

25th
ANNUAL REPORT
2014-2015



AIA ENGINEERING LIMITED

CORPORATE INFORMATION
BOARD OF DIRECTORS

Mr. Rajendra S. Shah	: Chairman: Independent–Non-Executive
Mr. Bhadresh K. Shah	: Managing Director: Executive - Promoter
Mr. Vinod Narain	: Independent: Resigned w.e.f. 4 th August 2014
Mr. Sanjay S. Majmudar	: Independent Director
Dr. S. Srikumar	: Non Independent-Non-Executive Director
Mr. Yashwant M. Patel	: Whole-time Director
Mr. Dileep C. Choksi	: Independent Director
Mrs. Khushali S. Solanki	: Non-Executive– Non-Independent – w.e.f. 7 th November 2014
Mrs. Bhumika S. Shodhan	: Non-Executive– Non-Independent – w.e.f. 7 th November 2014
Mr. Rajan Harivallabhdas	: Additional Director - Independent w.e.f. 14 th May, 2015

EXECUTIVE DIRECTOR (FINANCE)

Mr. Kunal D. Shah

COMPANY SECRETARY

Mr. S. N. Jetheliya

STATUTORY AUDITORS

M/s.Talati & Talati,
Chartered Accountants

COST AUDITORS

M/s.Kiran J. Mehta & Co.
Cost Accountants

SECRETARIAL AUDITORS

M/s. Tushar Vora & Associates
Company Secretaries

REGISTERED OFFICE

115, GVMM Estate,
Odhav Road, Odhav,
Ahmedabad - 382 410

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited,
C/13, Pannalal Silk Mills Compound,
Kantilal Maganlal Ind. Estate,
L.B.S. Marg, Bhandup (West),
MUMBAI – 400 078
Phone No. 022-25946970
Fax No. 022-25946969

COMMITTEES:
1. Audit Committee:

Mr. Rajendra S. Shah – Chairman
Mr. Sanjay S. Majmudar – Member
Mr. Dileep C. Choksi–Member – Upto 30th March, 2015
Mr. Bhadresh K. Shah–Member-Appointed w.e.f. 29th April, 2015
Mr. Rajan Harivallabhdas-Member-Appointed w.e.f. 14th May, 2015

2. Nomination & Remuneration Committee:

Mr. Sanjay S. Majmudar – Chairman
Mr. Rajendra S. Shah – Member
Dr. S. Srikumar – Member

3. Stakeholders’ Relationship Committee:

Mr. Rajendra S. Shah – Chairman
Mr. Bhadresh K. Shah – Member

4. Corporate Social Responsibility Committee:

Mr. Bhadresh K. Shah – Chairman
Mr. Sanjay S. Majmudar – Member
Mr. Yashwant M. Patel – Member

5. Risk Management Committee:

Mr. Bhadresh K. Shah – Chairman
Mr. Yashwant M. Patel – Member
Dr. Ajit Nath Jha – Member

BANKERS

State Bank of India
G.V.M.S.A.V. Ltd. Branch,
Odhav Road, Odhav,
Ahmedabad-382410

Citi Bank N.A.
1st Floor, Kalapurnam,
Nr. Municipal Market, C.G. Road,
Ahmedabad-380 009

HSBC Bank Ltd.
Maradia Plaza,
Upper Level, C.G. Road,
Ahmedabad-380 009

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NUMBERS SPEAK

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Year Ended 31 st March, 2015 ₹ Lacs	Year Ended 31 st March, 2014 ₹ Lacs
I. Revenue from Operations	225,710.34	216,162.11
Less : Central Excise Duty	7,346.65	8,154.28
Revenue from Operations (Net)	218,363.69	208,007.83
II. Other Income	8,321.59	3,340.71
III. Total Revenue (I +II)	226,685.28	211,348.54
IV. Expenses:		
Cost of Materials Consumed	86,063.29	72,681.49
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(9,903.05)	6,958.68
Employee Benefits Expense	9,811.13	8,883.53
Finance Costs	393.55	636.45
Depreciation and Amortisation Expense	6,974.68	3,814.22
Other Expenses	73,911.49	69,268.89
Total Expenses (IV)	167,251.09	162,243.26
V. Profit before exceptional items and Tax (III-IV)	59,434.19	49,105.28
VI. Exceptional Items (Refer Note No.19)	-	3,111.00
VII. Profit Before Tax (V-VI)	59,434.19	45,994.28
VIII. Tax Expense:		
(1) Current Tax	15,795.75	13,254.74
(2) Deferred Tax	545.14	167.62
IX. Profit for the period before Minority Interest (VII-VIII)	43,093.30	32,571.92
X. Minority Interest	(0.63)	74.94
XI. Profit for the period after adjustment of Minority Interest (IX-X)	43,093.93	32,496.98
XII. Earnings per Equity Share: (Face Value of ₹ 2/- each)		
Basic and Diluted (₹)	45.69	34.45

NUMBERS SPEAK
CONSOLIDATED BALANCE SHEET

Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	1,886.41	1,886.41
(b) Reserves and Surplus	206,474.14	171,997.55
	208,360.55	173,883.96
(2) Minority Interest	773.42	781.01
(3) Non-Current Liabilities		
(a) Long-Term Borrowings	5,507.39	8,671.76
(b) Deferred Tax Liabilities (Net)	2,464.63	1,995.92
(c) Long Term Provisions	898.26	646.05
	8,870.28	11,313.73
(4) Current Liabilities		
(a) Short-Term Borrowings	905.28	325.00
(b) Trade Payables	11,911.45	13,289.94
(c) Other Current Liabilities	10,182.90	11,611.27
(d) Short-Term Provisions	13,876.12	12,084.68
	36,875.75	37,310.89
Total	254,880.00	223,289.59
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	52,979.23	36,515.47
(ii) Intangible Assets	2,165.02	2,349.53
(iii) Capital Work in Progress	4,647.57	9,976.19
(b) Non-Current Investments	0.10	0.60
(c) Long Term Loans and Advances	4,030.17	2,118.15
(d) Other Non-Current Assets	424.14	98.36
	64,246.23	51,058.30
(2) Current Assets		
(a) Current Investments	63,695.70	52,909.35
(b) Inventories	45,963.67	35,077.41
(c) Trade Receivables	39,375.49	43,148.15
(d) Cash and Bank balances	18,679.34	21,976.36
(e) Short-Term Loans and Advances	22,865.03	19,087.70
(f) Other Current Assets	54.54	32.32
	190,633.77	172,231.29
Total	254,880.00	223,289.59



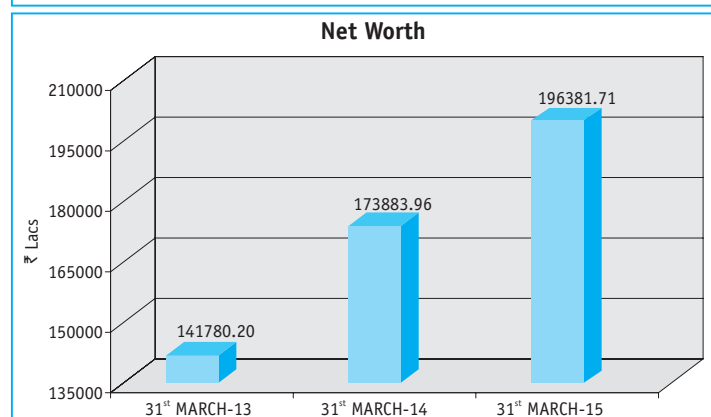
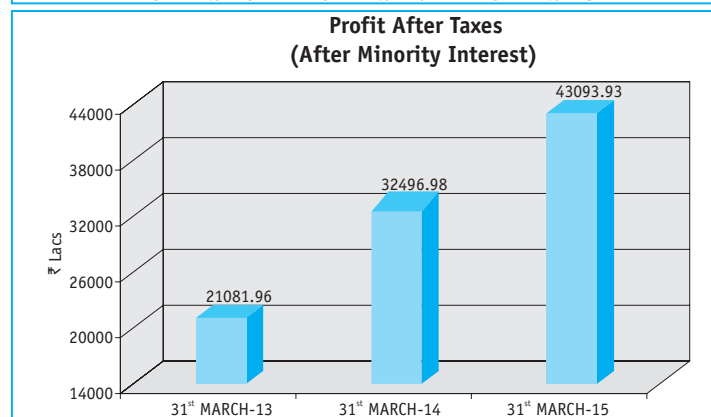
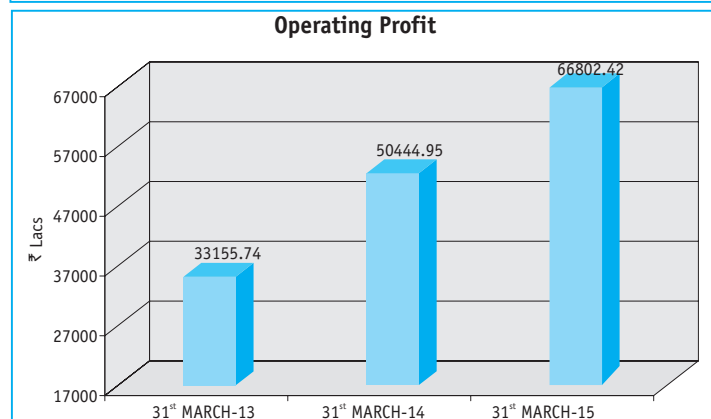
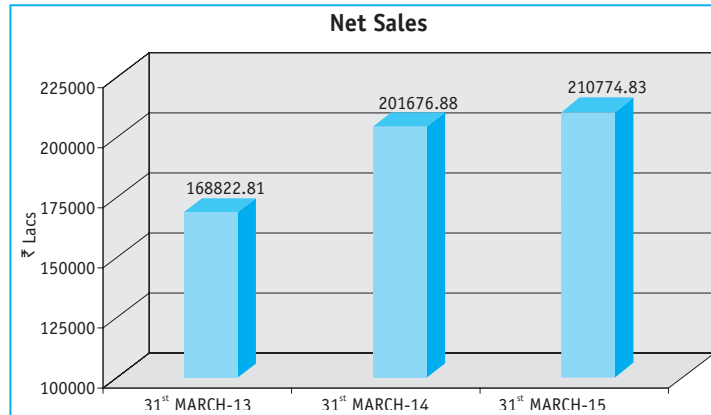
NUMBERS SPEAK

RATIOS (Consolidated)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
FINANCIAL PERFORMANCE RATIOS %		
Operating Profits	31.69	26.56
PAT / Net Sales	20.45	16.11
Interest / Total Income	0.17	0.31
BALANCE SHEET RATIOS (TIMES)		
Debt / Equity Ratio	0.03	0.05
Current Ratio	5.17	4.62
PER SHARE DATA RATIOS (₹)		
Earning Per Share	45.69	34.45

NUMBERS SPEAK

GRAPHS



**BOARD'S REPORT**

The Members,
AIA Engineering Limited
 Ahmedabad

Your Directors take pleasure in submitting the 25th Annual Report and the Audited Annual Accounts of the Company for the year ended 31st March, 2015.

1. FINANCIAL HIGHLIGHTS:

Particulars	Standalone		Consolidated	
	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
Revenue from operations & Other Income	223,135.20	181,557.14	226,685.28	211,348.54
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses	64,625.69	45,785.46	66,802.42	50,444.95
Finance Cost	339.88	574.07	393.55	636.45
Depreciation & Amortization	6,761.45	3,629.48	6,974.68	3,814.22
Profit Before Tax	57,524.36	41,581.91	59,434.19	45,994.28
(i) Provision for Taxation (Current)	15,540.04	12,899.26	15,795.75	13,254.74
(ii) Provision for Taxation (Deferred)	527.13	178.72	545.14	167.62
Total Tax (i+ii)	16,067.17	13,077.98	16,340.89	13,422.36
Profit After Tax	41,457.19	28,503.93	43,093.30	32,571.92
Minority Interest	-	-	(0.63)	74.94
Profit After Tax (After Minority Interest)	41,457.19	28,503.93	43,093.93	32,496.98
Surplus Brought Forward from Previous Year	87,664.19	68,628.21	121,453.30	98,436.66
Balance available for appropriations	129,121.38	97,132.14	164,546.60	131,008.58
Transferred to General Reserve	4,146.00	2,851.00	4,146.00	2,901.00
Proposed Dividend on Equity Shares	7,545.63	5,659.22	7,558.39	5,691.13
Tax on Dividend on Equity Shares	1,534.17	957.73	1,536.77	963.15
Balance Carried to Balance Sheet	115,895.58	87,664.19	151,306.86	121,453.30

2. OPERATIONAL REVIEW:

During the year under review, the Revenue from Operations of the Company has gone up to ₹209,402.79 Lacs as compared to ₹178,301.05 Lacs in the previous Financial Year. Exports Turnover has also gone up to ₹145,529.92 Lacs as compared to ₹122,970.36 Lacs in the previous Financial Year.

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹57,524.36 Lacs and Profit After Tax (PAT) of ₹41,457.19 Lacs as compared to PBT of ₹41,581.91 Lacs and PAT of ₹28,503.93 Lacs respectively in the previous Financial year.

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries) has earned Revenue from Operations of ₹218,363.69 Lacs as compared to ₹208,007.83 Lacs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹43,093.93 Lacs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹32,496.98 Lacs in the previous Financial Year.

BOARD'S REPORT**3. DIVIDEND:**

The Board of Directors are pleased to recommend a Dividend of ₹8 (400%) per Equity Share of the face value of ₹2 each amounting to ₹7,545.63 Lacs for the Financial Year 2014-15.

The Dividend, if declared by the Shareholders at the ensuing Annual General Meeting, will be paid to those Shareholders, whose names stand registered in the Register of Members as on 12th September, 2015. In respect of Shares held in dematerialized form, it will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services [India] Limited, as beneficial owners.

The total Dividend outgo for the year ended 31st March, 2015 would be ₹9,079.80 Lacs including the Corporate Dividend Tax of ₹1,534.17 Lacs.

4. CREDIT RATING:

CRISIL has reaffirmed both the Long Term and Short Term rating of the Company as CRISIL AA/Stable and CRISIL A+, respectively.

5. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2015 is ₹1,886.41 Lacs. During the year under review, the Company has not issued any Share to Shareholders. Further, the Company has not issued Shares with differential voting rights nor granted stock options or sweat equity.

6. FINANCE:

Cash and cash equivalents as at 31st March, 2015 were ₹72,758.47 Lacs. The Company continues to focus on judicious management of its Working Capital, Receivables, Inventories, whole other Working Capital parameters were kept under strict check through continuous monitoring.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the Investments made by the Company are given in the notes to the Financial Statements.

8. CAPITAL EXPENDITURE OUTLAY:

During the year under review, the Company has incurred an expense of ₹28,088.60 Lacs (including ₹4,647.57 Lacs of Capital work-in-progress) on Capital Expenditure.

9. HUMAN RESOURCE POLICY:

The Company gives utmost importance to its Human Resources and believes that employee involvement is crucial to sustaining growth. Our Human Resource policy, therefore, promotes employee engagement at all levels. Organization structure design, role profiles, and goal setting exercise are periodically reviewed and strengthened to inculcate a performance oriented culture in the organization, and afford adequate growth opportunities within the organization. Behavioural training programmes and motivational seminars are regularly organized to keep employees motivated and involved. The employees are also encouraged to participate in sporting events inside and outside the Company to foster team spirit. As a result of all these initiatives, we are able to sustain and strengthen employee's bond with the Company which has resulted in very low attrition rates for many years.

10. BUSINESS PROSPECTS:

Although Cement industry continued to remain sluggish in all key markets during the last financial year, there is an expectation that to stimulate growth in sluggish economies - and in India - respective governments will have to resort to infrastructure spending which will trigger improvement in capacity utilization at Cement plants. The Company will be a beneficiary as and when the same is witnessed. In addition, there are certain specific markets in Asia, Africa and South America, which continue to add capacity or have increased capacity utilization. In China, the Company currently maintains a limited presence by marketing specific products but China continues to remain an important market where we will continue to invest resources and strategize for a bigger market share. In India, while new capacities were created in this segment, the pace has distinctively slowed down. Nevertheless, with the initiatives now being taken to provide stimulus to the Infrastructure Industry, India's cement production is expected to increase in the next financial year and your Company is confident of maintaining a similar growth in the cement replacement market in India.

From a strategic positioning perspective, a significant contribution in your Company's growth is expected to come from the mining industry. The growth prospects are primarily emanating out of the large annual replacement market in this industry. Here, we are currently catering to the requirements of four major metal ore types, viz., Iron, Platinum, Gold and Copper, with total emphasis on the replacement market. Further, your Company is positioned as perhaps the only Company in the world offering complete range of High-Chrome consumables to the mining industry, which include grinding media as well as mining liners. This positioning is unique



BOARD'S REPORT

to your Company and augurs well for the consistent and steady growth in this industry over medium to long term. As the Company is focused on four major ores, the declining fortunes of one commodity do not significantly impact your Company's growth prospects. During last few years, we have steadily increased our presence in the major mining groups across the globe with a stronger focus on major mining centers like Australia, Africa, North America and the Far East Asia, etc. While the current focus of the Company in mining segment is outside India, your Company also has a major share of the domestic mining demand and shall be able to capture incremental demand as and when the same arises.

In as much as the Thermal Power Plants are concerned the Company continues to enjoy a niche position in this particular segment in India. The Company will strive to maintain a steady growth rate in this particular segment matching with the rate at which the sector grows.

11. FUTURE EXPANSION:

The Company's effective capacity reached 260,000 Metric Tonnes after successful commission of Moraiya brownfield expansion project during 2014-15. We are on target for the capital expenditure plans for Financial Year 2015-16 and will augment the installed capacity to 340,000 MT by commissioning the first of GIDC Kerala Greenfield Project and augmentation of capacity in the Trichy facility. The installed capacity will further be augmented to 440,000 MT when the second phase of the Greenfield expansion in Kerala GIDC is commissioned.

12. SUBSIDIARY COMPANIES:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements as provided under the Listing Agreement with the Stock Exchanges, the audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiaries as a single entity as per Annexure-"A".

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

The Annual Accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company seeking such information at any point of time.

13. INSURANCE:

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

14. DEPOSITS:

The Company has not accepted any deposit from the Public during the year under review, within the meaning of Section 73 of the Companies Act, 2013.

15. INDUSTRIAL RELATIONS (IR):

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

16. INTERNAL CONTROL AND AUDIT:

The Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and those transactions are authorized, recorded and reported correctly.

The Board of Directors at the recommendations of the Audit Committee appointed M/s. Shah & Shah Associates, Chartered Accountants as Internal Auditors of the Company for the Financial Year 2015-16.

Internal Auditors monitors and evaluates the efficacy and adequacy of Internal Control System in the Company, its compliance with operating systems, accounting procedures, policies at all locations of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

17. CORPORATE GOVERNANCE:

In line with the Company's commitment to good Corporate Governance Practices, your Company has complied with all the mandatory provisions of Corporate Governance as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD'S REPORT

A separate report on Corporate Governance and Practicing Company Secretaries Report thereon is included as a part of the Annual Report.

18. MANAGEMENT'S DISCUSSION AND ANALYSIS (MDA):

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

19. RISK MANAGEMENT:

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors have constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. Corporate Risk Evaluation and Management is an ongoing process within the Organization. The Company has a well-defined Risk Management framework to identify, monitor and minimizing/mitigating risks.

The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy.

The key elements of the framework include:

- Risk Structure;
- Risk Portfolio;
- Risk Measuring & Monitoring and
- Risk Optimizing.

The implementation of the framework is supported through criteria for Risk assessment, Risk forms & MIS.

The objectives and scope of Risk Management Committee broadly comprises of:

- Oversight of risk management performed by the executive management;
- Reviewing the Corporate Risk Management Policy and framework within the local legal requirements and Clause 49 of the Listing Agreement;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownerships as per a predefined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

20. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated a Vigil Mechanism / Whistle Blower Policy (Mechanism) for its Stakeholders, Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct policy.

This Mechanism also provides for adequate safeguards against victimization of Director (s) / Employee (s) / Stakeholders who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee.

The policy is available on the website of the Company www.aiaengineering.com. Any Stakeholder comes across any instances of unethical matters, the same can be reported by sending an email to inform@aiaengineering.com.

21. DIRECTORS:

Mr. Yashwant M. Patel (DIN-02103312), a Whole-Director, of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 7th November, 2014 appointed Mrs. Khushali Samip Solanki (DIN-07008918) and Mrs. Bhumika Shyamal Shodhan (DIN - 02099400) as Additional Directors of the Company who will hold office of Director up to the date of the ensuing 25th Annual General Meeting. Notices have been received from the members proposing their names for appointment as Directors (Non-Independent Non-Executive) liable to retire by rotation.

The Board of Directors of the Company have also appointed Mr. Rajan Harivallabhdas (DIN 00014625) as an Additional Director (Independent) of the Company on 14th May, 2015 who will also hold office of Director upto the ensuing Annual General Meeting of the members of the Company.

The Remuneration and Nomination Committee recommended the Board for the re-appointment / appointment of the above Directors for the approval of members of the Company at the ensuing 25th Annual General Meeting.



BOARD'S REPORT

Mr. Vinod Narain (DIN-00058280), an Independent Director of the Company resigned as Director effective from 4th August, 2014 on account of personal reasons. The Board of Directors in their meeting held on 4th August, 2014 took note of the same.

The Board members also placed on record their appreciation of the valuable contributions made by Mr. Vinod Narain in furthering the objectives of the Company.

In the 24th Annual General Meeting of the members of the Company held on 11th September, 2014, Mr. Dileep C. Choksi, Mr. Sanjay S. Majmudar and Mr. Rajendra S. Shah were appointed as Independent Directors under the Companies Act, 2013 for a term of 5 Years effective from 11th September, 2014.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The requisite resolutions for the re-appointment / appointment of Mr. Yashwant M. Patel, Mrs. Khushali Samip Solanki, Mrs. Bhumika Shyamal Shodhan and Mr. Rajan Harivallabhdas as Directors of the Company, are being proposed in the Notice of the ensuing 25th Annual General Meeting for the approval of members.

As required under Clause 49 of the Listing Agreement, the information on the particulars of the Directors proposed for appointment has been given in the Notice of the Annual General Meeting.

a) BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

b) REMUNERATION POLICY:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report which is a Part of the Board's Report.

c) MEETINGS:

During the year under review, Four Board Meetings and Four Audit Committee meetings were convened and held. The details of Composition of the Committees and dates of the meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

23. RELATED PARTY TRANSACTIONS:

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

BOARD'S REPORT

During the year under review, the transactions of Purchase / Sale of material with a Subsidiary Company crossed the 10% limit of material transactions. Pursuant to Clause 49 of the Listing Agreement, Company proposes to take the permission of members of the Company by way of Special Resolution to be passed at the ensuing 25th Annual General Meeting.

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

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz www.aiaengineering.com.

24. AUDITORS:

STATUTORY AUDITORS:

M/s. Talati & Talati, Chartered Accountants, the Company's Statutory Auditors will hold office until the conclusion of the ensuing 25th Annual General Meeting and being eligible offer themselves for re- appointment. The Audit Committee and the Board of Directors recommend their re-appointment as Statutory Auditors of your Company.

The Company has received a letter to the effect that their re-appointment, if made, would be within the prescribed limit under Section 139 (1) of the Companies Act, 2013 (the Act) and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act and rules framed thereunder.

As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014, the Cost Audit records maintained by the Company are required to be audited by Cost Accountant. On the recommendations of the Audit Committee, the Board of Directors of the Company have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2014-15.

The Cost Auditor has filed the Cost Audit Report for the financial year ended 31st March, 2014 within the stipulated time frame.

The Board of Directors on the recommendations of the Audit Committee has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2015-16. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly, a Resolution seeking member's ratification of the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 25th Annual General Meeting.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed, Mr. Tushar M. Vora, Practising Company Secretary (ACS-3459, CP No. 1745), Ahmedabad to conduct a Secretarial Audit of the Company's Secretarial and related records for the year ended 31st March, 2015.

The Report on the Secretarial Audit is annexed herewith as Annexure “C” to this Board's Report.

25. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors.

The Board has duly reviewed the Statutory Auditors' Report for the Financial Year ended 31st March, 2015. The observations and comments, appearing in the Statutory Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors.

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

The additional information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith to this report.



BOARD'S REPORT

27. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

28. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure "D".

29. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment of Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided on request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Disclosures in respect of the Remuneration of the Managerial Personnel are given in Annexure "E".

30. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company have constituted a CSR Committee. The Committee is governed by its Charter. The terms of reference of the committee inter alia comprises of the following:

- To review, formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- To provide guidance on various CSR activities and recommend the amount of expenditure to be incurred on the activities;
- To Monitor the CSR policy from time to time and may seek outside agency advice, if necessary."

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

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder is ₹587.12 Lacs and the Company has spent ₹114.47 Lacs during the Financial Year ended 31st March, 2015. The shortfall in the spending during the year under report is intended to be utilized in a phased manner in future, upon identification of suitable projects within the Company's CSR Policy. The requisite details of CSR activities pursuant to Section 135 of the Companies Act, 2013 and as per Annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as Annexure 'F'.

31. ENVIRONMENT, HEALTH AND SAFETY:

The Company is committed to health and safety of its employees, contractors and visitors. We are compliant with all EHS Regulations stipulated under the Water (Prevention and Control of Pollution) Act, The Air (Prevention and Control of Pollution) Act, The Environment Protection Act and The Factories Act and Rules made thereunder. Our mandate is to go beyond compliance standards and we have made a considerable improvement in this direction.

32. ACKNOWLEDGEMENT:

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 19th May, 2015

(Bhadresh K. Shah)
Managing Director

(Yashwant M. Patel)
Whole-time Director

BOARD'S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]
A) CONSERVATION OF ENERGY:

1. For minimizing the usage of electrical energy a system called "Conserve Air" has been installed in the Compressed Air System. This system has resulted in energy savings of more than 10%.
2. Installed magnetic resonators in fuel carrying line of a Heat Treatment Furnace, which has resulted in savings of fuel (PNG) by 4%.

(I) POWER & FUEL CONSUMPTION:

Particulars	Current Year 2014-2015	Previous Year 2013-2014
1. Electricity		
a) Purchased Units	248,612,891	206,797,147
Total Amount (₹ Lacs)	17,218.33	12,359.42
Rate/Unit/(₹)	6.93	5.98
b) Own Generation		
Through Diesel Generator Unit	83,746	248,941
Unit per Litre of Diesel Oil	2.03	2.30
Cost/Unit (₹)	25.98	25.01
c) Through Steam Turbine/Generator Units		
Units per Ltr. of Fuel/Oil/Gas	NA	NA
Cost/Unit (₹)	NA	NA
d) Coal(Specify Quantity and where used)		
Quantity (in Tons)	NA	NA
Total Cost (₹)	NA	NA
Average Rate/(₹)	NA	NA
e) Light Diesel Oil/c9		
Quantity (in Ltrs)	1,879,511	3,541,247
Total Amount (₹ Lacs)	2,248.89	2,037.10
Average Rate (₹)	119.65	57.52
f) Others/Internal Generation PNG		
Quantity Unit (SCM)	6,048,636	4,334,843
Total Cost (₹ Lacs)	2,792.23	2,060.66
Rate/Unit (₹)	46.16	47.54

II. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	Current Year 2014-2015	Previous Year 2013-2014
Product:		
Castings Unit (Tonnes)	164,733.63	138,457.62
Electricity per Ton of Castings (Units)	1,509.69	1,495.38

**BOARD'S REPORT****(A) TECHNOLOGY ABSORPTION:****I. RESEARCH & DEVELOPMENT (R & D)****a) Specific areas in which R & D carried out by the Company.**

- Development of new alloys of High Chrome Grinding Media for application in Mining Industry.

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

- High Chrome Grinding Media is expected to perform superior to forged Grinding Media presently being used in the Industry.

c) Future plans of action.

- Continue to introduce solutions with higher performance.

d) Expenditure on R & D (₹ Lacs).

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**a) Efforts in brief made towards technology absorption, adaptation and innovation.**

- An automatic high pressure molding line has been commissioned for manufacturing big size grinding media.

b) Benefits derived as a result of the above efforts.

- High pressure molding line gives very high productivity and the grinding media manufactured on this machine is of consistent good quality.

c) Imported Technology.

- High pressure molding line imported from Italy.

d) Foreign Exchange Earnings and outgo:**(₹ Lacs)**

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
i) Total foreign exchange used	25,462.18	19,948.02
ii) Total foreign exchange earned	151,199.39	123,104.18

For and on behalf of the Board,

Place : Ahmedabad
Date : 19th May, 2015

(Bhadresh K. Shah)
Managing Director

(Yashwant M. Patel)
Whole-time Director

BOARD'S REPORT
ANNEXURE - "A"
Form No. AOC-1

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

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures
Part – "A" : Subsidiaries

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

i)	Sr. No.	1	2	3	4	5	6
ii)	Name of the Subsidiary	WSL	VEGA –ME	VEGA –UK	VEGA –USA	VEGA –RSA	VEGA –WUXI
iii)	Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015
iv)	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of the Foreign Subsidiary.	INR	USD BS-62.3355 PL-61.3261	Pound BS-92.5462 PL-98.5800	USD BS-62.3355 PL-61.3261	ZAR BS-5.1349 PL-5.5194	CNY BS-10.0533 PL-9.8982
v)	Share Capital	63.84	149.39	6.88	24.01	0.01	27.05
vi)	Reserves & Surplus	3,011.32	39,103.57	3,762.54	618.40	156.89	(9.10)
vii)	Total Assets	4,949.49	48,494.56	10,384.24	11,474.29	8,483.38	806.32
viii)	Total Liabilities	1,874.33	13,206.28	6,643.61	10,823.72	8,326.49	640.10
ix)	Investments	-	4,017.88	31.17	-	-	-
x)	Turnover	20,321.81	152,356.00	29,891.51	16,616.56	19,904.61	1,008.83
xi)	Profit Before Taxation	28.15	5,345.59	643.55	14.31	300.09	20.64
xii)	Provision for Taxation	30.65	-	135.10	8.13	-	-
xiii)	Profit After Taxation	(2.50)	5,345.59	508.65	6.17	300.09	20.64
xiv)	Proposed Dividend	12.76	-	-	-	-	-
xv)	% of Shareholding	74.85	100%	100% by Vega ME	100% by Vega UK	100% by Vega ME	100% by Vega ME

The following information shall be furnished at the end of the statement:

- (a) Names of Subsidiaries which are yet to commence operations : NIL
(b) Names of Subsidiaries which have been liquidated or sold during the year : NIL

Part – "B" : Associates & Joint Ventures

i)	Sr. No.	1	2	3	4	5
ii)	Name of Associates / Joint Ventures	None				
iii)	Latest Audited Balance Sheet Date					
iv)	Shares of Associates / Joint Ventures held by the Company on the year end					
v)	No.					
vi)	Amount of Investment in Associate / Joint Venture					
vii)	Extend of holding %					
viii)	Description of how there is significant influence					
ix)	Reason why the associate / Joint Venture is not consolidated					
x)	Networth attributable to Shareholding as per latest audited balance sheet					
xi)	Profit / Loss for the year					
xii)	Considered in Consolidation					
xiii)	Not considered in Consolidation					

The following information shall be furnished at the end of the statement:

- (a) Names of Associates or Joint Ventures which are yet to commence operations : NIL
(b) Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL



Form No. AOC-2

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

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

1. Details of Contracts or Arrangements or transactions not at Arm's Length basis:

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

2. Details of Material Contracts or Arrangements or transactions at Arm's Length basis:

i)	Name(s) of the Related Party and nature of Relationship	Welcast Steels Ltd., a Subsidiary of the Company.
ii)	Nature of Contract / arrangements / transactions	Purchase and Sales of Goods.
iii)	Duration of Contract / arrangements / transactions	Five years from 1 st January, 2014.
iv)	Salient Terms of Contract / arrangements / transactions including the value, if any	WSL shall exclusively manufacture Grinding Media of different grades for the Company according to Purchase Orders placed from time to time and confirming to such technical specifications and requirements, using the technical knowhow provided by the Company. Company shall make payment of the amount specified in each invoice by bank transfer within 35 (Thirty Five) days of the date of Invoice.
v)	Justification for entering into such contracts or arrangements or transactions	In order to optimize the Company's production abilities, WSL acts as an extended Arm of manufacturing of Grinding Media being a Subsidiary of the Company.
vi)	Date (s) of approval by the Board	20 th May, 2014
vii)	Amount paid as Advances, if any	NIL

For and on behalf of the Board,

Place : Ahmedabad
Date : 19th May, 2015

(Bhadresh K. Shah)
Managing Director

(Yashwant M. Patel)
Whole-time Director

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,
AIA Engineering Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion read with Annexure attached herewith and forming Part of this report the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) As informed to us, there are no laws which have specific applicability to the Company.

I/We have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with [1] The Bombay Stock Exchange and [2] The National Stock Exchange Ltd.

In view of no mandatory secretarial standards having been notified under the Companies Act, 2013 which have applicability during the Financial Year ended 31st March, 2015, no Secretarial standards were applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company has spent ₹114.47 Lacs on Corporate Social Responsibility activities as defined under Schedule VII to Section 135 of the Companies Act, 2013 read with Rules made thereunder during the Financial Year ended 31st March, 2015 as against the requirement of ₹587.12 Lacs.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given at least seven days in advance to all Directors to schedule the Board Meetings. As explained to us the Company has also provided agenda and detailed notes on agenda to the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



BOARD'S REPORT

ANNEXURE - "C"

Majority decision is carried through while the dissenting members' views are captured and recorded, wherever applicable, as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following major events took place under the Companies Act, 2013 having bearing on the Company's affairs.

1. Obtained approval of Shareholders by way of Special Resolution pursuant to Section 180[1][c] of the Companies Act, 2013 authorizing the Board to borrow money in excess of the aggregate of the paid up Share Capital and free reserves in ordinary course of business which shall not be in excess of ₹500 crores (Rs. Five hundred crore only) over and above the aggregate of the paid up Share Capital and free reserves of the Company during any Financial Year.
2. Obtained approval of Shareholders by way of Special Resolution pursuant to Section 197 of the Companies Act, 2013 authorizing the Board to pay remuneration to Directors other than Managing Director and Whole-time Director of the Company, a sum not exceeding 0.25% p.a. of the Net Profit of the Company.
3. Obtained approval of Shareholders by way of Special Resolution pursuant to Section 188 of the Companies Act, 2013 approving the Related Party Transactions.
4. Obtained approval of Shareholders by way of Special Resolution through Postal Ballot (including e-voting) pursuant to Section 180[1][a] of the Companies Act, 2013 authorizing the Board to mortgage / hypothecate and / or create charge on assets of the Company to secure borrowings.

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459
C P No.: 1745

Place: Ahmedabad.
Date : 19th May, 2015

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
AIA Engineering Limited

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

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

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459
C P No.: 1745

Place: Ahmedabad.
Date : 19th May, 2015

BOARD'S REPORT
ANNEXURE - "D"
**Form No. MGT – 9
EXTRACT OF ANNUAL RETURN**
as on the Financial Year ended 31st March 2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rules 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L29259GJ1991PLC015182
ii)	Registration Date	11 th March, 1991
iii)	Name of the Company	AIA Engineering Ltd.
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered Office and Contact Details	115, GVMM Estate, Odhav Road, Odhav, Ahmedabd – 382 410 Ph.-079-22901078 Email: snj@aiaengineering.com
vi)	Whether Listed Company	Yes – at NSE and BSE
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, 303, 3 rd Floor, Shopper's Plaza – V, Nr. 5 Government Society, Opp. Muncipal Market, C. G. Road, Navrangpura, Ahmedabad – 380 009, Ph. 079-26465179 Email: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total Turnover of the Company shall be stated:

Sr. No.	Name of Description of main products / services	NIC Code of Product / Service	% of total turnover of the Company
	Mfg. of High Chrome Mill Internals	3371	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	CIN/GLN Associates	Holding / Subsidiary / Shares held	% of	Applicable Section
1.	Welcast Steels Ltd., Bangalore	L27104KA1972PLC002163	Subsidiary	74.85%	2 (87)
2.	Vega Industries (Middle East) FZE, UAE	Foreign Company	Wholly-owned Subsidiary	100%	2 (87)
3.	Vega Industries Ltd., UK	Foreign Company	Wholly-owned Subsidiary	100% by Vega ME	2 (87)
4.	Vega Industries Ltd., USA	Foreign Company	Wholly-owned Subsidiary	100% by Vega UK	2 (87)
5.	Vega Steel Industries (RSA) Proprietary Ltd., South Africa	Foreign Company	Wholly-owned Subsidiary	100% by Vega ME	2 (87)
6.	Wuxi Weigejia Trade Co. Ltd., China	Foreign Company	Wholly-owned Subsidiary	100% by Vega ME	2 (87)



BOARD'S REPORT

ANNEXURE - "D"

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity):

i) Category – wise Shareholding:

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during this year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	58149120	-	58149120	61.65	58148920	-	58148920	61.65	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	58149120	-	58149120	61.65	58148920	-	58148920	61.65	-
(2) Foreign									
a) NRIs - Individual	-	-	-	-	-	-	-	-	-
b) Other- Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	58149120	-	58149120	61.65	58148920	-	58148920	61.65	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	4859574	-	4859574	5.15	6051784	-	6051784	6.42	+1.27
b) Banks / FIs	3740	-	3740	-	2463	-	2463	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	25983402	-	25983402	27.55	22871387	-	22871387	24.25	-3.30
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others – Specify	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	30846716	-	30846716	32.70	28925634	-	28925634	30.67	-2.03

BOARD'S REPORT
ANNEXURE - "D"

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during this year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutional									
a) Bodies Corporate	2490520	-	2490520	2.64	2308662	-	2308662	2.45	-0.19
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding Share Capital upto ₹ 1 Lac	1917040	630	1917670	2.03	2252685	3130	2255815	2.39	+0.36
ii) Individual Shareholders holding Share Capital in excess of ₹ 1 Lac.	758664	-	758664	0.80	693567	-	693567	0.74	-0.06
c) Others - Specify									
Clearing Member	38589	-	38589	0.04	44450	-	44450	0.05	+0.01
Foreign Portfolio Investor (Corporate)	-	-	-	-	1798172	-	1798172	1.91	+1.91
NRI / NRN	113591	-	113591	0.12	145150	-	145150	0.15	+0.03
Trust	5500	-	5500	-	-	-	-	-	-0.01
Sub-Total (B) (2)	5323904	630	5324534	5.65	7242686	3130	7245816	7.68	+2.03
Total Public Shareholding (B) = (B) (1) + (B) (2)	36170620	630	36171250	38.35	36168320	3130	36171450	38.35	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	94319740	630	94320370	100.00	94317240	3130	94320370	100.00	-

ii) Shareholding of Promoters & Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Bhadresh K. Shah	39626875	42.01	-	58128900	61.63	-	+19.62
2.	Bhadresh K. Shah – HUF	18502025	19.62	-	-	-	-	-19.62
3.	Bhumika Shah	10005	0.01	-	10005	0.01	-	-
4.	Khushali Shah	10210	0.01	-	10010	0.01	-	-
5.	Gita B. Shah	5	-	-	5	-	-	-
	Total	58149120	61.65	-	58148920	61.65	-	-



BOARD'S REPORT

ANNEXURE - "D"

iii) Change in Promoters Shareholding (Please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	58149120	61.65%	58149120	61.65%
	Date-wise Increase / Decrease in Promoters Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.	-200	-	-200	-
	At the end of the year	58148920	61.65%	58148920	61.65%

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Nalanda India Equity Fund Limited.	7918845	8.40	7918845	8.40
2	Small Cap World Fund	4695038	4.97	-	-
3	Genesis Indian Investment Company Ltd. – General Sub Fund	3814289	4.04	-	-
4	Mathews India Fund	2306467	2.44	2648467	2.81
5	HDFC Trustee Company Ltd.-A/c HDFC Mid Cap Opportunities Fund	1201149	1.27	1900000	2.01
6	Burgundy Asset Management Ltd. A/c Burgundy Emerging Market Fund	1063732	1.13	855730	0.91
7	Pinerbridge Investments Asia Ltd.	956481	1.01	1261020	1.34
8	Mathews Asia Small Companies Fund	849415	0.90	515228	0.55
9	Mondrian Emerging Markets Small Cap Funds	606382	0.64	639295	0.68
10	Tata AIA Life Insurance Co. Ltd., Whole-life Mid Cap Equity Fund	543474	0.58	500000	0.53

BOARD'S REPORT
ANNEXURE - "D"
v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Mr. Bhadresh K. Shah – Managing Director				
	At the beginning of the year	58128900	61.63	58128900	61.63
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	58128900	61.63	58128900	61.63
	Mr. Rajendra S. Shah –Director				
	At the beginning of the year	847	-	847	-
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	847	-	847	-
	Mr. Sanjay S. Majmudar –Director				
	At the beginning of the year	15120	0.01	15120	0.01
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	15120	0.01	15120	0.01
	Mrs. Khushali Samip Solanki– Additional Director				
	At the beginning of the year	10210	0.01	10210	0.01
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease e.g. allotment/transfer/ bonus/sweat Equity etc.)	-200	-	-200	-
	At the end of the year (or on the date of separation, if separated during the year)	10010	0.01	10010	0.01
	Mrs. Bhumika Shyamal Shodhan – Additional Director				
	At the beginning of the year	10005	0.01	10005	0.01
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	10005	0.01	10005	0.01



BOARD'S REPORT

ANNEXURE - "D"

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Mr. Yashwant M. Patel – Whole-time Director, Dr. S. Srikumar & Mr. Dileep C. Choksi - Directors				
	At the beginning of the year	None of the above Directors hold Shares in the Company			
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	None of the above Directors hold Shares in the Company			
	At the end of the year (or on the date of separation, if separated during the year)	None of the above Directors hold Shares in the Company			
	Mr. Kunal D. Shah – Executive Director - Finance				
	At the beginning of the year	1250	-	1250	-
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	1250	-	1250	-
	Mr. S. N. Jetheliya – Company Secretary				
	At the beginning of the year	10000	-	10000	-
	Date-wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	10000	-	10000	-

vi) INDEBTEDNESS:

Indebtedness of the Company including Interest Outstanding / accrued but not due for payment:

₹ Lacs

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	11,614.28	110.53	-	11,724.81
ii) Interest due but not paid	112.27	-	-	112.27
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	11,726.55	110.53	-	11,837.08
Change in Indebtedness during the Financial Year				
i) Addition	-	-	-	-
ii) Reduction	3,086.81	18.21	-	3,105.02
Net Change	-3,086.81	-18.21	-	-3,105.02
Indebtedness at the end of the Financial Year				
i) Principal Amount	8,859.85	92.32	-	8,952.17
ii) Interest due but not paid	83.85	-	-	83.85
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	8,943.70	92.32	-	9,036.02

BOARD'S REPORT
ANNEXURE - "D"
vii) Remuneration of Directors and Key Managerial Personnel:
A. Remuneration to Managing Director and Whole-time Director:

₹ Lacs

Sr. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Mr. Bhadresh K. Shah	Mr. Yashwant M. Patel	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	82.93	7.20	90.13
	b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	27.97	0.32	28.29
	c) Profit in lieu of Salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-As % of Profit- Others, Specify	-	-	-
5.	Others, please specify	-	-	-
	Total	110.90	7.52	118.42

B. Remuneration to Other Directors:

₹ Lacs

Sr. No.	Particulars of Remuneration	Name of Other Directors			Total Amount
		Mr. Dileep C. Choksi	Mr. Rajendra S. Shah	Mr. Sanjay S. Majmudar	
1.	Independent Directors				
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	-	-	-	-
	b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-	-	-
	c) Profit in lieu of Salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission- As % of Profit- Others, Specify	-	-	15.00	15.00
5.	Others, Sitting fees	1.00	0.90	1.00	2.90
	Total	1.00	0.90	16.00	17.90



BOARD'S REPORT

ANNEXURE - "D"

Other Non-Executive Directors:

₹ Lacs

Sr. No.	Particulars of Remuneration	Name of Other Non-Executive Directors			Total Amount
		Dr. S. Srikumar	Mrs. Khushali Samip Solanki	Mrs. Bhumika Shyamal Shodhan	
1.	Non-Executive Directors				
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	-	-	-	-
	b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-	-	-
	c) Profit in lieu of Salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission- As % of Profit- Others, Specify	-	-	-	-
5.	Others, Sitting fees	-	0.30	0.15	0.45
	Total	-	0.30	0.15	0.45

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

₹ Lacs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Other than MD/WTD)		Total Amount
		Executive Director (Finance)	Company Secretary	
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	34.00	27.46*	61.46
	b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	0.32	0.48	0.80
	c) Profit in lieu of Salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-As % of Profit- Others, Specify	-	-	-
5.	Others, please specify	-	-	-
	Total	34.32	27.94	62.26

* Including Leave Encashment

V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any, give details
A. Company Penalty Punishment Compounding					None
B. Directors Penalty Punishment Compounding					
C. Other Officers in Default Penalty Punishment Compounding					

BOARD'S REPORT
ANNEXURE - "E"
Particulars of Remuneration as per Section 197 (12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

- (1) The ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year;

Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees
Mr. Bhadresh K. Shah	45.08
Mr. Yashwant M. Patel	3.06
Mr. Rajendra S. Shah	0.41
Mr. Sanjay S. Majmudar	6.50
Dr. S. Srikumar	-
Mr. Dileep C. Choksi	0.37
Mrs. Khushali S. Solanki	0.12
Mrs. Bhumika S. Shodhan	0.06

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;

Name of the Director, CFO and Company Secretary	% increase in remuneration in the Financial Year
Mr. Bhadresh K. Shah	12.61
Mr. Yashwant M. Patel	-
Mr. Rajendra S. Shah	-
Mr. Sanjay S. Majmudar	-
Dr. S. Srikumar	-
Mr. Dileep C. Choksi	N.A.
Mrs. Khushali S. Solanki	N.A.
Mrs. Bhumika S. Shodhan	N.A.

3. The percentage increase in the median remuneration of employees in the financial year was 10.48%.
4. There were 1274 permanent employees on the rolls of Company as on 31st March 2015.
5. The Profit After Tax for the Financial Year ended 31st March 2015 increased by 45.44% whereas the average increase in remuneration of employee was 14.91%.
6. The Profit After Tax for the Financial Year ended 31st March 2015 increased by 45.44% whereas the average increase in remuneration of Key Managerial Personnel (KMP) viz. [1] Managing Director by 12.61% and [2] Company Secretary by 20.17%.
7. The Company came out with Initial Public Offer in November 2005 at a price of Rs.315 per share. The other details are as follows:

Date	Market Price	EPS (₹)	P/E ratio	Market Capitalization ₹ In Crore	% Change
31.03.2014	556.45	30.22	18.41	5248.46	
31.03.2015	1245.00	43.95	28.33	11742.89	123.74%

8. Average increase in the salaries of employees other than the managerial personnel in the last financial year was 14.91% whereas the average increase in the managerial remuneration was 8.19%.
9. The members have at the 24th Annual General Meeting of the Company held on 11th September 2014 approved the payment of commission to the Non-Executive Directors within the ceiling of 0.25% of the Net Profits. The performance of the Company in terms of sales and profitability are the key parameters apart and contributions of the Directors at the Board and the Committee meetings.
10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is NIL.
11. The Company affirms that the remuneration is as per the remuneration policy of the company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 19th May, 2015

(Bhadresh K. Shah)
Managing Director

(Yashwant M. Patel)
Whole-time Director



BOARD'S REPORT

ANNEXURE - "F"

Annual Report on the Corporate Social Responsibility (CSR) Activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014

A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. Company's vision on CSR is to enhance the quality of life and the economic well being of communities around our operations.

For detailed policy, please refer our website www.aiaengineering.com

CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENT:

Sr. No.	Particulars	Amt. (₹ Lacs)
1.	Average Net Profit of the Company for the last three years	29,355.89
2.	Prescribed CSR Expenditure (2% of the Amount of Net Profit)	587.12
3.	Details of CSR spent during the Financial Year	
	a) Total Amount spent for the Financial Year	114.47
	b) Amount unspent, if any	472.65
	c) Manner in which the amount spent during the Financial Year is detailed below.	Yes

4. In case the company has failed to spend the two per cent of the average Net Profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder is ₹587.12 Lacs and the Company has spent ₹114.47 Lacs during the Financial Year ended 31st March, 2015. The shortfall in the spending during the year under report is intended to be utilized in a phased manner in future, upon identification of suitable projects within the Company's CSR Policy.

5. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 19th May, 2015

(Yashwant M. Patel)
Whole-time Director

(Bhadresh K. Shah)
Chairman – CSR Committee

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (₹ Lacs)	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ Lacs)	(7) Cumulative expenditure upto to the reporting period (₹ Lacs)	(8) Amount spent : Direct or through implementing agency*
1	Plantation – Green Environment	Cl. (iv) Environment	Local	15.00	16.97	16.97	Direct
2	Under Privileged Differently Abled Children	Cl (i) Healthcare	Local	45.00	45.00	45.00	Aastha Charitable & Welfare Trust
3	Promotion of Traffic Education & Safety	Cl (ii) Education	Local	15.00	15.00	15.00	Ahmedabad Traffic Trust
4	Prevention & Promoting Health care	Cl (i) Healthcare	Local	5.00	5.00	5.00	Sanjivani Health & Relief Committee
5	Education and promotion of differently abled children	Cl (ii) Education	Local	5.00	5.00	5.00	Blind, Deaf & Mute School
6	Prevention & Promoting of Health Education & Health Care	Cl (i) Healthcare	Local	10.00	10.00	10.00	Dr. Jivraj Mehta Smarak Health Foundation
7	Prevention & Promoting Health care	Cl (i) Healthcare	Local	7.50	7.50	7.50	Kanoria Hospital & Research Centre
8	Prevention & Promoting Health care	Cl (i) Healthcare	Haryana	10.00	10.00	10.00	AADI - Action for Ability Development and Inclusion
	TOTAL					114.47	

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

Company's Governance Structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management Structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Company's Corporate Governance philosophy has been further strengthened through the Model Code of Conduct for the Directors / Designated Employees of the Company for prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (SEBI) Prevention of Insider Trading Regulations in this regard.

We take pleasure in reporting that your Company has complied in all respects with the features of Corporate Governance specified in Clause 49 of the Listing Agreement.

I. BOARD OF DIRECTORS

(A) COMPOSITION OF THE BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Code of Corporate Governance. The Board is headed by the Non-Executive Chairman, Mr. Rajendra S. Shah. The present strength of the Board of Directors is 9 which include 1 Executive - Promoter Director, 1 Executive - Whole-time Director, 4 Independent Directors and 3 Non Independent - Non-Executive Directors in terms of Clause - II (A) of Clause 49 of the Listing Agreement. Board represents a balance mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (3) of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time Mrs. Khushali Samip Solanki and Mrs. Bhumika Shyamal Shodhan are the two Women Directors (Non-Independent Non-Executive) on the Board of the Company.

(B) BOARD MEETINGS / DETAILS OF BOARD MEETINGS:

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

The Board periodically reviews the items required to be placed before and in particular reviews and approves Quarterly / Half yearly Un-audited Financial Statements and the Audited Annual Financial Statements, Business Plans, Annual Budgets and Capital expenditure. The Agenda for the Board Meetings covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by the relevant information, documents and presentations to enable the Board to take informed decisions.

Company's Board met Four times during the year under review on 20th May, 2014, 4th August, 2014, 7th November, 2014 and 5th February, 2015. The Company holds one Board Meeting in each quarter and the gap between any two Board Meetings was not more than One Hundred and twenty days as prescribed under Clause 49 of the Listing Agreement. Details of the Directors, their



REPORT ON CORPORATE GOVERNANCE

positions, attendance record at Board Meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees other than your Company as on 31st March, 2015 are as follows:

Name of the Board Member	Category	Attendance at the Board of Directors Meetings held on				Attended AGM 11 th September, 2014
		20 th May, 2014	4 th August, 2014	7 th November, 2014	5 th February, 2015	
Mr. Rajendra S. Shah (Chairman)	Independent – Non Executive	✓	✓	✓	✓	✓
Mr. Bhadresh K. Shah (Managing Director)	Executive – Promoter	✓	✓	✓	✓	✓
Mr. Vinod Narain*	Independent Director	Leave of Absence	Leave of Absence	N.A.	N.A.	N.A.
Mr. Sanjay S. Majmudar	Independent Director	✓	✓	✓	✓	✓
Dr. S. Srikumar	Non Independent – Non Executive	✓	✓	✓	Leave of Absence	✓
Mr. Yashwant M. Patel Whole-time Director	Executive	✓	✓	✓	Leave of Absence	✓
Mr. Dileep C. Choksi	Independent Director	✓	✓	✓	✓	Leave of Absence
Mrs. Khushali S. Solanki**	Additional Director (Non Independent – Non Executive)	N.A.	N.A.	✓	✓	N.A.
Mrs. Bhumika S. Shodhan**	Additional Director (Non Independent – Non Executive)	N.A.	N.A.	✓	Leave of Absence	N.A.
Mr. Rajan Harivallabhdas***	Additional Director (Independent)	N.A.				

* Resigned as Director of the Company w.e.f. 4th August, 2014.

** Appointed as Additional Directors of the Company w.e.f. 7th November, 2014.

*** Appointed as an Additional Director of the Company w.e.f. 14th May, 2015.

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

Name of the Director	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Rajendra S. Shah	5	3	2
Mr. Bhadresh K. Shah	1	3	1
Mr. Vinod Narain*	1	1	-
Mr. Sanjay S. Majmudar	6	3	3
Dr. S. Srikumar	1	-	-
Mr. Yashwant M. Patel	-	-	-
Mr. Dileep C. Choksi	7	5	5
Mrs. Khushali S. Solanki**	1	-	-
Mrs. Bhumika S. Shodhan**	-	-	-
Mr. Rajan Harivallabhdas***	-	-	-

* Resigned as Director of the Company w.e.f. 4th August, 2014.

** Appointed as Additional Directors of the Company w.e.f. 7th November, 2014.

*** Appointed as an Additional Director of the Company w.e.f. 14th May, 2015.

REPORT ON CORPORATE GOVERNANCE

(C) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

Non- Executive Directors including Independent Directors are paid sitting fees in accordance with the applicable laws.

Company is paying a sitting fees of ₹15,000 for attending a Board Meeting and ₹10,000 for attending a Audit Committee Meeting.

(D) CODE OF CONDUCT:

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company www.aiaengineering.com.

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

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

(E) PROHIBITION OF INSIDER TRADING:

In Compliance with SEBI Regulation for prevention of Insider Trading, the Company has formed Model Code of Conduct of Insider Trading Regulations which is applicable to all the Directors, Officers and the Designated Employees of the Company who are expected to have access to the unpublished Price Sensitive information relating to the Company.

The said Code lays down guidelines which advise them on procedures to be followed and disclosures to be made while dealing in the Shares of the Company.

(F) VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated a Vigil Mechanism / Whistle Blower Policy (Mechanism) for its stakeholders, Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct policy.

This Mechanism also provides for adequate safeguards against victimization of Director (s) / Employee (s) / Stakeholders who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee.

The policy is available on the website of the Company www.aiaengineering.com. Any Stakeholder comes across any instances of unethical matters, the same can be reported by sending an email to inform@aiaengineering.com.

(G) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with Clause 49 of the Listing Agreement, Company has a Familiarisation Program for Independent Directors. At the time of appointment of a Director, a formal letter of appointment is issued which inter alia explains the roles, functions, duties and responsibilities expected of him as a Director of the Company.

The appointment letter also covers in detail the compliances required from the Director under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation is availed with this respect.

The details of such Familiarisation Program has been disclosed at the website of the Company www.aiaengineering.com.

II. COMMITTEES OF THE BOARD:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory Committees viz:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders' Relationship Committee;
- d) Corporate Social Responsibility Committee; and
- e) Risk Management Committee.

The terms and reference to these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate with a given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings.

a) AUDIT COMMITTEE:

The Company has formed a qualified and Independent Audit Committee which acts as a link between the Statutory and Internal Auditors and the Board of Directors. The very purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.



REPORT ON CORPORATE GOVERNANCE

The Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 are as under:

Brief description of Terms of Reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommendation for Appointment, Remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the Financial Statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to Financial Statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft Audit Report.
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Other Duties:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to internal control weaknesses; and
- The Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

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- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an Arm's Length pricing basis and to review and approve such transactions subject to the approval of the Board.

The Audit Committee supervises the Financial Reporting & Internal Control process and ensures the proper and timely disclosures to maintain the Transparency, integrity and quality of financial control and reporting.

The Company continues to derive benefits from the deliberations of the Audit Committee Meetings as the members are experienced in the areas of Finance, Accounts, Taxation and the Industry.

During Financial Year 2014-15, Four (4) Audit Committee Meetings were held on 20th May, 2014, 4th August, 2014, 7th November, 2014 and 5th February, 2015. Necessary quorum was present in all the meetings. The time gap between any two Audit committee Meetings was not more than four months.

As on 31st March, 2015, the Audit Committee comprise of 3 Independent Directors. Names of the members and the Chairman of the Committee as on 31st March, 2015 together with their attendance are given in the following table.

Name of the Member / Chairman	Category	Attendance at the Audit Committee Meetings held on			
		20 th May, 2014	4 th August, 2014	7 th November, 2014	5 th February, 2015
Mr. Rajendra S. Shah - Chairman	Independent	✓	✓	✓	Leave of Absence
Mr. Vinod Narain*	Independent	Leave of Absence	Leave of Absence	N.A.	N.A.
Mr. Sanjay S. Majmudar	Independent	✓	✓	✓	✓
Mr. Dileep C. Choksi**	Independent	✓	✓	✓	✓
Mr. Bhadresh K. Shah***	Executive	N.A.	N.A.	N.A.	N.A.
Mr. Rajan Harivallabhdas****	Independent	N.A.	N.A.	N.A.	N.A.

* Resigned as a member of the Committee w.e.f. 4th August, 2014.

** Resigned as a member of the Committee w.e.f. 30th March, 2015.

*** Appointed as a member of the Committee w.e.f. 29th April, 2015.

**** Appointed as a member of the Committee w.e.f. 14th May, 2015.

Mr. Rajendra S. Shah, Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company.

All the members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Statutory Auditors, Internal Auditors and their representatives are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year under review. The representative of the Cost Auditor is invited to attend the meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Managing Director, Executive Director (Finance) and other Executives of the Company are also invited to attend the Audit Committee Meetings.

Mr. S. N. Jetheliya, Company Secretary acts as the Secretary of the Committee.

b) NOMINATION AND REMUNERATION COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has renamed the existing 'Remuneration Committee' as the "Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- Succession Planning of the Board of Directors and Senior Management Personnel;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management Personnel;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial personnel and Senior Management personnel and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time, the Board of Directors reconstituted the Nomination and Remuneration Committee during the year under review. Mr. Rajendra S. Shah, Chairman of the Board, who was also the Chairman of this Committee has stepped down as the Chairman of this Committee and continues to be a Member on the Committee. Mr. Sanjay S. Majmudar an Independent Director has been appointed as the Chairman of the Committee.

**REPORT ON CORPORATE GOVERNANCE****Composition, Name of Members and Chairperson of Nomination and Remuneration Committee are:**

- Mr. Sanjay S. Majmudar - Chairman
- Mr. Rajendra S. Shah - Member
- Dr. S. Srikumar - Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Nomination and Remuneration Committee Meetings held on	
		19 th May, 2014	7 th November, 2014
Mr. Sanjay S. Majmudar - Chairman	Independent	✓	✓
Mr. Rajendra S. Shah	Independent	✓	✓
Dr. S. Srikumar*	Non-Executive	N.A.	✓

* Appointed as a member of the Committee w.e.f. 20th May, 2014.

c) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders' / Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

Brief description of terms of reference:

- Redressal of Shareholders and Investors complaints like transfer of Shares, non-receipt of Annual Reports, non-receipt of declared Dividends etc.
- Transfer / transmission of Shares of the securities of the Company from time to time;
- Issue of share certificate on dematerialization of Shares from time to time;
- Issue of new share certificates against sub-division of Shares, renewal, split or consolidation of Share certificates
- Approval and monitoring of dematerialization of Shares and all matters incidental thereto;
- Monitoring of redressal of Investors / Stakeholders grievances; and
- Oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of Investor services.

Composition, Name of Members and Chairperson:

1. Mr. Rajendra S. Shah - Chairman
2. Mr. Bhadresh K. Shah - Member

Mr. S. N. Jetheliya, Company Secretary acts as the Compliance Officer of the Committee pursuant to Clause 47 (a) of the Listing Agreement with the Stock Exchanges.

Meetings and attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Stakeholders' Relationship Committee Meetings held on			
		20 th May, 2014	4 th August, 2014	7 th November, 2014	5 th February, 2015
Mr. Rajendra S. Shah - Chairman	Independent	✓	✓	✓	✓
Mr. Bhadresh K. Shah	Executive	✓	✓	✓	✓

Number of Shareholders complaints received during the Financial Year:

The Committee ensures that the Shareholders' / Investors' grievances and correspondences are attended and resolved expeditiously. During the period under review, Company received two Complaints from Shareholders and the same were resolved to their satisfactions. There is no outstanding complaint as on 31st March, 2015.

d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company have constituted a CSR Committee. The Committee is governed by its Charter. The terms of reference of the Committee inter alia comprises of the following:

- To review, formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;

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- To provide guidance on various CSR activities and recommend the amount of expenditure to be incurred on the activities;
- To Monitor the CSR policy from time to time and may seek outside agency advice, if necessary.

The Composition of the Corporate Social Responsibility Committee as on 31st March, 2015 and the details of members participation at the Meetings of the Committee are as under:

Composition, Name of Members and Chairperson of Corporate Social Responsibility are:

- Mr. Bhadresh K. Shah - Chairman
- Mr. Sanjay S. Majmudar - Member
- Mr. Yashwant M. Patel - Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on	
		16 th January, 2015	14 th March, 2015
Mr. Bhadresh K. Shah- Chairman	Executive	✓	✓
Mr. Sanjay S. Majmudar	Independent	✓	✓
Mr. Yashwant M. Patel	Executive	✓	✓

e) INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 5th February, 2015, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeline of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

III. SUBSIDIARY COMPANIES:

Company does not have any Material Subsidiary whose Net worth exceeds 20% of the Consolidated Net Worth of the Holding Company in the immediately preceding accounting year or has generated 20% of the Consolidated income of the Company during the previous financial year.

However, the Company has formed a Policy on Material Subsidiary which has been placed at the website of the Company.

The Company does not have any non-Listed Indian Subsidiary.

IV. RISK MANAGEMENT COMMITTEE:

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors have constituted a Risk Management Committee.

Corporate Risk Evaluation and Management is an ongoing process within the Organization. The Company has a well-defined Risk Management framework to identify, monitor and minimizing/mitigating risks as also identifying business opportunities.

The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy.

The key elements of the framework include

- Risk Structure;
- Risk Portfolio;
- Risk Measuring & Monitoring and
- Risk Optimizing.

The implementation of the framework is supported through criteria for Risk assessment, Risk forms & MIS.

The objectives and scope of Risk Management Committee broadly comprises of:

- Oversight of risk management performed by the executive management:
- Reviewing the Corporate Risk Management Policy and framework within the local legal requirements and Clause 49 of the Listing Agreement;

**REPORT ON CORPORATE GOVERNANCE**

- Reviewing risks and evaluate treatment including initiating mitigation actions and ownerships as per a predefined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

The Composition of Risk Management Committee as on 31st March, 2015 is:

Name of the Member / Chairman	Category	Attendance at the Risk Management Committee Meetings held on		
		30 th July, 2014	30 th October, 2014	2 nd February, 2015
Mr. Bhadresh K. Shah- Chairman	Executive	✓	✓	✓
Mr. Yashwant M. Patel - Member	Executive	✓	✓	✓
Dr. Ajit Nath Jha- Member	Consultant	✓	✓	✓

The Risk Management Committee has appointed a Risk Council which comprises of Executive Director (Finance), V.P. Corporate Planning, Company Secretary and General Manager – Corporate Affairs. The Risk Council is responsible for day-to-day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting. The Risk Council also updates to Risk Management Committee and the Board from time to time on the enterprise risks and actions taken.

V. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Party as defined under the Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement during the Financial Year 2014-15 which were in Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Accounting Standards (AS-18) have been made in the notes to the Financial Statements.

VI. DISCLOSURES:**(A) Material Significant Related Party Transactions:**

The Company has entered into transactions with related parties i.e. Directors or Management, their Subsidiaries or Relatives conflicting with the Company's interest at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Audit Committee / Board regularly for their approval. The details of Related Party Transactions are disclosed in Financial Section of this Annual Report.

The Board has approved a Policy for Related Party Transactions which has been uploaded on the website of the Company www.aiaengineering.com

(B) DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the Financial Statements, the Company has followed Accounting policies and Practices as prescribed in the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 as amended from time to time and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April, 2014, issued by the Ministry of Corporate Affairs. The significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

The Company has voluntarily adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" to the extent the standard does not conflict with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 during Financial Year 2014-15. Pursuant to the adoption, the Net Gain on foreign currency forwards and interest rate swap of INR 2,688.25 Lacs as required by AS-30 has been parked in the Cash Flow Hedging Reserve under Reserves & Surplus during Financial Year 2014-15. This gain would be recycled in the Statement of Profit and Loss / Fixed Assets in the period during which the forecasted transactions occurs.

(C) POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:

The Nomination and Remuneration Committee has adopted a Policy which, inter alia, deals with the manner of Selection of Board of Directors, KMP and their remuneration.

(1) Criteria for Selection of Non-Executive Directors:

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independence nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

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- c. Nomination and Remuneration Committee ensures that the candidate identified for Appointment / Re-Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.
- d. Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

(2) Remuneration:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses, if any, for participation in the Board / Committee Meetings as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each of the meeting of Board or Committee of the Board attended by him as approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non-Executive Director may be paid Commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee;
- iii. In determining the quantum of commission payable to the Directors, the Nomination and Remuneration Committee shall make its recommendations after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director;
- iv. The total commission payable to the Directors shall not exceed 0.25% per annum of the Net Profit of the Company as approved by the members of the Company in their Annual General Meeting held on 11th September, 2014;
- v. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, pursuant to the provisions of Companies Act, 2013 and the Listing Agreement.

Remuneration Policy for the Senior Management Employees:

- I In determining the remuneration of the Senior Management Employees, the Nomination and Remuneration Committee shall ensure / consider the following:
 - the relationship of remuneration and performance benchmark;
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - the remuneration including annual increment and performance bonus is decided based on the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II The Managing Director carry out the individual performance review based on the standard appraisal matrix and take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

PERFORMANCE EVALUATION:

In Compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**REPORT ON CORPORATE GOVERNANCE**

The details of remunerations paid to the Managing Director and Whole-time Director during the year 2014 - 2015 are given below:
(₹ Lacs)

Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	82.93	27.97	110.90
Mr. Yashwant M. Patel, Whole-time Director	7.20	0.32	7.52

The Company does not have any stock option plan or performance linked incentive for the Executive Directors.

The details of Sitting Fees paid to the Independent Directors for attending Board and Committee Meetings during the Financial Year 2014-2015 are given below:

(₹ Lacs)

Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	0.90
2.	Mr. Sanjay S. Majmudar*	1.00
3.	Mr. Dileep C. Choksi	1.00

* In addition to sitting fees, ₹15.00 Lacs has been paid as Commission during the Financial Year 2014-15.

The Directors' Remuneration Policy of your Company conforms to the provisions under Companies Act, 2013. The Board determines the remuneration of the Non-Executive Directors.

(D) Management**(i) Management Discussion and Analysis Report:**

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.

(ii) Disclosure of material Financial and Commercial Transactions:

As per the disclosures received from the Senior Management, no material Financial and Commercial transactions that may have a potential conflict with the interest of the Company at large were taken place during the year under report.

(E) Shareholders:**(i) Disclosures regarding appointment or re-appointment of Directors:**

Mr. Yashwant M. Patel, a Whole-time Director of the Company will retire by rotation at the ensuing 25th Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Mrs. Khushali Samip Solanki and Mrs. Bhumika Shyamal Shodhan, were appointed as Additional Directors of the Company by the Board of Directors in their meeting held on 7th November, 2014 who hold office of Additional Directors upto the ensuing 25th Annual General Meeting of the Company.

Mr. Rajan Harivallabhdas, who was appointed as an Additional Director (Independent) of the Company w.e.f. 14th May, 2015, who holds the office of Director upto the 25th Annual General Meeting of the Company.

The brief resumes and other information of the above retiring Director and other Directors as required to be disclosed under this section are provided in the notice of the Annual General Meeting.

(ii) Quarterly / Half yearly results are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed and the same are also posted on Company's website : www.aiaengineering.com.**(iii) Shareholding of Non-Executive Directors as on 31st March, 2015 is as under:**

Name of Director	Number of Shares
Mr. Rajendra S. Shah	847
Mr. Sanjay S. Majmudar	15,120
Dr. S. Srikumar	NIL
Mr. Dileep C. Choksi	NIL
Mrs. Khushali Samip Solanki	10,010
Mrs. Bhumika Shyamal Shodhan	10,005
Mr. Rajan Harivallabhdas	NIL

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(F) Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Further, during the last three years, no penalties were imposed or strictures were passed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

VII. CEO / Executive Director (Finance) Certification:

The Managing Director and the Executive Director (Finance) of the Company have certified to the Board that the Financial Results of the Company for the year ended 31st March, 2015 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Clause 49 (IX) of the Listing Agreement.

VIII. Means of Communication:

- (1) The quarterly and half yearly results are published in widely circulating national and local dailies such as "Economic Times" in English and Gujarati. These results are not sent individually to the shareholders but are put on the website of the Company.
- (2) The Company's results are displayed on the Company's website: www.aiaengineering.com. The Company holds meetings with the Investors and Analysts.

IX. General Body Meetings: (Last three years disclosures)

GENERAL MEETING:

ANNUAL GENERAL MEETINGS:

The particulars of the last three Annual General Meetings held are given hereunder:

Location, date and time for last 3 Annual General Meetings were:

Financial Year	Date	Venue	Time
2013-14	11 th September, 2014	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	10.00 A.M.
2012-13	12 th August, 2013	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	10.00 A.M.
2011-12	13 th August, 2012	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	10.00 A.M.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 11th September, 2014:

- (i) Appointment of Mr. Sanjay S. Majmudar as an Independent Director.
- (ii) Appointment of Mr. Rajendra S. Shah as an Independent Director.
- (iii) Authority to Board of Directors to Borrow funds.
- (iv) Payment of Commission to Non-Whole-time Directors.
- (v) Approval for holding an Office or place of Profit by Powertec Engineering Pvt. Ltd.

Annual General Meeting held on 12th August, 2013:

- (i) Re-appointment of Mr. Yashwant M. Patel as Whole-time Director of the Company.
- (ii) Approval for the appointment of Powertec Engineering Pvt. Ltd. to hold Office or Place of Profit under Section 314 of the Companies Act, 1956.

Annual General Meeting held on 13th August, 2012:

Approval for increase in the investment limits by SEBI Registered Foreign Institutional Investors under Portfolio Investment Scheme under FEMA from 24% to 49% of the paid-up Share Capital of the Company.

POSTAL BALLOT:

During the year under review and pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the following Special Resolution was passed by the members of the Company through Postal Ballot / e-voting.

SPECIAL RESOLUTION under Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors to Mortgage / Hypothecate / Create Security and / or create any charge on immovable and / or movable Properties of the Company to secure the Borrowings (including temporary loans & Working Capital Facilities obtained by the Company from any of its Scheduled Banks in the Ordinary Course of Business.)

The scrutinizer Mr. Tushar Vora, Practicing Company Secretaries, Ahmedabad after due verification of all the Postal Ballot Forms received upto the close of working hours on 22nd December, 2014 (being the last date fixed for return of the postal ballot forms duly filled in by the members including e-voting), submitted his report dated 26th December, 2014. The results of the Postal Ballot were announced by the Chairman of the Company on 26th December, 2014. The resolution was approved by the members of the Company by casting more than 99% votes in favour of the Resolution.

**REPORT ON CORPORATE GOVERNANCE****X. GENERAL SHAREHOLDERS' INFORMATION**

Date and Time of 25 th AGM	:	Thursday the 24 th September, 2015 at 10.00 a.m.
Venue of AGM	:	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015
Financial Year	:	31 st March, 2015.
Book Closure Date	:	12 th September, 2015 to 24 th September, 2015 (both days inclusive)
Registered Office Address	:	115, GVMM Estate, Odhav Road, Odhav, Ahmedabad 382 410
Dividend Payment Date	:	Within 30 days from the date of declaration of dividend.
Compliance Officer	:	Mr. S. N. Jetheliya, Company Secretary
Email for Redressal of Investors' Complaints in terms of Clause 47 (f) of the Listing Agreement	:	ric@aiaengineering.com
Website	:	www.aiaengineering.com
Financial Calendar (subject to change) for the Financial Year 2015-16:		
First Quarter Results	:	On or before 14 th August, 2015
Second Quarter & Half Yearly Results	:	On or before 14 th November, 2015
Third Quarter Results	:	On or before 14 th February, 2016
Audited Results for the year 2015-16	:	On or before 30 th May, 2016

(a) Listing on Stock Exchanges:

Name and Address of the Stock Exchanges	Scrip Code
Bombay Stock Exchange Limited 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001	532683
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	AIAENG

The listing fees for the year 2015-16 have been paid to both the Stock Exchanges.

(b) Market Price Data:

The securities of the Company have been listed on BSE and NSE. The stock market prices were as under:

Month	BSE Sensex	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
		High (₹)	Low (₹)	High (₹)	Low (₹)
April 14	22455.23	622.00	535.60	621.90	537.10
May 14	22493.59	802.50	575.00	804.00	582.10
June 14	24368.96	858.00	754.95	859.90	752.00
July 14	25469.94	807.80	705.00	808.00	701.60
Aug. 14	25753.92	894.00	732.75	893.00	732.65
Sept. 14	26733.18	1032.00	873.35	1031.70	872.70
Oct. 14	26681.47	974.65	866.00	975.00	866.45
Nov.14	27943.04	1229.00	935.00	1238.00	933.60
Dec.14	28748.22	1224.50	1007.50	1216.55	1007.55
Jan.15	27485.77	1185.00	983.95	1189.40	981.45
Feb.15	29143.63	1189.00	1015.55	1178.00	1014.00
Mar.15	29533.42	1361.15	1125.00	1364.20	1124.20

REPORT ON CORPORATE GOVERNANCE**SHARE TRANSFER SYSTEM/ DIVIDEND AND OTHER RELATED MATTERS:****i. Share Transfers:**

Share transfers in physical form are processed and the Share Certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer documents provided the transfer documents lodged with the Company are complete in all respects.

ii. Nomination facility for shareholding:

Pursuant to the provisions of Section 72 of the Companies Act, 2013 and rules made thereunder, facility for making nomination is available for members in respect of Shares held by them. Members holding Shares in physical form may fill the Nomination form attached with the Annual Report or download the same from the website of the Company. Members holding Shares in dematerialized form should contact their Depository Participant (DP) in this regards.

iii. Permanent Account Number (PAN):

Members who hold Shares in physical Form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate Share Certificates.

iv. Dividend:**a. Payment of dividend through National Electronic Clearing Services (NECS):**

The Company provides facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, Members who hold Shares in demat mode should inform their Depository Participant and such of the Members holding Shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue Dividend Warrants to the Members.

b. Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in October, 2015 transfer to the said Fund, the unpaid Dividend for the year ended 31st March, 2008 which have remained unpaid.

v. Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), a Quarterly Reconciliation of Share Capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the Total Share Capital admitted with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and held in physical form, with the issued and listed Capital of the Company. The Practicing Company Secretary's Certificate in regard to this is submitted to BSE Limited and The National Stock Exchange of India Limited and has also been placed before Stakeholders Relationship Committee and the Board of Directors.

(c) Registrar & Transfer Agents:**MUMBAI OFFICE:**

Link Intime India Private Limited
C/13, Pannalal Silk Mills Compound,
Kantilal Maganlal Ind. Estate,
L.B.S. Marg, Bhandup (West), **MUMBAI – 400 078**
Phone No. 022-25946970 Fax No. 022-25946969
Email : mumbai@linkintime.co.in

AHMEDABAD BRANCH OFFICE:

Link Intime India Private Limited
303, 3rd Floor, Shopper's Plaza – V,
Nr. 5 Government Society, Opp. Municipal Market,
C. G. Road, Navrangpura, **AHMEDABAD - 380 009**
Phone – 079-26465179
email:ahmedabad@linkintime.co.in

**REPORT ON CORPORATE GOVERNANCE****(d) Distribution of Shareholding:****(i) Shareholding pattern as on 31st March, 2015.**

Category	No. of Shares held		No. of Shares	% of holding
	Physical	Electronic		
Promoters Shareholding	-	58148920	58148920	61.6506
Mutual Funds & UTI	-	6051784	6051784	6.4162
Banks, FI & Insurance Companies	-	2463	2463	0.0026
Foreign Financial Institutions	-	22871387	22871387	24.2486
NRI's	-	145150	145150	0.1539
Foreign Portfolio Investor (Corporate)	-	1798172	1798172	1.9065
Other Corporate Bodies	-	2308662	2308662	2.4475
Indian Public	3130	2990702	2993832	3.1741
Total	3130	94317240	94320370	100.0000

(ii) Distribution of Shareholding as on 31st March, 2015.

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	13559	93.8664	1116690	1.1839
501 to 1000	337	2.333	259211	0.2748
1001 to 2000	167	1.1561	248505	0.2635
2001 to 3000	81	0.5607	204902	0.2172
3001 to 4000	36	0.2492	131697	0.1396
4001 to 5000	40	0.2761	187496	0.1988
5001 to 10000	51	0.3531	365668	0.3877
10001 & above	174	1.2046	91806201	97.3344
Grand Total	14445	100.0000	94320370	100.0000
Shareholders in Physical Mode	8	0.08	3130	0.0033
Shareholders in Electronic Mode	14437	99.92	94317240	99.9967

(f) Dematerialization of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2015, 94317240 Equity Shares are in Dematerialized Form representing 99.97% of the total 94320370 Equity Share Capital of the Company. The ISIN allotted to the Company's scrip is INE212H01026. The Shares of the Company are actively traded at Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

(g) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

REPORT ON CORPORATE GOVERNANCE
(h) Outstanding Shares in Unclaimed Suspense Account of the Company:

The following Outstanding Shares lying in the Unclaimed Suspense Account of the Company as on 31st March, 2015:

Sr. No.	Particulars	No. of Shareholders	Unclaimed Shares
1	Aggregate No. of Shareholders and the outstanding Shares lying in the Unclaimed Suspense Account at the beginning of the year.	7	700
2	No. of Shareholders approached the Company for transfer of Shares from Unclaimed Suspense Account during the year.	—	—
3	No. of Shareholders to whom Shares were transferred from Unclaimed Suspense Account during the year.	—	—
4	Aggregate No. of Shareholders and the outstanding Shares lying in the Unclaimed Suspense Account at the end of the year.	7	700

(i) Plant Locations:

- 235-236 & Other Plants at G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 410
- 129/129-A, G.V.M.M. Estate, Odhav Road, (erstwhile Reclamation Welding Ltd.) Odhav, Ahmedabad – 382 410
- Plot Nos. 70-77, Survey Nos. 423/P, 426/P & 427/P, Mahagujarat Industrial Estate, Sarkhej-Bavla N. H. 8-A, Village: Moraiya, Post: Changodar, Taluka: Sanand, Ahmedabad – 382 213
- 18/P, 20th Mile Stone, Sarkhej-Bavla N. H. 8-A, Village: Moraiya, Post: Changodar, Taluka: Sanand, Ahmedabad – 382 213
- Plot No. 14, (Survey No. 67, 67A & 70), Girnar Scooter Compound, Odhav Road, Odhav, Ahmedabad – 382 410
- L-3, MIDC Industrial Area, (erstwhile Paramount Centrispun Castings Pvt. Ltd.) Hingna, Nagpur - 440016
- SF No. 514, 5A1, 5A2, 5A3, (erstwhile DCPL Foundries Ltd.) Thathamangalam Village, Kariamianickam Road, S. Pudur, Samayapuram, Trichy - 621 115

(j) Address for Correspondence:

- For transfer / dematerialisation of Shares, change of address of members and other queries:

MUMBAI OFFICE:

Link Intime India Private Limited
C/13, Pannalal Silk Mills Compound,
Kantilal Maganlal Ind. Estate,
L.B.S. Marg, Bhandup (West), **MUMBAI – 400 078**
Phone No. 022-25946970 Fax No. 022-25946969
Email : mumbai@linkintime.co.in

AHMEDABAD BRANCH OFFICE:

Link Intime India Private Limited
303, 3rd Floor, Shopper's Plaza – V,
Nr. 5 Government Society, Opp. Municipal Market,
C. G. Road, Navrangpura, **AHMEDABAD - 380 009**
Phone – 079-26465179
email:ahmedabad@linkintime.co.in

- Any query relating to Dividend, Annual Reports etc.

Mr. S. N. Jetheliya,
Company Secretary & Compliance Officer
AIA Engineering Limited
115, GVMM Estate, Odhav Road, Odhav, **AHMEDABAD-382 410**
Phone No. 079-22901078-81 Fax No. 079-22901077
Investors' related query e-mail : ric@aiaengineering.com

CORPORATE OFFICE:

11-12, Sigma Corporates
B/h. HOF Showroom, Sindhubhavan Road,
Off. S.G. Highway, Bodakdev,
Ahmedabad-380058
Phone No. 079-66047800 Fax No. 079-66047848

Details of Non-Compliance:

There was no non-compliance during the year and no penalty has been imposed or stricture has been passed on the Company by the Stock Exchanges, SEBI or Registrar of Companies (ROC). The Company has obtained a Certificate from Tushar Vora & Associates, Practicing Company Secretaries on Corporate Governance and has attached the certificate with the Boards' Report and the same will be sent to all the Shareholders of the Company. The same certificate shall also be sent to all the concerned Stock Exchanges along with the Annual Reports filed by the Company.

NON-MANDATORY REQUIREMENTS:
a) Chairman of the Board

A Non-Executive Chairman heads the Board of the Company.

b) Shareholder Rights

As the Quarterly and Half Yearly results are published in leading newspapers having wide circulation, the same are not sent to the Shareholders of the Company individually.



REPORT ON CORPORATE GOVERNANCE

PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
AIA Engineering Limited
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by AIA ENGINEERING LIMITED for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.

We state that during the year ended 31st March, 2015, two complaints were received and resolved and hence no Investor Complaint is pending against the Company as on 31st March, 2015 as per the records maintained by the Company and presented to the Stakeholders Relationship Committee and to us.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Tushar Vora & Associates**
Company Secretaries

Sd/-
TUSHAR M.VORA
Proprietor
C.O.P. No.: 1745

Place : Ahmedabad
Date : 19th May, 2015

The above Corporate Governance Report was adopted by the Board of Directors at their meeting held on 19th May, 2015.

DECLARATION

In compliance with Clause 49 of the Listing Agreement, I Bhadresh K. Shah, Managing Director of the Company hereby declares on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2014-15.

Place : Ahmedabad
Date : 19th May, 2015

(Bhadresh K. Shah)
Managing Director

MANAGING DIRECTOR / EXECUTIVE DIRECTOR (FINANCE) CERTIFICATION

To,
The Board of Directors,
AIA Engineering Limited,
Ahmedabad-382 410

We, the undersigned, in our capacities as the Managing Director and Executive Director (Finance) of AIA Engineering Limited (“the Company”) to the best of our knowledge and belief certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2015 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing Accounting Standards, applicable Laws & Regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company’s Code of Conduct.
- (c) We accept responsibility for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the Internal Control System of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors’ and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company’s internal control system over financial reporting.

Bhadresh K. Shah
Managing Director

Kunal D. Shah
Executive Director (Finance)

Place : Ahmedabad
Date : 19th May, 2015

Place : Ahmedabad
Date : 19th May, 2015



MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY OVERVIEW:

AIA Engineering Ltd. (AIAE) manufactures and markets a wide range of High Chromium consumable wear parts (mill internals) which are used in the process of Crushing/Grinding in the Cement, Mining, Thermal Power and Aggregate Industries. These are core industries from an economic stand-point and are the basic drivers of infrastructural development.

The Company employs alloy-casting process for manufacture of the products, which entails designing and choosing the High-Chrome alloy composition in relation to the end application. The casting process is followed by precision heat treatment process to impart the required end properties. Therefore, the Company can generally be classified as a foundry. The Company produces a specific range of high chrome mill internals which are used as wear parts in the Cement, Mining, Utility and Aggregate Industries. Therefore, our market prospects are closely linked to the requirement of wear parts in these industries.

AIAE has a global footprint with sales and service support in more than 120- countries. The world economy has further slowed down during the last financial year with commodity prices softening to all-time lows. In addition, the global cement industry has been undergoing structural issues since last few years and has not witnessed new capacity addition except for a few select countries. Also, capacity utilization in developed countries continues to remain static. In India, the Cement industry, having grown its capacity to 300 million tonnes per annum, seems to have entered a phase of consolidation with new capacity addition having slowed down. The GDP growth forecast of 7% in India pre-supposes an improved manufacturing base and infrastructural push, which makes domestic business prospect for AIAE better.

In Mining Segment, as per our internal estimates, the present annual requirement of consumable wear parts is in the region of around 3 million tons per annum. Bulk of this is presently met by forged components, with around 10% being serviced by high chrome wear parts. Although there has been a significant fall in the commodity prices and therefore the prices of metals over last one year, major mines worldwide remain operational. However, if the commodity prices do not reverse, capital expenditure plans of mining sector may be put on hold and a few of them may also reduce inventories in the short term. On the brighter side, the prospect of conversion of the conventional wear parts into high chrome use is a sizeable opportunity available to AIAE. So far the domestic mining requirement is concerned, it is a small opportunity window that can expand into a reasonable opportunity as and when an effective mining policy is in place. From a strategic perspective, AIAE's current focus is on the global mining opportunity.

In India, in addition to the above two industries, AIAE is also servicing the replacement and new capex requirements of coal fired thermal power plants and is thus directly catering to the power sector. India is expected to narrow the power deficit in future and hence a sustained growth in this particular segment is predictable.

B. SEGMENTWISE PERFORMANCE:

The Company primarily operates in only one segment i.e. manufacturing of High Chrome Mill Internals. In Fiscal Year 2014-15, 27.89% of its total sales came from India while balance 72.11% came from sales outside India.

C. OUTLOOK AND PROSPECTS:

Although the Cement industry continued to remain sluggish in all key markets during the last financial year, there is expectation that to stimulate growth in the sluggish economies - and in India - respective governments will have to resort to infrastructure spending which will trigger improvement in capacity utilization at Cement plants. AIAE will be a beneficiary as and when the same is witnessed. In addition, there are certain specific markets in Asia, Africa and South America, which continue to add capacity or have increased capacity utilization. In China, the Company currently maintains a limited presence by marketing specific products but China continues to remain an important market where we will continue to invest resources and strategize for a bigger market share. In India, while new capacities were created in this segment, the pace has distinctively slowed down. Nevertheless, with the initiatives now being taken to provide stimulus to the Infrastructure Industry, India's cement production is expected to increase in the next financial year and your Company is confident of maintaining a similar growth in the cement replacement market in India.

From a strategic positioning perspective, a significant contribution in your Company's growth is expected to come from the mining industry. The growth prospects are primarily emanating out of the large annual replacement market in this industry. Here, we are currently catering to the requirements of four major metal ore types, viz., Iron, Platinum, Gold and Copper, with total emphasis on the replacement market. Further your Company is positioned as perhaps the only Company in the world offering the complete range of High-Chrome consumables to the mining industry, which include grinding media as well as mining liners. This positioning is unique to your Company and augurs well for the consistent and steady growth in this industry over medium to long term. As the Company is focused on four major ores, the declining fortunes of one commodity do not significantly impact your Company's growth prospects. During last few years, we have steadily increased our presence in the major mining groups across the globe with a stronger focus on major mining centers like Australia, Africa, North America, and the Far East Asia, etc. While the current focus of the Company in mining segment is outside India, your Company also has a major share of the domestic mining demand and shall be able to capture incremental demand as and when the same arises.

In as much as the thermal power plants are concerned the Company continues to enjoy a niche position in this particular segment in India. The Company will strive to maintain a steady growth rate in this particular segment matching with the rate at which the sector grows.

D. CAPEX PLAN:

The Company's effective capacity reached 260,000 Metric Tonnes after successful commission of Moraiya brownfield expansion project during 2014-15. We are on target for the capital expenditure plans for Financial Year 2015-16 and will augment the installed capacity to 340,000 MT by commissioning the first of GIDC Kerala Greenfield Project and augmentation of capacity in the Trichy

MANAGEMENT DISCUSSION AND ANALYSIS

facility. The installed capacity will further be augmented to 440,000 MT when the second phase of the Greenfield expansion in Kerala GIDC is commissioned.

E. RISKS AND CONCERNS:

Given its large exports, the Company is exposed to foreign exchange rate fluctuation risk. The Company closely monitors the Currency movements and has a prudent hedging policy to mitigate this risk.

Another major concern is with regard to fluctuation in the raw material prices. However, the Company has converted major portion of its contracts from fixed price to fluctuating price regime. Again, the Company is closely monitoring raw material price movements and is regularly buying the raw materials during low price cycles so as to average out the impact of price fluctuations.

The Company is exposed to certain operating business risks, similar to most manufacturing companies, which is mitigated by regular monitoring and corrective actions.

F. INTERNAL CONTROL SYSTEM AND THE ADEQUACY:

The Company has proper and adequate systems of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded & reported properly and to ascertain operating business risks, which are mitigated by regular monitoring and corrective actions. The internal control systems have been designed so as to ensure that the financial and other records are reliable and reflect a true and fair view of the state of the Company's business. The Company has successfully migrated to the SAP-ERP system in F.Y. 2010 and this has helped in further strengthening the Internal Control System.

A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them. Similarly the Internal Auditors are also monitoring the Internal Control Systems.

G. FINANCIAL PERFORMANCE REVIEW:

The financial performance of the Company as a whole (on consolidated basis) is as under:-

I. Consolidated Performance:

An analysis of the consolidated performance of the Company is given below:

• Physical Production:

The production achieved is as under:

(Qty.in M.T)

Product	F.Y. 2014-15	F.Y.2013-14
High Chrome Mill Internals	200315	176393

• Sales Turnover (Consolidated):

The comparative position of sales turnover achieved by the Company is as under:

(₹ Lacs)

Particular	F.Y. 2014-15	F.Y.2013-14
Sales in India (Net of Excise)	55,720.05	50,889.40
Sales Outside India	155,054.78	150,787.48
Total	210,774.83	201,676.88

• Key Performance Indicators (Consolidated):

An analysis of the key indicators as percentage to Revenue is given below:

(₹ Lacs)

Particular	F.Y. 2014-15	F.Y.2013-14
1 Revenue from Operations (Net)	218,363.69	208,007.83
2 Cost of Materials Consumed	86,063.29	72,681.49
- % of revenue from operations	39.41%	34.94%
3 Employee Benefits Expense	9,811.13	8,883.53
- % of revenue from operations	4.49%	4.27%
4 Other Expenses	73,911.49	69,269.67
- % of revenue from operations	33.85%	33.30%
5 EBIDTA	66,802.42	50,444.95
- % of revenue from operations	30.59%	24.25%
6 Finance Costs	393.55	636.45
- % of revenue from operations	0.18%	0.31%
7 Depreciation and Amortization Expense	6,974.68	3,814.22
- % of revenue from operations	3.19%	1.84%
8 Profit Before Tax	59,434.19	45,994.28
- % of revenue from operations	27.22%	22.11%
9 Profit After Tax & Minority Interest	43,093.30	32,496.98
- % of revenue from operations	19.74%	15.62%

**MANAGEMENT DISCUSSION AND ANALYSIS****II. Standalone Performance:**

The analysis of standalone performance of the Company is given below:

- Sales Turnover (Standalone):**

The comparative position of sales turnover achieved by the Company is as under:

(₹ Lacs)

Particular	F.Y. 2014-15	F.Y.2013-14
Sales in India (Net of Excise)	56,298.12	49,022.92
Sales Outside India	145,529.91	122,970.36
Total	201,828.03	171,993.28

- Key Performance Indicators (Standalone):**

An analysis of the key indicators as percentage to Revenue is given below:

(₹ Lacs)

Particular	F.Y. 2014-15	F.Y.2013-14
1 Revenue from Operations (Net)	209,402.79	178,301.05
2 Cost of Materials Consumed	73,159.75	57,853.76
- % of revenue from operations	34.94%	32.44%
3 Employee Benefits Expense	6,621.35	5,670.70
- % of revenue from operations	3.16%	3.18%
4 Other Expenses	58,701.98	48,785.78
- % of revenue from operations	28.03%	27.36%
5 EBIDTA	64,625.69	45,785.46
- % of revenue from operations	30.86%	25.68%
6 Finance Costs	339.88	574.07
- % of revenue from operations	0.16%	0.32%
7 Depreciation and Amortization Expense	6,761.45	3,629.48
- % of revenue from operations	3.23%	2.04%
8 Profit Before Tax	57,524.36	41,581.91
- % of revenue from operations	27.47%	23.32%
9 Profit After Tax	41,457.19	28,503.93
- % of revenue from operations	19.80%	15.99%

The Company has faced certain entry level pricing pressure in the Mining Segment. In addition, major currencies where the Company has an exposure, viz. Euro and USD also went through volatility. All these factors have affected the margin to an extent.

H) INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

The Company believes that human resource is the most important asset of the organization. During the year under review, your Company continued its efforts to improve HR related processes, practices and systems to align these to the organizational objectives. Training and development of its employees is ensured through on the job and outside training programs and workshop.

The Company continues to attract excellent talent to further its business interests. Industrial Relations continue to be cordial.

CAUTIONARY STATEMENT:

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities, laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

None of the Senior Management personnel has Financial and Commercial transactions with the Company, where they have personal interest that may emerge as a potential conflict with the interest of the Company at large.

INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF AIA ENGINEERING LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of AIA Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



INDEPENDENT AUDITORS' REPORT

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 31(1)(a) to the Financial Statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the Financial Statements;
 - (iii) There has been no delay in transferring the amount required to be transferred to the Investor Education and Protection Fund by the Company.

For **Talati & Talati**
Chartered Accountants
(Firm Regn No: 110758W)

Anand Sharma
(Partner)
Mem No: 129033

Place of Signature : Ahmedabad
Date : 19th May, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets on the basis of available information.
 - (b) As explained to us, Majority of the Fixed Assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) In respect of its Inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) During the year the Company has not given any loans secured or unsecured to the Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence Clause (iii) (a) and (b) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the Cost Records with the view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(b) The disputed Statutory dues aggregating to ₹4,335.54 Lacs, that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amt. under dispute not yet deposited as on 31 st March, 2015 ₹ Lacs	Periods to which the amount relates (F.Y.)	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	36.13	1998-99 and 1999-2000	Supreme Court
		82.82	2003-04	CESTAT
		5.43	Prior to 2006	High Court
		34.77	2006-07 and 2007-08	CESTAT
		2.34	2006-09	Asst. Commissioner
		436.60	2009-10 to 2011-12	Asst. Commissioner
Finance Act, 1994 (Service Tax)	Service Tax including interest and penalty as applicable	4.74	2007-08	CESTAT
		25.10	2008-09	CESTAT
		8.83	2009-10	CESTAT
		29.38	2010-11	CESTAT
		7.70	2011-12	Asst. Commissioner
		24.69	2011-12	CESTAT
		6.23	2007-08 to 2009-10	Asst. Commissioner/ Divisional Officer
		2.08	2005-06 and 2006-07	CESTAT
		16.37	2010-11 to 2012-13	Commissioner Appeals
		28.39	2012-13	Commissioner Appeals
		87.17	2010-11 to 2013-14	CESTAT
		12.11	2011-12 to 2013-14	Asst. Commissioner/ Divisional Officer
		33.93	2013-14	Asst. Commissioner/ Divisional Officer
		12.11	2010-11 to 2013-14	Asst. Commissioner/ Divisional Officer
		41.00	2013-2014 and 2014-15	Asst. Commissioner/ Divisional Officer
0.62	2014-15	Asst. Commissioner/ Divisional Officer		
Central Sales Tax Act, 1956 & Sales Tax Act of various States	Sales Tax including interest and penalty as applicable	19.76	2001-02	Dy. Commissioner of Commercial Tax (Appeal)
Income Tax Act, 1961	Income Tax including interest and penalty as applicable	17.24	2007-08	CIT (Appeals)
		1,520.34	2008-09	CIT (Appeals)
		1,830.28	2009-10	CIT (Appeals)
		9.38	2007-08	CIT (Appeals)
Total		4335.54		

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

- (c) There has been no delay in transferring the amount required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have any accumulated losses at the end of the Financial Year. The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
- (x) In our opinion the Company has provided Guarantees for Non-fund based limits taken by its Subsidiaries from Banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us, the Term Loans were applied for the purpose for which it is obtained.
- (xii) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud on or by the Company has been noticed or reported for the year under audit.

For **Talati & Talati**
Chartered Accountants
(Firm Regn No: 110758W)

Anand Sharma
(Partner)
Mem No: 129033

Place of Signature : Ahmedabad
Date : 19th May, 2015



BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,886.41	1,886.41
(b) Reserves and Surplus	3	163,278.36	129,318.88
		165,164.77	131,205.29
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	5,507.39	8,671.76
(b) Deferred Tax Liabilities (Net)	5	2,588.60	2,143.71
(c) Long Term Provisions	6	574.71	375.08
		8,670.70	11,190.55
(3) Current Liabilities			
(a) Trade Payables	7	11,286.98	11,968.38
(b) Other Current Liabilities	8	6,641.42	4,460.47
(c) Short-Term Provisions	9	10,512.56	10,253.12
		28,440.96	26,681.97
Total :		202,276.43	169,077.81
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		52,373.39	35,815.13
(ii) Intangible Assets		670.74	862.17
(iii) Capital Work in Progress		4,647.57	9,976.19
(b) Non Current Investments	11	1,490.53	1,491.03
(c) Long term Loans and Advances	12	3,309.19	1,496.29
(d) Other Non Current Assets	13	424.05	98.27
		62,915.47	49,739.08
(2) Current Assets			
(a) Current Investments	14	60,074.86	50,134.96
(b) Inventories	15	22,643.25	21,940.25
(c) Trade receivables	16	22,638.22	22,136.13
(d) Cash and Bank Balances	17	12,389.21	8,298.76
(e) Short-term Loans and Advances	18	21,603.81	16,803.91
(f) Other Current Assets	19	11.61	24.72
		139,360.96	119,338.73
Total :		202,276.43	169,077.81

The accompanying Notes 1 to 34 are integral part of these Financial Statements.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
I. Revenue from Operations	20	214,935.22	184,369.68
Less: Central Excise duty		5,532.43	6,068.63
Revenue from Operations (Net)		209,402.79	178,301.05
II. Other Income	21	13,732.41	3,256.09
III. Total Revenue (I +II)		223,135.20	181,557.14
IV. Expenses:			
Cost of Materials Consumed	22	73,159.75	57,853.76
Purchases of Stock-in-Trade		20,301.10	21,123.34
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	23	(274.67)	(772.90)
Employee Benefits Expense	24	6,621.35	5,670.70
Finance Costs	25	339.88	574.07
Depreciation and Amortization Expense	10	6,761.45	3,629.48
Other Expenses	26	58,701.98	48,785.78
Total Expenses (IV)		165,610.84	136,864.23
V. Profit Before Exceptional items and Tax (III - IV)		57,524.36	44,692.91
VI. Exceptional Items		-	3,111.00
VII. Profit Before Tax (V - VI)		57,524.36	41,581.91
VIII. Tax Expense :			
(1) Current Tax	27	15,540.04	12,899.26
(2) Deferred Tax		527.13	178.72
IX. Profit for the period (VII -VIII)		41,457.19	28,503.93
X. Earnings per Equity Share: (Face Value of ₹ 2/- each)			
Basic and Diluted (₹)	28	43.95	30.22

The accompanying Notes 1 to 34 are integral part of these Financial Statements.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	For the year ended 31 st March, 2015 ₹ Lacs	For the year ended 31 st March, 2014 ₹ Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax & Exceptional Items	57,524.36	41,581.91
Adjustment for		
Add :		
Difference of Provision and payment of Expenses	(411.45)	531.94
Interest and Finance Charges	339.88	340.33
Depreciation (Including adjusted to General Reserve)	6,761.45	3,629.48
Loss on Sale of Assets	19.09	11.47
	6,708.97	4,513.22
Less :		
Interest Income	90.99	160.05
Dividend on Shares	5,442.24	22.84
Dividend on Mutual Fund	2,259.76	1,762.47
Profit on Sale of Assets	9.83	36.19
Profit on Sale of Investments (Net)	607.21	877.55
	8,410.03	2,859.10
Operating Profit Before Working Capital Changes (Increase) / Decrease in Current Assets	55,823.30	43,236.03
Trade and Other Receivables	(5,400.95)	4,142.75
Inventories	(703.01)	(975.96)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	1,822.45	2,654.78
Cash Generated From Operations		
Direct Taxes Paid	(19,070.85)	(11,100.00)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	32,470.94	37,957.60
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	90.99	160.05
Dividend Received on Shares	5,442.24	22.84
Dividend Received on Mutual Fund	2,259.76	1,762.47
Purchase of Fixed Assets	(18,112.41)	(13,299.23)
Purchase of Current Investments	(23,806.39)	(46,896.54)
Investments in Subsidiary Company	-	(45.28)
Proceed from Investments in Joint Venture	0.50	-
Proceeds from Sale of Fixed Assets	61.54	113.60
Proceeds from Sale of Current Investments	14,473.69	15,297.01
Proceeds from Sale of Investment in Subsidiary	-	100.25
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(19590.08)	(42784.83)
C. CASH FLOW USED IN FINANCING ACTIVITIES:		
Proceeds from Secured Long Term Borrowings	-	1181.17
Repayment of Secured Long Term Borrowings	(2,754.43)	(18.20)
Repayment of Secured Short Term Borrowings	-	(4,143.32)
Repayment of Unsecured Short Term Borrowings	-	-
Interest and Finance Charges paid	(339.88)	(340.33)
Dividend paid including Tax	(5,696.10)	(4,411.33)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	(8,790.41)	(7,732.01)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	4090.45	(12,559.24)
Add : Cash and Cash Equivalents balance as at 1st April	8,298.76	20,858.01
Cash and Cash Equivalents as at 31st March	12,389.21	8,298.77

Note: Cash and Cash Equivalents include balances with Scheduled Banks in Unpaid Dividend Accounts ₹ 4.61 Lac (Previous Year ₹ 4.16 Lac) which are not available for the use by the Company.

The accompanying Notes 1 to 34 are integral part of these Financial Statements.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES:****1) Basis of Accounting:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant Provisions of the Companies Act, 2013 ("the Act"). All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

2) Use of Estimates:

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies require, the management to make estimates and assumptions that affects the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3) Revenue Recognition:

Revenue is stated net of rebate and trade discount and excludes Central Sales Tax and State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export Benefits are accounted / recognized on accrual basis.

Dividend on Financial Instruments is recognized as and when realized. Interest is recognized on accrual basis.

4) Fixed Assets:

Tangible Fixed Assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

Intangible Assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses.

Capital work in progress includes cost of assets at sites and construction expenditure.

5) Depreciation:

Depreciation has been provided on Fixed Assets on Straight Line Method as per useful lives specified in Schedule II of the Companies Act, 2013 as amended from time to time.

Amortization of intangible assets takes place on a Straight Line basis over the assets anticipated useful life. The useful life is determined based on the period of the underline contract and the period of time over which the intangible assets is expected to be used.

Software is amortized over a period of 6 years. Patents are amortized over a period of 20 years on straight line basis as the benefits are generally available to the company for more than 10 years. Goodwill is amortized over a period of 5 Years. No amortization is provided for in case of Leasehold Land on Perpetual Lease.

6) Impairment of Assets:

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use, Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. Net Selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sales.

7) Investments:

Investments are classified as Long Term and Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value whichever is lower.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

8) Inventories:

Inventories of Raw Materials and Stores are valued at cost or net realizable value whichever is lower after considering the credit of VAT and Cenvat. Stock in transit and Stock lying at third party premises are valued at cost.

Inventories of Work in Process are valued at lower of cost or net realizable value.

Inventories of Finished Goods are valued at cost or net realizable value whichever is lower. Cost of Finished Goods and Work-in-Progress are determined using the absorption costing principles. Costs include the cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads, Excise duties at the applicable rates are also included in the cost of Finished Goods.

Cost of raw materials, stores and spares are determined on weighted average basis.

Excess / Shortages, if any, arising on physical verification are absorbed in the respective consumption Accounts.

9) Employee Benefit:

(a) Short Term

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

(b) Long Term

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

Other Employee Benefit

Compensated absences which accrue to employees which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

10) Central Excise Duty:

Excise duty is accounted on the basis of payments made in respect of goods cleared.

11) Foreign Currency Transactions:

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account, except it pertains to Fixed asset, where in such difference adjusted to Carrying amount of Fixed Asset. In addition, exchange difference on Long Term Liability, where they relate to acquisition of fixed assets, in which case they are adjusted to carrying cost of such assets. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates, and unrealized translation differences are included in the Profit and Loss Account.

Investments in foreign currency (non-monetary items) are reported using the exchange rate at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS****Derivative instruments and hedge accounting**

The Company strictly uses foreign currency forward contracts / Interest Rate Swap to hedge its risks associated with foreign currency / Interest Rate fluctuations relating to certain forecasted transactions. Effective 30th September, 2013, the Company designates these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS 30), to the extent it does not conflict with Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

Foreign currency forward contract / Interest Rate Swap derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the underlying item hedged are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in Hedging Reserve and be reclassified to the Statement of Profit and Loss in the same period or periods during which the formerly hedged transaction is reported in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognized in Hedging Reserve is transferred to the Statement of Profit and Loss.

12) Borrowing Cost:

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

13) Earning per Share:

Basic earning per share is calculated by dividing the net Profit After Tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

14) Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

15) Product Warranty Expenses :

Product warranty expenses are determined based on Company's historical experience and estimates are accrued in the year of Sale.

16) Taxation on Income :

- (a) Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.
- (b) Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realized in future.

17) Cash Flow Statement :

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, Balances with Schedule Bank and Short term highly liquid financial instruments which are readily convertible into cash and have original maturities of three months or less from date of purchase.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

2. Share Capital:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	AUTHORISED SHARE CAPITAL 230,000,000 Equity Shares of ₹ 2 each (Previous Year 230,000,000 Equity Shares of ₹ 2 each)	4,600.00	4,600.00
	Total	4,600.00	4,600.00
2	ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL 94,320,370 Equity Shares of ₹ 2 each fully paid up (Previous Year 94,320,370 Equity Shares of ₹ 2 each fully paid up)	1,886.41	1,886.41
	Total	1,886.41	1,886.41

2.1 The reconciliation of the number of Equity Shares outstanding as at 31st March, 2015 and 31st March, 2014 is set out below:

	As at 31 st March, 2015		As at 31 st March, 2014	
	No of shares	₹ Lacs	No of shares	₹ Lacs
Equity Shares				
Shares outstanding at the beginning of the year	94320370	1,886.41	94320370	1,886.41
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	94320370	1,886.41	94320370	1,886.41

2.2 Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹2 each. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March, 2015, the amount of Dividend proposed by the Board of Directors of the Company to the Equity Share holders is ₹8.00 per Share (Previous Year ₹6 per Share)

2.3 The details of Shareholders holding more than 5% shares are set out below:

Name of the shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares	% of holding	No of Shares	% of holding
Bhadresh K. Shah	58128900	61.63%	39626875	42.01%
Bhadresh K. Shah Karta of Bhadresh K. Shah H.U.F.	-	-	18502025	19.62%
Nalanda India Equity Fund Ltd.	7918845	8.40%	7918845	8.40%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS
3. Reserves & Surplus:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Capital Redemption Reserve	1,925.74	1,925.74
2	Securities Premium Reserve	26,579.52	26,579.52
3	Other Reserves		
	General Reserve		
	Balance as per last Financial year	12,202.98	9,351.98
	Less : Adjustment relating to Fixed Assets (Refer Note No:10.1)	159.71	-
	Add : Transferred from Statement of Profit & Loss	4,146.00	2,851.00
		<u>16,189.27</u>	<u>12,202.98</u>
4	Surplus in Statement of Profit & Loss		
	Balance as per last Financial year	87,664.19	68,628.21
	Add : Profit for the year	41,457.19	28,503.93
	Less : Appropriations		
	Transferred to General Reserve	4,146.00	2,851.00
	Proposed Dividend on Equity Shares (Dividend per Share ₹8.00 (Previous Year ₹ 6))	7,545.63	5,659.22
	Tax on Dividend	1,534.17	957.73
		<u>115,895.58</u>	<u>87,664.19</u>
5	Hedging Reserve Account		
	Balance as per last Financial year	946.45	-
	Add/ (Less) : Mark to Market of Hedging Instruments designated and effective as Hedges of Future Cash Flow.	1,741.80	946.45
		<u>2,688.25</u>	<u>946.45</u>
	Total	163,278.36	129,318.88

4. Long Term Borrowings:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Term Loan (Secured)		
	From banks		
	- External Commercial Borrowings	5,437.39	8,236.53
	- Foreign Currency Loan Buyer's Credit	-	342.91
2	Deferred Payment Liabilities * (Unsecured)	70.00	92.32
	Total	5,507.39	8,671.76

4.1 Terms of repayment for External Commercial Borrowings:

External Commercial Borrowings (ECB) of US \$ 18700000 is secured by hypothecation of Identified Plant and Machineries procured from it and installed at Moraiya Unit (M1) of the Company mentioned in Hypothecation Agreement. The Loan is repayable in 15 equal quarterly instalments of US\$ 1246667 after a moratorium period of 18 months from the date of first draw-down i.e.3rd October, 2012. The loan carries a floating interest rate of 285 bps 3M LIBOR to be reset at every 3 months. We have entered in to an interest rate swap to convert the loan to 4.1% fixed rate of interest. The first Instalment was due on 3rd April, 2014 and the loan will be fully re-paid on 3rd October, 2017.

Repayment of External Commercial Borrowings (ECB)

2016-17

2017-18

₹ Lacs

3,107.08

2,330.31

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

4.2 Terms of repayment for Buyers Credit:

The Company has availed Buyer's Credit of GBP 330204.10 and EURO 14840.46 are secured by first and exclusive charge over specific Plant and Machinery being imported. The Buyer's Credit loans are repayable at 4th January, 2016 and 9th February, 2016 respectively. The Interest rates are determined as a spread over 90 /180 days LIBOR and the spread is a function of liquidity available with the Bank. The Buyer's Credit finance arranged in this financial year has been at a spread of 150 bps over LIBOR.

4.3 Terms of repayment for deferred payment liabilities are as set out below:

Repayment of Deferred Sales Tax under Package Scheme of Incentives 1993		₹ Lacs
	2016-17	18.96
	2017-18	17.48
	2018-19	13.72
	2019-20	19.84

* Deferred Sales Tax under Package Scheme of Incentives 1993 of Maharashtra for erstwhile Paramount Centrispun Castings Pvt.Ltd.

5. Deferred Tax Liability (Net):

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	DEFERRED TAX LIABILITIES: Arising on account of timing difference - Fixed Assets : Impact of difference between Tax Depreciation and Depreciation/amortization charged for the financial reporting	2,762.91	2,284.64
	TOTAL DEFERRED TAX LIABILITIES (A)	2,762.91	2,284.64
2	Less : DEFERRED TAX ASSETS : Arising on account of timing difference - Leave Encashment - Others	172.00 2.31	140.93 -
	TOTAL DEFERRED TAX ASSETS (B)	174.31	140.93
	Total (A - B)	2,588.60	2,143.71

6. Long Term Provisions:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Provision for Employee Benefits (Refer Note No : 24.1) Provision for Leave Encashment Provision for Gratuity	450.08 124.63	371.45 3.63
	Total	574.71	375.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS
7. Trade Payables:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Due to Micro, Small and Medium Enterprises *	-	-
2	Other than Micro, Small and Medium Enterprises # Trade payables to the Subsidiaries are as under.	11,286.98	11,968.38
	# Includes dues to : Subsidiaries	Maximum due during the year 906.16 Previous Year 741.49	-
	Total	11,286.98	11,968.38

* The Company has not received information from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act, have not been made.

8. Other Current Liabilities:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Current Maturity of Long Term Debt	3,444.78	3,053.04
2	Unpaid Dividend *	4.61	4.45
3	Other Payables #	3,192.03	1,402.98
	Total	6,641.42	4,460.47

* There has been no delay in transferring the amount required to be transferred to Investor Education and Protection Fund.

Includes Statutory dues and advances from customers.

9. Short Term Provisions:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Provision for employee benefits ; (Refer Note No.:24.1)		
	- Provision for Bonus	443.18	402.62
	- Provision for Gratuity	118.92	84.90
	- Provision for Leave Encashment	55.95	39.77
2	Others :		
	- Provision for Income Tax (Net of Advance Tax)	-	2085.18
	- Proposed Dividend	7,545.63	5,659.22
	- Provision for Corporate Tax on Dividend	1,534.17	957.73
	- Provision for Expenses	513.69	838.70
	- Provision for Product Warranties Claims	301.02	185.00
	Total	10,512.56	10,253.12



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

10. Fixed Assets:

TANGIBLE ASSETS:									₹ Lacs
	Free hold Land	Lease hold Land*	Buildings	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipments	Others**	TOTAL
As at 1st April, 2013	2,628.71	1,333.44	16,406.02	23,618.31	1,289.80	358.12	162.18	2,623.39	48,419.97
On Amalgamation	4.19	-	507.33	1,237.42	11.90	5.03	1.15	185.56	1,952.58
Addition	341.73	-	1,609.09	1,539.64	104.27	87.99	35.54	397.15	4,115.41
Disposal / Adjustments	-	-	9.03	86.59	17.27	118.61	2.41	11.65	245.56
As at 31st March, 2014	2,974.63	1,333.44	18,513.41	26,308.78	1,388.70	332.53	196.46	3,194.45	54,242.40
Addition	-	905.09	3,866.03	***17,172.64	94.45	49.14	18.10	1,284.98	23,390.43
Disposal / Adjustments	-	-	-	115.61	0.53	94.67	-	17.11	227.92
As at 31st March, 2015	2,974.63	2,238.53	22,379.44	43,365.81	1,482.62	287.00	214.56	4,462.32	77,404.91
Depreciation									
As at 1st April, 2013	-	-	2,128.66	10,773.85	351.75	142.04	69.07	1,266.71	14,732.08
On Amalgamation	-	-	44.08	280.27	1.35	1.06	0.09	50.53	377.38
Charge for the year	-	-	606.13	2,390.31	76.43	34.33	9.44	357.84	3,474.48
Disposal / Adjustments	-	-	5.10	64.68	16.16	57.57	2.29	10.87	156.67
As at 31st March, 2014	-	-	2,773.77	13,379.75	413.37	119.86	76.31	1,664.21	18,427.27
Charge for the year	-	-	692.01	4,995.14	187.57	38.47	39.89	566.34	6,519.42
Consequent upon change in the useful life	-	-	5.52	163.78	11.19	0.69	19.94	40.83	241.95
Disposal / Adjustments	-	-	-	94.61	0.36	46.02	-	16.13	157.12
As at 31st March, 2015	-	-	3,471.30	18,444.06	611.77	113.00	136.14	2,255.25	25,031.52
Net Block									
As at 31st March, 2014	2,974.63	1,333.44	15,739.64	12,929.03	975.33	212.67	120.15	1,530.24	35,815.13
As at 31st March, 2015	2,974.63	2,238.53	18,908.14	24,921.75	870.85	174.00	78.42	2,207.07	52,373.39
CAPITAL WORK IN PROGRESS:									
As at 31st March, 2014									9,976.19
As at 31st March, 2015									4,647.57

INTANGIBLE ASSETS:

				₹ Lacs		
	Goodwill	Software	Patents and Copyrights	TOTAL		
Cost of Assets						
As at 1st April, 2013	-	370.05	22.97	393.02		
On Amalgamation	767.81	-	-	767.81		
Addition	-	1.22	8.13	9.35		
Disposal / Adjustments	-	-	-	-		
As at 31st March, 2014	767.81	371.27	31.10	1,170.18		
Addition	-	48.05	2.55	50.60		
Disposal / Adjustments	-	-	-	-		
As at 31st March, 2015	767.81	419.32	33.65	1,220.78		
Amortization						
As at 1st April, 2013	-	150.65	2.36	153.01		
On Amalgamation	-	-	-	-		
Charge for the year	153.56	0.04	1.40	155.00		
Disposal / Adjustments	-	-	-	-		
As at 31st March, 2014	153.56	150.69	3.76	308.01		
Charge for the year	153.56	86.79	1.68	242.03		
Consequent upon change in the useful life	-	-	-	-		
Disposal / Adjustments	-	-	-	-		
As at 31st March, 2015	307.12	237.48	5.44	550.04		
Net Block						
As at 31st March, 2014	614.25	220.58	27.34	862.17		
As at 31st March, 2015	460.69	181.84	28.21	670.74		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

- 10.1** During the year, the Company has calculated depreciation on certain Fixed Assets as per the useful life specified in Part C of Schedule II of the Companies Act, 2013 or useful life re-assessed by the Company on which useful life is different from those specified in Part C of Schedule II of Companies Act, 2013. However, Consequent to the Notification dated 29th August, 2014 of Ministry of Corporate Affairs, Govt. of India, New Delhi, Company has decided to calculate the Depreciation on its all Fixed Asset based on their useful lives prescribed in Part "C" of Schedule II of the Companies Act, 2013. Accordingly, the Company has also recomputed the Depreciation for the year on this line, which has resulted into excess Depreciation of ₹2,207.62 Lacs during this year. Considering the above, Depreciation of ₹ 241.95 Lacs and Deferred Tax of ₹ 82.24 Lacs thereon, on account of Assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to General Reserve.
- 10.2*** Leasehold land held by the Company is acquired from Kerala GIDC, Ahmedabad, Gujarat is in the nature of Perpetual Lease, hence no depreciation has been provided on such Leasehold Land.
- 10.3**** Others Includes Electrical Installations, Laboratory Equipments, Computer Hardware.
- 10.4***** Includes Plant & Machineries of ₹5,870.63 Lacs Acquired & installed but not put to use and on which no depreciation has been calculated.

11. Non Current Investments:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	LONG TERM INVESTMENTS		
	Trade Investments (Valued at Cost)		
A	Investment in Equity Instrument		
1	INVESTMENT IN SUBSIDIARY COMPANIES :		
	(a) Fully paid Equity Shares (Quoted)		
	477661 Equity Shares of Welcast Steels Ltd. of ₹ 10 each fully paid up. (Previous year 477661 Equity Shares)	1,341.05	1,341.05
	(b) Fully paid Equity Shares (Unquoted)		
	32,500 Equity Shares of Vega Industries (Middle East) FZE, U.A.E. of US\$ 10 each fully paid up (Previous year 32,500 Equity Shares)	149.39	149.39
2	INVESTMENT IN JOINT VENTURE : (Unquoted)		
	5000 Equity Shares of Polyex Minerals Pvt. Ltd. of ₹ 10 each fully paid up. (Previous year 5000 Equity Shares)	-	0.50
3	INVESTMENT IN OTHER COMPANY : (Unquoted)		
	25 Equity Shares of Koramangla Properties Pvt. Ltd. of ₹ 100 each fully paid up (Previous year 25 Equity Shares)	0.03	0.03
B	INVESTMENT IN GOVERNMENT SECURITIES : (Unquoted)		
	National Savings Certificates	0.06	0.06
	AGGREGATE QUOTED UNQUOTED		
	Cost	1341.05	149.48
	Previous Year	1341.05	149.98
	Market Value	2784.76	-
	Previous Year	1432.98	-
	Total	1,490.53	1,491.03

12. Long Term Loans and Advances:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Unsecured, Considered Good unless otherwise stated :		
1	Capital Advances	2,668.44	1,324.70
2	Advance Income Tax (Net of Provision)	509.09	-
3	Other Loans & Advances		
	Loans and Advances to Staff	131.66	171.59
	Total	3,309.19	1,496.29



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

13. Other Non Current Assets:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Long Term Trade Receivables		
	Unsecured, Considered Good :	117.68	83.24
2	Others *	306.37	15.03
	Total	424.05	98.27

* Others includes Bank FD more than 12 months and Interest Receivable thereon.

14. Current Investments:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Investment in Mutual Fund (Unquoted) (Valued at Cost unless otherwise stated)		
1	HDFC Cash Management Fund Savings Plan Growth 38874701.840 Units NAV of ₹29.1838 each (Previous year 53102280.324 Units NAV of ₹10.6364 each)	11,015.96	5,648.17
2	HDFC FMP 366 days March 2014 (I) NIL Units NAV of ₹NIL each (Previous year 50000000 Units NAV of ₹10.0573 each)	-	5,000.00
3	ICICI Prudential FMP Series 67 NIL Units NAV of ₹NIL each (Previous year 15919820 Units NAV of ₹10.8712 each)	-	1,591.98
4	ICICI Prudential Liquid Regular Plan Growth 5402034.328 Units NAV of ₹206.857 each (Previous year 5005955.391 Units NAV of ₹100.0662 each)	10,849.88	5,008.48
5	ICICI Prudential FMP Series 73-391 Days 50000007 Units NAV of ₹10.4352 each (Previous year 50000007 Units NAV of ₹10.0798 each)	5,000.00	5,000.00
6	State Bank of India Premier Liquid Fund Plan DDR 1057501.684 Units NAV of ₹1003.25 each (Previous year 1328980.484 Units NAV of ₹1003.25 each)	10,609.38	13,333.00
7	State Bank of India Debit Fund Series A-11 385 Days 50000073.827 Units NAV of ₹10.4182 each (Previous year 50000073.827 Units NAV of ₹10.069 each)	5,000.00	5,000.00
8	State Bank of India Premier Liquid Fund Growth 310320.261 Units NAV of ₹2195.7218 each (Previous year NIL Units NAV of ₹NIL each)	6,616.88	-
9	Birla Sunlife Cash Plus Growth Regular Plan 5044034.769 Units NAV of ₹224.2841 each (Previous year 4992712.341 Units NAV of ₹100.3288 each)	10,982.76	5,002.45
10	Birla Sunlife Quarterly Internal Fund Series-1 NIL Units NAV of ₹NIL each (Previous year 15259083.274 Units NAV of ₹10.1059 each)	-	1,526.99
11	Birla Sunlife Fixed Term Plan Series K NIL Units NAV of ₹NIL each (Previous year 30238898 Units NAV of ₹10.0683 each)	-	3,023.89
	AGGREGATE		
	Cost	NIL	60074.88
	Previous Year	NIL	50134.96
	Market Value	NIL	61352.23
	Previous Year	NIL	50419.91
	Total	60,074.86	50,134.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS
15. Inventories:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	(As taken, valued & certified by the Management) (At lower of cost or Net Realisable Value)		
1	Raw Materials	6,117.36	6,036.02
2	Raw Materials in Transit	1,426.17	2,073.17
3	Work in progress	8,746.95	8,472.28
4	Stores & Spares	6,045.66	5,352.86
5	Stores and Spares in Transit	307.11	5.92
	Total	22,643.25	21,940.25

16. Trade Receivables:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Unsecured, considered Good : *		
	Outstanding for more than six months	1,294.78	883.24
	Others	21,343.44	21,252.89
	(*) Includes Receivables from :		
	Maximum due during the year		
	Welcast Steels Ltd.	163.65	10.19
	Previous Year	34.88	-
	Vega Industries (Middle East) FZE U.A.E.	12212.15	9,074.08
	Previous Year	15760.93	11,573.33
	Vega Industries Ltd. U.K.	65.84	55.30
	Previous Year	65.84	65.84
	Total	22,638.22	22,136.13

17. Cash & Bank balances:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Cash & Cash Equivalent		
	(a) Balances with Schedule Banks	8,980.57	4,346.50
	(b) Cash on Hand	9.57	6.68
	(c) Others		
	- In Fixed Deposits	3,107.99	3,657.39
	Sub Total (A)	12,098.13	8,010.57
2	Other Bank Balances		
	(a) Fixed Deposits with Banks		
	- Less than 12 months	286.47	283.74
	- More than 12 months	298.99	12.99
	(b) Earmarked balances with Banks (Unpaid Dividend)	4.61	4.45
		590.07	301.18
	Less : Bank Fixed Deposits for more than 12 months transferred to Non Current Assets	(298.99)	(12.99)
	Sub Total (B)	291.08	288.19
	Total (A+B)	12,389.21	8,298.76

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

18. Short Terms Loans and Advances:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Unsecured, considered Good : Loans & Advances to related parties : (Refer Note No.29) *	-	-
	(*) Includes Receivables from : Maximum due during the year		
	Welcast Steels Ltd. 1561.94	-	-
	Previous Year 2240.63		
2	Others : Advances to Suppliers Prepaid Expenses Sundry Deposits and Advances Balance with Statutory / Government authorities Loans and Advances to Staff Hedging Instruments	1,752.79 131.94 618.58 15,809.18 140.81 3,150.51	1,932.16 113.34 583.80 12,801.51 138.37 1,234.73
	Total	21,603.81	16,803.91

19. Other Current Assets:

Sr. No	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Interest Accrued on Investments	11.61	24.72
	Total	11.61	24.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS
20. Revenue from Operations:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Revenue from Operations		
	Sale of Products - High Chrome Mill Internals (Castings)		
	Domestic Sales	56,298.12	49,022.92
	Export Sales	145,529.91	122,970.36
2	Other Operating Revenue	201,828.03	171,993.28
	Exports Incentives	7,574.76	6,307.77
	Total	209,402.79	178,301.05

21. Other Income:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Interest #	90.99	160.05
2	Dividend from Mutual Funds (Current Investment)	2,259.76	1,762.47
3	Dividend from subsidiary (Trade Investment)	5,442.24	22.84
4	Profit on Sale of Mutual Fund Units (Current Investment) (Net)	607.21	876.77
5	Other Non Operating Income		
	- Gain on Exchange Rate Fluctuation	5,034.09	-
	- Profit on Sale of Fixed Assets	9.83	36.18
	- Insurance Claim received	31.81	32.65
	- Miscellaneous Receipts	143.95	185.87
	- Service Tax draw back Income	109.17	93.23
	- Sales Tax Refund	3.36	36.24
	- Sundry balances written back	-	49.79
	Total	13,732.41	3,256.09

Interest amount mainly includes Interest on Fixed Deposits, Staff Loan and Refund of Income tax.

22. Cost of Materials Consumed:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
	Opening Stock	8,109.19	8,197.00
	Add : Purchases	72,594.09	57,765.95
	= Sub Total	80,703.28	65,962.95
	Less: Closing Stock	7,543.53	8,109.19
	Total	73,159.75	57,853.76

23. Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Opening Stock : Work in Progress	8,472.28	7,699.38
	Less :		
2	Closing Stock : Work in Progress	8,746.95	8,472.28
	Total	(274.67)	(772.90)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

24. Employee Benefits Expense:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Salaries, Wages and Bonus	5,916.23	5,151.07
2	Contribution to Provident Fund / ESIC / Gratuity	649.73	436.21
3	Staff Welfare Expenses	55.39	83.42
	Total	6,621.35	5,670.70

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	2014-15 ₹ Lacs	2013-14 ₹ Lacs
Employer's Contribution to Provident Fund	304.08	268.90

Defined Benefit Plan:

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Reconciliation of opening and closing balances of Defined Benefit obligation:

	2014-15 ₹ Lacs	2013-14 ₹ Lacs	2014-15 ₹ Lacs	2013-14 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Defined Benefit obligation at beginning of the year	1,097.74	1,019.80	411.22	415.16
Current Service Cost	92.32	84.62	56.02	51.35
Interest Cost	94.43	78.81	35.61	31.25
Actuarial (Gain) / Loss	158.21	8.25	128.82	(27.82)
Benefits paid	(28.60)	(93.74)	(125.64)	(58.72)
Defined Benefit obligation at year end	1,414.10	1,097.74	506.03	411.22

Reconciliation of opening and closing balances of fair value of plan assets:

	2014-15 ₹ Lacs	2013-14 ₹ Lacs	2014-15 ₹ Lacs	2013-14 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Fair value of plan assets at beginning of the year	1,009.18	853.13		
Expenses deducted from the fund	(1.02)	-		
Expected return on plan assets	87.52	77.74		
Actuarial Gain / (Loss)	15.06	7.77		
Employer contribution	88.56	164.28		
Benefits paid	(28.60)	(93.74)		
Fair Value of plan assets at year end	1,170.70	1,009.18		
Actual return on plan assets	102.58	85.51		
			Not applicable as leave Liability is not funded	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Reconciliation of fair value of assets and obligations:

	2014-15 ₹ Lacs	2013-14 ₹ Lacs	2014-15 ₹ Lacs	2013-14 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Fair value of plan assets	1,170.70	1,009.18	-	-
Present value of obligation	1,414.10	1,097.74	506.03	411.22
Amount recognized in Balance Sheet	243.40	88.56	506.03	411.22

Expense recognised during the year:

	2014-15 ₹ Lacs	2013-14 ₹ Lacs	2014-15 ₹ Lacs	2013-14 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Current Service Cost	92.32	84.62	56.02	51.35
Interest Cost	94.43	78.81	35.61	31.25
Expected return on plan assets	(87.52)	(77.74)	-	-
Actuarial (Gain) / Loss	143.15	0.48	128.82	(27.82)
Net cost	242.38	86.17	220.45	54.78

Investment Details:

	2014-15	2013-14	2014-15	2013-14
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Government of India Securities	7%	9%	Not applicable as leave Liability is not funded	
Public Securities	9%	14%		
State Government Securities	3%	3%		
Insurance Policies	78%	66%		
Others	3%	8%		

Actuarial assumptions:

	2014-15	2013-14	2014-15	2013-14
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Mortality Table	LIC (2006-08)	LIC (2006-08)	LIC (2006-08)	LIC (2006-08)
Discount rate	7.80%	9.10%	7.80%	9.10%
Expected rate of return	8.75%	8.75%	-	-
Rate of escalation in salary	8.00%	8.00%	8.00%	8.00%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Amount for the current and previous four periods are as follows:

₹ Lacs

	31 st March, 2015	31 st March, 2014	31 st March, 2013	31 st March, 2012	31 st March, 2011
Gratuity (Funded)					
Defined Benefit obligation	1,414.10	1,097.74	1,017.41	831.49	734.85
Plan assets	1,170.70	1,009.18	853.13	737.25	627.63
Surplus / (Deficit)	242.38	86.17	164.28	94.24	107.21
Experience adjustments on plan liability	10.31	18.37	55.69	65.68	47.71
Experience adjustments on plan assets	(15.07)	(7.77)	(5.83)	(8.92)	(6.35)
Leave Encashment (Unfunded)					
Defined Benefit obligation	506.03	411.22	413.02	298.03	251.78
Experience adjustments on plan liability	87.29	(27.97)	74.57	42.15	33.55

Company's estimate of Contributions expected to be paid during Financial Year 2014-15 is as under:

(i) Defined Contribution Plan :

- Employer's contribution to Provident Fund : 12% of Basic Salary

(ii) Defined Investment Plan :

(a) Gratuity ₹ in Lacs : 243.40

(b) Leave encashment : Not applicable as Leave Liability is not funded

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

25. Finance Costs:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Interest Expense		
	- For Borrowings	294.93	128.47
	- For Income Tax	40.00	202.00
	- For Others	4.95	9.86
2	Other Borrowing Costs	-	2.69
3	Applicable net loss on foreign currency transactions and translation	-	231.05
	Total	339.88	574.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

26. Other Expenses:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Manufacturing Expenses		
	Consumption of Stores		
	Opening Stock	5,358.78	5,067.91
	Add : Purchases	20,460.95	17,048.77
	= Sub Total	25,819.73	22,116.68
	Less : Closing Stock	6,352.77	5,358.78
		19,466.96	16,757.90
	Power and Fuel	20,010.57	14,424.34
	Labour Charges	5,137.47	4,580.30
	Freight Inward, Octroi, Coolies and Cartages	1,429.53	1,000.63
	Repairs and Maintenance		
	- To Buildings	177.06	120.63
	- To Plant and Machineries	575.56	402.54
	- To Other Assets	215.86	147.14
	Rent Expenses	114.55	80.46
2	Selling and Distribution Expenses		
	Freight Outward, Coolies and Cartages	8,057.20	7,056.13
	Commission Expenses	122.49	88.65
	Travelling Expenses		
	- For Directors	38.07	15.22
	- For Staff and Guests	359.60	307.85
	Sales Promotion / Gift Expenses	24.66	39.27
	Advertisement Expenses	9.39	12.76
	Product Warranty Expenses	197.00	36.03
	Late Delivery Charges	42.00	9.81
	Bad Debts	30.86	8.57
	Central Excise Duty and CVD	57.52	35.69
	Sales Tax	1.26	4.11
3	Administrative Expenses		
	Insurance Premium Expenses	256.18	205.89
	Rent Expenses	94.78	31.04
	Rates and Taxes	41.15	44.98
	Service Charges	3.91	3.60
	Directors' Sitting Fees	3.35	2.50
	Payments to Auditors		
	- As Auditor		
	Statutory Audit fees	13.00	13.00
	Tax Audit Fees	1.50	1.50
	- For Other Services	3.30	2.49
	Legal and Professional Consultancy Fees	672.81	725.38
	Bank Commission Charges	185.00	137.89



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

26. Other Expenses: (Contd...)

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
3	Administrative Expenses (Contd...)		
	Printing and Stationery Expenses	25.29	26.33
	Postage, Telephones, Courier, Internet & E-mail	105.49	105.91
	Computer Expenses	1.58	1.27
	Vehicle Repairs and Maintenance	85.36	85.50
	Conveyance Expenses	222.34	161.35
	Security Expenses	410.68	382.99
	Subscription and Membership Fees	26.04	10.47
	Entertainment Expenses	11.06	13.90
	Donation Expenses	22.61	28.94
	Seminar Expenses	10.26	8.39
	License Fees	8.07	3.70
	Inspection Charges	14.17	14.96
	Water Charges	42.77	30.12
	Office Expenses	39.14	29.34
	Electricity Expenses	20.17	7.59
	Tender Fees	1.00	2.88
	Service Tax	19.63	31.64
	Garden Expenses	20.99	10.49
	Festival Celebration Expenses	13.87	18.75
	Factory GVMM / GIDC Administrative Charges	14.75	20.49
	CSR Expenses	114.47	7.08
	Recruitment and Training Expenses	10.62	7.57
	Loss on Exchange Rate Fluctuation	-	1,423.50
	Loss on Sale of Fixed Assets	19.09	11.47
	Sundry Balance Written Off	40.30	-
	General / Miscellaneous Expenses	59.64	44.85
	Total	58,701.98	48,785.78

26.1 C. I. F. Value of Imports:

		2014-15 ₹ Lacs	2013-14 ₹ Lacs
1	Raw Materials - Scrap	9,192.25	4,813.43
2	Raw Materials - Ferro Alloys	11,787.29	6,809.91
3	Stores	2,938.92	2,850.82
4	Capital Goods	1,221.80	1,959.69

26.2 Expenditure in Foreign Currency:

		2014-15 ₹ Lacs	2013-14 ₹ Lacs
1	Travelling Expenses	195.27	173.72
2	Legal and Professional Consultancy Fees	16.13	185.46
3	Bank Charges	8.95	18.80
4	Subscription and Membership Fees	5.15	2.96
5	Interest on ECB /Buyer's Credit Loan	88.93	-
6	Compensation for Dismissal of Litigation	-	3,111.00
7	Others	7.49	22.23
	Total	321.92	3,514.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

26.3 Value of Imported and Indigenous Raw Materials, Stores & Spares consumed and percentage thereof:

		2014-15 ₹ Lacs	2013-14 ₹ Lacs
a)	Raw Materials		
1	Imported - Scrap	9,212.09	6,590.00
	Percentage	12.59%	11.39%
2	Imported - Ferro Alloys	12,259.31	7,863.19
	Percentage	16.76%	13.59%
3	Indigenous - Scrap	29,382.60	24,877.79
	Percentage	40.16%	43.00%
4	Indigenous - Ferro Alloys	22,305.75	18,522.78
	Percentage	30.49%	32.02%
	Total	73,159.75	57,853.76
b)	Stores & Spares		
1	Imported	3,169.65	2,019.03
	Percentage	16.28%	12.05%
2	Indigenous	16,297.31	14,738.87
	Percentage	83.72%	87.95%
	Total	19,466.96	16,757.90

26.4 Earning in Foreign Exchange

		2014-15 ₹ Lacs	2013-14 ₹ Lacs
1	Export of Goods	145,529.91	122,970.36
2	Dividend Received from Subsidiaries	5,418.36	-
3	Miscellaneous Receipts (Corporate Guarantee Charges recovered)	133.46	133.82
	Total	151,081.73	123,104.18

27. Current Tax:

Sr. No	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2013 ₹ Lacs
1	Current Tax	16,460.00	12,898.00
2	Short/(Excess) Provision for earlier years	(919.96)	1.26
	Total	15,540.04	12,899.26

28. Earning Per Share:

Sr. No	Particulars		Year ended 31 st March, 2015	Year ended 31 st March, 2014
1	Net Profit attributable to the Equity Shareholders(₹ Lacs)	A	41,457.19	28,503.93
2	Weighted average number of Equity Shares outstanding during the period (Nos.)	B	94320370	94320370
3	Nominal value of Equity Shares (₹)		2	2
4	Basic/Diluted Earnings per Share (₹)	A / B	43.95	30.22

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS****29. Related party disclosures under Accounting Standard 18:****(i) Subsidiaries:**

1. Welcast Steels Limited, Bangalore
2. Vega Industries (Middle East) FZE, U.A.E.
3. Vega Industries Ltd., U.K.
4. Vega Industries Ltd., U.S.A.
5. Vega Steel Industries (RSA) PTY Ltd., South Africa
6. Wuxi Weigejia Trade Co. Ltd., China

(ii) Relatives of Key Management Personnel:

1. Mrs. Giraben K. Shah
2. Mrs. Gitaben B. Shah
3. Mrs.Khushali Samip Solanki
4. Mrs.Bhumika Shyamal Shodhan
5. AB Tradelink Ltd.
6. Powertec Engineering Pvt. Ltd.
7. Vee Connect Travels Pvt.Ltd.
8. Discuss IT Pvt Ltd.

(iii) Key Management Personnel:

1. Mr.Bhadresh K. Shah (Managing Director)
2. Mr.Yashwantbhai M. Patel (Whole-time Director)
3. Dr. S. Srikumar (Non Executive Director)

Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2015:

₹ Lacs

Sr. No	Nature of Transactions	Subsidiaries	Relatives of Key Management Personnel	Management Personnel
1	Revenue from Operations	144,614.08	NIL	NIL
2	Miscellaneous receipt of Income	133.46	NIL	NIL
3	Purchase of Goods	21,989.10	NIL	NIL
4	Recovery of Travelling Expenses	270.49	NIL	NIL
5	Commission Expense on Purchases	NIL	68.17	NIL
6	Legal and Professional Consultancy Fees	NIL	37.21	NIL
7	SAP ERP Functional and Technical Support	NIL	2.53	NIL
8	Salary and Bonus Expenses	NIL	1.48	NIL
9	Rent, Rates & Taxes Expenses	NIL	1.48	NIL
10	Repairs & Maintenance of Equipments	NIL	14.33	NIL
11	Travelling Expenses	NIL	170.09	NIL
12	Professional Tax	0.09	NIL	NIL
13	Dividend received	5,442.24	NIL	NIL
14	Directors' Remuneration and perquisites	NIL	NIL	118.57
	GRAND TOTAL	172,449.46	295.29	118.57
	Balance Outstanding at the year end (Receivable)	9,139.58	-	NIL
	Balance Outstanding at the year end (Payable)	746.77	17.37	NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

Sr.No.	Description	Related Parties	₹ Lacs
1	Revenue from Operations	Vega Industries (Middle East) FZE Welcast Steels Limited	144,133.63 480.45
2	Miscellaneous receipt of Income	Vega Industries (Middle East) FZE Vega Industries Limited, U.K.	78.16 55.30
3	Purchase of Goods	Welcast Steels Limited	21,989.10
4	Recovery of Travelling Expenses	Vega Industries (Middle East) FZE	270.49
5	Commission Expense on Purchases	AB Tradelink Ltd.	68.17
6	Legal and Professional Consultancy Fees	Powertec Engineering Pvt. Ltd.	37.21
7	SAP ERP Functional and Technical Support	Discus IT Pvt.Ltd.	2.53
8	Salary and Bonus Expenses	Mrs.Gitaben B. Shah	1.48
9	Rent, Rates & Taxes Expenses	Mrs.Giraben K. Shah	1.48
10	Repairs & Maintenance of Equipments	Powertec Engineering Pvt. Ltd.	14.33
11	Travelling Expenses	Vee Connect Travel Pvt.Ltd.	166.96
12	Professional Tax	Welcast Steels Limited	0.09
13	Dividend received	Vega Industries (Middle East) FZE Welcast Steels Limited	5,418.36 23.88
14	Directors' Remuneration and perquisites	Mr.Bhadresh K. Shah	111.05

30. Based on the guiding principles given in Accounting Standard on " Segment Reporting " (AS-17) issued by the Institute of Chartered Accountants of India, the Company operates mainly in manufacturing of High Chrome Mill Internals (Castings) and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment as far as Primary Segment is concerned.

Information about Secondary Geographical Segments:

Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
Revenue by Geographical Segment		
India	72,053.46	58,452.96
Outside India	151,081.74	123,104.18
Addition to Fixed Assets and Intangible Assets		
India	23,441.03	4,124.75
Outside India	-	-
Carrying amount of Fixed Assets (Net)		
India	57,696.67	46,653.49
Outside India	-	-

Notes:

- Geographical Segments considered for disclosures are as follows :
 - Sales within India includes Sales to Customers located within India.
 - Sales Outside India includes Sales to Customers located outside India.
- Revenue comprises

Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
Revenue from operations	209,402.79	178,301.05
Other income	13,732.41	3,256.09

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

31. Contingent Liabilities and Commitments (To the extent not provided for):

Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1. Contingent Liabilities:		
a. Claims against the Company not acknowledged as debts		
i) Central Excise & Service Tax	1,714.84	3,698.49
ii) Income Tax	5,932.31	4,977.25
iii) Sales Tax / Central Sales Tax	19.77	19.77
b. Guarantees		
i) Bank Guarantees Outstanding	12,365.53	6,921.40
ii) Corporate Guarantees Outstanding to Customers	713.65	5,566.94
iii) Guarantees given by the Company on behalf of Subsidiaries	3,621.31	3,490.51
iv) Corporate Guarantees given by the Company on behalf of Subsidiaries	2,632.28	2,033.05
v) Letter of Credit (L/C)	33.55	765.58
c. Others	650.05	628.32
2. Commitments :		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.	2,782.82	939.58
Total	30,466.11	29,040.89

32. Derivative Instruments:**a) Derivatives outstanding as at the Balance Sheet date:**

Currency	Exposure to Buy / Sell	No. of contracts	As at the year ended ₹ Lacs	Foreign currency
US Dollar	Sell	410	67,448.19	108,250,000
Euro		32	10,710.24	16,000,000
ZAR		35	8,982.05	175,000,000
(Previous year)		(223)	(43651.47)	(76250000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS
b) Foreign currency exposure at the year end not hedged by derivative instruments:

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Payables against import of goods and services		
Rupees in Lacs	10.53	20.09
US Dollar	-	18,551
Euro	15726	4952
GBP	-	4718
Advance payment to suppliers and for Expenses		
Rupees in Lacs	17.06	822.72
US Dollar	26,327	918,248
Euro	978	300,597
ZAR	-	94500

The Company enters in to derivative contracts strictly for hedging purposes and not for trading or speculation. The Company has voluntarily adopted Accounting Standard (AS) 30 "Financial Instruments" : Recognition and Measurement" to the extent the standard does not conflict with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. Pursuant to the adoption , the Net Gain on foreign currency forwards and Interest rate swap of ₹2688.25 Lacs as required by AS-30 has been parked in the Cash Flow Hedging Reserve under Reserves & Surplus. This gain would be recycled in the Statement of Profit and Loss / Fixed Assets in the period during which the forecasted transactions occurs.

33. Note on Corporate Social Responsibility :

Based on the Guiding Notes on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013 read with rules made thereunder, the Company has incurred the following expenditure on CSR activities during the Financial Year 2014-15:

Particulars	Amount ₹ in Lacs	Amount ₹ in Lacs
1. Prescribed CSR Expenditure (2% of Avg. Net Profit)		587.12
2. Details of CSR Expenditure during the financial year 2014-15		
CL. (i) Promoting Healthcare including preventing Health care	77.50	
CL. (iii) Promoting Education	20.00	
CL. (iv) Ensuring Environmental Sustainability	16.97	
Total Amount Spent during the financial year 2014-15		114.47
Amount unspent, if any.		472.65

34. Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

Signature to Notes 1 to 34

As per our report of even date attached.

 For **TALATI & TALATI**
 Chartered Accountants
 (Firm Regn. No. 110758W)

ANAND SHARMA
 Partner
 Membership No. 129033
 Place : AHMEDABAD
 Date : 19th May, 2015

For and on behalf of the Board of Directors,
(BHADRESH K. SHAH)
 Managing Director
 DIN : 00058177

(KUNAL D. SHAH)
 Executive Director (Finance)

 Place : AHMEDABAD
 Date : 19th May, 2015

(YASHWANT M. PATEL)
 Whole-time Director
 DIN : 02103312

(S. N. JETHELIYA)
 Company Secretary
 ACS : 5343



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO
THE MEMBERS OF
AIA ENGINEERING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of AIA ENGINEERING LIMITED (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its Subsidiaries 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the Financial Statements of Subsidiaries viz. Welcast Steels Limited, Bangalore, Vega Industries (Middle East) F.Z.E, UAE, Vega Industries Limited, U.K, Vega Industries limited, U.S.A, Vega Steel Industries (R.S.A) Proprietary Limited, South Africa, Wuxi Weigejia Trade Co. Limited, China whose financial statements reflect total assets of Rs 65,062.38 Lacs as at 31st March, 2015, total revenues of ₹1,74,135.42 Lacs and net cash outflow amounting to ₹7,387.47 Lacs for the year ended on that date, as

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of Net Profit of ₹2,719.30 Lacs for the year ended 31st March, 2015, as considered in the Consolidated Financial Statements, whose financial statements have not been audited by us. These Financial Statements have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, and our report in terms of Sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other Auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, based on the comments in the Auditors' reports of the Holding Company and Subsidiary Companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. Our Opinion/Comments/Observation in respect of Annexure to Independent Auditor's Report of Consolidated Financial Statements is based with respect to our reliance of work done by us in case of holding Company and audit Report of other auditors in case of Subsidiary Company incorporated in India.
2. As required by Section 143 (3) of 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 purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Company incorporated in India, none of the Directors of the Group Company incorporated in India, is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 34 to the Consolidated Financial Statements.
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 to the Consolidated Financial Statements in respect of such items as it relates to the Group.
 - iii. There has been no delay in transferring the amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India.

For **Talati & Talati**
Chartered Accountants
(Firm Regn No: 110758W)

Anand Sharma
(Partner)
Mem No: 129033

Place of Signature : Ahmedabad
Date : 19th May, 2015

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (CONSOLIDATED FINANCIAL STATEMENT)**

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) In respect of its fixed assets:
- The Group in India has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us, Majority of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Group in India and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) In respect of its Inventories:
- The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group in India and the nature of its business.
 - The Group in India has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) During the year the Group in India has not given any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence Clause (iii) (a) and (b) are not applicable to the Group in India.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control systems commensurate with the size of the Group in India and the nature of its business with regard to purchase of Inventory, Fixed Assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Group in India has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Group in India. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Group in India. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Group in India pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the Cost Records with the view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- According to the records of the Group in India, the Group in India is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - The disputed Statutory dues aggregating to ₹5,163.21 Lacs, that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amt. under dispute not yet deposited As on 31 st March, 2015 ₹ Lacs	Periods to which the amount relates (F.Y.)	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	36.13	1998-99 and 1999-2000	Supreme Court
		82.82	2003-04	CESTAT
		5.43	Prior to 2006	High Court
		34.77	2006-07 and 2007-08	CESTAT
		2.34	2006-09	Asst. Commissioner
		436.60	2009-10 to 2011-12	Asst. Commissioner

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Name of the Statute	Nature of dues	Amt. under dispute not yet deposited As on 31 st March, 2015 ₹ Lacs	Periods to which the amount relates (F.Y.)	Forum where the dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax including interest and penalty as applicable	4.74	2007-08	CESTAT
		116.64	2007-08	CESTAT
		25.10	2008-09	CESTAT
		8.83	2009-10	CESTAT
		29.38	2010-11	CESTAT
		7.70	2011-12	Asst. Commissioner
		24.69	2011-12	CESTAT
		6.23	2007-08 to 2009-10	Asst. Commissioner/ Divisional Officer
		2.08	2005-06 and 2006-07	CESTAT
		16.37	2010-11 to 2012-13	Commissioner Appeals
		28.39	2012-13	Commissioner Appeals
		87.17	2010-11 to 2013-14	CESTAT
		12.11	2011-12 to 2013-14	Asst. Commissioner/ Divisional Officer
		33.93	2013-14	Asst. Commissioner/ Divisional Officer
		12.11	2010-11 to 2013-14	Asst. Commissioner/ Divisional Officer
41.00	2013-2014 and 2014-15	Asst. Commissioner/ Divisional Officer		
0.62	2014-15	Asst. Commissioner/ Divisional Officer		
Central Sales Tax Act, 1956 & Sales Tax Acts of various States	Sales Tax including interest and penalty as applicable	19.76	2001-02	Dy. Commissioner of Commercial Tax (Appeal)
Income Tax Act, 1961	Income Tax including interest and penalty as applicable	17.24	2007-08	CIT (Appeals)
		1,520.34	2008-09	CIT (Appeals)
		1,830.28	2009-10	CIT (Appeals)
		9.38	2007-08	CIT (Appeals)
Foreign Trade Regulation Act (DEEC Scheme)	Custom Duty, Interest	711.03	2006-07	High Court of Kerala
Total		5,163.21		

- (c) There has been no delay in transferring the amount required to be transferred to Investor Education and Protection Fund of the Group in India.
- (viii) The Group in India does not have any accumulated losses at the end of the Financial year. The Group in India has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Group in India has not defaulted in repayment of dues to the financial institution or banks or debenture holders.
- (x) In our opinion the Group in India has provided Guarantees for Non-fund based limits taken by its Subsidiaries from Banks. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prejudicial to the interest of the Group in India.
- (xi) According to the information and explanation given to us, the term loans were applied for the purpose for which it is obtained.
- (xii) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud on or by the Group in India has been noticed or reported for the year under audit.

For **Talati & Talati**
Chartered Accountants
(Firm Regn No: 110758W)

Anand Sharma
(Partner)
Mem No: 129033

Place of Signature : Ahmedabad
Date : 19th May, 2015



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,886.41	1,886.41
(b) Reserves and Surplus	3	206,474.14	171,997.55
		208,360.55	173,883.96
(2) Minority Interest		773.42	781.01
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	5,507.39	8,671.76
(b) Deferred Tax Liabilities (Net)	5	2,464.63	1,995.92
(c) Long Term Provisions	6	898.26	646.05
		8,870.28	11,313.73
(4) Current Liabilities			
(a) Short-Term Borrowings	7	905.28	325.00
(b) Trade Payables	8	11,911.45	13,289.94
(c) Other Current Liabilities	9	10,182.90	11,611.27
(d) Short-Term Provisions	10	13,876.12	12,084.68
		36,875.75	37,310.89
Total		254,880.00	223,289.59
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		52,979.23	36,515.47
(ii) Intangible Assets		2,165.02	2,349.53
(iii) Capital Work in Progress		4,647.57	9,976.19
(b) Non-Current Investments	12	0.10	0.60
(c) Long term Loans and Advances	13	4,030.17	2,118.15
(d) Other Non-Current Assets	14	424.14	98.36
		64,246.23	51,058.30
(2) Current Assets			
(a) Current Investments	15	63,695.70	52,909.35
(b) Inventories	16	45,963.67	35,077.41
(c) Trade Receivables	17	39,375.49	43,148.15
(d) Cash and Bank balances	18	18,679.34	21,976.36
(e) Short-term Loans and Advances	19	22,865.03	19,087.70
(f) Other Current Assets	20	54.54	32.32
		190,633.77	172,231.29
Total		254,880.00	223,289.59

The accompanying Notes 1 to 39 are integral part of these Financial Statements.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
I. Revenue from Operations	21	225,710.34	216,162.11
Less : Central Excise Duty		7,346.65	8,154.28
Revenue from Operations (Net)		218,363.69	208,007.83
II. Other Income	22	8,321.59	3,340.71
III. Total Revenue (I +II)		226,685.28	211,348.54
IV. Expenses:			
Cost of Materials Consumed	23	86,063.29	72,681.49
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	24	(9,903.05)	6,958.68
Employee Benefits Expense	25	9,811.13	8,883.53
Finance Costs	26	393.55	636.45
Depreciation and Amortisation Expense	27	6,974.68	3,814.22
Other Expenses	28	73,911.49	69,268.89
Total Expenses (IV)		167,251.09	162,243.26
V. Profit before exceptional items and Tax (III - IV)		59,434.19	49,105.28
VI. Exceptional Items (Refer Note No.19)		-	3,111.00
VII. Profit Before Tax (V - VI)		59,434.19	45,994.28
VIII. Tax Expense:			
(1) Current Tax	29	15,795.75	13,254.74
(2) Deferred Tax		545.14	167.62
IX. Profit for the year before Minority Interest (VII - VIII)		43,093.30	32,571.92
X. Minority Interest		(0.63)	74.94
XI. Profit for the year after adjustment of Minority Interest (IX-X)		43,093.93	32,496.98
XII. Earnings per Equity Share: (Face Value of ₹ 2/- each)			
Basic and Diluted (₹)	30	45.69	34.45

The accompanying Notes 1 to 39 are integral part of these Financial Statements.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	For the year ended 31 st March, 2015 ₹ Lacs	For the year ended 31 st March, 2014 ₹ Lacs
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax as per the Statement of Profit and Loss	59,434.19	45,994.28
Adjustments for		
Add:		
Depreciation	6,974.68	3,814.22
Interest And Finance Charges	393.55	636.45
Loss on Sale of Assets	19.09	11.47
Change In Fair Value of Investments	-	423.98
Change in Provisions made	1,793.53	1,490.22
Less :	9,180.85	6,376.34
Interest Income	395.06	260.16
Change In Fair Value of Investments	127.50	-
Dividend on Shares	23.88	22.84
Dividend on Mutual Fund	2,259.76	1,762.47
Profit on Sale of Assets	28.56	36.19
Profit on Sale of Mutual Funds	607.21	877.55
	3,441.97	2,959.21
Operating Profit Before Working Capital Changes (Increase) / Decrease in Current Assets	65,173.07	49,411.41
Trade & Other Receivables	(1,210.74)	(4,063.87)
Inventories	(10,886.26)	5,220.73
Increase / (Decrease) in Current Liabilities		
Trade & Other Payables	(3,188.64)	5,946.72
Cash Generated From Operation	49,887.43	56,514.99
Direct Taxes Paid	(19,310.88)	(11,346.32)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	30,576.55	45,168.67
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	395.06	260.16
Dividend Received on Shares	23.88	22.84
Dividend Received on Mutual Fund	2,259.76	1,762.47
Purchase of Fixed Assets	(18,258.10)	(11,109.86)
Purchase of Investments	(24,652.82)	(48,658.96)
Change In Fair Value of Investments	127.50	(423.98)
Proceeds from Sale of Fixed Assets	82.54	120.76
Proceeds from Sale of Investments	14,473.70	16,036.54
Disinvestment in Joint Venture	0.50	-
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(25,547.98)	(41,990.03)
(C) CASH FLOW USED IN FINANCING ACTIVITIES:		
Proceeds from Borrowings	580.28	342.91
Repayment of Borrowings	(2,778.89)	(4,373.26)
Interest and Finance Charges paid	(393.55)	(636.45)
Dividend paid including Tax	(5,733.43)	(4,449.04)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES(C)	(8,325.59)	(9,115.84)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(3,297.02)	(5,937.20)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	21,976.36	27,913.56
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	18,679.34	21,976.36

Note: Cash and Cash Equivalents include balances with Scheduled Banks in Unpaid Dividend Accounts ₹ 9.65 Lac (Previous Year ₹ 8.74 Lac) which are not available for the use by the Company

The accompanying Notes 1 to 39 are integral part of these Financial Statements.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

1) Principles of consolidation:

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited Financial Statements of AIA Engineering Limited ("the Company") and its Subsidiaries (collectively referred as Group).
- b) The Consolidated Financial Statements have been prepared on the following basis:
 - i. The Financial Statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 (AS 21).
 - ii. In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end, any exchange difference arising on same is recognized in "Foreign Currency Translation Reserve".
 - iii. The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the Financial Statements as Goodwill or Capital Reserve as the case may be.
 - iv. Minority Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Company.
 - v. Minority Interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's Shareholder.
 - vi. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the Consolidated Financial Statements.

2) The list of Subsidiary Companies included in consolidation with AIA Engineering Limited (AIA) and AIA's shareholding therein is as under:

Name of Subsidiaries	Country of Incorporation	Shareholding as at 31-03-2015	Shareholding as at 31-03-2014
Welcast Steels Limited	India	74.85%	74.85%
Vega Industries (Middle East) F.Z.E.	U.A.E.	100.00%	100.00%
Vega Industries Limited	U.K.	100% by Vega Industries (Middle East) F.Z.E.	100% by Vega Industries (Middle East) F.Z.E.
Vega Industries Limited	U.S.A.	100% by Vega Industries Limited, U.K	100% by Vega Industries Limited, U.K
Vega Steel Industries (RSA) Proprietary Limited	South Africa	100% by Vega Industries (Middle East) F.Z.E.	100% by Vega Industries (Middle East) F.Z.E.
Wuxi Weigejia Trade Co. Ltd.	China	100% by Vega Industries (Middle East) F.Z.E.	100% by Vega Industries (Middle East) F.Z.E.

3) Basis of Accounting:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

(Accounts) Rules, 2014 and the relevant Provisions of the Companies Act, 2013 ("the Act"). All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

4) Use of Estimates:

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting Policies requires the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of Revenues and Expenses during the reporting period and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

5) Revenue Recognition:

Revenue is stated net of rebate and trade discount and excludes Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export Benefits are accounted / recognized on accrual basis.

Dividends on Financial Instruments are recognized as and when realized. Interest is recognized on accrual basis.

6) Fixed Assets:

Tangible Fixed Assets acquired by the group are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

Intangible Assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses.

Capital work in progress includes cost of assets at sites and construction expenditure.

7) Impairment of Assets:

The carrying value of assets of the group's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sales.

8) Inventories:

Inventories of Raw Materials and Stores are valued at cost or net realizable value whichever is lower after considering the credit of VAT and Cenvat and stock in transit and stock lying at third party premises are valued at cost.

Inventories of Work in Progress are valued at lower of cost or net realizable value.

Inventories of Finished Goods are valued at cost or net realizable value whichever is lower. Cost of Finished Goods and Work-in-progress are determined using the absorption costing principles. Cost includes the cost of material consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of Finished Goods.

Cost of Raw Materials, Stores and Spares are determined on weighted average basis.

Excess / Shortages, if any, arising on physical verification are absorbed in the respective consumption Account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

9) Depreciation:

Depreciation has been provided on Fixed Assets on Straight Line Method as per the useful life specified in Schedule II of the Companies Act, 2013 as amended from time to time, except for the following Subsidiaries:

	Name of Subsidiaries	Basis of Depreciation
1	Welcast Steels Limited, Bangalore, India	In case of assets acquired after 31-3-1996, Written Down Value Method as per the useful life specified in Schedule II of the Companies Act, 2013
2	Vega Industries (Middle East) FZE, U.A.E.	Equal annual installments over estimated useful lives of the assets.
3	Vega Industries Limited, U.S.A.	Straight-line method over the estimated useful lives of the assets.
4	Vega Industries Limited, U.K.	Written Down Value Method over the estimated useful lives of the assets.
5	Wuxi Weigejia Trade Co. Ltd., China	Straight-line method over the estimated useful lives of the assets.
6	Vega Steel Industries (RSA) Proprietary Limited, South Africa	Straight-line method over the estimated useful lives of the assets.

Amortization of intangible assets takes place on a Straight Line basis over the assets anticipated useful life. The useful life is determined based on the period of the underline contract and the period of time over which the intangible assets is expected to be used.

Software is amortized over a period of 6 years. Patents are amortized over a period of 20 years on straight line basis as the benefits are generally available to the company for more than 10 years, however for Welcast Steels Limited Software is amortized over a period of 3 years. Goodwill is amortized over a period of 5 Years. No amortization is provided for in case of Leasehold Land on Perpetual Lease.

10) Central Excise Duty:

Central Excise duty is accounted on the basis of payments made in respect of goods cleared.

11) (a) Foreign Currency Transactions:

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account, except it pertains to Fixed Asset, where in such difference adjusted to carrying amount of Fixed Asset. In addition, exchange difference on Long Term Liability, where they relate to acquisition of fixed assets, in which case they are adjusted to carrying cost of such assets. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Cash and Bank Balances, Receivables and Liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates and unrealized translation differences are included in the Profit and Loss Account.

Investments in foreign currency (non-monetary items) are reported using the exchange rate at the date of the transaction.

b) Derivative instruments and hedge accounting

The Company strictly uses foreign currency forward contracts / Interest Rate Swap to hedge its risks associated with foreign currency / Interest Rate fluctuations relating to certain forecasted transactions. Effective 30th September, 2013, the Company designates these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS 30), to the extent it does not conflict with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Foreign currency forward contract / Interest Rate Swap derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognized immediately in the Statement of Profit and Loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the underlying item hedged are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in Hedging Reserve and be reclassified to the Statement of Profit and Loss in the same period or periods during which the formerly hedged transaction is reported in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognized in Hedging Reserve is transferred to the Statement of Profit and Loss.

12) Investments:

- i) Investments are classified as Long Term & Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value whichever is lower.
- ii) Investment in shares of foreign Subsidiary Company is expressed in Indian Currency at the rates of exchange prevailing at the time when the investment was made.

13) Borrowing Costs:

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

14) Earnings per Share:

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares issued during the year. Diluted earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

15) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

16) Product Warranty Expenses:

Product warranty expenses are determined based on group's historical experience and estimates are accrued in the year of sale.

17) Lease:

Lease arrangements, where the risks and rewards incident to ownership of an asset substantially vests with the Lessor, are recognized as operating lease. Lease rentals under operating lease are recognized in the statement of Profit and Loss.

18) Taxation on Income:

(1) The Company and other Indian Subsidiaries:

- a) Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.
- b) Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realized in future.

(2) Foreign Companies:

Foreign Companies recognize tax liabilities and assets in accordance with the local laws.

19) Cash Flow Statement:

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting standard 3 (AS 3) on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statements consist of cash on hand and demand deposits with banks.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and Short term highly liquid financial instruments which are readily convertible into cash and have original maturities of three months or less from date of purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

2. Share Capital:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	AUTHORISED SHARE CAPITAL 230,000,000 Equity Shares of ₹ 2 each (Previous Year 230,000,000 Equity Shares of ₹ 2 each)	4,600.00	4,600.00
	Total	4,600.00	4,600.00
2	ISSUED, SUBSCRIBED & FULLY PAID UP SHARE CAPITAL 94,320,370 Equity Shares of ₹ 2 each fully paid up (Previous Year 94,320,370 Equity Shares of ₹ 2 each fully paid up)	1,886.41	1,886.41
	Total	1,886.41	1,886.41

2.1 The reconciliation of the number of Equity Shares outstanding as at 31st March, 2015 and 31st March, 2014 is set out below:

Equity Shares	As at 31 st March, 2015		As at 31 st March, 2014	
	No of shares	₹ Lacs	No of shares	₹ Lacs
Shares outstanding at the beginning of the year	94320370	1,886.41	94320370	1,886.41
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	94320370	1,886.41	94320370	1,886.41

2.2 Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹ 2 each. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March, 2015 the amount of Dividend proposed by the Board of Directors of the Company to the Equity Share holders is ₹ 8 per Share (Previous Year ₹6 per Share)

2.3 The details of Shareholders holding more than 5% shares are set out below:

Name of the Shareholders	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares	% of holding	No of Shares	% of holding
Bhadresh K. Shah	58128900	61.63%	39626875	42.01%
Bhadresh K. Shah Karta of Bhadresh K. Shah H.U.F.	-	0.00%	18502025	19.62%
Nalanda India Equity Fund Ltd.	7918845	8.40%	7918845	8.40%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

3. Reserves & Surplus:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Capital Redemption Reserve	1,925.74	1,925.74
2	Securities Premium Reserve	26,627.31	26,627.31
3	Revaluation Reserve		
	Balance as per last Financial year	10.54	11.71
	Less: Withdrawal on account of Depreciation Transferred to Statement of Profit and Loss	1.42	1.17
	Sub Total	9.12	10.54
4	Other Reserves		
	(a) General Reserve		
	Balance as per last Financial year	12,587.11	9,686.11
	Less: Adjustment relating to Fixed Assets (Refer note no. 11.1)	171.98	-
	Add : Transferred from Statement of Profit and Loss	4,146.00	2,901.00
	Sub Total	16,561.13	12,587.11
	(b) Foreign Currency Translation Reserve	7,463.56	8,558.38
5	Surplus in Statement of Profit & Loss		
	Balance as per last Financial Year	121,453.30	98,436.66
	Add : Profit for the Year	43,093.30	32,570.75
	Add : Depreciation transferred to Revaluation Reserve	1.42	1.17
	Less: Appropriations :		
	Proposed Dividend on Equity Shares	7,558.39	5,691.13
	Tax on Dividend	1,536.77	963.15
	Transferred to General Reserve	4,146.00	2,901.00
	Sub Total	151,306.86	121,453.30
6	Hedging Reserve account		
	Balance as per last Financial year	946.45	-
	Add: Loss on Mark to Market of Hedging Instruments designated and effective as Hedges of Future Cash Flow.	1,741.80	946.45
	Sub Total	2,688.25	946.45
	Total	206,581.97	172,108.83
	Less: Adjustment on account of Consolidation	107.83	111.28
	Net Total	206,474.14	171,997.55

4. Long Term Borrowings:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Secured		
	Term Loan		
	- From Bank-External commercial Borrowings	5,437.39	8,236.53
	- Foreign Currency Loan Buyer's Credit	-	342.91
	Unsecured		
	Deferred Payment Liabilities *	70.00	92.32
	Total	5,507.39	8,671.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

4.1 Terms of repayment for External Commercial Borrowings:

AIA Engineering Ltd.

External Commercial Borrowings (ECB) of US\$ 18700000 is secured by hypothecation of Identified Plant and Machineries procured from it and to be installed at Moraiya Unit (M1) of the Company mentioned in Hypothecation Agreement. The Loan is repayable in 15 equal quarterly installments of US\$ 1246667 after a moratorium year of 18 months from the date of first draw-down i.e. 3rd October, 2012. Interest rates are reset every three months at the rate of 3 months US\$ LIBOR plus 285 bps p.a.. The first Installment had due on 3rd April, 2014 and the loan will be fully re-paid on 3rd October, 2017.

Repayment of External Commercial Borrowings (ECB)		₹ Lacs
	2016-17	3,107.08
	2017-18	2,330.31

Term Loan

Vega Industries Ltd. U.S.A.

- Secured by Hypothecation of Vehicles
- Term Loan carries interest @ 3.49% which is repayable over a year of Four years in monthly payment of USD 903.61 and guarantees of the Company and two officers of the Company.

4.2 Terms of repayment for Buyers Credit:

AIA Engineering Ltd.

The Company has availed Buyer's Credit of GBP 330204.10 and EURO 14840.46 are secured by first and exclusive charge over specific Plant and Machinery being imported. The Buyer's Credit loans are each repayable at 4th January, 2016 and 9th February, 2016 respectively. The interest rates are determined as a spread over 90/180 days LIBOR and the spread is a function of liquidity available with the Bank. The Buyer's Credit finance arranged in this financial year has been a spread of 150 bps over LIBOR.

4.3 Terms of repayment for deferred payment liabilities are as set out below :

AIA Engineering Ltd.

Deferred Sales Tax under Package Scheme of Incentives 1993		₹ Lacs
	2016-17	18.96
	2017-18	17.48
	2018-19	13.72
	2019-20	19.84

- * Deferred Sales tax under Package Scheme of Incentives 1993 of Maharashtra for erstwhile Paramount Centrispun Castings Pvt.Ltd.

5. Deferred Tax Liability (Net):

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	DEFERRED TAX LIABILITIES : Arising on account of timing difference		
	- Fixed Assets:Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting	2,774.21	2,284.64
	TOTAL DEFERRED TAX LIABILITIES (A)	2,774.21	2,284.64
2	DEFERRED TAX ASSETS : Arising on account of timing difference		
	- Fixed Assets:Impact of difference between Tax Depreciation and Depreciation/amortisation charged for the financial reporting	74.61	82.87
	- Leave Encashment/Compensated Absences/Gratuity	234.97	205.85
	TOTAL DEFERRED TAX ASSETS (B)	309.58	288.72
	Total (A - B)	2,464.63	1,995.92

6. Long Term Provisions:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Provision for Employee Benefits:		
1	Provision for Gratuity	418.45	245.39
2	Provision for Leave Encashment/Compensated Absences	479.81	400.66
	Total	898.26	646.05



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

7. Short Term Borrowings:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Secured Loan Repayable on Demand from Bank - Packing credit / Cash Credit	905.28	325.00
	Total	905.28	325.00

7.1 Terms of repayment for Packing Credit / Cash Credit :

Welcast Steels Limited

- Secured by hypothecation, by way of first charge on stocks of raw materials, semi finished, finished goods, packing materials, book debts, receivables and other current assets and fixed assets including Plant & Machinery, tools, accessories and other assets stored/installed in the factory or at any other place.
- No default in repayment of above loan/in payment of interest

8. Trade Payables:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Due to Micro, Small and Medium Enterprises	10.98	28.69
2	Other than Micro, Small and Medium Enterprises	11,900.47	13,261.25
	Total	11,911.45	13,289.94

9. Other Current Liabilities:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Current Maturities of Long Term Debts	3,450.33	3,064.85
2	Unpaid Dividend *	9.65	8.74
3	Other Payables #	6,722.92	8,537.68
	Total	10,182.90	11,611.27

* There has been no delay in transferring the amount required to be transferred to Investor Education and Protection Fund.

Includes Statutory dues and advances from customers.

10. Short Term Provisions:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Provision for employee benefits : - Provision for Bonus - Provision for Gratuity - Provision for Leave Encashment/Compensated Absences	479.05 136.87 72.43	438.84 115.58 49.49
2	Others : - Provision for Income Tax (Net of Advance Tax) - Proposed Dividend - Provision for Corporate Tax on Dividend - Provision for Expenses - Provision for Product Warranties Claims - Provision for Claims Payable	5.65 7,558.39 1,536.77 957.64 1,579.73 1,549.59	2,196.41 5,691.13 963.15 1,076.01 1,554.07 -
	Total	13,876.12	12,084.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS
12. Non Current Investments

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	LONG TERM TRADE INVESTMENTS: (UNQUOTED)		
1	Investment in Equity Instrument A. INVESTMENT IN OTHER COMPANY : 25 Equity Shares of Koramangla Properties Ltd. of ₹ 100 each fully paid-up.(Previous year 25 Equity Shares)	0.03	0.03
	INVESTMENT IN JOINT VENTURE : 5000 Equity Shares of Polyex Minerals Pvt.Ltd.of ₹10/- each fully paid up. (Previous year 5,000 Equity Shares)	-	0.50
2	INVESTMENT IN GOVERNMENT SECURITIES : National Savings Certificates	0.07	0.07
	Total	0.10	0.60

13. Long Term Loans and Advances:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Unsecured Considered Good unless otherwise stated		
1	Capital Advances	2,856.84	1,513.10
2	Advance Income tax (Net of Provision)	608.68	-
3	Security Deposit		
	- Earnest Money Deposit	2.72	2.71
	- Other Deposit	430.27	430.75
4	Other Loans & Advances		
	- Loans and Advances to Staff	131.66	171.59
	Total	4,030.17	2,118.15

14. Other Non Current Assets:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Long Term Trade Receivables Unsecured, Considered Good	117.68	83.24
2	Others *	306.46	15.12
	Total	424.14	98.36

* Others includes Bank FD more than 12 months and Interest Receivable thereon/Deposits in Post office Savings bank accounts.

15. Current Investments:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	(Valued at Cost unless otherwise stated)		
	Investment in Bonds (Unquoted)	3,620.83	2,774.39
	Investment in Mutual Funds (Unquoted)	60,074.87	50,134.96
	Total	63,695.70	52,909.35

16. Inventories:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	(As taken, valued & certified by the Management) (At lower of Cost or Net Realisable Value)		
1	Raw Materials	7,113.16	6,611.81
2	Raw Material -in-transit	1,426.17	2,073.17
3	Work in Progress	9,126.47	8,968.69
4	Finished Goods	21,283.06	11,407.14
5	Stores & Spares	6,707.70	6,010.68
6	Stores & Spares in-transit	307.11	5.92
	Total	45,963.67	35,077.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

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17. Trade Receivables:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Unsecured , Considered Good :		
	Outstanding for more than six months	1,342.10	1,015.19
	Others	38,033.39	42,132.96
	Total	39,375.49	43,148.15

18. Cash & Bank balances:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Cash & Cash Equivalent		
	(a) Balance with Scheduled Banks	15,005.70	17,318.86
	(b) In Cash Credit Account Debit Balance	-	79.96
	(c) Cash on Hand	11.85	7.91
	- In Fixed Deposits	3,365.67	4,277.15
	Sub Total (A)	18,383.22	21,683.88
2	Other bank Balances		
	(a) Fixed Deposits with Bank		
	- Less than 12 months	286.47	283.74
	- More than 12 months	298.99	12.99
	b) Earmarked Balances with Bank (Unpaid Dividend)	9.65	8.74
		595.11	305.47
	Less : Bank FD for more than 12 months transferred to Non Current Assets	298.99	12.99
	Sub Total (B)	296.12	292.48
	Total [A + B]	18,679.34	21,976.36

19. Short Terms Loans and Advances:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
	Unsecured, Considered Good :		
	Others		
	Advance Recoverable in cash or in kind or for value to be received.	1,832.12	2,626.67
	Prepaid Expenses	198.58	139.17
	Sundry Deposits and Advances	651.04	616.46
	Advance Income Tax (Net of Provision)	-	30.95
	Income Tax Refund Due	10.05	3.91
	Balance With Statutory / Government authorities	16,745.21	14,144.56
	Loans and Advances to Staff	277.52	291.25
	Hedging Instruments	3,150.51	1,234.73
	Total	22,865.03	19,087.70

20. Other Current Assets:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1	Interest Accrued on Investments	46.94	24.72
2	DEPB Receivables	7.60	7.60
	Total	54.54	32.32



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

21. Revenue from Operations:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Revenue from Operations		
	Sale of Products		
	A. Sales in India	63,066.70	59,043.68
	B. Sales Outside India	155,054.78	150,787.48
		218,121.48	209,831.16
2	Other Operating Revenue		
	Exports Incentives	7,588.86	6,330.95
	Total	225,710.34	216,162.11

22. Other Income:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Interest (Gross) #	395.06	260.16
2	Dividend from Mutual Funds (Current Investment)	2,259.76	1,762.47
3	Dividend from subsidiary (Trade Investment)	23.88	22.84
4	Other Non Operating Income		
	- Profit on Sale of Mutual Fund Units(Net)	607.21	876.77
	- Gain on Exchange Rate Fluctuation	4,845.80	-
	- Profit on Sale of Assets	28.56	36.19
	- Insurance Claim received	31.81	32.65
	- Sales Tax Refund	3.36	36.24
	- Miscellaneous Receipts	16.98	170.38
	- Service Tax Draw back Income	109.17	93.23
	- Sundry balances written back	-	49.78
	Total	8,321.59	3,340.71

Interest amount mainly includes Interest on Fixed Deposits, Staff Loan and Refund on Income Tax.

23. Cost of Materials Consumed:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
	Opening Stock	8,684.98	9,389.59
	Add : Purchases	85,917.64	71,976.88
	= Sub Total	94,602.62	81,366.47
	Less: Closing Stock	8,539.33	8,684.98
	Total	86,063.29	72,681.49

24. Changes in Inventories of Finished goods, Work-in-process and Stock-in-Trade:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
	Opening Stock : Work in Progress	8,966.41	8,150.97
	Opening Stock : Finished Goods	11,555.48	19,329.60
	Less :		
	Closing Stock : Work in Progress	9,126.47	8,966.41
	Closing Stock : Finished Goods	21,298.47	11,555.48
	Total	(9,903.05)	6,958.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

25. Employee Benefits Expense:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Salaries, Wages and Bonus	8,727.01	8,030.82
2	Contribution to Provident Fund / ESIC / Gratuity	766.53	550.88
3	Staff Welfare Expenses	317.59	301.83
	Total	9,811.13	8,883.53

26. Finance Costs:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Interest Expense ;		
	- For Short Term Borrowings	348.41	190.55
	- For Others	5.14	10.16
	- For Income Tax	40.00	202.00
2	Other Borrowing Costs	-	2.69
3	Applicable Net Gain / Loss on foreign currency transactions and translation	-	231.05
	Total	393.55	636.45

27. Depreciation & Amortised Cost:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Depreciation & Amortization	6,974.68	3,815.39
	Less : Amount Transferred to Revaluation Reserve	-	1.17
	Total	6,974.68	3,814.22

28. Other Expenses:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Manufacturing Expenses		
	Consumption of Stores		
	Opening Stock	6,016.60	5,521.44
	Add : Purchases	22,710.46	19,976.37
	= Sub total	28,727.06	25,497.81
	Less : Closing Stock	7,014.81	6,016.60
	= Stores Consumed	21,712.25	19,481.21
	Power and Fuel	22,568.45	17,548.34
	Labour Charges	5,610.79	5,094.52
	Freight Inward, Octroi, Coolies and Cartages	1,429.53	1,000.64
	Other Purchases Expenses	1,149.61	-
	Repairs and Maintenance		
	- To Buildings	208.76	161.95
	- To Plant and Machineries	762.33	573.58
	- To Other Assets	226.27	163.97
	Rent Expenses	114.55	80.46



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

28. Other Expenses (Contd...):

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
2	Selling and Distribution Expenses		
	Freight Outward, Coolies and Cartages	8,713.30	8,347.85
	Warehouse Expenses	1,048.14	830.15
	Commission Expenses	2,467.05	1,781.97
	Travelling Expenses		
	- For Directors	38.76	15.88
	- For Staff and Guests	1,551.69	1,508.74
	Sales Promotion / Gift Expenses	68.21	79.95
	Advertisement Expenses	10.94	21.53
	Product Warranty Expenses	1,476.55	36.03
	Late Delivery Charges	42.00	21.30
	Claims payable	129.42	1,330.08
	Bad Debts	346.62	335.11
	Central Excise Duty and CVD	57.52	35.69
	Sales Tax	150.90	89.62
	Other Selling & Distribution Expenses	1.00	22.42
3	Administrative Expenses		
	Insurance Premium	421.64	258.91
	Rent	208.62	144.06
	Rates and Taxes	53.35	59.94
	Service Charges	7.29	19.33
	Directors' Sitting Fees	5.65	4.70
	Payment to Auditor		
	- As Auditor		
	Statutory Audit fees	57.63	66.48
	Tax Audit Fees	2.00	2.00
	- For Other Services	4.80	3.98
	Legal and Professional Consultancy Fees	1,329.38	1,118.31
	Bank Commission Charges	362.47	332.16
	Printing and Stationery Expenses	41.77	45.59
	Postage, Telephones, Courier, Internet & E-mail	277.26	279.37
	Computer Expenses	15.38	14.20
	Vehicle Repairs and Maintenance	157.79	127.27
	Conveyance	229.38	167.56
	Security Expenses	410.68	382.99
	Subscription and Membership Fees	27.12	14.90
	Entertainment Expenses	11.06	13.90
	Donations	22.61	28.94
	Seminar Expenses	22.89	25.65
	License Fees	8.07	3.69
	Inspection Charges	14.17	14.96
	Water Charges	42.77	30.12
	Office Expenses	67.87	63.39
	Electricity Expenses	20.17	7.59
	Service Tax	19.63	31.64
	Garden Expenses	20.99	10.49
	Festival Celebration Expenses	13.87	18.75
	Factory GVMM / GIDC Administrative Charges	14.75	20.49
	CSR Expenses	114.47	7.08
	Loss on Sale of Assets	19.09	11.47
	Loss on Exchange Rate Fluctuation	-	6,859.32
	Sundry balances written off	40.30	-
	Change in fair Value of Investment	(127.50)	423.98
	General / Miscellaneous Expenses	89.43	94.69
	Total	73,911.49	69,268.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

29. Current Tax:

Sr. No.	Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
1	Current Tax	16,718.56	13,254.74
2	(Excess)/Short Provision for earlier years	(922.81)	-
	Total	15,795.75	13,254.74

30. Earnings Per Share:

Sr. No	Particulars		Year ended 31 st March, 2015	Year ended 31 st March, 2014
1	Net Profit attributable to the Equity Shareholders (₹ Lacs)	A	43,093.93	32,496.98
2	Weighted average number of Equity Shares outstanding during the period	B	94,320,370	94,320,370
3	Nominal value of Equity Shares (₹)		2.00	2.00
4	Basic/Diluted Earnings per Share (₹)	A / B	45.69	34.45

31. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Group operates mainly in manufacturing of High Chrome Mill Internals (Castings) and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment as far as Primary Segment is concerned.

Information about Secondary Geographical Segments:

Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
Revenue by Geographical Segment		
India	66,078.67	60,561.84
Outside India	160,606.60	150,787.48
Addition to Fixed Assets and Intangible Assets		
India	23,550.42	4,178.93
Outside India	36.29	50.99
Carrying amount of Fixed Assets (Net)		
India	59,509.43	48,563.58
Outside India	310.10	277.61

1) **Geographical Segments considered for disclosures are as follows:**

- Sales within India include Sales to Customers located within India.
- Sales outside India include Sales to Customers located outside India.

2) **Revenue comprises**

Particulars	Year ended 31 st March, 2015 ₹ Lacs	Year ended 31 st March, 2014 ₹ Lacs
Revenue from operations	218,363.69	208,007.83
Other income	8,321.59	3,340.71

32. In case of Vega Industries (Middle East) FZE., U.A.E., the revenue and expense transactions at the year end reflected in Profit & Loss Account have been translated into Indian Rupees at an average of monthly exchange rate. The assets and liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year end. The resultant translation exchange gain/loss have been disclosed as "Foreign Currency Translation Reserve".



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

33. Related party disclosures under Accounting Standard 18:

(a) Relatives of Key Management Personnel :		(b) Key Management Personnel :	
1	Mrs. Giraben K. Shah	1	Mr. Bhadresh K. Shah
2	Mrs. Gitaben B. Shah	2	Mr. Yashwant M. Patel
3	Mrs.Khusali Samip Solanki	3	Dr. S. Srikumar
4	Mrs. Bhumika Shymal Sodhan	4	Mr. Pradip R. Shah
5	AB Tradelink Ltd.	5	Mr. Paryank R. Shah
6	Powertec Engineering Pvt.Ltd.	6	Mr. Jules Spede
7	Vee Connect Travels Pvt.Ltd	7	Mr. R.A. Gilani
8	Dicus IT Pvt.Ltd.	8	Mr. Vinod Narain

Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2015:

Sr. No	Nature of Transaction	Relatives of Key Management Personnel (₹ Lacs)	Key Management Personnel (₹ Lacs)
1	Rent, Rates & Taxes	1.48	-
2	Legal and Professional Consultancy Fees	37.21	3.00
3	Commission	68.17	-
4	Salary, Bonus and Perquisites	1.48	-
5	Repair & Maintenance of Equipments	14.33	-
6	Directors' Remuneration and perquisites	-	181.11
7	Traveling expenses	170.09	-
8	SAP ERP functional and technical support	2.53	-
	TOTAL	295.29	184.11
	Balance outstanding at the year end (Receivable)	-	-
	Balance outstanding at the year end (Payable)	17.37	-

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

Sr.No.	Description	Related Parties	₹ Lacs
1	Rent, Rates & Taxes	Mrs. Giraben K. Shah	1.48
2	Retainer ship Fee	Powertec Engineering Pvt. Ltd.	37.21
3	Commission	AB Tradelink Ltd.	68.17
4	Salary, Bonus and Perquisites	Mrs. Gitaben B. Shah	1.48
5	Professional Charges	Mr. Pradip R. Shah	3.00
6	Repair & Maintenance of Equipments	Powertec Engineering Pvt. Ltd.	14.33
7	Directors' Remuneration and perquisites	Mr. Bhadresh K. Shah	111.05
		Mr. Paryank R. Shah	62.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

34. Contingent Liabilities not provided for in Accounts:

Sr. No.	Particulars	As at 31 st March, 2015 ₹ Lacs	As at 31 st March, 2014 ₹ Lacs
1.	Contingent Liabilities		
	a. Claims against the Company not acknowledged as debts		
	i) Central Excise & Service Tax	1,831.48	3,815.13
	ii) Income Tax	5,932.31	4,978.47
	iii) Sales Tax / Central Sales Tax	19.77	19.77
	iv) Interest payable to Financial institute	7.60	7.60
	v) Custom duty matters in dispute	711.03	556.37
	b. Guarantees		
	i) Bank Guarantees Outstanding	13,521.56	7,901.62
	ii) Corporate Guarantees Outstanding to Customers	713.65	5,566.94
	iii) Guarantees given by Company on behalf of Subsidiaries	3,621.31	3,490.51
	iv) Performance Guarantees Outstanding to Customers	-	523.78
	v) Bid Bond Guarantees	-	26.27
	vi) Corporate Guarantees given by the Company to banks on behalf of Subsidiaries	2,632.28	2,033.05
	vii) Letter of Credit	33.55	1366.20
	c. Others	650.05	628.32
2.	Commitments		
	a. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.	2,782.83	939.65
	Total	32,457.42	31,853.68

35. Derivative Instruments:

a) Derivatives outstanding as at the balance sheet date:

Currency	Exposure to Buy / Sell	No. of contracts	As at 31 st March, 2015	
			₹ Lacs	Foreign currency
US Dollar (AIA)	Sell	410	67,448.19	108,250,000
EURO (AIA)	Sell	32	10,710.24	16,000,000
ZAR (AIA)	Sell	35	8,982.05	175,000,000
(Previous year) (AIA)	Sell	(223)	(43,651.47)	(76,250,000)

b) Foreign currency exposure at the year end not hedged by derivative instruments:

	As at 31 st March, 2015	As at 31 st March, 2014
Payables against import of goods and services		
Rupees in lacs	10.53	20.09
US Dollar	-	18551
Euro	15726	4952
GBP	-	4718
Advance payment to suppliers and for Expenses		
Rupees in lacs	17.06	822.72
US Dollar	2,6327	918,248
Euro	978	30,0597
ZAR	-	94,500

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015****THE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

The Company enters in to derivative contracts strictly for hedging purposes and not for trading or speculation. The Company has voluntarily adopted "Accounting Standard (AS) 30 Financial Instruments": Recognition and Measurement" to the extent the standard does not conflict with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Pursuant to the adoption, the Net Gain on foreign currency forwards and Interest rate swap of ₹ 2,688.25 lacs as required by AS-30 has been parked in the Cash Flow Hedging Reserve under Reserves & Surplus. This gain would be recycled in the Statement of Profit and Loss / Fixed Assets in the period during which the forecasted transactions occurs.

36. Operating Lease Agreements:

Vega Industries Ltd. (U.S.A.), Vega Industries Ltd. (U.K.) and Vega Steel Industries (RSA) Proprietary Limited, South Africa, have entered in to a non-cancelable Lease Agreement for one of its office spaces with the lease term expiring at various dates through April, 2016

At 31st March, 2015 the future minimum rental payments under non-cancelable operating lease consist of the following:

Year Ending 31 st March	(₹ Lacs)
2016	44.53
2017	13.55
2018	11.87
2019	0.99

Total rent expenses as on 31st March, 2015 and on 31st March, 2014 were ₹ 72.68 Lacs and ₹ 67.58 Lacs respectively.

37. Based on the Guiding Notes on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013 read with rules made thereunder, the Company has incurred the following expenditure on CSR activities during the Financial Year 2014-15:

Sr. No.	Particulars	Amount (₹ Lacs)	Amount (₹ Lacs)
1.	Prescribed CSR Expenditure (2% of Avg. Net Profit)		587.12
2.	Details of CSR Expenditure during the Financial Year 2014-15		
	Cl. (i) – Promoting Healthcare including preventing Health care	77.50	
	Cl. (iii) – Promoting Education	20.00	
	Cl. (iv)-Ensuring Environmental Sustainability	16.97	
	Total Amount Spent during the year 2014-15		114.47
3.	Amount unspent, if any.		472.65

38. Previous Year's figures have been regrouped, reclassified and rearranged wherever necessary to confirm to current year presentation.

39. Figures pertaining to the subsidiaries companies have been re classified where ever necessary to bring them in line with the group financial statements.

Schedules referred to herein above form an integral part of financial statement.

As per our report of even date attached.

For **TALATI & TALATI**
Chartered Accountants
(Firm Regn. No. 110758W)

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 19th May, 2015

For and on behalf of the Board of Directors,

(BHADRESH K. SHAH)
Managing Director
DIN : 00058177

(KUNAL D. SHAH)
Executive Director (Finance)

Place : AHMEDABAD
Date : 19th May, 2015

(YASHWANT M. PATEL)
Whole-time Director
DIN : 02103312

(S. N. JETHELIYA)
Company Secretary
ACS : 5343

NOTICE

Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the members of **AIA ENGINEERING LIMITED** will be held on Thursday, the 24th September, 2015 at 10.00 A.M. at H. T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Yashwant M. Patel (DIN 02103312), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Talati & Talati, Chartered Accountants, Ahmedabad (Firm Registration No. 110758W) the Statutory Auditors of the Company and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs. Talati & Talati, Chartered Accountants, Ahmedabad having ICAI Firm Registration No.110758W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Managing Director of the Company in consultation with the said Auditors, in addition to Service Tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mrs. Khushali Samip Solanki (DIN 07008918), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 7th November, 2014 in terms of Section 161 (1) of the Companies Act, 2013 and who holds office of a Director up to the date of this meeting and in respect of whom a Notice has been received from a Member pursuant to Section 160 of the Companies Act, 2013 proposing her name for appointment as Director (Non-Executive Non-Independent Director), be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mrs. Bhumika Shyamal Shodhan (DIN 02099400), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 7th November, 2014 in terms of Section 161 (1) of the Companies Act, 2013 and who holds office of a Director up to the date of this meeting and in respect of whom a Notice has been received from a Member pursuant to Section 160 of the Companies Act, 2013 proposing her name for appointment as Director (Non-Executive Non-Independent Director), be and is hereby appointed as Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th May, 2015 in terms of Section 161 (1) of the Companies Act, 2013 and who holds office of a Director up to the date of this meeting and in respect of whom a Notice has been received from a Member pursuant to Section 160 of the Companies Act, 2013 proposing his name for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years with effect from 24th September, 2015 to 23rd September, 2020."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being force), the approval of the members be and are hereby accorded to the material Related Party Transactions entered into and carried out in Ordinary Course of Business and at Arm's Length price with Welcast Steels Limited, Bangalore (WSL), a Subsidiary of the Company and Related Party as per Accounting Standard (AS) 18, for purchase of goods during the Financial Year 2014-15 amounting to ₹225 crores approx. which exceeds the threshold limit of 10 percent of annual consolidated turnover of the Company for the Financial year ended 31st March, 2014 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with WSL on 1st January, 2014."
"RESOLVED FURTHER THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being force), the approval of the members be and are hereby accorded to the material Related Party Transactions entered / to be entered into and carried out in Ordinary Course of Business and at Arm's Length price with Welcast Steels Limited, Bangalore (WSL), a Subsidiary of the Company and Related Party as per Accounting Standard (AS) 18, for the purchase of goods



NOTICE

during the period from 1st April, 2015 to 31st March, 2016 for an aggregate amount, which may exceed the threshold limit of 10 percent of Annual Consolidated Turnover of the Company for the Financial Year 2014-15.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members be and is hereby accorded to ratify the remuneration decided by the Board of Directors on the recommendations of the Audit Committee of ₹3.50 Lacs payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March, 2016.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members of the Company be and is hereby accorded for holding an office or place of profit in the Company by Mr. Yashwant M. Patel, a Whole-time Director of the Company whose son-in law Mr. Himanshu Patel has been appointed as Director of Vega Industries (Middle East) FZ Co., UAE, who is also an employee of Vega Industries Ltd., UK, Wholly-owned Subsidiaries of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental thereto.”

By Order of the Board of Directors,

Sd/-

(S. N. Jetheliya)

Company Secretary

Place : Ahmedabad

Date : 19th May, 2015

NOTES

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the meeting, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total Share Capital of the Company.
The instrument of proxy in order to be effective must be received at the Registered Office / Corporate Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed herewith. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Book of the Company will remain closed from Saturday, the 12th September, 2015 to Thursday the, 24th September, 2015 (both days inclusive) for annual closing and determining the entitlement of the Members to the Dividend for the Financial Year 2014-15.
4. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
5. A dividend of ₹8 per share (400%) has been recommended by the Board of Directors for the year ended 31st March, 2015, subject to the approval of the Members at the ensuing Annual General Meeting, is proposed to be paid on or after 30th September, 2015.
6. Payment of Dividend:
 - (a) The Bank account particulars of the members holding Shares in physical form will be printed on the dividend warrants. Hence the members are advised to intimate changes, if any in their registered address along with Pin Code and submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 12th September, 2015 directly to the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Pvt. Ltd., C/13, Pannalal Silk Mills Compound, Kantilal Maganlal Ind. Estate, L.B.S. Marg, Bhandup (West), MUMBAI – 400 078 or at its Branch Office at 303, 3rd Floor, Shopper's Plaza – V, Near 5 Government Society, Opp. Municipal Market, C. G. Road, Navrangpura, Ahmedabad – 380009.
 - (b) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in Address or demise of any Member(s) as soon as possible. Members are also advised not to leave their demat account (s) dormant for long. Members holding Shares in demat form are advised to inform the changes, if any, in particulars of their bank account to their respective Depository Participants.

NOTICE

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent.
8. In compliance with the circular of Ministry of Corporate Affairs for a “Green Initiative in the Corporate Governance” by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of 2014-15 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for 2014-15 are being sent in the permitted mode.
9. All documents referred to in the accompanying Notice and the Explanatory Statements shall be opened for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Sundays, up to and including the date of the Annual General Meeting of the Company.

The Company proposes to send documents, such as the Notice of the Annual General Meeting and Annual Report etc. henceforth to the Members in Electronic Form at the e-mail address provided by them and made available to the Company by the Depositories from time to time.

The Un-audited half-yearly and Quarterly Financial Results of the Company are uploaded at the website of the Company.

In case you wish to receive the above documents in physical form, you are requested to please inform to the below mentioned E-mail ID. Please quote Name, your Demat Account No. [DP ID No. and Client ID No.].

Email ID for reply : ric@aiaengineering.com

Those members who have so far not en-cashed their Dividend warrants for the under mentioned Financial Years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investors’ Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 205 C of the Companies Act, 1956.

Members are requested to note that after such dates, the members will loose their rights to claim such dividend.

Sr. No.	Financial Year	Due date of Transfer to IEPF
1.	2007-08	23.09.2015
2.	2008-09 – Interim Dividend	19.11.2015
3.	2008-09 – Final Dividend	30.10.2016
4.	2009-10 – Interim Dividend	15.02.2017
5.	2009-10 – Final Dividend	19.08.2017
6.	2010-11	19.08.2018
7.	2011-12	20.08.2019
8.	2012-13	21.08.2020
9.	2013-14	11.09.2021

10. Voting through Electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, and Clause 35(B) of the Listing Agreement, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting.

- (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (ii) Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (iii) Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
- (iv) The voting rights of members shall be in proportion to their Shares in the paid up Equity Share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
- (v) Any person, who acquires Shares of the Company and becomes a member of the Company after dispatch of the Notice and holding Shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

The detailed process, instructions and manner of e-voting facility is annexed to the Notice.



NOTICE

11. Re-appointment / Appointment of Directors:

Mr. Yashwant M. Patel (DIN 02103312), Whole-time Director of the Company will retire by rotation at the ensuing 25th Annual General Meeting of the Members of the Company and being eligible, has offered himself for re-appointment.

Mrs. Khushali Samip Solanki (DIN 07008918) and Mrs. Bhumika Shyamal Shodhan (DIN 02099400), Additional Directors, who were appointed as an Additional Directors on 7th November, 2014, will hold the office of Directors upto the ensuing 25th Annual General Meeting of the Members of the Company and proposed to be appointed as Directors of the Company (Non-Executive – Non-Independent) liable to retire by rotations.

Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265), who was appointed as an Additional Director on 14th May, 2015, will hold the office of Director upto the ensuing 25th Annual General Meeting of the Members of the Company and proposed to be appointed as Director of the Company (Independent) for a period of five years from 24th September, 2015 to 23rd September, 2020.

Pursuant to the requirements under the Listing Agreement with the Stock Exchanges, relating to Corporate Governance, a statement containing brief resumes of the above Directors together with the details of Shares held by them, if any, is annexed hereto.

REQUEST TO THE MEMBERS

1. Members desiring any relevant information on the Accounts at the 25th Annual General Meeting are requested to write to the Company at least seven days in advance at its Registered Office / Corporate Office, so as to enable the Company to keep the information ready.
2. Members are requested to bring their copy of the Annual Report to the Meeting.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESSES MENTIONED IN THE ACCOMPANYING NOTICE:

ITEM NO. 5

The Board of Directors in their meeting held on 7th November, 2014 appointed Mrs. Khushali Samip Solanki (DIN 07008918) as an Additional Director of the Company to hold office of an Additional Director up to the ensuing 25th Annual General Meeting of the Members of the Company.

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mrs. Khushali Samip Solanki as a Director (Non-Executive – Non-Independent) of the Company liable to retire by rotation.

Mrs. Khushali Samip Solanki is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Mrs. Khushali Samip Solanki possesses appropriate skills, expertise and knowledge in marketing and other fields. A brief profile of Mrs. Khushali Samip Solanki and names of companies in which she is a Director / interested as stipulated under the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

In the opinion of the Board, Mrs. Khushali Samip Solanki fulfills the conditions specified in the Act and rules made thereunder for her appointment as a Director of the Company. A Copy of the draft letter of appointment of Mrs. Khushali Samip Solanki as a Director (Non-Executive – Non-Independent) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day.

Mrs. Khushali Samip Solanki is a daughter of Mr. Bhadrish K. Shah, the Managing Director and Promoter of the Company and sister of Mrs. Bhumika Shyamal Shodhan. Considering her eminence, rich experience, it will be in the best interest of the Company to appoint her as a Director (Non-Executive – Non-Independent) liable to retire by rotation. The Board considers that her continued association would be of immense benefit to the Company.

Except Mr. Bhadrish K. Shah and Mrs. Bhumika Shyamal Shodhan and their relatives, none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the members of the Company. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

ITEM NO. 6:

The Board of Directors in their meeting held on 7th November 2014 appointed Mrs. Bhumika Shyamal Shodhan (DIN 02099400) as an Additional Director of the Company to hold an office of an Additional Director up to the ensuing Annual General Meeting of the Members of the Company.

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mrs. Bhumika Shyamal Shodhan as a Director (Non-Executive – Non-Independent) of the Company liable to retire by rotation.

Mrs. Bhumika Shyamal Shodhan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Mrs. Bhumika Shyamal Shodhan possesses appropriate skills, expertise and knowledge in marketing and other fields. A brief profile of Mrs. Bhumika Shyamal Shodhan and names of Companies in which she is a Director / interested as stipulated under Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

NOTICE

In the opinion of the Board, Mrs. Bhumika Shyamal Shodhan fulfills the conditions specified in the Act and rules made thereunder for his appointment as a Director of the Company. A Copy of the draft letter of appointment of Mrs. Bhumika Shyamal Shodhan as a Director (Non-Executive – Non-Independent) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day.

Mrs. Bhumika Shyamal Shodhan is a daughter of Mr. Bhadrash K. Shah, the Managing Director and Promoter of the Company and sister of Mrs. Khushali Samip Solanki. Considering her eminence, rich experience, it will be in the best interest of the Company to appoint her as a Director (Non-Executive – Non-Independent) liable to retire by rotation. The Board considers that her continued association would be of immense benefit to the Company.

Except Mr. Bhadrash K. Shah and Mrs. Khushali Samip Solanki and their relatives, none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the members of the Company.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

ITEM NO. 7:

The Board of Directors by way of Circular Resolution dated 14th May, 2015 appointed Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) as an Additional Director of the Company to hold office of an Additional Director (Independent) up to the ensuring 25th Annual General Meeting of the Members of the Company.

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) as an Independent Director of the Company to hold office of Director for period of five consecutive years with effect from 24th September, 2015 to 23rd September, 2020.

Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director. Section 149 of the Act, inter alia stipulates the criteria of independence, for the appointment of an Independent Director in a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

Company has also received a declaration from Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) that he meets the criteria of independence as prescribed under Section 149 [6] of the Act and Clause 49 of the Listing Agreement as amended from time to time. Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) possesses appropriate skills, expertise and knowledge in Finance and other fields. A brief profile of Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) and names of companies in which he is a Director and memberships / Chairmanships of the Board Committees, Shareholding etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

In the opinion of the Board, Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Considering his eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint him as an Independent Director. The Board considers that his continued association with the company would be of immense benefit and is desirable to avail the services of Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265) as an Independent Director of the Company.

Except Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265), none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the members of the Company.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

ITEM NO. 8:

Welcast Steels Limited, (WSL), Bangalore is a Subsidiary of the Company. The Company is holding 74.85% of the Shares in the Share Capital of WSL. WSL is a Related Party as per definition under Section 2 (76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges ("Clause 49").

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time exempts any transactions entered into by the Company in its Ordinary Course of Business and done at Arm's length price, from the requirement of prior approval of the Members by way of Special Resolution.

However, in terms of said provisions of Clause 49 of the Listing Agreement, the transactions as described hereunder has exceeded 10% of the Consolidated Annual Turnover of the Company as per the Audited Annual Accounts of the Company for the Financial Year 2014-15 exceeded the materially threshold limit as prescribed under Clause 49. Thus, in terms of Clause 49, these transactions would require the approval of the Members by way of a Special Resolution.

**NOTICE**

The particulars of the transactions entered into with WSL are as under:

Sr. No.	Particulars	Information
1.	Name of Related Party	Welcast Steels Limited (WSL)
2.	Name of Director (s) or Key Managerial Personnel who is related, if any	Mr. Bhadresh K. Shah, Managing Director Mr. Rajendra S. Shah Mr. Sanjay S. Majmudar and Mrs. Khushali Samip Solanki, Directors on the Board of WSL. Mr. S. N. Jetheliya, Company Secretary who is also a Company Secretary of WSL.
3.	Nature of Relationship	Subsidiary Company of the Company
4.	Nature and Monetary value of Transactions with WSL	Purchase of goods: Rs.219.00 Crore Sale of Goods: ₹4.70 Crore
5.	Whether the transactions have been approved by the Audit Committee	Yes, the Related Party Transactions are in accordance with the Related Party Transactions Policy of the Company and have been approved by the Audit Committee and recommended to the Board of Directors for their approval at their respective meetings held on 20 th May, 2014 in the year 2014-15.
6.	Any other information relevant or important for the Members to make a decision on the proposed transactions.	WSL has obtained a Report for the Financial Year 2014-15 under Section 188 of the Companies Act, 2013 from BSR and Associates, LLP which states that the Transactions with AIA are at the Arms' Length and in Ordinary Course of Business.

The Annual Consolidated Turnover as per the last Audited Financial Statements for the year ended 31st March, 2014 was ₹2098.32 crore. As such, the transactions with WSL during the Financial Year ended 31st March, 2015 are material pursuant to Clause 49 of the Listing agreement requires the ratification of the members.

Currently, it cannot be ascertained the transactions to be entered in the Current Financial Year of 2015-16 would exceed the threshold limit of 10% of Annual Consolidated Turnover as per the latest Audited Financial Results. The approval of the members for the transactions proposed to be entered into and carried out with WSL from time to time, in Ordinary Course of Business and at Arm's length price, during the Financial Year 2015-16, is being sought by way of abundant caution and as a proactive measure.

Further, Clause 49 of the Listing Agreement requires that the entities falling under the definition of related party to abstain from voting irrespective of whether the entity is a party to the transaction or not. Accordingly, the Company being the promoter of WSL holding 74.85% of the Paid-up Capital, is required to abstain from the voting on this resolution of the notice.

Except Mr. Bhadresh K. Shah, Managing Director, Mr. S.N. Jetheliya, Company Secretary of the Company and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

The Board recommends passing of the said Resolution by way of a Special Resolution for the approval of the Members of the Company.

ITEM NO. 9.

The Board of Directors on the recommendations of the Audit Committee, appointed M/s. Kiran J. Mehta, Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2015-16 and fixed the remuneration of ₹3.50 Lacs plus Service Tax and out of pocket expenses.

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a Resolution.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2015-16.

None of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the Resolution. The Board recommends passing of the said Resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM NO. 10.

Pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], for holding of an Office or Place of profit where the amount to be paid is more than ₹250000 per month, the consent of the members are to be sought by way of a Special Resolution.

In view of the above, the consent of the members of the Company is being sought by way of a Special Resolution for holding an Office or Place of Profit in the Company by Mr. Yashwant M. Patel whose son-in law Mr. Himanshu Patel has been appointed, as Director of Vega Industries (Middle East) FZ Co., UAE, who is also an employee of Vega Industries Ltd., UK, the Wholly-owned Subsidiaries of the Company.

None of the Directors except Mr. Yashwant M. Patel, the Whole-time Director of the Company, and other Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the Resolution.

The Board recommends passing of the said Resolution as a Special Resolution for the approval of members of the Company.

By Order of the Board of Directors,

Sd/-

(S. N. Jetheliya)
Company Secretary

Place : Ahmedabad
Date : 19th May, 2015

ANNEXURE TO THE NOTICE

Disclosure pursuant to Clause 49 of Listing Agreement with regard to the Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting (Refer Item No. 3 and 5 to 7) of the Notice:

Name	Mr. Yashwant M. Patel (DIN-02103312)
Date of Birth / Age	05.10.1943 – 72 yrs.
Re-Appointed / Appointment on	12 th November, 2010
Qualifications	B.Sc (Chemistry)
Expertise in specific functional areas	He possesses rich and varied experience in Production, Administration and Accounts.
Directorships held in other Public Companies	NIL
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	NIL

Name	Mrs. Khushali Samip Solanki (DIN 07008918)
Date of Birth / Age	09.05.1977 – 38 Years
Re-Appointed / Appointment on	7 th November, 2014
Qualifications	Diploma in Hotel Management
Expertise in specific functional areas	She possesses appropriate skills, expertise and knowledge in marketing and other fields.
Directorships held in other Public Companies	Welcast Steels Ltd.
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	10010

Name	Mrs. Bhumika Shyamal Shodhan (DIN 02099400)
Date of Birth / Age	11.03.1980 – 35 Years
Re-Appointed / Appointment on	7 th November, 2014
Qualifications	Diploma in Fashion Designing
Expertise in specific functional areas	She possesses appropriate skills, expertise and knowledge in marketing and other fields.
Directorships held in other Public Companies	NIL
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	10005



ANNEXURE TO THE NOTICE

Name	Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265)
Date of Birth / Age	18.06.1948 – 67 Years
Re-Appointed / Appointment on	14 th May, 2015
Qualifications	He is a graduate from Gujarat University (India) with a Bachelors Degree in Commerce and Masters Degree of Business Administration from USA.
Expertise in specific functional areas	He was Managing Director and Director in various companies as part of the family owning Textile, Engineering and Chemical companies known as Shri Ambica Group from 1973 to 1988. In this capacity he dealt with US, Swiss and German companies and acquired experience of management, finance and marketing from 1988 to 1996. He promoted and managed the family's private chemical manufacturing companies. Later he promoted and managed as Chairman and Managing Director of a Public Listed chemical manufacturing Company HK Finechem Ltd. from 1996 to 2010. The Company is one of the few manufacturers of speciality chemicals from vegetable oil based raw materials using for the first time in India large molecular distillation equipment imported from UIC GmbH of Germany along with fractionation distillation column designed by Sulzer of Switzerland. HK Finechem healthcare products were exported and sold to US, Europe and Japanese Companies.
Directorships held in other Public Companies	ECHKE LIMITED
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	NIL

INSTRUCTIONS FOR VOTING THROUGH E-VOTING

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

A. In case a Member receiving intimation by email:

- (i) If you are holding Shares in Demat form and has logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- (ii) Log on to e-voting website www.evotingindia.com.
- (iii) Click on “Members” tab to cast your votes.
- (iv) Now, select the Electronic Voting Sequence Number (“EVSN”) **150808001** along with “AIA ENGINEERING LTD.” from the drop down menu and click on “SUBMIT”.
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding Shares in Demat Form	For Members holding Shares in Physical Form
USER ID	For NSDL: 8 characters DP ID Followed by 8 digits Client ID For CDSL: 16 digits Beneficiary ID	Folio number registered with the Company
Enter the Image Verification as displayed and Click on Login		
If you are holding Shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.		
PAN*	Enter your 10 digit alpha numeric *PAN issued by Income tax Department when prompted by the system while e-voting [applicable for both Members holding Shares in Demat mode and Members holding Shares in physical mode]	
ANY ONE OF THE FOLLOWING TWO		
DOB	Enter the Date of Birth as recorded in your Demat account or in the Company records for the said Demat or Folio in dd/mm/yyyy format.	
OR		
Dividend Bank Details	Enter the Dividend Bank details as recorded in your Demat account or in the Company records for the said Demat account or Folio.	

* Members who have not updated their PAN with the Company / Depository Participant are requested to use the default number: <AIAENG1191L> in the PAN field.

- (vi) After entering these details click on “SUBMIT” tab.
- (vii) Members holding Shares in Demat form will now reach Password change menu wherein they are requested to mandatorily change their Login password in the New Password field. The new password shall contain minimum eight characters consisting of at least one upper case [A-Z], one lower case [a-z], one numeric value [0-9] and a special character [@ # \$ % & *]. Kindly note that this password will also be used by the Demat holders for voting for resolutions of other companies on which they are eligible to vote. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Please note that this changed password is to be also used by the Members holding Shares in Demat mode for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (viii) Select “EVSN” (E-Voting Sequence Number) of AIA Engineering Limited.



INSTRUCTIONS FOR VOTING THROUGH E-VOTING

- (ix) On the voting page, you will see Resolution description and against the same the option “Yes/No” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies you dissent to the resolution.
- (x) Click on the “Resolution File Link” if you wish to view all the resolutions.
- (xi) After selecting the resolution you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy]:

Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- C.** Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- D.** The e-voting period commences on 20th September, 2015 (9.00 a.m.) and ends on 23rd September, 2015. (5.00 p.m.) During this period Members’ of the Company, holding Shares either in physical form or in Dematerialized form, as on the cut-off date of 18th Septemebr, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.
- E.** The voting rights of Members shall be in proportion to their Shares of the paid-up equity share capital of the Company.
- F.** Mr. Tushar Vora, Company Secretaries (Membership Number FCS-3459; CP No. 1745) [Address: 32 Arpan Society, Nr. Mayur High School, Paliyad Nagar, Naranpura, Ahmedabad – 380010] has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloadable section of www.evotingindia.co.in under help section or write email to helpdesk.evoting@cdslindia.com
- H.** The Scrutinizer shall within a period not exceeding three (3) working days from the closing of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- I.** The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.aiaengineering.com and on the website of CDSL within two (2) working days of passing of the Resolutions at the AGM of the Company and communicated to the Stock Exchanges.

CONTACT DETAILS

Company	: AIA Engineering Limited
Regd. Office	: 115, GVMM Estate, Odhav Road, Odhav, Ahmedabad-382 410, Gujarat, India
CIN	: L29259GJ1991PLC015182
E-mail	: snj@aiaengineering.com , ric@aiaengineering.com
Registrar and Share Transfer Agent	: Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078 Phone: +91-22-25946970 Fax: +91-22-2594 6969
E-mail	: mumbai@linkintime.co.in
e-Voting Agency	: Central Depository Services (India) Limited
E-mail	: helpdesk.evoting@cdslindia.com
Scrutinizer	: CS Tushar Vora, Practicing Company Secretary
E-mail	: cstushar@tusharvora.com



ATTENDANCE SLIP & PROXY FORM

AIA ENGINEERING LIMITED

ATTENDANCE SLIP

[CIN:L29259GJ1991PLC015182]

Regd. Office: 115, GVMM Estate,
Odhav Road, Odhav, Ahmedabad – 382 410
Email: ric@aiaengineering.com
website: www.aiaengineering.com
Phone: 079-66047800 Fax: 079-66047848

25th ANNUAL GENERAL MEETING

[Empty box for stamp or signature]

I /We hereby record my / our presence at the 25th Annual General Meeting of the Company to be held at H. T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 on Thursday, the 24th September, 2015 at 10.00 a.m.

Member's Folio/DP ID-Client ID No.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature



AIA ENGINEERING LIMITED

PROXY FORM

[CIN:L29259GJ1991PLC015182]

Regd. Office: 115, GVMM Estate,
Odhav Road, Odhav, Ahmedabad – 382 410
Email: ric@aiaengineering.com
website: www.aiaengineering.com
Phone: 079-66047800 Fax: 079-66047848

Name of the Member (s) :
Registered Address :
E-mail Id :
Folio / DP ID-Client ID No. :

I/We being the Member(s) holding _____ Shares of the above named Company hereby appoint:

- (1) Name: _____ Address: _____
E-mail ID: _____ Signature: _____
or failing him / her;
- (2) Name: _____ Address: _____
E-mail ID: _____ Signature: _____
or failing him / her;
- (3) Name: _____ Address: _____
E-mail ID: _____ Signature: _____

as my /our proxy to attend and vote for my / our behalf at the **Twenty Fifth Annual General Meeting** of the Members of the Company to be held on Thursday, the 24th September, 2015 at 10.00 A.M. at H. T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of Resolutions as are indicated below:.

**ATTENDANCE SLIP & PROXY FORM****Note:**

1. Please complete the Folio / DP ID-Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2014-15 and Notice of the 25th Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email addresses are registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form are sent in the permitted mode (s) to all members whose email addresses are not registered or have requested for a hard copy.



Resolution No.	Particulars of Resolutions	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31 st March, 2015.		
2.	Declaration of Dividend for the Financial Year 2014-15.		
3.	Re-appointment of Mr. Yashwant M. Patel, Whole-time Director retires by rotation.		
4.	Re-Appointment of Statutory Auditors.		
	SPECIAL BUSINESS		
5.	Appointment of Mrs. Khushali Samip Solanki as a Director liable to retire by rotation.		
6.	Appointment of Mrs. Bhumika Shyamal Shodhan as a Director liable to retire by rotation.		
7.	Appointment of Mr. Rajan Ramkrishna Harivallabhdas as an Independent Director.		
8.	Approval of Related Party Transactions.		
9.	Ratification of Remuneration to Cost Auditors.		
10.	Holding of Office or place of Profit by Mr. Yashwant M. Patel		

Signed this _____ day of _____ 2015

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix Re 1 revenue stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member (s) in the above box before submission.



AIA ENGINEERING LIMITED

Registered Office : 115, GVMM Estate, Odhav Road, Ahmedabad - 382410

Tel. : +91-79-22901078-81 Fax : +91-79-22901077

E-mail : snj@aiaengineering.com

Website : www.aiaengineering.com

CIN:L29259GJ1991PLC015182