A, Italy as per the agreement with the customers. Additionally, quality office in Vimercati S.p.A, Italy provides support for setting quality standards and quality checks for inbound raw material and components for Vimercati East Europe S.r.L, Romania.

c) IT services

IT services are provided by Vimercati S.p.A, Italy to Vimercati East Europe S.r.L., Romania in respect of defining and documentation of group standards in business processes and application such as work flow, Master data dictionary, codification systems, setting up and maintaining IT infrastructure such as servers, WAN, hardware and software, defining, evaluating and realisation of IT applications alongside business processes, defining users, their access rights, running and maintaining unified internet security, etc.

The fee charged by Vimercati S.p.A, Italy is calculated at 8% of direct sales made to third party customers by the service recipient.

Clause 3(viii): the functions, assets and risks analysis of the constituent entities of the international group that contribute at least ten per cent of the revenues or assets or profits of such group

1. Constituent entities breaching the prescribed 10% revenues/ assets/ profits threshold:

The following constituent entities contribute to at least ten per cent of the revenues or assets or profits of the Group:

Name of the Constituent entity	Criteria (>10%)		
	Revenues	Assets	Profits
Viney Corporation Limited	✓	✓	✓
Vimercati S.p.A, Italy	✓	✓	✓
Vimercati East Europe S.r.L, Romania	✓	✓	✓
Viney Auto Ancillary Private Limited	✗	✓	✗

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2. Functional, assets and risks (“FAR”) analysis

The functions, risks, and assets (both tangible and intangible) associated with related party operations usually have a significant effect on its profitability. Hence, the FAR analysis aims to organise the facts about the constituent entities in terms of the key functions performed, assets used, and risks assumed in order to identify how these characteristics are divided between the companies involved in the intercompany transactions. This provides a framework to determine and qualitatively assess how each entity undertakes the value-added activities in the value chain/ business model. By doing so, the FAR analysis evaluates the relative contribution to profit of various related companies and the appropriate pricing of inter-company transactions.

2.1 Functions performed

The following sections provide a brief functional analysis describing the principal contributions to value creation by individual entities within Viney Corporation Group (i.e. key functions performed, important risks assumed and important assets used).

Overview of the functions performed			
S. No.	Functions Performed	Function Description	Viney Corporation Group - Key Group Entity
1	Business development	<p>The business development team within Viney Corporation Group assesses customer needs, preferences and demands, and plays a key role in helping the group entities to identify new customers across various countries. Key activities include market research, strategic marketing, business development, marketing intelligence, product marketing and operative marketing.</p> <p>Once the marketing strategies are decided upon, the teams will roll-out the strategically determined advertising campaigns, effectively customized to target the customer base in their respective local country.</p> <p>The Marketing & Customer identification function for European operations are centralized under Vimercati S.p.A, Italy. This function is responsible for connecting customers with all 3 entities named Vimercati SpA Italy, Progind S.r.L., Italy, and Vimercati S.r.l. Romania based on the capabilities of respective plants and customers’ requirements.</p>	<p>(a) Viney Corporation Limited, India</p> <p>(b) Vimercati S.p.A, Italy</p> <p>(c) Viney Corporation East Europe S.r.L., Romania</p>

Overview of the functions performed			
S. No.	Functions Performed	Function Description	Viney Corporation Group - Key Group Entity
2	Research & Development (R&D)	<p>For Viney Corporation Group, R&D is a very important function in the complete value chain. It has two R&D centres in Italy and in India respectively. R&D activities for European operations are centralised and are performed by Vimercati S.p.A, Italy. It has a strong niche for design and development of new products & prototypes with in-house 3D modelling capabilities and testing lab. It consists of professionals highly qualified in Electronics and Mechatronics stream with state-of-the-art Software and Hardware for Design and Analysis. The centre caters to all the present and future product development needs of the current and prospective customers.</p> <p>In India also, Viney Corporation Group has established a R&D Lab in Gurugram, having state of the art facilities continuously engaged in industrial research endeavors to transcend the refined techniques employed by the automotive industry. This R&D Lab is driven by technically qualified engineers & rich experienced personnel who continuously striving for new product development, improvement in existing products, cost reductions and import substitution of Automotive Parts and Components by adopting advanced technology and designing capabilities. Hence, it is recognized and registered as a research institute by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Government of India.</p>	<p>(a) Viney Corporation Limited, India</p> <p>(b) Vimercati S.p.A, Italy</p>
3	Scheduling of production and deliveries	On the basis of the orders received from the customers, Viney corporation group prepares production and delivery execution plan which in turn facilitates timely production and scheduling of deliveries.	<p>(a) Viney Corporation Limited, India</p> <p>(b) Vimercati S.p.A, Italy</p> <p>(c) Vimercati East Europe S.r.L., Romania</p> <p>(d) Viney Corporation East Europe S.r.L., Romania</p> <p>(e) Progind S.r.L., Italy</p>
4	Raw material procurement	As Viney Corporation Group is primarily engaged in manufacturing of auto components, this function holds utmost importance. Each of the group manufacturing entities has its own decentralized procurement team, which conducts quality checks for raw material to be	<p>(a) Viney Corporation Limited, India</p> <p>(b) Vimercati S.p.A, Italy</p> <p>(c) Vimercati East Europe</p>

Overview of the functions performed			
S. No.	Functions Performed	Function Description	Viney Corporation Group - Key Group Entity
		procured and also enters into long-term tie ups with major suppliers to procure the required raw material, in order to achieve cost efficiency. The procurement team is engaged in raw material identification, supplier identification, contract negotiations, procurement scheduling, inventory management and logistical handling of raw material from the vendors.	S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy
5	Production	<p>The manufacturing entities of Viney Corporation Group are responsible for all aspects of the manufacturing process, including on-time and high-quality production of goods ordered by the customers and other group entities.</p> <p>These functions include:</p> <ul style="list-style-type: none"> • Forecasting: Production forecasting to determine the volume and product mix to be produced on a weekly basis. • Processing: Conversion of raw material into finished products. • Quality Control: The group manufacturer entities are responsible for maintaining quality control standards in their plants and monitoring quality results. • Logistics and warehousing: Inbound logistics activities related to the storage of materials, components, semi- manufactured goods, including inventory management & inventory control. The group manufacturing entities are responsible for warehousing of raw materials, components and semi-manufactured goods. Manufacturers also facilitate the transportation of finished goods to warehousing facilities. 	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy
6	Inventory management / Logistics	The Group's inventory management team is engaged in performing logistical functions in relation to transferring manufactured products to the point of sale. This involves warehousing activities, stock keeping, inbound and outbound logistics, co-ordination and management of the flow of inventory to the customer, etc. It is also responsible for negotiating and closing contracts with shipping companies involved in this chain and upholding quality standards and statutory compliances pertaining to this function.	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy

Overview of the functions performed			
S. No.	Functions Performed	Function Description	Viney Corporation Group - Key Group Entity
7	General Administration	The group entities of Viney Corporation Group are responsible for performing day-to-day general administration activities on a decentralized basis.	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy
8	Internal Group Finance	Each group entity assesses its own financing requirements and undertakes its own financing activities for borrowing loans from banks and financial institutions. Viney Corporation Limited, being a parent entity of the international group, has invested (directly/ indirectly) in the share capital of the subsidiary companies including step down subsidiary companies. Further, it lends funds to certain group entities, whenever needed. It may also give corporate guarantee on behalf of some of its group entities with respect to the loans taken or to be taken by those entities from banks and financial institutions.	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy

2.2 Assets used

Overview of Assets used			
S. No.	Assets	Description	Group Entity
1	Tangible assets	Viney Corporation Group's key tangible assets include manufacturing, distribution, warehousing, and administrative office facilities, and their associated equipment and physical assets.	Following entities own relevant tangible assets as required for performing their respective functions: (a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy

Overview of Assets used			
S. No.	Assets	Description	Group Entity
2	Intangibles	Viney Corporation Group's intangibles include intellectual property rights, latest technology, customer list, suppliers and customer relationships.	<p>Following entities own relevant intangibles as required for performing their respective functions:</p> <p>(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy</p>

2.3 Risk assumed

Viney Corporation Group faces significant risks as an auto component group. The following table provides an overview of the significant risks borne by Viney Corporation group entities with respect to the functions undertaken during the year:

Overview of Risks Assumed			
S. No.	Risk	Risk Description	Group Entities
1	Product Liability Risk	<p>Risks associated with product failures including non-performance to generally accepted or regulatory standards. This could result in product recalls and possible injuries to end-users.</p> <p>Viney Corporation group entities are exposed to product liability risks, which could require product redesigns, product recalls or other corrective actions. This risk is mitigated by product liability insurance taken by certain constituent entities. For product recall risk, Vimercati S.p.A. has availed a combined product recall insurance for Vimercati S.p.A. and Vimercati East Europe S.r.L.</p>	<p>(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Viney Corporation East Europe S.r.L., Romania (d) Progind S.r.L., Italy</p>

Overview of Risks Assumed			
S. No.	Risk	Risk Description	Group Entities
2	Market Risk	<p>The market risk comprises the risk caused by a shortfall in demand for the products and services offered by the Company, which could lead either to a loss of market shares or a decrease in the Company's profit margin. In this regard, it is distinguished between short-term effects resulting in a certain level of market volatility as well as long-term effects requiring an adjustment of the market strategy including, e.g., product types and features as well as the scope of services.</p> <p>The group entities of Viney Corporation Group are exposed to market risk as any increase or decrease in demand of the product manufactured by group entities would affect their sales. Accordingly, group entities indirectly bear this risk.</p>	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy
3	Credit Risk	<p>This is the risk arising from default in payment of receivables by customers.</p> <p>The group entities of Viney Corporation Group are exposed to risk as they deal with customers located across the globe and the risk of defaulting of payments or pricing negotiation pressure by such customers could put downward price pressures on the group's revenues. These risks could result in unanticipated financial effects.</p>	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy
4	Foreign Exchange Risk	<p>The foreign exchange risk becomes relevant if the sourcing of, e.g., materials, resources and services or if sales is performed in a currency different from the group entity's functional currency. The risk could be mitigated by hedging.</p>	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy
5	Inventory Risk	<p>The inventory risks comprise the risk that stocks are damaged while being stored (e.g. physically destroyed or due to an incorrect storage of the goods) or that they become obsolete due to a lack of demand for the specific product in the market. The latter could result, e.g., from the launch of a new product generation with better product</p>	(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe

Overview of Risks Assumed			
S. No.	Risk	Risk Description	Group Entities
		<p>features or product substitutes. The existing damaged or obsolete stock can either be scrapped or sold at a price below its book value.</p> <p>Inventory that becomes obsolete or does not meet anticipated demand may negatively affect the group entity's financial condition and operating results.</p>	<p>S.r.L., Romania (e) Progind S.r.L., Italy</p>
6	Legal & Regulatory Risks	<p>Risks could include intellectual property litigation, antitrust matters, product regulations and other legal matters that could prove disruptive to operations.</p> <p>The group entities of Viney Corporation Group are subject to regulatory compliance, legal compliance, and litigation matters. These risks could result in unanticipated financial effects.</p>	<p>(a) Viney Corporation Limited, India (b) Vimercati S.p.A, Italy (c) Vimercati East Europe S.r.L., Romania (d) Viney Corporation East Europe S.r.L., Romania (e) Progind S.r.L., Italy</p>

Note: Viney Corporation Middle East Limited, U.A.E. is an investment holding company and does not perform significant functions except investment management, does not own significant assets except its investment in Viney Corporation East Europe S.r.L., Romania and does not bear any risk except investment related financial risk.

Clause 10 - Detailed description of the financing arrangements of the international group, including the names and addresses of the top ten unrelated lenders.

A. Overview

Viney Corporation Group primarily utilizes the internal reserves for re-investments in its group companies.

While the Group entities explicitly do not undertake in any centralized funding/ financing functions, when needed, the constituent entities of Viney Corporation Group borrow loans from other constituent entities or from third parties such as Banks or Financial Institutions in their home country as and when required.

B. Intra-Group Funding

As enumerated in **Group Chart under Clause 2 of Part B** of Master File, the constituent entities of Viney Corporation Group have invested (directly/ indirectly) in the share capital of the subsidiary companies including step down subsidiary companies. However, apart from funding made by the Parent Entity of the group, some of the constituent entities are also involved in borrowing and lending of intra group loans.

Viney Corporation Limited, being a parent company (however, not as a centralized financing company), has granted loans to its overseas AEs, namely Vimercati S.p.A., Italy, Viney Corp. Middle East Limited, U.A.E. and Viney Auto Ancillary Private Limited for the purpose of working capital and other business requirements. The following table provides details of the aforesaid important intercompany financing arrangements existing as of 31 March 2024 (excluding accrued interest):

S. No.	Name of the Lender	Amount as on 31.03.2024
1	Vimercati S.p.A.	27,06,53,400/-
2	Viney Corp. Middle East Limited	8,99,39,622/-
3	Viney Auto Ancillary Private Limited	1,41,56,60,481/- (Debt Component of optionally convertible debentures)
		7,35,00,000/- (Unsecured Loan)

C. Financing Arrangements with Unrelated Lenders

Viney Corporation Group entities borrow funds from unrelated lenders such as banks and other financial institutions in the ordinary course of their business. These borrowings may be broadly categorized as Long-term Borrowings (*i.e., availed to meet the needs of capital expenditure in the manufacturing units/ capital expenditure projects*) and Short-term Borrowings (*i.e. Working Capital Loans*).

Presently, the group has financing arrangements only with the following top 10 unrelated lenders. As on 31 March 2024, details of Viney Corporation Group's unrelated lenders are provided in the table below:

S. No.	Name of the Lender	Address (Country Name)
1	IndusInd Bank	India
2	Intesa Senpaolo	Italy
3	BRD Groupe Socieite Generale	Romania
4	Banca Popolare de Milano	Italy
5	BPER	Italy
6	Axis Bank	India
7	Banca Nazionale del Lavoro S.p.A (BNL)	Italy
8	UNICredit	Italy
9	Banco BPM	Italy
10	Credito Emiliano	Italy

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Independent Auditor's Report

To the Members of Viney Corporation Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Viney Corporation Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial statements/information of the subsidiaries and associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matter(s) section below is sufficient and appropriate to provide a basis for our opinion.



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Independent Auditor's Report of even date to the member of Viney Corporation Private Limited on the Consolidated financial statements for the year ended 31 March 2024 (cont'd)

Information other than the Consolidated Financial Statements and Auditor's Report thereon

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

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

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

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Independent Auditor's Report of even date to the member of Viney Corporation Private Limited on the Consolidated financial statements for the year ended 31 March 2024 (cont'd)

9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' 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 ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associate, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. 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.

Other Matter

11. We did not audit the financial statements / financial information of Vimercati Group (Subsidiary: Vimercati S.p.A. and its three step down subsidiaries Progind S.r.L., Vimercati East Europe S.r.L., Vimercati Viney Do México S De RI De Cv), and three subsidiaries Viney Auto Ancillary Private Limited, Viney Corp. Middle East Limited and Viney Corp East Europe S.r.L, whose financial statements / financial information reflect total assets of Rs. 12,601.77 million as at 31 March 2024, total revenues of Rs. 9,625.69 million and net cash outflows amounting to Rs. 68.68 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Rs. 5.17 million for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in

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Independent Auditor's Report of even date to the member of Viney Corporation Private Limited on the Consolidated financial statements for the year ended 31 March 2024 (cont'd)

respect of these subsidiaries and associate, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.

Further, of these subsidiaries, one subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

12. Based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 11, on separate financial statements of the subsidiaries and associates, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company, its subsidiary company incorporated in India whose financial statements have been audited under the Act since none of such companies is a public company as defined under section 2(71) of the Act. Further based on the report of the statutory auditors of associate company, the remuneration paid by the associate company to its directors is in accordance with the provisions of section 197 of the Act.
13. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 11 above, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that, following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company / subsidiary / Associate	Clause number of the CARO report which is qualified or adverse
1	Viney Corporation Private Limited	U74899DL1992PTC047911	Holding Company	3(ii)(b), 3(iii)(d), 3(ix)(f)

14. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the associate incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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Independent Auditor's Report of even date to the member of Viney Corporation Private Limited on the Consolidated financial statements for the year ended 31 March 2024 (cont'd)

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries and associate, covered under the Act, none of the directors of the Group companies and its associate company, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary and associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and associate incorporated in India whose financial statements have been audited under the Act:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in Note 32 to the consolidated financial statements;
 - ii. The Holding Company, its subsidiaries and associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and associate covered under the Act, during the year ended 31 March 2024;
 - iv. a. The respective managements of the Holding Company and its subsidiaries and associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief as disclosed in note 41(e) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and associate to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and associate ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiaries and associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, as

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Independent Auditor's Report of even date to the member of Viney Corporation Private Limited on the Consolidated financial statements for the year ended 31 March 2024 (cont'd)

disclosed in the note 41(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and associate from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and associate shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2024 and until the date of this audit report is in compliance with section 123 of the Act.
- vi. As stated in Note 42 to the consolidated financial statements and based on our examination which included test checks and that performed by the auditor of the subsidiary of the Holding Company which is a company incorporated in India and audited under the Act, except for the instance mentioned below, the Holding Company in respect of financial year commencing on 1 April 2023, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and the auditor of the above referred subsidiary did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature for accounting software used for maintenance of accounting records of the Holding Company was not enabled from 1 April 2023 to 26 May 2023.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Tarun Gupta
Partner
Membership No.: 507892
UDIN: 24507892BKEIUT8674

Place: Gurugram
Date: 12 July 2024

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Independent Auditor's Report of even date to the member of Viney Corporation Private Limited on the Consolidated financial statements for the year ended 31 March 2024 (cont'd)

Annexure A

List of the Subsidiary including Step down subsidiaries companies considered in the consolidated financial statement

1. Viney Auto Ancillary Private Limited*
2. Vimercati Group (Vimercati S.p.A.^ and its three subsidiaries Progind S.r.L., Vimercati East Europe S.r.L. and Vimercati Viney Do México S De Rl De Cv**)
3. Viney Corp. Middle East Limited
4. Viney Corp East Europe S.r.L. (Step-down subsidiary)

* w.e.f. 4 January 2023

**w.e.f. 2 June 2023

^Vimercati S.p.A step down subsidiary w.e.f. 2 June 2023

List of the Associate company included in the consolidated financial statement.

1. Uravi T and Wedge Lamps Ltd.



Walker Chandiook & Co LLP

Annexure B

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Viney Corporation Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, as at that date.

Responsibilities of Management for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary company and its associate company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company as aforesaid.



Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Viney Corporation Private Limited on the consolidated financial statements for the year ended 31 March 2024

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company and associate company, the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company, subsidiary and associate company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India .



Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Viney Corporation Private Limited on the consolidated financial statements for the year ended 31 March 2024

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of Rs. 3,600.91 million and net assets of Rs. 1,317.96 million as at 31 March 2024, total revenues of 46.68 million and net cash inflows amounting to Rs. 0.73 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Rs. 5.17 million for the year ended 31 March 2024, in respect of one associate company, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company and associate company have been audited by other auditors whose report(s) have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company and associate company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Tarun Gupta

Partner

Membership No.: 507892

UDIN: 24507892BKEIUT8674



Place: Gurugram

Date: 12 July 2024

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	4,007.13	3,854.01
(b) Right-of-use assets	4A	129.62	138.46
(c) Capital work-in-progress	4B	173.11	182.01
(d) Goodwill	5	657.11	657.11
(e) Other intangible assets	5	409.85	403.31
(f) Intangible assets under development	6	395.61	269.00
(g) Investments accounted for using equity method	7	178.95	173.78
(h) Financial assets			
(i) Loans	7A	500.00	-
(ii) Other financial assets	8	20.37	71.79
(i) Non-current tax assets (net)	9	170.24	86.24
(j) Other non-current assets	10	86.39	12.64
		6,728.38	5,848.35
(2) Current assets			
(a) Inventories	11	3,222.17	3,322.55
(b) Financial assets			
(i) Investments	7C	40.37	90.86
(ii) Trade receivables	12	2,470.51	2,466.03
(iii) Cash and cash equivalents	13	652.76	708.00
(iv) Bank balances other than (iii) above	14	151.42	14.80
(v) Other financial assets	8	154.18	43.90
(c) Other current assets	10	163.15	211.19
		6,854.56	6,857.33
		13,582.94	12,705.68
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	184.01	184.01
(b) Other equity	16	4,929.11	4,577.03
		5,113.12	4,761.04
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	2,275.40	1,725.50
(ii) Lease liabilities	4A	59.19	50.20
(b) Provisions	18	26.94	22.72
(c) Deferred tax liabilities (net)	19	323.49	332.69
(d) Non current tax liabilities	23A	40.00	80.01
		2,725.02	2,211.12
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	2,745.69	3,128.25
(ii) Lease liabilities	4A	14.12	13.83
(iii) Trade payables			
Total outstanding dues to micro and small enterprises; and	20	30.55	18.90
Total outstanding dues of creditors other than micro and small enterprises	20	2,339.48	2,006.15
(iv) Other financial liabilities	21	123.31	146.38
(b) Other current liabilities	22	245.84	187.02
(c) Provisions	18	174.94	193.26
(d) Current tax liabilities (net)	23B	70.87	39.73
		5,744.80	5,733.52
		13,582.94	12,705.68

The accompanying notes are an integral part of the consolidated financial statement (Notes 1-43).

This is the Consolidated Balance Sheet referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun

Tarun Gupta
Partner
Membership No: 507892



For and on behalf of the Board of Directors of
Viney Corporation Private Limited

Brijesh Aggarwal
Brijesh Aggarwal
Managing Director
DIN: 00511293
Place: Manesar
Date: 12 July 2024

Sunil Gupta
Sunil Gupta
Company Secretary
Membership No. 34697
Place: Delhi
Date: 12 July 2024



Akash Garg
Akash Garg
Director
DIN: 10530706
Place: Manesar
Date: 12 July 2024

D C Sharma
D C Sharma
Chief Financial Officer
Place: Manesar
Date: 12 July 2024

Viney Corporation Private Limited

CIN: - U74899DL1992PTC047911

Consolidated Statement of Profit and Loss for the period ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	24	12,457.86	11,200.64
Other income	25	214.97	141.40
Total income		12,672.83	11,342.04
EXPENSES			
Cost of materials consumed	26A	6,306.28	5,778.52
Purchases of stock-in-trade	26B	46.18	-
Change in inventories of finished goods, stock-in-trade and work-in-progress	27	61.40	(55.34)
Employee benefits expense	28	2,594.87	2,200.84
Finance costs	29	461.07	209.46
Depreciation and amortisation expense	30	753.71	712.25
Other expenses	31	2,005.17	1,817.07
Total expenses		12,228.67	10,662.79
Profit before share of profit of an associate, exceptional items and tax		444.16	679.25
Share of profit of an associate		5.17	2.00
Profit before exceptional items and tax		449.33	681.26
Exceptional items	31A	-	831.73
Profit/(loss) before tax		449.33	(150.48)
Tax expense:	19		
Current tax		178.75	127.98
Tax for earlier years		(3.27)	104.95
Deferred tax credit		(5.08)	(8.46)
Total tax expense		170.40	224.47
Profit/(Loss) for the year		278.93	(374.95)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan	19	(3.01)	2.45
Income-tax effect related to items that will not be reclassified to profit and loss		1.13	(0.64)
Revaluation surplus		116.17	889.50
Income tax relating to revaluation surplus		2.98	(158.03)
		117.27	733.28
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation reserve		61.66	149.67
Other comprehensive income, net of tax		178.93	882.95
Total comprehensive income for the year		457.85	508.00
Earnings per equity share (nominal value of share Rs 10 each)			
Basic and diluted	16A	3.03	(4.08)

The accompanying notes are an integral part of the consolidated financial statement (Notes 1-43).

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/ N500013


Tarun Gupta
Partner
Membership No: 507892

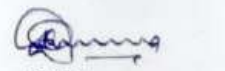
Place : Gurugram
Date : 12 July 2024

For and on behalf of Board of Directors of
Viney Corporation Private Limited


Brijesh Aggarwal
Managing Director
DIN: 00511293
Place: Manesar
Date : 12 July 2024


Sunil Gupta
Company Secretary
Membership No. 34697
Place: Delhi
Date : 12 July 2024


Akash Garg
Director
DIN: 10530706
Place: Manesar
Date : 12 July 2024


D C Sharma
Chief Financial Officer
Place: Manesar
Date : 12 July 2024



Viney Corporation Private Limited

CIN:- U74899DL1992PTC047911

Consolidated Cash flow statement for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Profit/(loss) for the year before tax and after share of profit of associate	449.33	(150.53)
Adjustments for:		
Depreciation and amortisation/impairment expense	753.71	712.25
Impairment of goodwill	-	686.73
Share of profit from associate	(5.17)	(2.00)
Bad debts	-	145.00
Net fair value (profit) / loss on financial assets mandatorily measured at fair value through profit or loss	(2.90)	10.80
Provision for loss allowance	11.63	13.31
(Profit) / loss on sale of property, plant and equipment	1.19	(0.90)
Finance costs	461.07	209.46
Provision for warranty	-	28.30
Interest income	(50.87)	(18.10)
Dividend income	(0.03)	(2.90)
Profit on sale of non current investment	(5.73)	(6.80)
Operating profit before working capital changes	1,612.23	1,624.62
Adjustments for movements in:-		
(Increase)/decrease in inventories	100.38	(137.39)
Decrease / (increase) in trade receivables	(16.11)	(164.18)
Decrease/(increase) in other financial assets and other current assets	(84.3)	36.04
Increase in trade payables	344.98	159.16
Increase/(decrease) in other current liabilities, other financial liabilities and provisions	20.74	42.59
Cash generated from operations	365.68	(63.78)
Income tax paid	1,977.9	1,560.84
Net cash generated from operating activities	(264.25)	(133.22)
	1,713.7	1,427.62
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(889.75)	(949.15)
Loan to company	(500.00)	-
Increase / (decrease) in deposits having original maturity of more than 3 months	(136.62)	(9.00)
Interest received	50.87	3.70
Dividend income	0.03	2.90
Proceeds from sale of investment	59.12	268.22
Net cash used in investing activities	(1,416.3)	(683.33)
C. Cash flows from financing activities		
Repayments from long-term borrowings (net)	(150.11)	(834.64)
Proceeds from issue of optionally convertible debentures	200.00	-
Proceeds from issue of non convertible debentures	500.00	-
(Repayment)/proceeds of short-term borrowings (net)	(382.56)	553.30
Payment of lease liabilities (principal)	(14.69)	(19.16)
Interest on lease liabilities	(0.78)	(0.81)
Finance costs paid	(460.30)	(208.68)
Dividend paid	(105.78)	(248.50)
Net cash (used)/generated in financing activities	(414.21)	(758.49)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(116.90)	(14.20)
Cash and cash equivalents at the beginning of the year	708.00	572.53
Effect of exchange rate on foreign currency cash and cash equivalents	61.66	149.67
Cash and cash equivalents at the end of the year	652.76	708.00



Components of cash and cash equivalents are as below:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance with banks		
- in current accounts	650.60	705.20
Cash on hand	2.16	2.81
	652.76	708.00

Notes to cash flow statement:

- The cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard 7 on Statement of Cash flows as notified under Section 133 of the Companies Act, 2013.
- Negative figures have been shown in brackets.
- Disclosures as required in terms of Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below:

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes pursuant to Ind AS 7:

Particulars	31 March 2024	31 March 2023
Current borrowings	2,745.69	3,128.25
Non-current borrowings	2,275.40	1,725.50
Lease liabilities	73.31	64.03
Net debt	5,094.39	4,917.78

For the years ended 31 March 2024 and 31 March 2023

Particulars	Lease liabilities	Non-current borrowings	Current borrowings	Total
Balance as at 1 April 2022	83.19	2,560.15	2,574.95	5,218.28
Cash flows				
Proceeds/ (repayments) (net)	(18.34)	(834.64)	553.30	(299.68)
Non cash changes				
Interest expense on lease liabilities	0.82	-	-	0.82
Foreign exchange fluctuations	(1.62)	-	-	(1.62)
Balance as at 31 March 2023/ 1 April 2023	64.05	1,725.50	3,128.25	4,917.80
Cash flows				
Proceeds from debentures	-	700.00	-	700.00
Repayments (net)	(14.69)	(150.11)	(382.56)	(547.36)
Non cash changes				
Addition	23.97	-	-	23.97
Interest expense on lease liabilities	0.78	-	-	0.78
Foreign exchange fluctuations	(0.80)	-	-	(0.80)
Balance as at 31 March 2024	73.31	2,275.40	2,745.69	5,094.39

The accompanying notes are an integral part of the consolidated financial statement (Notes 1-43).

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun

Tarun Gupta
Partner
Membership No.: 507892



Place : Gurugram
Date : 12 July 2024

For and on behalf of the Board of Directors of
Viney Corporation Private Limited

Brjesh

Brjesh Aggarwal
Managing Director
DIN: 00511293
Place: Manesar
Date : 12 July 2024

Akash

Akash Garg
Director
DIN: 10530706
Place: Manesar
Date : 12 July 2024



Sunil

Sunil Gupta
Company Secretary
Membership No. 34697
Place: Delhi
Date : 12 July 2024

D C Sharma

D C Sharma
Chief Financial Officer
Place: Manesar
Date : 12 July 2024

Viney Corporation Private Limited

CIN:- U74899DL1992PTC047911

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

A Equity share capital

	Number of shares	Amount
Balance as at 01 April 2022	18,400,500	184.01
Changes in equity share capital during 2022-2023	-	-
Balance as at 31 March 2023/ 01 April 2023	18,400,500	184.01
Changes in equity share capital during 2023-2024	-	-
Balance as at 31 March 2024	18,400,500	184.01

B Other equity

Attributable to equity shareholders

Particulars	Reserves and surplus			Other comprehensive income		Total
	Legal reserve	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	Revaluation reserve	
Balance at 1 April 2022	96.02	37.00	3,983.31	201.18	-	4,317.51
Loss for the year	-	-	(374.95)	-	-	(374.95)
Other comprehensive income (net of tax)	-	-	1.81	149.67	-	151.48
Revaluation reserve on land	-	-	-	-	889.51	889.51
Tax impact on revaluation reserve	-	-	-	-	(158.00)	(158.00)
Final dividend on equity shares	-	-	(248.52)	-	-	(248.52)
Transfer to legal reserve	4.92	-	(4.92)	-	-	-
Balance at 31 March 2023/1 April 2023	100.94	37.00	3,356.74	350.85	731.51	4,577.03
Profit for the year	-	-	278.93	-	-	278.93
Other comprehensive income (net of tax)	-	-	(1.88)	61.66	-	59.78
Revaluation reserve on land	-	-	-	-	116.17	116.17
Tax impact on revaluation reserve	-	-	-	-	2.98	2.98
Interim dividend on equity shares	-	-	(105.78)	-	-	(105.78)
Transfer to legal reserve	7.28	-	(7.28)	-	-	-
Balance at 31 March 2024	108.22	37.00	3,520.73	412.51	850.66	4,929.11

The accompanying notes are an integral part of the consolidated financial statement (Notes 1-43).

As per our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Tarun

Tarun Gupta

Partner

Membership No.: 507892



Place : Gurugram
Date : 12 July 2024

For and on behalf of the Board of Directors of

Viney Corporation Private Limited

Brijesh

Brijesh Agarwal

Managing Director

DIN: 00511293

Place: Manesar

Date : 12 July 2024

Smit

Smit Gupta

Company Secretary

Membership No. 34697

Place: Delhi

Date : 12 July 2024



Akash

Akash Garg

Director

DIN: 10530706

Place: Manesar

Date : 12 July 2024

D C

D C Sharma

Chief Financial Officer

Place: Manesar

Date : 12 July 2024

Viney Corporation Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

CIN: U74899DL1992PTC047911

1. Group overview and summary of material accounting policy

1.1 Corporate Information

Viney Corporation Private Limited ("The Company" or "Holding Company" or "Parent") was incorporated in India on 6 March 1992 under the Companies Act. These consolidated financial statements comprise the Holding Company and its subsidiaries (together referred to as "the Group") and its associate. The Group is engaged in the business of manufacturing of auto components including auto electrical parts and its accessories and ancillary services. The Group caters to both domestic and international markets.

2. Basis of preparation

A. Statement of compliance

These consolidated financial statements (referred as financial statements) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were approved by the Company's Board of Directors on 12 July 2024.

The Consolidated Financial Statements have been prepared on accrual and going concern basis. The accounting policies have been consistently applied by the Holding Company in preparation of the Consolidated Financial Statements.

Details of the Group's accounting policies are included in Note 3

The Group presents assets and liabilities in the Consolidated Financial Statements based on current/ non-current classification. An asset is treated as current if it satisfies any of the following conditions:

- expected to be realised in, or is intended for sale or consumption in the normal operating cycle;
- held primarily for the purpose of being traded;
- expected to be realised within twelve months after reporting date; or
- cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

A liability is treated as current if it satisfies any of the following conditions:

- expected to be settled in the normal operating cycle ;
- held primarily for the purpose of being traded ;
- due to be settled within twelve months after reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

B. Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company, its subsidiaries and its associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:



Viney Corporation Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

CIN: U74899DL1992PTC047911

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) The rights arising from other contractual arrangements;
- (c) The Group's voting rights and potential voting rights; and
- (d) The size of the Group's Holding of voting rights relative to the size and dispersion of the Holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements is prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The following consolidation procedures are adopted:

Subsidiaries

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date;
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate or equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that



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the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the associate are prepared for the same reporting periods as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The consolidated financial statements have been prepared in accordance with Ind AS 110 on "Consolidated financial statements". The Financial Statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Holding Company's i.e. year ended 31 March 2024.

Details of the consolidated subsidiary and shareholding pattern are as follows:

Name of subsidiary	Country of incorporation	Percentage of ownership	
		31 March 2024	31 March 2023
Subsidiary			
Viney Corp. Middle East Limited	United Arab Emirates	100%	100%
Viney Auto Ancillary Private Limited*	India	100%	100%
VIMERCATI VINEY DO MÉXICO S DE RL DE CV**	Mexico	100%	-
Step down subsidiary			
Vimercati S.p.A., Italy^	Italy	100%	100%
Vimercati East Europe S.r.L.	Romania	100%	100%
Probind S.r.L.	Italy	100%	100%
Viney Corporation East Europe SRL	Romania	100%	100%

* Incorporated w.e.f. 4 January 2023

** Incorporated w.e.f 2 June 2023

^Holding Company sold its 100% equity holding of Vimercati S.p.A. Italy to Viney Auto Ancillary Private Limited under the Securities Purchases Agreement dated 2 June 2023. After this transaction, the Vimercati S.p.A. Italy has become step-down subsidiary of the Holding Company.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, the extent possible, in the same manner as the Holding Company's standalone financial statements.

The financial statements of the foreign subsidiaries are translated into Indian Rupees as follows:

The assets and liabilities of foreign operations (subsidiaries, step down subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Contingent liabilities are translated at the closing rate.

The resulting net exchange difference is credited or debited to the foreign currency translation difference. Foreign currency translation differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



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C. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee, which is Holding Company's functional and presentation currency. All amount have been rounded off to nearest millions and two decimal thereof, except share data and per share data, unless otherwise stated.

D. Basis of measurement

The Consolidated Financial Statements has been prepared under the historical cost convention and amortised cost except for certain financial assets and liabilities which are measured at fair value which are given below. 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.

Items	Measurement basis
(a) Net defined benefit (asset)/ liability	Present value of defined benefit obligations
(b) Certain financial assets and liabilities	Fair value
(c) Other financial assets and liabilities	Amortised cost
(d) Leasehold and freehold land	Revaluation model

E. Material accounting judgments, estimates and assumptions

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the Consolidated Financial Statements. Changes in estimates are accounted for prospectively.

i. Judgements

Judgements In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

(a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.



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The Group bases its assumptions and estimates on parameters available when the Consolidated Financial Statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives and recoverable amount of property, plant and equipment and intangible assets

The estimated useful lives and recoverable amounts of property, plant and equipment and intangible assets are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, growth rates, obsolescence, demand, competition, and known technological advances. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group reviews the useful lives and recoverable amounts of property, plant and equipment and intangible assets at the end of each reporting period.

(b) Impairment testing

Property, plant and equipment and intangible assets except Goodwill that are subject to depreciation/amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. Goodwill is subject to impairment testing only. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic, fair value and market conditions.

(c) Income taxes

Recognition of deferred tax assets/ liabilities involves making judgements and estimations about the availability of future taxable profit against which tax losses carried forward can be used. A deferred tax asset is recognised for unused tax losses, deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.

(d) Litigations

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(e) Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



(f) Fair value measurement of financial instruments

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

3. Material accounting policies

A. Foreign currency transactions

i. Initial recognition and settlement

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in Consolidated Statement of Profit and Loss as incurred.

ii. Measurement at the reporting date

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

The date of transaction which is required to determine the spot exchange rate for translation would be the earlier of:

- The date of initial recognition of the non – monetary prepayment asset or deferred income liability, and
- The date that the related item is recognised in the financial statements.

Exchange differences are recognised in Consolidated Statement of Profit and Loss as incurred.

B. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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 Group uses valuation techniques that 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.



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All assets and liabilities for which fair value is measured or disclosed in the financial results 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:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

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

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

C. Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost — a financial instrument is measured at amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Financial assets at fair value

Investments in equity instruments — All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss ('FVTPL').



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For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income ("FVOCI") or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a Group of similar financial assets) are derecognised from the Consolidated Balance Sheet when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Non-derivative financial liabilities**Initial recognition**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or 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 recognised in Consolidated Statement of Profit and Loss.

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.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their



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cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

D. Property, plant and equipment**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.

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

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

The method of measuring "Land" freehold and leasehold asset class under Property, Plant and Equipment and Right to use assets are valued at fair value based on provisions as specified under Ind AS – 16, Property. Surplus from revaluation is transferred to revaluation reserve.

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation on items of property, plant and equipment is provided on the straight line method, based on the management's estimates of useful lives of the assets, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013 for Holding Company and Indian subsidiaries.

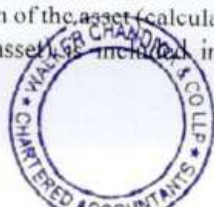
For Overseas entities

Particulars	Management estimate of useful life (Years)
Buildings	20-30
Plant and equipments	6-10
Furniture and fixtures	10

Freehold land is not depreciated.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.



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Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Consolidated Statement of Profit and Loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

E. Intangible assets**i. Recognition and initial measurement**

Intangible assets (including patents) that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalised and expenditure is recognised in the consolidated statement of profit and loss when it is incurred.

ii. Subsequent expenditure

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

iii. De-recognition

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 Consolidated Statement of Profit and Loss when the asset is derecognised.

iv. Development costs

Development expenditure is capitalised as an intangible asset only if the expenditure can be measured reliably, or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

v. Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in amortisation expense in profit or loss. Goodwill is not amortised and is tested for impairment annually.

The estimated useful lives are as follows:

For Holding Company

- Software 3 years

For Overseas entity

- Development cost 3-5 years
- Patents 5 years



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

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss.

F. Impairment

i. Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- a. All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Group writes off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to twelve-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

ii. Impairment of non-financial assets

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



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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Standalone Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a prorata basis.

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

G. Investment in equity instruments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Investment in equity instruments are measured at fair value through profit and loss. Net gains and losses are recognised in Consolidated Statement of Profit or Loss.

H. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Determining whether a contract contains lease

At inception of a contract, the Group determines whether the contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration, even if that right is not explicitly specified in a contract.

At inception or on reassessment of a contract that contains lease component and one or more additional lease or non-lease components, the Group separates payments and other consideration required by the contract into those for each lease component on the basis of their relative stand-alone price and those for non-lease components on the basis of their relative aggregate stand-alone price. If the Group concludes that it is impracticable to separate the payments reliably, then ROU asset and Lease liability are recognised at an amount equal to the present value of future lease payments; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Group as a lessee

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on an identified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of that asset.

The Group has elected to separate lease and non-lease components of contracts, wherever possible.



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The Group recognizes a right of use (ROU) asset and a lease liability at the transition date/ lease commencement date. The ROU is initially measured based on the present value of future lease payments, plus initial direct costs, and cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date, less any incentives received. The ROU is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU is subject to testing for impairment if there is an indicator for impairment.

At the commencement date, the Group measures the lease liability at the present value of the future lease payments that are not yet paid at that date discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low value assets. The payments for such leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

I. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares, are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase (net of recoverable taxes, where applicable), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows: -

Raw materials, stores and spares	-	Weighted average method
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

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

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

J. Revenue recognition

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below: •

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



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Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyers as per the terms of the contract and there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at transaction price of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc.

Other income

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established and there is no uncertainty regarding the ultimate collection of these incentives.

Interest income is recognized using the effective interest method.

Sale of electricity is recognised in accordance with the Power Purchase Agreement ('PPA') entered into with respective customers and there is no uncertainty regarding the ultimate collection of these services.

Dividend income is recognised when the right to receive dividend is established.

K. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed to the Consolidated Statement of Profit and Loss in the year in which they occur.

L. Employee benefits

i. Short term employee benefits

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

For subsidiary outside India ("Vimercati S.p.A."):

Severance indemnity: Every employee appointed before 1 January 2007 was entitled to the benefit calculated as per Italian laws. Severance indemnity is payable to all eligible employees of the Vimercati S.p.A on termination of the employment relationship with Vimercati S.p.A and the aforesaid Company does not have an unconditional right to defer settlement of obligation beyond the period of twelve months.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Holding Company makes specified monthly contributions towards Employee Provident Fund (EPF) and Employees' State Insurance to Government administered fund which is a defined contribution plan. The Holding Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

iii. Defined benefit plans

Gratuity

The Holding Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the group on retirement,



separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Holding Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

iv. Other long term employee benefits

Compensated absences

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

M. Provisions

i. Provisions (other than employee benefits)

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.



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N. Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and respective local jurisdictions of members of the Group.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each reporting period which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax 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 other comprehensive income or directly in equity.

Deferred tax assets are recognised on the unrealised profit for all the inter-company sale/ purchase eliminations of property, plant and equipment and inventories.

Deferred tax on business combination when a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base. In both cases, the resulting deferred tax asset affects goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



O. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

F. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

G. Business combination, goodwill and intangible asset

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is either recognised as profit or loss, or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments' ("Ind AS 109"), is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Transaction costs that the Group incurs in connection with a business combination, such as stamp duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate



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consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations involving entities that are controlled by the Group are accounted for using the 'pooling of interests' method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- Except for adjustments made to harmonise accounting policies, no adjustments are made to reflect fair values, or recognise any new assets or liabilities;
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve;
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee; and
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Consolidated statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents for the purposes of consolidated statement of cash flows comprise cash at bank and on hand, and bank deposit with banks where original maturity is three months or less.



I. Operating expenses

Operating expenses are recognised in the Consolidated Statement of Profit and Loss upon utilisation of the service or as incurred.

J. Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

K. Adoption of new accounting principles

- Ind AS 12 Income Taxes: The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax assets/liabilities on gross basis.

- Ind AS 1 Presentation of Financial Statements: The amendments require to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance to determine whether the policy is material or not.

- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates have now been included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

The Group has adopted these amendments effective 1 April 2023, and the adoption did not have any material impact on the Consolidated Financial Statements.

L. Standards issued but not yet effective

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

M. Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case-to-case basis.



4. Property, plant and equipment

	Freehold land ^a	Buildings	Plant and equipments	Furniture and fixtures	Motor vehicles	Computers	Office equipments	Electrical fittings	Total
Gross carrying amount									
Gross carrying amount as at 1 April 2022	127.09	1,238.01	3,197.29	18.64	115.00	5.36	34.63	5.70	4,741.72
Add: Additions made during the year	-	101.45	490.60	0.17	0.63	0.64	8.92	-	602.41
Add: Revaluation of immovable properties *	843.72	-	-	-	-	-	-	0.10	843.82
Less: Disposals during the year	1.05	-	230.32	-	6.10	-	-	-	237.66
Foreign currency translation impact	0.27	64.32	179.31	0.19	0.12	-	2.15	-	246.36
Gross carrying amount as at 31 March 2023/1 April 2023	970.03	1,403.78	3,636.88	19.00	109.65	6.00	45.51	5.80	6,196.64
Add: Additions made during the year	-	1.39	497.64	0.89	0.74	0.65	7.23	-	508.54
Add: Revaluation of immovable properties *	130.77	-	-	-	-	-	-	-	130.77
Less: Disposals during the year	-	-	23.20	-	19.28	-	-	-	42.47
Foreign currency translation impact	0.34	7.16	2.49	0.03	0.01	-	0.50	-	10.53
Gross carrying amount as at 31 March 2024	1,101.14	1,412.33	4,113.81	19.92	91.13	6.66	53.24	5.80	6,804.01
Accumulated depreciation									
Balance as at 1 April 2022	-	276.32	1,539.03	10.63	46.59	3.80	20.86	3.80	1,901.08
Add: Depreciation charge for the year	-	61.72	407.97	1.57	15.53	0.69	9.98	0.80	498.27
Less: On disposals during the year	-	-	176.54	-	5.30	-	-	-	181.83
Foreign currency translation impact	-	17.46	106.39	0.16	(0.18)	-	1.35	-	125.18
Balance as at 31 March 2023/1 April 2023	-	355.50	1,876.85	12.36	56.64	4.50	32.19	4.60	2,342.63
Add: Depreciation charge for the year	-	52.70	400.12	1.54	11.35	0.66	7.57	0.72	474.66
Less: On disposals during the year	-	-	10.78	-	18.72	-	-	-	29.50
Foreign currency translation impact	-	2.49	5.23	0.02	1.14	-	0.21	-	9.09
Balance as at 31 March 2024	-	410.69	2,271.42	13.93	50.41	5.15	39.97	5.32	2,796.88
Net carrying amount									
As at 31 March 2024	1,101.14	1,001.64	1,842.39	6.00	40.72	1.50	13.27	0.48	4,007.13
As at 31 March 2023	970.03	1,048.28	1,760.03	6.59	53.06	1.50	13.32	1.20	3,854.01

a. Security

Carrying amount of property, plant and equipment (shown above) pledged as securities for borrowings (refer note 17 and 34).

^a Freehold land amounting to Rs. 3.13 million at Khet Kharsa No. 1/76 & 78 village - Lumbhama, Tehsil - Phalodi, District Jodhpur, Rajasthan - 342301 acquired in financial year 2012-2013 in the name of Mr. Viney Parkash Aggarwal, Whole-time director of the Holding Company till 24 November, 2020. The Holding Company has entered into an agreement with Mr. Viney Parkash Aggarwal to transfer the land in the name of Holding Company, this is yet to be registered in the name of Holding Company.

* Fair value of the land was determined by using the market comparable method and the same falls within level 3 of fair value measurement hierarchy. This means that valuations performed by the independent valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific building. As at the date of revaluation of 31 March 2024, the land is measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. Gain on revaluation is recognised in other comprehensive income in the consolidated statement of profit and loss. Further, loss on revaluation to the extent revaluation gain is available is recognised in other comprehensive income.

If land was measured using the cost model. The carrying amounts would be as follows:

Cost of land	As at 31 March 2024	As at 31 March 2023
	126.65	126.31



4A (a). Right of use assets

	Buildings	Land [^]	Plant and equipments	Office equipments	Vehicles	Total
Gross carrying amount						
Balance at 1 April 2022	57.25	51.66	314.50	26.95	36.53	486.89
Revaluation of immovable properties *	-	45.78	-	-	-	45.78
Additions during the year	-	-	-	-	-	-
Disposal / derecognized during the year	-	-	-	-	-	-
Balance at 31 March 2023/1 April 2023	57.25	97.43	314.50	26.95	36.53	532.66
Revaluation of immovable properties *	-	(14.59)	-	-	-	(14.59)
Additions during the year	3.06	-	20.91	-	-	23.97
Disposal / derecognized during the year	-	-	-	-	-	-
Foreign currency translation impact	1.86	1.01	0.80	1.41	1.50	7.47
Balance at 31 March 2024	62.17	84.75	336.21	28.36	38.03	549.52
Accumulated depreciation						
Balance at 1 April 2022	26.21	3.14	296.31	20.66	27.39	373.69
Depreciation charged for the year	8.74	1.29	0.48	5.86	4.14	20.52
Balance at 31 March 2023/1 April 2023	34.95	4.43	296.79	26.52	31.53	394.21
Depreciation charged for the year	12.38	0.81	1.03	1.26	3.44	18.91
Foreign currency translation impact	1.74	0.76	-	0.22	4.05	6.78
Balance at 31 March 2024	49.07	6.00	297.82	28.00	39.03	419.90
Balance at 31 March 2024	13.10	78.75	38.39	0.36	-	129.62
Balance at 31 March 2023	22.30	93.00	17.71	0.43	5.00	138.46

[^] Leasehold land amounting to Rs. 0.70 million at Plot No. 7, Sector-IIDC, Pant Nagar, District Udham Singh Nagar, Uttarakhand is in the name of Sane Electricals Private Limited which amalgamated with the Holding Company during the financial year 2009-2010.

[^] Leasehold land amounting to Rs. 2.73 million at Plot no. 21B, 22A, vide khasra no. 7 at village Chak Khuni, Industrial Estate, Kathua, Jammu is in the name of H.H Industries. This is registered in the name of the Holding Company subsequent to year end 31 March 2024.

* Fair value of the leasehold land was determined by using the market comparable method and the same falls within level 3 of fair value measurement hierarchy. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific leasehold land. As at the date of revaluation of 31 March 2024, the leasehold land are measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. Gain on revaluation is recognised in other comprehensive income in the consolidated statement of profit and loss. Further, loss on revaluation to the extent revaluation gain is available is recognised in other comprehensive income.

If the above land was measured using the cost model. The carrying amounts would be as follows:

	As at 31 March 2024	As at 31 March 2023
Cost of land	51.66	51.66
Accumulated amortisation	5.23	4.43
Net carrying amount	46.42	47.23



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(All amounts in Rs. million unless otherwise stated)

4A (b). Lease liabilities

Lease liabilities are presented in the consolidated financial statements as follows:

	As at 31 March 2024	As at 31 March 2023
Current	14.12	13.83
Non-current	59.19	50.20
Total	73.31	64.03

The movement of lease liabilities non-current and current are as follows:-

	As at 31 March 2024	As at 31 March 2023
Opening balance	64.03	83.19
Additions during the year	23.97	-
Interest on lease liabilities	0.78	0.81
Payment made during the year	(15.47)	(19.97)
Closing balance	73.31	64.03

The undiscounted maturity analysis of lease liabilities is as follows:

	Minimum lease payments due			Total
	Within 1 Year	Within 1-5 Years	More than 5 Years	
31 March 2023				
Lease payments	14.41	20.02	45.17	79.60
31 March 2024				
Lease payments	14.94	29.62	44.36	88.91

Amounts recognised in profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on right of use assets (refer note 30)	18.91	20.48
Interest on lease liabilities (refer note 29)	0.78	0.81
Expense related to short term lease and other leases (refer note 31)	40.19	62.69
Total	59.88	83.98

Lease terms of assets recognised as Right of use are as below:-

Range of term (in years)

	As at 31 March 2024		As at 31 March 2023	
	Total period (years)	Average Remaining period (years)	Total period (years)	Average Remaining period (years)
Land	25-90	13-71	25-90	14-72
Buildings	3-7	0-3	3-7	1-4
Plant and equipments	5	4	5	3
Office equipments	3-4	0-1	3-4	1-2
Vehicles	4-5	0-1	4-5	1-2

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4B. Capital work-in-progress (CWIP)

As at 31 March 2024 and 31 March 2023

Particulars	
As at 1 April 2022	202.48
Additions during the year	148.52
Assets capitalised during the year	(178.17)
Foreign currency translation impact	9.19
As at 31 March 2023/1 April 2023	182.01
Additions during the year	69.04
Assets capitalised during the year	(79.00)
Foreign currency translation impact	1.07
As at 31 March 2024	173.11

Ageing of capital work-in-progress is as below:

31 March 2024

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	2-3 years
Projects in progress	70.06	103.05	-
	70.06	103.05	173.11

31 March 2023

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	2-3 years
Projects in progress	140.11	41.91	-
	140.11	41.91	182.01

Notes :

- (i) There are no such project under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.
- (ii) Refer note 34 for details of assets pledged as security by the Group.



5. Intangible assets

Particulars	Goodwill (A)	Other intangible assets				Total (A+B)
		Development cost	Patents	Computer software	Total other intangible assets (B)	
Gross carrying amount						
Gross carrying amount as at 1 April 2022	1,951.36	1,266.58	4.51	35.32	1,306.41	3,257.77
Add: Additions made during the year	-	255.55	-	9.24	264.79	264.74
Foreign currency translation impact	39.27	89.16	0.26	3.00	92.42	131.75
Gross carrying amount as at 31 March 2023/1 April 2023	1,990.68	1,611.30	4.77	47.51	1,663.62	3,654.27
Add: Additions made during the year	-	267.45	-	0.14	267.59	267.59
Foreign currency translation impact	-	8.63	1.41	0.50	10.54	10.54
Gross carrying amount as at 31 March 2024	1,990.68	1,887.38	6.18	48.15	1,941.71	3,932.39
Accumulated amortisation						
Balance as at 1 April 2022	606.76	922.78	3.53	17.31	943.62	1,550.38
Add: Amortization / impairment for the year (refer note 30)	686.73	180.60	-	12.86	193.47	880.20
Foreign currency translation impact	40.08	121.20	0.26	1.72	123.18	163.26
Balance as at 31 March 2023/1 April 2023	1,333.57	1,224.58	3.80	31.89	1,260.27	2,593.89
Add: Amortization / impairment for the year (refer note 30)	-	259.85	-	0.28	260.13	260.13
Foreign currency translation impact	-	9.24	1.97	0.24	11.45	11.45
Balance as at 31 March 2024	1,333.57	1,493.67	5.77	32.42	1,531.85	2,865.43
Net carrying value						
As at 31 March 2024	657.11	393.71	0.41	15.73	409.85	1,066.96
As at 31 March 2023	657.11	386.72	0.97	15.61	403.36	1,060.42

The Group performs test for goodwill impairment annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows.

The management has reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available. Management had recorded an impairment of Rs. Nil as on 31 March 2024 (31 March 2023: Rs 686.73) in the Consolidated Statement of Profit and Loss as exceptional item. The management believes that any reasonable possible changes in the key assumptions used would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level with the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment.

The carrying amount of goodwill was allocated to the cash generating units as follows:

	As at 31 March 2024	As at 31 March 2023
H.H Industries	657.11	657.11
Gross carrying value	657.11	657.11
Impairment on goodwill		

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount. Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation as at 31 March 2024 and 31 March 2023 was based on the following key assumptions:

The following growth and discount rates have been considered for the purpose of the impairment testing:

Particulars	31 March 2024	31 March 2023
	H.H Industries	H.H Industries
Pre tax discount rate	16.15%	15.44%
Terminal value growth rate	5.00%	5.00%
Number of years for which cash flows were considered	5 years	5 years
Test result	Impairment not identified	Impairment identified

Impairment

An impairment test was carried out as at the balance sheet date, details of the test are as outlined below:

Discount rate

The discount rate represent the current market assessment of the risks specific to cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rate

The growth rates used are in line with the growth rate of the industry in which the entities operates and are consistent with internal / external sources of information.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.



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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

6. Intangible assets under development

	Amount
Balance as at 1 April 2022	186.00
Additions during the year	193.17
Assets capitalised during the year	(125.71)
Foreign currency translation impact	15.54
Balance as at 31 March 2023/1 April 2023	269.00
Additions during the year	235.47
Assets capitalised during the year	(111.36)
Foreign currency translation impact	2.48
Balance as at 31 March 2024	395.61

Ageing for intangible assets under development as at 31 March 2024

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	247.55	132.67	15.39	-	395.61
Total capital work-in-progress	247.55	132.67	15.39	-	395.61

Ageing for intangible assets under development as at 31 March 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	134.70	80.84	53.47	-	269.00
Total capital work-in-progress	134.70	80.84	53.47	-	269.00

Note:

There are no such project under intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.



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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

7. Investments accounted for using equity method

	As at 31 March 2024	As at 31 March 2023
(a) Non current investments		
Investments in equity instruments carried at cost		
Investment in associate (quoted)		
2,743,200 (31 March 2023: 2,743,200) equity shares of Uravi T and Wedge Lamps Ltd. of Rs. 10 each, fully paid up	178.95	173.78
Total	178.95	173.78
(b) Investment in equity instruments		
Investments measured at fair value through profit and loss		
Non trade investments (quoted)		
101 (31 March 2023: 101) equity shares of Indage Vintners Limited of Rs.10 each, fully paid up ^	-	-
2,500 (31 March 2023: 2500) equity shares of Jhagadia Copper Limited of Rs.10 each, fully paid up ^	-	-
20 (31 March 2023: 20) equity shares of Nextgen Animation Media Limited" of Rs.10 each, fully paid up ^	-	-
20,250 (31 March 2023: 20,250) equity shares of Padmini Technology Limited of Rs.10 each, fully paid up ^	-	-
25,000 (31 March 2023: 25,000) equity shares of Shree Ashtavinayak Cine Vision Ltd of Rs.10 each, fully paid up ^	-	-
50 (31 March 2023: 50) equity shares of Silverline Technologies Ltd. of Rs.10 each, fully paid up ^	-	-
Total	-	-
Total (A+B)	178.95	173.78

^ Market value are not available, the Group expects that these investments values are not material.

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

7 (c). Current investments

(i) Investment in equity instruments

	As at 31 March 2024	As at 31 March 2023
Investments measured at fair value through profit and loss		
Non trade investments (quoted)		
Nil (31 March 2023: 4,000) equity shares of Prakash Industries Limited of Rs.1 each, fully paid up	-	0.20
Nil (31 March 2023: 550) equity shares of JSW Steel Limited of Rs.1 each, fully paid up	-	0.38
Nil (31 March 2023: 11) equity shares of Hero Motocorp Limited of Rs. 2 each, fully paid up*	-	0.00
Nil (31 March 2023: 500) equity shares of NMDC limited of Rs.1 each, fully paid up	-	0.06
Nil (31 March 2023: 3,800) equity shares of Parsvnath Developers Limited of Rs.5 each, fully paid up	-	0.02
Nil (31 March 2023: 1000) equity shares of Pentamedia Graphics Limited of Rs.1 each, fully paid up *	-	0.00
Nil (31 March 2023: 250) equity shares of Sahara Housing finance Corporation Ltd. of Rs.10 each, fully paid up *	-	0.01
Nil (31 March 2023: 40,000) equity shares of Steel Exchange Limited of Rs.1 each, fully paid up	-	0.54
Nil (31 March 2023: 3,232) equity shares of Welspun Corp Limited of Rs.5 each, fully paid up	-	0.65
Nil (31 March 2023: 1,932) equity shares of Welspun Enterprises Limited of Rs.10 each, fully paid up	-	0.29
24,465 (31 March 2023: 27,865) equity shares of Yasho Industries Limited of Rs.10 each, fully paid up	40.37	41.81
Nil (31 March 2023: 500) equity shares of Prakash Pipes Limited of Rs.10 each, fully paid up	-	0.07
Nil (31 March 2023: 500) equity shares of NMDC Steel Ltd. of Rs.1 each, fully paid up	-	0.02
Nil (31 March 2023: 41,500) Minda Corporation Limited of Rs.2 each, fully paid up	-	8.92
Nil (31 March 2023: 6,41,000) Yes Bank Limited of Rs.2 each, fully paid up	-	9.65
Nil (31 March 2023: 22,000) Bharat petroleum Corporation Limited of Rs.10 each, fully paid up	-	7.57
Nil (31 March 2023: 500) Prakash Pipes Ltd. of Rs.10 each, fully paid up	-	0.07
Nil (31 March 2023: 500) NMDC Steel Ltd. of Rs.10 each, fully paid up	-	0.02
Nil (31 March 2023: 01) RUCHI SOYA INDUSTRIES LTD of Rs.10 each, fully paid up	-	0.00
Total	40.37	70.28

*Amount below rounding off norms

Investment in debentures/ Bonds (Quoted)

	As at 31 March 2024	As at 31 March 2023
Investments measured at fair value through profit and loss		
Power Finance Corporation Ltd	-	5.86
Housing And Urban Development Corporation Limited	-	5.81
Indian Railway Finance Corporation Limited	-	2.32
National Bank For Agriculture And Rural Development	-	2.26
National Highways Authority Of India	-	4.33
Total	-	20.58

Investments in equity instruments measured at fair value (FVTPL)

Particulars	As at 31 March 2024	As at 31 March 2023
Quoted		
Investment in equity instruments	40.37	70.28
Investment in bonds	-	20.58
Total	40.37	90.86

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 35.

Investment in equity instrument carried at cost:

Particulars	As at 31 March 2024	As at 31 March 2023
Aggregate book value of quoted investments	178.95	173.78
Aggregate market value of quoted investments	847.10	308.94

Category wise investment as per Ind AS 109 classification

Financial assets carried at fair value through profit or loss (FVTPL)

Particulars	As at 31 March 2024	As at 31 March 2023
Quoted		
Investment in equity instruments	40.37	70.28
Investment in bonds	-	20.58
Total	40.37	90.86

Notes:

Refer note 35 for disclosure of fair value in respect of financial assets measured at fair value through profit and loss.



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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

7A Loans

Particulars

As at
31 March 2024 As at
31 March 2023

(Unsecured considered good measured at amortised cost unless otherwise stated)

Non-current

Loan to company having significant influence*

500.00 -
500.00 -

Disclosure required by Sec 186(4) of Companies Act 2013 as at 31 March 2024

S no.	Name of parties	Interest rate	Tenure of repayment	Secured/ Unsecured	Amount
1	VL-Auto Ancillary Private Limited	9%	Repayable within 36 months from the date of loan.	Unsecured	500.00

*The loan has been given to VL-Auto Ancillary Private Limited for the purposes of providing funds for acquisition/purchase of the equity share capital of Viney Corporation Private Limited (the holding company) from Synergy Metals Investments Holding Limited ("Synergy")

8. Other financial assets

As at
31 March 2024 As at
31 March 2023

(Unsecured considered good unless otherwise stated)

Non-current

Security deposits*

Bank deposits (due to mature after 12 months from the reporting date)**

13.07 10.08
7.30 61.71

Total

20.37 71.79

* Security deposit includes a deposit of Rs.0.08 million (31 March 2023 0.08 million) which is guaranteed by bank to government authorities.

**Bank deposits includes Rs. 5.63 million (31 March 2023 Rs 58.99 million) being fixed deposits pledged with various authorities.

Current

Interest accrued on deposits

Interest receivable on loan given to company having significant influence

Export and other benefit receivable

Receivable from company having significant influence (refer note 37)*

Other receivable

3.87 0.60
35.02 -
43.52 22.90
71.56 -
0.21 20.40

Total

154.18 43.90

Refer note 34 for information on other financial assets pledged as security by the Group.

*includes receivable from Other enterprise over which Key Management personnel is able to exercise significant influence

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Particulars	As at 31 March 2024	As at 31 March 2023
9 Non-current tax assets		
Advance income tax (net of provision)	170.24	86.24
	170.24	86.24
10 Other assets		
Non current		
<i>Unsecured, considered good unless otherwise stated</i>		
Prepaid expenses	67.03	-
Capital advances	19.36	1.94
Balances with statutory and government authorities	-	10.70
Total	86.39	12.64
Current		
Balance with government authorities	19.45	58.30
Advances to suppliers	73.18	68.11
Prepaid expenses	32.38	50.81
Unbilled revenue	0.73	14.20
Others	37.39	19.78
Total	163.15	211.19
Refer note 34 for information on other current assets pledged as security by the Group.		
11 Inventories		
(Valued at lower of cost or net realisable value)		
Raw materials		
on hand	2,373.97	2,404.87
in transit	42.00	40.20
Work in progress	486.78	678.02
Finished goods		
on hand	288.03	163.36
in transit	23.95	29.00
Stores and spares	7.45	7.10
Total	3,222.17	3,322.55

Refer note 34 for information on inventories pledged as security by the Group.

Note: Value of inventories stated above are after provision of Rs. Nil (31 March 2023: Rs 2.00 million) for slow moving and obsolete items

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Viney Corporation Private Limited

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

12. Trade receivables

	As at 31 March 2024	As at 31 March 2023
(Unsecured and measured at amortised cost unless otherwise stated)		
Unsecured - considered good	2,470.51	2,466.03
Credit Impaired, unsecured	52.43	60.68
	2,522.94	2,526.71
Less: loss allowance	(52.43)	(60.68)
Total	2,470.51	2,466.03

a) Refer note 34 for information on trade receivables pledged as security by the Group.

b) The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 35.

c) No amount is receivable from directors or officers of the Group.

Trade receivables ageing schedule as at 31 March 2024 and 31 March 2023 respectively.

31 March 2024	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	196.70	1,693.94	334.60	142.16	103.12	-	-	2,470.51
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	14.30	14.94	23.19	52.43
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Total trade receivables	196.70	1,693.94	334.60	142.16	117.42	14.94	23.19	2,522.94
Less: loss allowance								(52.43)
Total								2,470.51

31 March 2023	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	1,550.34	843.68	72.02	-	-	-	2,466.03
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	39.01	11.71	9.97	60.68
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Total trade receivables	-	1,550.34	843.68	72.02	39.01	11.71	9.97	2,526.71
Less: loss allowance								(60.68)
Total								2,466.03



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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

Particulars	As at	As at
	31 March 2024	31 March 2023
13 Cash and cash equivalents		
Balance with banks:		
- in current accounts	650.60	705.20
Cash on hand	2.16	2.81
	652.76	708.00

Refer note 34 for information on cash and cash equivalents pledged as security by the Group.

14 Other bank balances

Deposits having original maturity of more than three months but remaining maturity of less than twelve months*	151.42	14.80
	151.42	14.80

Refer note 34 for information on other bank balances pledged as security by the Group.

*Bank deposits includes Rs. 136.49 million (31 March 2023 Rs. Nil) being fixed deposits pledged with various authorities.

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

15. Equity share capital

	As at 31 March 2024	As at 31 March 2023
a) Details of share capital		
Authorised share capital		
29,750,000 equity shares of Rs. 10 each*	297.50	-
Class A : Nil (31 March 2023: 10,000,000) equity shares of Rs. 10 each	-	100.00
Class B : Nil (31 March 2023: 17,550,000) equity shares of Rs. 10 each	-	175.50
Class C : Nil (31 March 2023: 2,200,000) equity shares of Rs. 10 each	-	22.00
	297.50	297.50
Issued, subscribed and paid up		
1,84,00,500 equity shares (31 March 2023: Nil) of Rs. 10 each*	184.01	-
Class A : Nil (31 March 2023: 9,202,107) equity shares of Rs. 10 each	-	92.02
Class B : Nil (31 March 2023: 7,074,830) equity shares of Rs. 10 each	-	70.75
Class C : Nil (31 March 2023: 2,123,563) equity shares of Rs. 10 each	-	21.24
Total equity share capital	184.01	184.01

*Pursuant to board resolution dated 23 June 2023 and according to the provisions of Section 61 & 64 and any other applicable provisions, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and the rules framed thereunder and with the consent of the Board of Directors it is hereby accorded that the Authorised share Capital of the Holding Company be reclassified in single class from 1,00,00,000 (One Crore) 'Class A' Equity Shares of Rs. 10/- (Rupees Ten) each; 1,75,50,000 (One Crore Seventy Five Lakh Fifty Thousand) 'Class B' Equity Shares of Rs. 10/- (Rupees Ten) each and 22,00,000 (Twenty Two Lakh) 'Class C' Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 29,75,00,000/- (Rupees Twenty Nine Crores Seventy Five Lacs only) divided into 2,97,50,000 (Two Crore Ninety Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

b) Reconciliation of outstanding equity shares at the beginning and at the end of the reporting period

	Number of shares	Amount
As at 31 April 2022	18,400,500	184.01
Movement during the year	-	-
As at 31 March 2023/1 April 2023	18,400,500	184.01
Movement during the year	-	-
As at 31 March 2024	18,400,500	184.01

c) Shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2024			As at 31 March 2023		
	Class of Equity share	No. of Shares	% against total number of shares	Class of Equity share	No. of Shares	% against total number of shares
VL-Auto Ancillary Private Limited*	-	8,462,390	45.99%	-	-	-
M/s Synergy Metals Investments Holding Limited *	-	-	-	A	9,202,107	50.01%
Mr. Brijesh Aggarwal^	-	5,283,524	28.71%	B	5,279,827	28.69%
Mrs. Priyanka Aggarwal^	-	1,632,000	8.87%	B	1,632,000	8.87%
Mr. Rakesh Aggarwal	-	2,123,563	11.54%	C	2,123,563	11.54%

* M/s Synergy Metals Investments Holding Limited has sold its 100% holding as per below:

Transferor	Number of shares	Transferee	Number of shares
Synergy Metals Investments Holding Limited	9,202,107	VL-Auto Ancillary Private Limited	8,462,390
		Aren Capsules Private Limited	736,020
		Mr. Brijesh Aggarwal	3,697

^The shares are pledged in favour of debentures trustee (Vistra ITCL (India) Limited) in respect of debentures issued by promoter holding company VL-Auto Ancillary Private Limited.



Viney Corporation Private Limited

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

(d) Shareholding of promoters is as under:

Promoter Name		Shareholding at the end of the year				% change in shareholding during the year
S. No.		As at 31 March 2023		As at 31 March 2022		
		No. of Shares	% of total Shares held	No. of Shares	% of total Shares held	
1	Mr. Brijesh Aggarwal	5,279,827	28.69%	5,279,827	28.69%	-

S. No.	Promoter Name	Shareholding at the end of the year				% change in shareholding during the year
		As at 31 March 2024		As at 31 March 2023		
		No. of Shares	% of total Shares held	No. of Shares	% of total Shares held	
1	Mr. Brijesh Aggarwal	5,283,524	28.71%	5,279,827	28.69%	0.02%

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital (upto 22 June 2023)

S. No	Type of class	Authorised equity share capital	Issued, subscribed and paid-up Equity Share Capital of Class Equity share	Nominal value per Equity Share
1	Class - A	10,000,000	9,202,107	10/-
2	Class - B	17,550,000	7,074,830	10/-
3	Class - C	2,200,000	2,123,563	10/-

Class A shares is entitled to 100% of any declared dividend of the Holding Company as per the terms of agreement between the Shareholders and shall receive dividends in priority over Class B shares. Class C shares shall be entitled to dividend over Class B shares and also can waive their rights as well. Upon the occurrence of an Insolvency event in relation to the Holding Company, any distribution, consideration will be first entitled to Class A shares and Class C shares on a pro rata basis as defined in the Shareholder agreement in preference to distribution to Class B shares holders.

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital (w.e.f 23 June 2023)

The Holding Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) There is no bonus issue of equity shares during the period of five years immediately preceding the reporting date.

f) The various rights and obligations are defined in the shareholder agreement and articles of association of Holding company.

g) Refer note below for the details of buyback of equity shares during previous five years.

Financial year	Buy back equity shares	Date of board resolution
2020-2021	1,657,214	22 September 2020
2019-2020	2,042,286	07 June 2019

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16. Other equity

	As at 31 March 2024	As at 31 March 2023
Legal reserves		
Balance at the beginning of the year	100.94	96.02
Created during the year	7.28	4.92
-Balance at the end of the year	108.22	100.94
Capital redemption reserves		
Balance at the beginning of the year	37.00	37.00
Created during the year	-	-
-Balance at the end of the year	37.00	37.00
Foreign currency translation reserve		
At the commencement of the year	350.85	201.18
Movement during the year	61.66	149.67
Balance at the end of the year	412.51	350.85
Retained earning		
Balance at the beginning of the year	3,356.73	3,983.31
Profit/(loss) for the year	278.93	(374.95)
Other comprehensive income, net of tax	(1.88)	1.81
Transfer to legal reserves	7.28	4.92
Interim/final dividend on equity share	105.78	248.52
-Balance at the end of the year	3,520.72	3,356.73
Revaluation reserve		
Balance at the beginning of the year	731.51	-
Add: Movement during the year	116.17	889.51
Less: Income tax credited/(charged) relating to revaluation reserve	2.98	(158.00)
Balance at the end of the year	850.66	731.51
Total	4,929.11	4,577.03

Nature of reserves**Legal reserves**

The legal reserve have been created due to the statutory requirements of the overseas subsidiaries of the Group.

Capital redemption reserves

The Holding Company appropriated a portion of profits to capital redemption reserve as per the provisions of the Companies Act, 2013.

Foreign currency translation reserve

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiary.

Retained earnings

Retained earnings refer to the net profit retained by the Group for its core business activities.

Other comprehensive income (OCI)

Other comprehensive income (OCI) amount pertaining to remeasurements of defined benefit liabilities comprises actuarial gain & losses.

Revaluation reserve

Revaluation reserve has been created during the year on revaluation on class of freehold and leasehold land.

Dividend

The following dividend were declared and paid by the Holding Company:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interim dividend for financial year 2023-2024: Rs.11 per equity share	105.78	-
Final dividend for financial year 2021-2022: Rs.27 per equity share of Class A	-	248.52



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Notes to the consolidated financial statements for the year ended 31 March 2024

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16A. Earning per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders of the Group (Rs. in million)	278.93	(374.95)
Weighted average number of Equity shares for basic EPS	92,002,500	92,002,500
Weighted average number of Equity shares adjusted for the effect of dilution	92,002,500	92,002,500
Basic earnings per share (face value Rs. 10 per share) (in Rs.)	3.03	(4.08)
Diluted earnings per share (face value Rs. 10 per share) (in Rs.)**	3.03	(4.08)

*The Holding Company has not taken effect of optionally convertible debentures while computing diluted earning per share as the instrument is variable in nature and without any fixed to fixed conversion feature and the same depends upon valuation which is derived on the basis of a formula at the entry valuation date however the same will change depending upon the secured obligations paid till the date of conversion, therefore the future obligations to be settled cannot be settled as at the signing date.

^The Holding Company has adjusted earning per share (basic and diluted) after taking the impact of issue of bonus shares pursuant to extraordinary general meeting dated 20 May 2024. (refer note 43)

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Viney Corporation Private Limited

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

17. Borrowings

	As at 31 March 2024	As at 31 March 2023
(Measured at amortised cost)		
Non current borrowings		
By Holding company		
Term loan from banks		
Secured		
A. Term loan	921.23	1,081.10
By other subsidiaries		
Term loans from banks		
B. Secured	438.60	573.20
C. Unsecured	834.16	869.14
By Holding company		
Optionally Convertible Debentures (OCDs)		
Secured *	200.00	-
By other subsidiaries		
Non Convertible Debentures (NCDs)		
Secured **	500.00	-
By Holding Company		
Vehicle loans		
Secured		
From banks	-	0.80
	2,893.99	2,524.24
Less: Amount included under 'current borrowings'	618.59	798.74
Total	2,275.40	1,725.50
Current borrowings		
Working capital loan from bank		
By Holding company		
Secured	1,088.10	933.30
By other subsidiaries		
Secured	833.40	1,185.15
Unsecured	205.59	211.06
Current maturities on borrowings	618.59	798.74
Total	2,745.69	3,128.25

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note no 34.

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a. Term loan repayment schedule and security

Nature of security	Terms of repayment and	As at 31 March 2024	As at 31 March 2023
(i) Term loan from IndusInd Banks			
1) Secured by way of equitable mortgage over following land and building owned by Holding Company:	Rate of interest: 7.00% from 24 February 2022 onwards.	709.69	832.22
a) Plot No GP-59 at Maruti Industrial Estate, Sector 18, Gurgaon, Haryana	Repayable in 90 monthly instalments commencing from October 2020.		
b) Plot No 42, Sector 3, Industrial Estate, IMT Manesar, Gurgaon, Haryana			
c) Plot No 93-94, Sector 53, Phase-V, Industrial Estate Kundli, Sonapat, Haryana			
d) Plot no. 24, Khasra no. 172 & 213 & 214 & 215 & 216 situated in village Begampur Pargana Roorkee Tehsil & Distt. Haridwar, Uttarakhand.			
e) Plot Nos. 46 to 55 and 68 to 77 situated at SICOP Industrial Complex, IID Centre, Govindsar, Kathua			
f) Leasehold industrial plot of land measuring 3 kanals (16200Sq ft) bearing plot no 14 situated in SICOP Industrial Complex, Kathua			
2) Secured by pledge of equity shares of "Uravi T and Wedge Lamps Limited" held by the company and			
3) Exclusive Charge on movable fixed assets of the company both present and future (excluding vehicles or any other assets specifically financed).			
4) It is further secured by personal guarantee of Mr. Brijesh Aggarwal, MD of the Holding Company.			
(ii) Term loan from Axis Bank			
1) Secured by way of equitable mortgage over following land and building owned by Holding Company:	Rate of interest: 7.50% p.a.	211.54	248.88
a) Plot No GP-59 at Maruti Industrial Estate, Sector 18, Gurgaon, Haryana	Repayable in 78 monthly instalments commencing from October 2021.		
b) Plot No 42, Sector 3, Industrial Estate, IMT Manesar, Gurgaon, Haryana			
c) Plot No 93-94, Sector 53, Phase-V, Industrial Estate Kundli, Sonapat, Haryana			
d) Plot no. 24, Khasra no. 172 & 213 & 214 & 215 & 216 situated in village Begampur Pargana Roorkee Tehsil & Distt. Haridwar, Uttarakhand.			
e) Plot Nos. 46 to 55 and 68 to 77 situated at SICOP Industrial Complex, IID Centre, Govindsar, Kathua			
f) Khasra no. 111 (plot no.7), Jagatpur, Rudrapur, Uddham Singh Nagar admeasuring 1000 sq. mtrs.			
g) Land measuring acres 1.07 cents with party constructed shed admeasuring 9000 sq. ft bearing S.No. 51/B1, Bairamangam Village in Denkanikottai Taluk, Krishnagiri			
2) Secured by pledge of equity shares of "Uravi T and Wedge Lamps Limited" held by the company and			
3) Exclusive Charge on movable fixed assets of the company both present and future (excluding vehicles or any other assets specifically financed).			
4) Charge on DSRA/cash margin maintained with IndusInd Bank (in case of release of DSRA from IndusInd Bank, DSRA of one quarter-Principal+Interest to be provided to Axis Bank)			
5) It is further secured by personal guarantee of Mr. Brijesh Aggarwal, MD of the Holding Company.			
Total (A)		921.23	1,081.10
(iii) Vehicle loans from banks			
a) Secured by hypothecation of vehicles.	Rate of interest: ranging between 8.00% to 13.00% p.a.	-	0.80
	Repayable in monthly instalments with the tenure ranging from one year to four years.		
Secured term loan by other subsidiaries		-	0.80
(iv) Term loan from Banca Popolare Di Milano			
a) Secured by first hypothecation charge on land and building of the Vimercati S.p.A.	Rate of interest: 5.03% (31 March 2023: Ranging between 3.5% to 4.5%). Repayable in 54 monthly instalments.	-	250.60
Term loan from BRD Groupe Societe Generale			
a) Secured by first hypothecation charge on plant and equipment of the Vimercati East Europe S.r.l.	Rate of interest: EURIBOR3M + 1.6% (31 March 2023: EURIBOR3M + 1.6%). Repayable in 60 monthly instalments.	438.60	322.59
Total (B)		438.60	573.19
Unsecured term loan by other subsidiaries			
Term loan from Credem chiro			
	Range of interest: 0.60% (31 March 2023- 0.60%). Repayable in quarterly instalments.	22.72	67.20
Term loan from Banca Nazionale del Lavoro S.p.A. (BNL)			
	Rate of interest: 5.13% (31 March 2023- 4.65%). Repayable in quarterly instalments.	101.50	168.00
Term loan from Banco BPM (previously known Banca Popolare Di Milano)			
	Rate of Interest- 5.13% (31 March 2023- 4.65%) Repayable in 16 quarterly installments	81.17	123.21



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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

Term loan from Intesa Sanpaolo

Rate of Interest- 2.0% to 6.4%, (31 March 2023- 2.0% to 4.4%)
Repayable in monthly instalments.

353.90

426.15

Term loan from Banca Nazionale del Lavoro S.p.A. (BNL)

Rate of Interest- 5.39% (31 March 2023- 2.00%)
Repayable in monthly instalments. Repaid

-

14.70

Term loan from BPM SIMEST S.p.A

Rate of Interest-0.65% (31 March 2023- 2.00%)
Repayable in monthly instalments.

18.04

17.92

Term loan from Credito Emiliano

Rate of Interest- 0.75% (31 March 2023- 0.80%)
Repayable in quarterly instalments.

15.21

25.08

Term loan from Banca Sella

a) Unsecured

Rate of Interest- 2.15% (31 March 2023- 2.00%)
Repayable in monthly instalments.

18.34

25.33

Term loan from Unicredit

Rate of Interest- 2.00% (31 March 2023-2.00%)
Repayable in monthly instalments. Repaid

-

1.55

Term loan from BPER

Rate of Interest- Euribor 1/m + 1.25% (31 March 2023- Nil)
Repayable in monthly instalments.

223.30

-

Total (C)

834.16

869.14

Optionally-convertible debentures

Secured by way of by pledge of 99.99% shares of wholly owned subsidiary-Viney Auto Ancillary Private Limited.

It is further secured by hypothecation of vehicle.

Coupon rate: 19%
Effective interest rate: 22.12%
The OCD'S shall be redeemed or converted within 42 months, with the holder having the option.

200.00

-

Non-convertible debentures

Secured by way of by pledge of 99.99% shares of wholly owned subsidiary-Viney Auto Ancillary Private Limited.

Coupon rate: 19%
Effective interest rate: 22.12%
The NCD'S shall be redeemed within 42 months, with the holder having the option. Interest on NCD'S will be paid on annual

500.00

-

Total

2,893.99

2,524.23

b. Short term loan repayment schedule and security

Nature of security	Terms of repayment and rate of interest	As at 31 March 2024	As at 31 March 2023
Secured loan by Holding Company			
Working capital loan and buyer's credit from banks			
Secured by first Parri passu charge by way of hypothecation of the entire current assets of the company (Present and future) and Secured by second Parri passu charge on entire movable property, plant and equipment (excluding vehicles or any other assets specifically financed). Further, it is also secured by personal guarantee of Mr. Brijesh Aggarwal, MD of the Company.	Rate of interest: marginal cost of funds based on lending rate (MCLR) plus applicable margin. Repayable on demand.	1,088.10	933.30
Secured loan by other subsidiaries			
Working capital loan availed from Intesa Sanpaolo	Rate of interest: EURIBOR3M + 1.60% Repayable on demand.	225.54	224.00
Secured by customers orders and customers receivables of Vimercati S.p.A.			
Working capital loan availed from Banca Nazionale del Lavoro S.p.A. (BNL)	Rate of interest: EURIBOR3M + 2.00% Repayable on demand.	89.78	125.50
Secured by customers orders and customers receivables of Vimercati S.p.A.			
Working capital loan availed from Credito Emiliano	Rate of interest: EURIBOR1M + 1.4% Repayable on demand.	44.87	44.80
Secured by customers receivables of Vimercati S.p.A.			
Working capital loan availed from Banca Popolare Di Milano	Rate of interest: EURIBOR3M + 1.50% Repayable on demand.	356.11	349.55
Secured by customers orders and customers receivables of Vimercati S.p.A.			
Working capital loan availed from UNICredit	Rate of interest: EURIBOR3M + 1.50% Repayable on demand.	110.01	110.10
Secured by customers orders and customers receivables of Vimercati S.p.A.			
Working capital loan availed from BRD	Euribor3M+1.2% Repayable on demand	-	62.70
Secured by customers orders and customers receivables of Vimercati east europe S.r.L.			
Working capital loan availed from BCR	Euribor3M+1.3% Repayable on demand	-	268.50
Secured by customers orders and customers receivables of Vimercati east europe S.r.L.			
Working capital loan availed from Unicredit Finpiem	Euribor3M+1.3% Repayable on demand	7.09	-
Secured by customers orders and customers receivables of Vimercati east europe S.r.L.			



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Notes to the consolidated financial statements for the year ended 31 March 2024

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Unsecured loan by other subsidiaries

Working capital loan availed from Intesa Sanpaolo	Rate of interest: 2.0% Repayable on demand	74.41	77.30
Working capital loan availed from Banca Popolare Di Milano	Rate of interest: 6.93% (31 March 2023- 2.00%) Repayable on demand	46.91	35.20
Working capital loan availed from Banca Nazionale del Lavoro S.p.A. (BNL)	Rate of interest: 2.0% Repayable on demand	31.14	30.60
Working capital loan availed from Credito Emiliano	Rate of interest: 2.0% Repayable on demand	19.67	42.90
Working capital loan availed from Banca Sella	Rate of interest: 2.0% Repayable on demand	33.45	25.06
Total		2,127.09	2,329.61

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

18. Provisions

	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for employee benefits		
Provision for compensated absences	7.34	5.60
Provision for gratuity (refer to note 33)	19.59	17.12
	26.94	22.72
Current		
Provision for employee benefits		
Provision for compensated absences	55.83	51.41
Provision for gratuity (refer to note 33)	3.75	0.64
Severance indemnity fund #	92.08	98.26
Provision for warranty	23.28	42.86
	174.94	193.26

Amount provided for severance indemnity fund for Vimercati S.p.A. and the aforesaid Company does not have an unconditional right to defer settlement of obligation beyond the period of twelve months.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
At the commencement of the year	98.26	98.68
Movement during the year	(6.18)	(0.41)
Balance at the end of the year	92.08	98.26

Provision for warranties: Warranty costs are estimated on the basis of contractual agreement, technical evaluation and past experience. The timing of outflows is expected to be as per warranty period as specified in various invoices. Provision for warranty is treated as current since one of the subsidiary company does not have an unconditional right to defer settlement of obligation beyond the period of twelve months.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
At the commencement of the year	42.86	14.56
Provision made during the year	139.09	114.80
Provision reversed/utilised during the year	(158.67)	(86.50)
Balance at the end of the year	23.28	42.86

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19. Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
a. Amount recognised in statement of profit and loss		
Current tax expense		
India	116.42	84.50
Tax adjustment relating to earlier years [^]	(3.27)	104.95
Other than India	62.34	43.48
Deferred tax (credit) / charge		
India	41.33	(23.50)
Other than India	(32.13)	15.04
Tax expense	184.68	224.47

[^] the Board of directors of "Vimercati S.p.A." in its meeting of the Board held on 15 May 2023 had deliberated for repayment of tax benefits availed in relation to 'Research and Development activities' in earlier years amounting to Euro 1,330,011 (equivalent Rs. 119.99 million, 31 March 2023: 111.35 million). The management had taken its impact in the consolidated financial statements. As agreed with tax authorities the amount will be paid three equal installments as mentioned below:

Particulars	Date	Amount in EURO	Amount equivalent to INR
First installment	16 December 2	443,337	40.00
Second installment	16 December 2	443,337	40.00
Third installment	16 December 2	443,337	40.00
		1,330,011	119.99

b. Income tax recognised in other comprehensive income

	For the year ended 31 March 2024		
	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit plan	(3.01)	1.13	(1.88)
Revaluation reserve	116.17	2.98	119.15
	113.16	4.11	117.28
	For the year ended 31 March 2023		
	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit plan	2.27	(0.62)	1.66
Revaluation reserve	889.50	(158.03)	731.47
	891.77	(158.64)	733.13

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		449.33		(150.48)
Other Comprehensive income		113.16		891.95
Tax using company's domestic tax rate	25.17%	141.58	25.17%	186.63
Effect of:				
Non-deductible expenses / income	1.22%	6.85	20.45%	151.62
Differential tax rate on revaluation reserve	0.46%	2.58	-5.92%	(43.91)
Differential tax rate on dividend	0.00%	(0.01)	-0.10%	(0.74)
Tax adjustment relating to earlier years	-0.58%	(3.27)	14.15%	104.95
Tax impact of different tax rates for foreign subsidiaries	6.04%	33.99	-2.01%	(14.93)
Effective tax rate	32.31%	181.72	51.74%	383.62

d. Deferred tax assets / liabilities

	As at 31 March 2024	As at 31 March 2023
Deferred tax assets :-		
Provisions for employee benefits	8.03	6.90
Provision for doubtful debts	10.90	10.90
Provision for expenses	34.19	31.04
Brought forward losses and unabosorbed depreciation	38.34	38.08
	91.47	86.92
Deferred tax liabilities		
Undistributed profits of foreign subsidiary	(208.57)	(213.95)
Provision for increase/decrease in value of investment	(1.86)	(2.70)
Property, plant and equipment and intangible assets	(33.73)	(39.63)
Revaluation reserve on land	(155.02)	(158.00)
Unrealised profits on inter company inventory	(15.77)	(5.33)
	(414.96)	(419.61)
Carried forward tax credits		
Deferred tax liabilities (net)	(323.49)	(332.69)
Deferred tax charge/(credit)	9.20	129.20



e. Movement of temporary differences

	Movement			As at 31 March 2024
	As at 31 March 2023	In OCT's	In profit and loss	
Property, plant and equipment and intangible assets (net)	(39.63)	-	5.90	(33.73)
Provisions for employee benefits	6.90	1.13	-	8.03
Brought forward losses	38.08	-	0.26	38.34
Provision for expenses	31.04	-	3.15	34.19
Provision for doubtful debts	10.90	-	-	10.90
Provision for diminution in value of investment	(2.70)	-	0.84	(1.86)
Undistributed profits of foreign subsidiary	(213.95)	-	5.37	(208.57)
Impact of revaluation reserve on land	(158.00)	2.98	-	(155.02)
Unrealised profits on inter company inventory	(5.33)	-	(10.44)	(15.77)
	(332.69)	4.11	5.08	(323.49)

	Movement			As at 31 March 2023
	As at 1 April 2022	In OCT's	In profit and loss	
Property, plant and equipment and intangible assets (net)	(28.25)	-	(11.38)	(39.63)
Provisions for employee benefits	7.30	(0.62)	0.22	6.90
Provision for doubtful debts	7.80	-	3.10	10.90
Provision for diminution in value of investment	(44.10)	-	41.40	(2.70)
Undistributed profits of foreign subsidiary	(198.90)	-	(15.05)	(213.95)
Impact of revaluation reserve on land	-	(158.00)	-	(158.00)
Unrealised profits on inter company inventory	(7.50)	-	2.17	(5.33)
Brought forward losses	38.08	-	-	38.08
Provision for expenses	43.08	-	(12.04)	31.04
	(182.49)	(158.62)	8.42	(332.69)



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Viney Corporation Private Limited

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

20. Trade payables

	As at 31 March 2024	As at 31 March 2023
(Measured at amortised cost)		
Total outstanding dues of micro enterprises and small enterprises	30.55	18.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,339.48	2,006.15
Total	2,370.03	2,025.05

(i) All trade payables are 'current'

(ii) For trade payables to related parties refer note no 37.

Trade payables ageing schedule as at 31 March 2024 and 31 March 2023 respectively.

31 March 2024	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	26.68	3.87	-	-	-	30.55
Others	38.63	2,188.77	107.71	3.46	0.91	2,339.48
Total trade payables	65.31	2,192.64	107.71	3.46	0.91	2,370.03

31 March 2023	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.90	-	-	-	-	18.90
Others	477.61	1,493.52	32.62	1.51	0.88	2,006.15
Total trade payables	496.51	1,493.52	32.62	1.51	0.88	2,025.05

There are no undisputed trade payables, hence the same is not disclosed in the ageing schedule.

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
21 Other financial liabilities (measured at amortised cost unless otherwise stated)		
Current		
Employee related payable	89.35	143.58
Capital creditors	33.96	2.10
Derivative liability	-	0.70
	123.31	146.38
The Group's exposure to currency and liquidity risks related to above financial liabilities is disclosed in note 35.		
22 Other current liabilities		
Advance from customers	0.88	2.30
Interest accrued and due on borrowings	16.1	0.90
Statutory dues payable	148.0	120.94
Others	80.9	62.88
	245.8	187.02
23A Non-current tax liabilities (net)		
Provision for taxes (net of advance taxes paid)	40.00	80.01
	40.00	80.01
23B Current tax liabilities (net)		
Provision for taxes (net of advance taxes paid)	70.87	39.73
	70.87	39.73

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Particulars	Year ended 31 March 2024	Year ended 31 March 2023
24 Revenue from operations		
Sale of products	12,403.52	11,171.25
	12,403.52	11,171.25
Other operating revenues		
Government grants and subsidies*	38.92	22.20
Scrap sale	8.53	4.11
Revenue from sale of electricity	2.27	3.00
Others	4.61	0.08
	12,457.86	11,200.64
* Includes income in the form of subsidy, incentives and export benefits.		
There are no unfulfilled conditions and other contingencies attached to government assistance which has been recognised.		
Notes:		
i) Reconciling the amount of revenue		
Gross sale of products	12,336.91	11,039.71
Add : Adjustment on account price differences	66.62	131.54
	12,403.52	11,171.25
ii) Contract balances (refer note 10)		
Contract liabilities (advance from customers)*	0.88	2.30
iii) Revenue recognised in relation to contract liabilities		
a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2.30	2.50
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period	-	-
25 Other income		
	Year ended 31 March 2024	Year ended 31 March 2023
Dividend received from domestic company	0.03	2.90
Profit on sale of		
- Non current investment	5.73	6.80
- Property, plant and equipment	-	0.90
Interest on		
- Fixed deposits	15.95	3.70
- Loan to company having significant influence	34.77	-
- Other	0.15	1.35
Net fair value gain on financial assets mandatorily measured at fair value through profit or loss	2.90	-
Net gain on foreign currency transaction (net)	25.37	18.13
Miscellaneous income	130.07	107.62
	214.97	141.40
26A Cost of raw material consumed		
	Year ended 31 March 2024	Year ended 31 March 2023
Cost of raw material consumed	6,306.28	5,778.52
Total	6,306.28	5,778.52
26B Purchase of stock in trade		
	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock in trade	46.18	-
Total	46.18	-
27 Change in inventories of finished goods, stock-in-trade and work-in-progress		
	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Finished goods	192.62	417.06
Work-in-progress	678.02	436.72
	870.64	853.78
Less: Closing stock		
Finished goods	311.97	192.62
Work-in-progress	486.78	678.02
	798.75	870.64
Foreign currency translation adjustment	10.5	38.48
Net decrease / (increase) in inventories	61.40	(55.34)



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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

28 Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	2,081.48	1,745.90
Contributions to provident and other funds *	502.76	444.14
Staff welfare expenses	10.63	10.80
	<u>2,594.87</u>	<u>2,200.84</u>

*includes contribution towards provident fund and employee state insurance fund, refer note 33 for details.

29 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on (using effective interest rate method):		
-Term loan	268.54	139.65
-Working capital loan	75.92	66.10
-Optionally-convertible debentures	24.85	-
-Non-convertible debentures	85.51	-
Interest on lease liabilities	0.78	0.82
Others borrowing cost	5.48	2.89
	<u>461.07</u>	<u>209.46</u>

30 Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 4)	474.66	498.27
Depreciation on right of use assets (refer note 4A)	18.91	20.52
Amortization on intangible assets (refer note 5)	260.13	193.47
	<u>753.71</u>	<u>712.25</u>

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Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

31 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	37.11	35.36
Job work charges	683.35	581.12
Power and fuel	170.72	161.40
Rent	40.19	62.69
Rates and taxes	21.88	3.29
Legal and professional charges	188.60	163.38
Repair and maintenance	110.49	100.41
Freight and forwarding expenses	392.46	265.97
Travelling and conveyance	44.35	38.37
Insurance	33.97	26.24
Provision for loss allowance against trade receivable and advances	11.63	13.31
Warranty cost	139.09	114.80
Corporate social responsibility expenditure	12.52	14.30
Loss on sale of property, plant and equipment	1.19	-
Net fair value loss on financial assets mandatorily measured at fair value through profit or loss	-	10.80
Miscellaneous expenses	117.62	225.53
	2,005.17	1,817.07

31A Exceptional items

	Year ended 31 March 2024	Year ended 31 March 2023
Impairment of goodwill (refer note 5)	-	686.73
Bad debts	-	145.00
	-	831.73



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32. Contingent liabilities and commitments

(to the extent not provided for)

	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Claims against the Group not acknowledged as debt:		
i) Goods and service tax matters*	34.46	27.48
ii) Income tax matters**	99.43	55.79
iii) Other matter including claim related to supplier#	15.00	15.00

An order was passed against the Holding Company on 9 January 2020 by the Sessions Court of Ghaziabad on account of cheques dishonoured in the matter of supplier, directing the Holding Company and its directors, Mr. Anil Parkash Aggarwal, Mr. Viney Parkash Aggarwal and Mr. Brijesh Aggarwal to collectively pay the amount on account of dishonoured cheques amounting Rs. 15.0 million. The Holding Company had filed an appeal with the Ghaziabad District Court on 7 February 2020. In this regard, management is confident that the adverse order will be overturned on appeal since, there were certain facts which were in favour of the Holding Company and were not considered by lower court in passing the order. Based on the legal advice, the Holding Company is of the view that it has good case in respect of this matter and hence no provision is considered necessary.

* Rs 34.46 million (31 March 2023 : Rs. 27.47 million) represents Goods and service tax demand pertains to financial year 2015-2016 to 2019-2020. The management believes that the likelihood of the case/appeals going in favor of the Group is probable and, accordingly, has not considered any provision against this demand in the financial statements.

** Rs 99.43 million as at March 31, 2024 (31 March 2023 : Rs. 79.27 million), represents show cause cum demand notices raised by Income Tax authorities over the the Holding Company for the period April 2012 to March 2022. The Group has filed an appeal before the CIT (A) and other appellate authorities. Based on the Group's evaluation which is supported by an independent tax expert, it believes that it is not probable that the demand will materialize and therefore no provision has been recognized.

(b) In relation to financial year 2016 tax assessment notice at Vimercati S.p.A. as notified on 21 February 2022, the conditions for a settlement were still lacking and the subsidiary company had represented against the claim made by Italian tax authorities. Further, in relation to MAP bilateral procedure between Italy and Romania the results of this procedure are totally unpredictable considering these are conducted by third parties (the Italian Revenue Agency versus the Romanian Revenue Agency) on the basis of data largely unknown to Vimercati spa, accordingly no provision has been recorded in the consolidated financial statements. Further, a similar tax assessment was carried out on 13 March 2024 and concluded on 13 June 2024 for the years 2018 and 2019. Basis the said assessment the findings were shared on 18 June 2024 by Italian tax authorities. The management has engaged an external tax consultant to look into the matter who have suggested to adopt a strategy similar to earlier financial year 2016 tax assessment. Therefore at this stage the management does not consider that the conditions are met for the recognition of a tax provision.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

(c) Capital and other commitments

Estimated amount of contracts remaining to be executed which is of capital nature (net of advances) and which have not been provided for in the consolidated financial statements, amounts to Rs. 107.16 million (31 March 2023: Rs. 10.08 million).

Contractual commitments for capital expenditure are relating to acquisition of property, plant and equipment.

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33. Employee benefits

	As at 31 March 2024	As at 31 March 2023
a) Defined contribution plans		
The Group makes contribution towards employees' provident fund, employees' state insurance plan and other schemes. Under the schemes, the Group is required to contribute a certain cost as specified in the rules of the scheme, to these defined contribution schemes. The Group has recognised Rs 502.76 million as at 31 March 2024, (31 March 2023: Rs. 444.32 million) during the year as expense towards contribution to these plans.		
Provident fund	4.56	5.07
Employees' state insurance scheme	1.82	1.84
Employees' Pension scheme	1.32	1.34
Labour Welfare Fund	0.30	0.19
Contribution made by other overseas subsidiaries	494.75	435.88
Total	502.76	444.32

b) Defined benefit plan - gratuity

The Holding Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. The scheme provides for a lump sum payment to vested employee while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

(i) Reconciliation of the net defined benefit (asset) / liability**- Reconciliation of present value of defined benefit obligation**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	17.74	17.93
Interest cost	1.31	1.29
Current service cost	2.47	2.41
Actuarial (gain) / loss recognised in other comprehensive income		
- changes in financial assumptions	3.78	(0.39)
- experience adjustments	(0.77)	(1.88)
Benefits paid	(1.19)	(1.61)
Balance at the end of the year	23.34	17.74

(ii) Net liability recognised in the Balance Sheet

	As at 31 March 2024	As at 31 March 2023
Current liabilities	3.75	0.64
Non-current liabilities	19.59	17.12
Net liability in the Balance Sheet	23.34	17.76

(iii) Amount recognized in the statement of profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	2.47	2.41
Interest cost	1.31	1.29
	3.78	3.70

(iv) Remeasurements recognised in other comprehensive income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gain) / loss arising during the year	3.01	(2.51)
	3.01	(2.51)

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(v) Defined benefit obligations

	As at 31 March 2024	As at 31 March 2023
Actuarial assumptions		
Discount rate (per annum)	7.23%	7.36%
Future salary growth rate (per annum)	5.50%	5.50%
Attrition rate		
upto 30 years	29.00%	3.00%
from 31- 44 years	17.00%	2.00%
above 44 years	11.00%	1.00%
Retirement age	60.00	60.00
Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.		

(vi) Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Funding

This is an unfunded benefit plan for qualifying employees.

(vii) Sensitivity analysis

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

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(1.07)	1.17	(1.04)	1.13
Future salary growth rate (0.50% movement)	1.05	(0.97)	0.97	(0.90)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

The change in other assumptions is not material to the financial statement.

(viii) Maturity profile of defined benefit obligation

The expected future cash flows in respect of gratuity were as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Year 1	3.75	0.64
Year 2	2.81	0.33
Year 3	2.59	0.47
Year 4	2.36	0.70
Year 5	1.81	0.39
Year 6	1.68	0.72
Year 6 onwards	8.34	14.51
Total	23.34	17.71

(ix) Expected contribution

As at 31 March 2024, the weighted average duration of the defined benefit obligation was 5.25 years (31 March 2023: 16.75 year).

Expected employer's contribution for the year ending 31 March 2025 is Rs. 4.74 million (31 March 2024: Rs 4.53 millions).

(c) Other long-term employee benefits

An amount of Rs. 3.24 millions as at 31 March 2024 (31 March 2023: Rs. 1.31 millions) pertains to expense towards compensated absences.



34. Assets pledged as security (refer note 17)

	As at 31 March 2024	As at 31 March 2023
Current		
Non-financial assets		
Inventories		
Other current assets	3,222.17	3,322.55
Financial assets	34.87	98.74
Investments		
Cash and cash equivalents	40.37	90.86
Other bank balances	69.54	56.16
Other financial assets	151.42	14.85
Trade receivables	165.34	52.41
Total current assets pledged as security	2,470.51	2,466.03
	6,154.22	6,101.59
Non-current (non-financial assets)		
Property, plant and equipment	4,007.13	3,854.01
Capital work-in-progress	173.11	182.01
Investments	178.95	173.78
Total non-current assets pledged as security	4,359.19	4,209.81
	10,513.41	10,311.40

35. Financial instruments - Fair values and risk management

a. Financial instruments by category and fair values

There are no financial assets or liabilities measured at fair value in these financial statements except stated below.

As at 31 March 2024	Carrying value			Fair value hierarchy		
	FVTPL*	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Investments ^a	40.37	-	40.37	40.37	-	-
Trade receivables	-	2,470.51	2,470.51	-	-	2,470.51
Cash and cash equivalents	-	652.76	652.76	-	-	652.76
Other bank balances	-	151.42	151.42	-	-	151.42
Loans	-	500.00	500.00	-	-	500.00
Other financial assets	-	174.55	174.55	-	-	174.55
	40.37	3,949.24	3,989.61	40.37	-	3,949.24
Financial liabilities						
Borrowings	200.00	4,821.08	5,021.08	-	-	5,021.08
Lease liabilities	-	73.31	73.31	-	-	73.31
Trade payables	-	2,370.03	2,370.03	-	-	2,370.03
Other financial liabilities	-	123.31	123.31	-	-	123.31
	200.00	7,387.73	7,587.73	-	-	7,587.73

As at 31 March 2023	Carrying value			Fair value hierarchy		
	FVTPL*	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Investments ^a	90.86	-	90.86	90.86	-	-
Trade receivables	-	2,466.03	2,466.03	-	-	2,466.03
Cash and cash equivalents	-	708.00	708.00	-	-	708.00
Other bank balances	-	14.80	14.80	-	-	14.80
Other financial assets	-	115.69	115.69	-	-	115.69
	90.86	3,304.52	3,395.38	90.86	-	3,304.52
Financial liabilities						
Borrowings	-	4,853.75	4,853.75	-	-	4,853.75
Lease liabilities	-	64.03	64.03	-	-	64.03
Trade payables	-	2,025.05	2,025.05	-	-	2,025.05
Other financial liabilities	-	146.38	146.38	-	-	146.38
	-	7,089.21	7,089.21	-	-	7,089.21

Notes:

1. The carrying amount of trade receivables, trade payables, loans, investments, borrowings, lease liabilities, other financial assets/ liabilities and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

2. The amortised cost of all financial assets and liabilities approximate to the fair values on the respective reporting dates.

*Fair value through profit and loss

^aexcluding investment in associate carried at cost



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Notes:

Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's asset and liabilities:

Particulars	Period	Level 1	Level 2	Level 3	Total
Investment in quoted financial instruments	31-Mar-24	40.37	-	-	40.37
	31-Mar-23	90.86	-	-	90.86

Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

(a) for investment in quoted financial instruments, quoted market prices as at the reporting date have been used.

(b) for investment in unquoted financial instruments, recent investment price has been used.

Financial liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss					
Liability arising out of optionally convertible debentures	31 March 2024	-	-	200.00	200.00

Valuation process and technique used to determine fair value

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for optionally convertible debentures are as follows:

For determining the valuation of the instrument, Monte Carlo simulations method using the inputs like discount rate, credit spreads, risk premium (instrument specific) and risk free rates have been used.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	31 March 2024	31 March 2023	
Liability arising out of optionally convertible debentures (refer note 17)	200.00	-	Discount rate

Sensitivity analysis

Description	As at 31 March 2024	As at 31 March 2023
Impact on liability arising on account of fair value if change in discount rate		
- Impact due to increase of 0.5%	1.00	-
- Impact due to decrease of 0.5%	(1.00)	-

The following table presents the changes in level 3 items for the years ended 31 March 2024

Particulars	Liability arising out of optionally convertible debentures
As at 1 April 2023	-
Add: issue of optionally convertible debentures	200.00
Add: fair value changes during the year	-
As at 31 March 2024	200.00



35b. Financial risk management

The Group's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, trade and other receivables, cash and cash equivalents and other financial assets.

The Group's risk management assessment, policies and process are established to identify and analyse the risk faced by the Group. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Financial risk factors

The Group, as active supplier for the automobile industry expose its business and products to a variety of financial risks:

- Market risk
- Credit risk
- Liquidity risk

Below notes explain the sources of risks in which the Group is exposed to and how it manages the risks.

(i) Credit risk

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- Low credit risk
- Moderate credit risk

Trade receivables

The Group'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.

The Group's customers are auto players who supply to large automobile manufacturers. The Group monitors the receivables on an on-going basis and follow up for the payment once due. The Group's review also includes financial statements, industry information and promoter's background.

Loans and other financial assets

- The Group has given security deposits to Government departments for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.
- The Group provides loans to employees for their personal needs and repayment by deduction from the salary of the employees. The expected probability of default is negligible or nil.
- The Group has given loan to related party. The expected probability of default is negligible or nil.
- The Group has investments in quoted equity shares and associate, considering the market value of shares of the investment the expected impairment is nil.

Cash and cash equivalents and other bank balances

Credit risk on cash and cash equivalents and other bank balances is limited as the Group generally invests in deposits with banks with high repute.

**Financial assets that expose the entity to credit risk –
31 March 2024**

	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	652.76	-	652.8
Other bank balances	151.42	-	151.4
Security deposits	13.07	-	13.1
Other financial assets	154.18	-	154.2
Investment	219.32	-	219.3
Loan	500.00	-	500.00
Moderate credit risk			
Trade receivables	2,522.94	(52.43)	2,470.51
Total	4,213.7	(52.43)	4,161.3

31 March 2023

	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	708.00	-	708.00
Other bank balances	14.80	-	14.80
Security deposits	10.08	-	10.08
Other financial assets	43.90	-	43.90
Investment	264.63	-	264.63
Moderate credit risk			
Trade receivables	2,526.71	(60.68)	2,466.03
Total	3,568.13	(60.68)	3,507.45

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Expected credit loss on trade receivable :

The Group's expected all major payments are received on due dates without any significant delays.

The movement thereof during the years ended 31 March 2024 and 31 March 2023 is tabulated below:

	As at 31 March 2024	As at 31 March 2023
Opening provision	60.68	47.37
Add: Provision (reversal)/made during the year for doubtful trade receivables	(8.25)	13.31
Closing provision	52.43	60.68

Set out below is the information about the credit risk exposure of the Group's trade receivables and contract asset using provision matrix:

Expected credit loss for trade receivables under simplified approach

As at 31 March 2024	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Unbilled	196.70	-	-	196.70
Amount not due	1,693.94	-	-	1,693.94
Between one to six month overdue	334.60	-	-	334.60
Between six month to one year overdue	142.16	-	-	142.16
Greater than one year overdue	155.55	33.71%	(52.43)	103.12
Total	2,326.25	33.71%	(52.43)	2,273.82

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not due	1,550.34	-	-	1,550.34
Between one to six month overdue	843.68	-	-	843.68
Between six month to one year overdue	72.02	-	-	72.02
Greater than one year overdue	60.68	100.00%	(60.68)	-
Total	2,526.72	100.00%	(60.68)	2,466.04

Capital Management

The Group's objectives when managing capital are to:

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

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Group is not subject to externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares to reduce debt, consistent with others in the industry. The Group monitors capital using a gearing ratio, which is calculated as:

Net debt (total borrowings net of cash and cash equivalents) divided by "Total equity" (as shown in the Consolidated Balance Sheet).

	Carrying amount	
	As at 31 March 2024	As at 31 March 2023
Interest bearing loans and borrowings	5,021.08	4,853.75
Lease liabilities	73.31	64.03
Less: Cash and cash equivalents	652.76	708.00
Net debt	4,441.63	4,209.78
Net debt	4,441.63	4,209.78
Equity	5,113.12	4,761.04
Adjusted net debt to equity ratio	86.87%	88.42%

The net debt to equity ratio has decreased due to increase in other equity resulting from gain generated on account of reorganisation undertaken in the group structure.

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35b(ii) Liquidity risk

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

- The Group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Group maintains the following line of credit
- The Group has availed credit limit from banks on account of borrowings, working capital, cash credit etc.
- The Holding Company is having undrawn credit limit from banks on account of borrowings, working capital, cash credit etc., of Rs 111.90 million as at 31 March 2024 (31 March 2023 Rs. 269.50 million). The Holding Company regularly monitors the financial covenants and other conditions on regular basis.

Exposure to liquidity risk

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

As at 31 March 2024	Undiscounted contractual cash flow				
	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings	-	618.59	2,273.40	-	2,893.99
Current borrowings	2,127.09	-	-	-	2,127.09
Lease liabilities	-	14.94	29.62	44.36	88.91
Other financial liabilities	-	123.31	-	-	123.31
Trade payables	-	2,370.03	-	-	2,370.03
	2,127.09	3,126.87	2,305.02	44.36	7,603.34

As at 31 March 2023	Undiscounted contractual cash flow				
	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings	-	798.74	1,725.50	-	2,524.24
Vehicle loans	-	0.80	-	-	0.80
Current borrowings	2,329.51	-	-	-	2,329.51
Lease liabilities	-	14.41	20.02	45.17	79.60
Other financial liabilities	-	146.38	-	-	146.38
Trade payables	-	2,025.05	-	-	2,025.05
	2,329.51	2,985.38	1,745.53	45.17	7,105.58

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35b(iii). Market risk

Market risk is the risk that changes in market prices - such as pricing, currency risk and interest rate risk- will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Group.

Price risk

Fluctuation in commodity price in market affects directly and indirectly the price of raw material and components used by the Group. The key raw material for the Group's is brass, nylon and copper. There is substantial fluctuations in prices of brass, nylon and copper. The group monitors the raw material prices on regular basis and negotiates for price increase with the customer for passing on the price impact.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and functional currency of the Group, i.e. INR (Rs.). The currencies in which these transactions are primarily denominated are US dollar and Euro. The currency risk related to the interest amount of the USD loan has been fully hedged using currency swap contract that mature on the same dates as loans.

Details of unhedged foreign currency exposures:**As at 31st March 2024**

	Currency	Amount in Foreign Currency	Amount
Trade payables	USD	0.82	68.64
Trade receivable	USD	1.34	111.49

As at 31st March 2023

	Currency	Amount in Foreign Currency	Amount
Buyer's credit	USD	1.26	103.42
Trade payables	USD	0.52	42.48
Trade receivable	USD	1.15	94.29

The following significant exchange rates were applied at the year end:

	Year end rates	
	As at 31 March 2024	As at 31 March 2023
INR/ USD	83.37	82.22
INR/ Euro	90.22	89.61

Sensitivity Analysis

A reasonably possible strengthening/ (weakening) of USD and EURO against Rs. at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Change in currency rate	Year end rates	Changes in rates	Net exposure	Effect on profit before tax	Effect on other equity
As at 31 March 2024	INR/USD increases by 5 %	83.37	4.17	0.51	2.14	1.60
	INR/USD decreases by 5 %	83.37	4.17	(0.51)	(2.14)	(1.60)
As at 31 March 2023	INR/USD increases by 5 %	82.22	4.11	0.63	2.59	1.94
	INR/USD decreases by 5 %	82.22	4.11	(0.63)	(2.59)	(1.94)

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35b(iv). 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

Exposure to Interest rate risk

The Group has the following exposure in interest bearing borrowings as on reporting date:

	As at 31 March 2024	As at 31 March 2023
Fixed interest borrowings	700.00	0.80
Variable interest borrowings	4,321.08	4,853.05
Total borrowings	5,021.08	4,853.85

The Group's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Variable interest borrowings include loan from banks which carry MCLR/ LIBOR based interest rate.

Sensitivity analysis

A reasonably possible change of 0.5% in interest rate at the reporting date, would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

For the year ended	Profit / (Loss)	
	0.5% increase	0.5% decrease
31 March 2024	(2.00)	2.00
31 March 2023	(2.82)	2.82

36A. During the year ended 31 March 2020, the Holding Company found certain instances of unethical practices relating to unauthorized generation and sale of MEIS scrips amounting to Rs. 6.90 million by one of the employee of the external consultant.

The Holding Company had already recovered Rs. 0.70 million, from the external consultant and has initiated steps for recovery of the balance amount of Rs. 6.20 million. The Holding Company has also initiated legal proceedings against the external consultant. Pending resolution of the matter, the Holding Company in previous year has charged off Rs. 6.20 million. There are no major development in this matter.

36B. During the year ended 31 March 2018, the Holding Company found certain instances of unethical practices relating to unauthorised payments. The Holding Company carried out an internal investigation and had identified misappropriation by certain employees in collusion with third parties amounting to Rs. 15.00 million, by recording fictitious expenditure.

The Holding Company had already recovered Rs. 0.70 million and has initiated legal proceedings for recovery of the balance amount of Rs. 14.30 million. Pending resolution of the matter, the Holding Company has charged off the balance amount in the financial year 2022-23.

Further, the Holding Company has filed a writ petition before Hon'ble High Court for investigating the case. The Hon'ble High Court has given directions on 12 March 2021 to "The Commissioner of Police, Gurugram" that to conclude the investigation and to form a Special Investigating Team (SIT) to conduct the investigation, if required. Accordingly, SIT has been constituted and started investigation.

Furthermore, the SIT has arrested the accused Mr. Mukesh Kaushik and Mr. Sanjay Kumar on 01 May 2022 and the investigation is going on in the matter.

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Viney Corporation Private Limited

CIN: U24239DL2004PLC125888

Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

37. Related parties

In accordance with Ind AS-24 on related party disclosures where control exist and where transactions have taken place and description of the relationships as identified and certified by the management are as follows:

A) Holding company

1. Synergy Metal Investments Holding Limited, Dubai

Note:- *Synergy Metals Investments Holding Limited has exited from the Company on 23 June, 2023 by selling out its 50.01% equity investment in VCPL to VL-Auto Ancillary Private Limited and Mr. Brijesh Aggarwal.

B) Associate Company

1. Uravi T and Wedge Lamps Private Limited

C) Other enterprise over which Key Management personnel is able to exercise significant influence

1. VL-Auto Ancillary Private Limited

D) Key Managerial Personnel

1. Brijesh Aggarwal, Managing Director
2. Rakesh Kumar Aggarwal, Whole-Time Director (upto 26 March 2024)
3. Sudhir Maheshwari, Director (upto 23 June 2023)
4. Atul Gupta (from 20 May 2022, upto 23 June 2023)
5. Davender Kumar Chugh (from 12 October 2022, upto 23 June 2023)
6. Akash Garg (w.e.f. 22 March 2024)
8. Sunil Gupta, Company Secretary
9. Dinesh Chand Sharma, CFO (w.e.f. 15 March 2023)
10. Gunjan Beria, Director (upto 20 May 2022)
11. Mayank Mishra (upto 12 October 2022)
12. Arun Kumar Mallik- CFO (upto 10 March 2023)

Transaction with related parties

	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Holding Company		
Dividend Given		
-Synergy Metal Investments Holding Limited, Dubai	-	248.46
B) Associate Company		
Sale of products		
- Uravi T and Wedge Lamps Private Limited	1.22	1.61
Purchases of raw materials and components		
- Uravi T and Wedge Lamps Private Limited	23.17	22.81
Balance outstanding as at the year end		
Trade payables		
- Uravi T and Wedge Lamps Private Limited	7.11	4.92
C. Other enterprise over which Key Management personnel is able to exercise significant influence		
Dividend Given		
-VL-Auto Ancillary Private Limited	105.78	-
Loan given		
-VL-Auto Ancillary Private Limited	500.00	-
Interest income on loan given		
-VL-Auto Ancillary Private Limited	34.77	-



Viney Corporation Private Limited

CIN: U24239DL2004PLC125888

Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
-VL-Auto Ancillary Private Limited	45.72	-
Expenses paid on behalf of		
-VL-Auto Ancillary Private Limited	71.56	-
Purchases of raw materials and components		
-VL-Auto Ancillary Private Limited	102.79	-
Balance outstanding as at the year end		
Recoverable as reimbursement of expense paid		
-VL-Auto Ancillary Private Limited	71.56	-
Trade receivables		
-VL-Auto Ancillary Private Limited	37.22	-
Loan to company having significant influence		
-VL-Auto Ancillary Private Limited	500.00	-
Interest receivable on loan given to company having significant influence		
-VL-Auto Ancillary Private Limited	34.77	-

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	For the year ended 31 March 2024	For the year ended 31 March 2023
D. Key Managerial Personnel		
Transaction with related parties		
Short term employee benefits *		
- Brijesh Aggarwal	30.00	30.00
- Priyanka Aggarwal	18.00	18.00
- Rakesh Kumar Aggarwal	12.00	12.00
- Dinesh Chand Sharma (w.e.f 15 March 2023)	6.01	0.50
- Sunil Gupta	0.98	0.88
- Arun Kumar Mallik (upto 10 March 2023)	-	3.31

Based on the analysis carried out by independent consultant, the Group is of the view that the transactions are carried out on arm's length basis.

* gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.

Note: All transactions to/from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31 March 2024, the group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

38. Operating Segments

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

The Group's activities/business are reviewed regularly by the Group's Board to assess the performance of the group and to make decisions accordingly.

The Group is engaged in the business of manufacturing of automotive components which constitutes a single business segment, accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given.

Major customer

Revenue from two customers constitute ~ 47% of the Group's total revenue (31 March 2023: ~ 45%)

Segment Reporting -Geographical segment

The analysis of geographical segment is based on geographical location of the Group:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue		
India	2,842.36	2,754.00
Outside India	9,615.49	8,446.64
Total	12,457.86	11,200.64
	For the year ended 31 March 2024	For the year ended 31 March 2023
Non current assets*		
India	2,106.44	2,093.61
Outside India	3,752.38	3,422.94
Total	5,858.82	5,516.55

* Non current assets does not include financial assets, intangible assets and tax assets.

39. The Group has established a comprehensive system of maintaining information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. The law requires existence of such information and documentation to be contemporaneous in nature. Therefore, the Group is in the process of updating the documentation for the international/domestic transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required by law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



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49. (i) The group's principal subsidiaries at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of Incorporation	Ownership interest held by group		Reporting date used in consolidation	Principal activities		
		As at 31 March 2024	As at 31 March 2023				
Subsidiaries							
Vimercati S.p.A., Italy	Italy	-	100.00%	31 March 2024	Manufacture of automotive equipments		
Viney Corp. Middle East Limited	United Arab Emirates	100.00%	100.00%	31 March 2024	Trading business		
Viney Auto Ancillary Pvt. Ltd. (w.e.f 4 January 2023)	India	100.00%	100.00%	31 March 2024	Trading business		
Downstream subsidiaries							
Vimercati S.p.A., Italy*	Italy	100.00%	-	31 March 2024	Manufacture of automotive equipments		
VIMERCATI VINEY DO MEXICO S DE RL DE CV	Mexico	100.00%	-	31 March 2024	Manufacture of automotive equipments		
Viney Corp East Europe S r.L.	Romania	100.00%	100.00%	31 March 2024	Manufacture of automotive equipments		
Vimercati East Europe S r.L.	Romania	100.00%	100.00%	31 March 2024	Manufacture of automotive equipments		
Progrid S r.L.	Italy	100.00%	100.00%	31 March 2024	Manufacture of automotive equipments		
*The holding company sold its 100% equity holding of Vimercati S.p.A., Italy to Viney Auto Ancillary Private Limited under the Securities Purchase Agreement dated 2 June 2023. After this transaction, the Vimercati S.p.A., Italy has become step-down subsidiary of the Holding Company.							
(ii) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III							
For the year ended 31 March 2024							
		Net assets (total assets minus total liabilities)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount in millions	As % of consolidated profit or loss	Amount in millions	As % of consolidated other comprehensive income	Amount in millions
Holding Company							
Viney Corporation Private Limited		113.74%	5,815.50	165.37%	461.27	1.82%	3.26
Subsidiary Companies							
Viney Corp Middle East Limited		-1.18%	(60.46)	-3.13%	(8.72)	-0.66%	(9.90)
Viney Auto Ancillary Pvt. Ltd. (w.e.f 4 January 2023)		23.78%	1,317.96	-72.88%	(203.38)	0.00%	(1.18)
Step down subsidiaries							
Viney Corp East Europe S r.L.		3.78%	193.47	18.69%	52.14	-1.14%	(2.04)
Vimercati S.p.A. (consolidated) #		51.87%	2,652.26	6.18%	17.25	36.26%	64.88
VIMERCATI VINEY DO MEXICO S DE RL DE CV		0.00%	0.02	0.00%	-	0.00%	-
Associate (investment at per equity method)							
Unio T and Wedge Langs Ltd.			-	1.85%	5.17	0.00%	-
Inter Company eliminations/adjustments							
Total		-93.96%	(4,805.62)	-16.10%	(44.90)	63.72%	114.01
includes Vimercati East Europe S r.L. (step down subsidiary) and Progrid S r.L. (step down subsidiary)		100.00%	5,113.12	100.00%	278.93	100.00%	178.93
							45.86



Holding Company	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in millions	As % of consolidated profit or loss	Amount in millions	As % of consolidated other comprehensive income	Amount in millions	As % of total comprehensive income	Amount in millions
Viney Corporation Private Limited	63.25%	3,011.41	121.16%	(454.29)	77.97%	688.47	46.10%	234.19
Subsidiary Companies								
Vinercall S.P.A. (consolidated) #	53.05%	2,425.63	-59.69%	223.81	0.00%	-	44.00%	223.81
Viney Corp. Middle East Limited	-1.06%	(50.56)	1.31%	(4.91)	-0.51%	(4.60)	-1.87%	(9.52)
Viney Auto Auxiliary Pvt. Ltd. (w.e.f 4 January 2023)	0.00%	0.15	0.00%	-	0.00%	-	0.00%	-
Step down subsidiaries								
Viney Corp. East Europe S.r.L.	2.90%	138.21	-10.67%	40.01	0.66%	5.82	9.02%	45.83
Associate (investment as per equity method)								
Uravi T and Wedge Lamps Ltd. ^	0.00%	-	-0.53%	2.00	0.00%	-	0.39%	2.00
Inter-Company eliminations/adjustments								
	-18.14%	(863.80)	48.43%	(181.57)	21.89%	193.26	2.30%	11.69
Total	100.00%	4,761.94	100.00%	(374.95)	100.00%	882.95	100.00%	508.00

Includes Vinercall East Europe S.r.L. (step down subsidiary) and Progrid S.r.L. (step down subsidiary)

^The Group has made investment in Uravi T Wedges and Lamps Limited to do business automobile parts, having its principal place of business in India. The Group contributed during the financial year ended March 31, 2024 Nil (March 31, 2023: Nil) to maintain its 24.94% stake in the associate company. Investment in associate company is accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures in the consolidated financial statements. The investment in associate is not significant for the group.



Notes to the consolidated financial statements for the year ended 31 March 2024

(All amounts in Rs. million unless otherwise stated)

41 Other statutory information

- (a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
(b) The Group do not have any transactions with companies struck off.
(c) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
(d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(g) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
(h) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.
(i) The Group has not entered into any scheme of arrangement which has an accounting impact during the current year and previous year.
(j) The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.
(k) The Group has revalued its "Land" and "Leasehold land" under the head property, plant and equipment during the current or previous year. (Refer note no. 4 and 4A)
(l) All title deeds of Immoveable Property are held in the name of the Holding Company except mentioned below:

Description of property	Gross Carrying value as on 31 March 2024 (pre-revaluation)	Gross Carrying value as on 31 March 2024 (post-revaluation)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Leasehold land: Rudrapur	4.87	6.41	Sane Electricals*	Not applicable	More than 15 year	Refer note a below
Leasehold land: Kathua II	5.65	3.44	H.H Industries	Not applicable**	More than 2 year	
Freehold land: Jodhpur	3.13	3.13	Viney Prakash Aggarwal	No***	More than 10 year	

* amalgamated with Holding Company

** It is registered in the name of the Holding Company subsequent to year ended 31 March 2024

*** erstwhile whole time director (uptill 24 November 2020).

Note a: The Holding Company's management is in the process of getting the registration in the name of the Holding Company.

(m) Details of quarterly return and statement of current assets filed by the holding company with banks and reasons: (Rs in million)

Borrowings secured against current assets

Name of Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Amount disclosed as per return	Amount as per books of accounts	Difference	Reason.
1. Axis Bank	Rs 600.00 million	Inventories	March 2024	705.20	706.63	(1.43)	Refer note below
2. HDFC Bank	Rs 300.00 million each	Trade receivables		1,626.30	1,599.59	26.71	
		Trade payables		325.00	374.95	(49.95)	

Notes: Following are the nature of reconciling items between amounts reported as per quarterly returns/statements and amounts as per books of accounts

- a) Inventories: The closing inventory is subject to change on account of goods in transit and valuation resulting in deviation and balances has been finalized at
b) Trade receivables: on account of adjustments related to provision for expected credit loss, doubtful debts and reconciliation of balances finalized and reversal of
c) Trade payable: on account of reconciliation of balances finalized and adding/reversal of goods in transit at the time of audit completion.

- 42 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies incorporated in India, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled

The Holding Company and one subsidiary incorporated in India have used accounting software TallyPrime from 1 April 2023 to 26 May 2023 for maintenance of books of account. The audit trail (edit logs) for accounting records was not enabled from 1 April 2023 to 26 May 2023.

The Holding Company and one subsidiary migrated to TallyPrime Edit Log 2.1 effective 27 May 2023 in which the edit log feature is an intrinsic part of system design and cannot be disabled. Accordingly, the audit trail feature has been enabled and operated for the period commencing from 27 May 2023 to 31 March 2024.

- 43 a) Subsequent to year end the Holding Company has issued bonus shares through an extra-ordinary general meeting (EGM) dated 20 May 2024 in the ratio of 4:1. After the issue of Bonus shares as aforesaid, the issued, subscribed and paid up equity share capital of the Company will be as below:-

Type of capital	Pre-bonus issue Issued, subscribed and paid up equity share capital			Post-bonus issue Issued, subscribed and paid up equity share		
	No. of equity shares	Face value (Rs.)	Total Equity Share Capital (Rs. In million)	No. of equity shares	Face value (Rs.)	Total Equity Share Capital (Rs. In million)
Issued, subscribed and paid up equity share capital	18,400,500	10	184.01	92,002,500	10	920.03

- b) The authorised share capital of company has been increased from Rs. 297.50 million to Rs. 950.00 million by creating additional 6,52,50,000 equity shares of Rs. 10 each in the board meeting dated 20 May 2024.

- c) Subsequent to year ended 31 March 2024, pursuant to resolutions passed vide its board meeting and annual general meeting dated 12 July 2024, members have approved the proposal for conversion of the status of the Holding Company from Private Company to Public Company.

There were no material subsequent events which are required to be disclosed other than above.

This is the summary of material accounting policies and other explanatory information referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076/N/500013

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 12 July 2024

For and on behalf of the Board of Directors of
Viney Corporation Private Limited

Brijesh Aggarwal
Managing Director
DIN: 09511293
Place: Manesar
Date: 12 July 2024

Shil Gupta
Company Secretary
Membership No. 34697
Place: Delhi
Date: 12 July 2024

Akash Garg
Director
DIN: 10530706
Place: Manesar
Date: 12 July 2024

D C Sharma
CFO

Place: Manesar
Date: 12 July 2024



Viney Masterfile FYE 31/03/2024 Table of references

Ch. (Italian structure)	Content (Italian structure)	Reference to the Group's MasterFile
1	Group organizational structure	Clause 1 Clause 2
2	Description of Group's business	Clause 3 (i)
2.1	Important drivers of business profit	Clause 3 (ii)
2.2	Transaction flows (description of the production and/or distribution chain related to the top-five products and/or services of the group in terms of turnover)	Clause 3 (iii)
2.3	Arrangements for the provision of intra-group services	Clause 3(iv), Clause 3 (vi)
2.4	Main geographic markets	Clause 3 (vii)
2.5	Operative structure and value chain	Clause 3 (viii) and PDF File – Viney Corporation Group FAR - Clause 3(viii)
2.6	Business restructuring operations	Clause 3 (ix)
3	Group's intangibles	
3.1	Group's strategies	Clause 4
3.2	Intangible assets	Clause 5 , 6
3.3	Agreements relating to intangible assets	Clause 7
3.4	Transfer Pricing policy for R&D activities	Clause 8
3.5	Relevant operations related to intangibles	Clause 9
4	Intra-Group financial activities	
4.1	Financing arrangements	Clause 10
4.2	Centralised financing functions	Clause 11 [Not applicable]
4.3	Transfer Pricing Policy related to financing arrangements	Clause 12 [Not applicable]
5	Group's financial relations	
5.1	Consolidated financial statements	Clause 13
5.2	Agreement relating to financial operations	Clause 14 [Not applicable]