



# BOARD'S REPORT

The Members,

## AIA ENGINEERING LIMITED

Ahmedabad

Your Directors take pleasure in submitting the 34<sup>th</sup> Annual Report and the Audited Annual Accounts of the Company for the year ended 31 March, 2024.

### 1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue from Operations	4,06,204.15	3,97,430.88	4,77,182.26	4,83,802.48
Other Operating Income	8,190.84	7,045.47	8,193.87	7,074.39
<b>Total Revenue from Operations</b>	<b>4,14,394.99</b>	<b>4,04,476.35</b>	<b>4,85,376.13</b>	<b>4,90,876.87</b>
<b>Other Income</b>	<b>42,844.27</b>	<b>32,273.96</b>	<b>28,140.12</b>	<b>23,453.94</b>
<b>Total Income</b>	<b>4,57,239.26</b>	<b>4,36,750.31</b>	<b>5,13,516.25</b>	<b>5,14,330.81</b>
Profit before Finance Cost, Depreciation & Amortisation and Tax Expenses	1,59,108.40	1,37,669.05	1,61,515.71	1,47,518.02
Finance Cost	2,826.07	1,845.36	2,837.87	2,010.39
Depreciation & Amortisation	9,821.51	9,115.33	10,027.15	9,304.01
<b>Profit Before Share of Profit of Joint Venture and Tax</b>	<b>1,46,460.82</b>	<b>1,26,708.36</b>	<b>1,48,650.69</b>	<b>1,36,203.62</b>
Share of Profit of Joint Venture (Net of Tax)	-	-	151.23	-
<b>Profit Before Tax</b>	<b>1,46,460.82</b>	<b>1,26,708.36</b>	<b>1,48,801.92</b>	<b>1,36,203.62</b>
(i) Provision for Taxation (Current)	31,696.52	29,319.93	33,390.55	30,412.63
(ii) Deferred Tax	1,819.31	505.87	1,712.13	140.96
<b>Total Tax (i+ii)</b>	<b>33,515.83</b>	<b>29,825.80</b>	<b>35,102.68</b>	<b>30,553.59</b>
<b>Profit After Tax</b>	<b>1,12,944.99</b>	<b>96,882.56</b>	<b>1,13,699.24</b>	<b>1,05,650.03</b>
Non-Controlling Interest	-	-	141.91	57.14
Net Profit after Non-Controlling Interest	<b>1,12,944.99</b>	<b>96,882.56</b>	<b>1,13,557.33</b>	<b>1,05,592.89</b>
Other Comprehensive Income/ (Loss) (Net of Tax) (After Minority Interest)	428.92	(581.34)	(1,828.89)	(3,487.78)
Total Comprehensive Income after Non-Controlling Interest	<b>1,13,373.91</b>	<b>96,301.22</b>	<b>1,11,728.44</b>	<b>1,02,105.11</b>

#### Standalone Operating Results:

During the year under review, the Revenue from Operations of the Company is ₹ 4,14,394.99 Lakhs as compared to ₹ 4,04,476.35 Lakhs in the previous Financial Year. Exports Turnover registered in the same period is ₹ 2,76,941.76 Lakhs as against the Export Turnover of ₹ 2,75,384.06 Lakhs in the previous Financial Year.

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹ 1,46,460.82 Lakhs and Profit After Tax (PAT) of ₹ 1,12,944.99 Lakhs as compared to PBT of ₹ 1,26,708.36 Lakhs and PAT of ₹ 96,882.56 Lakhs respectively in the previous Financial Year.

#### Consolidated Operating Results:

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries and Joint Venture) has earned Revenue from Operations of ₹ 4,85,376.13 Lakhs as compared to ₹ 4,90,876.87 Lakhs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 1,13,557.33 Lakhs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹ 1,05,592.89 Lakhs in the previous Financial Year.

**2. DIVIDEND:**

The Board of Directors is pleased to recommend a Dividend of ₹ 16/- (800%) per Equity Share of the face value of ₹ 2/- each amounting to ₹ 15,091.26 Lakhs for the Financial Year 2023-24.

The Dividend, if declared/approved 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 the Record Date. In respect of shares held in dematerialised 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.

**3. SHARE CAPITAL:**

The paid up Equity Share Capital of the Company as on 31 March, 2024 is ₹ 1,886.41 Lakhs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock option or sweat equity.

**4. FINANCE:**

Cash and cash equivalents as at 31 March, 2024 were ₹ 18,032.70 Lakhs. The Company continues to focus on judicious management of its Working Capital, Receivables, Inventories, while other Working Capital parameters were kept under strict check through continuous monitoring.

**Capital Expenditure Outlay:**

During the year under review, the Company has incurred Capex of ₹ 21,075.73 Lakhs (including work-in-progress).

**Deposits:**

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013.

**Particulars of Loans, Guarantees or Investments:**

During the year under review, Company has not provided any loan but it has provided a Guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The details of Guarantees provided and Investments made by the Company are given in the Notes to the Financial Statements.

**Internal Financial Control and Audit:**

The Company has a formal framework of Internal Financial Control ("IFC") in alignment with the

requirement of Companies Act, 2013 and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC. Accordingly, the Company has a well-placed, proper and adequate IFC system, which ensures:

- The orderly and efficient conduct of its business,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records and
- The timely preparation of reliable financial information.

The Board reviews the effectiveness of controls documented as part of IFC framework and take necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology controls. Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company. The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

**Related Party Transactions:**

All the Related Party Transactions entered during the financial year were on an Arm's Length basis and were 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.

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 were 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 "A".

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz. <https://aiaengineering.com/wp-content/uploads/2023/06/Policy-Related-Party-Transaction.pdf>.

#### Credit Rating:

CRISIL has upgraded the Long Term rating and has reaffirmed the Short Term rating of the Company as CRISIL AA+/Positive and CRISIL A1+ respectively.

Dun & Bradstreet Information India Private Limited (D&B) has evaluated the Company during September, 2023 and reassigned a Dun Bradstreet Rating of 5A I, which indicates that overall status of the Company is "Strong".

#### 5. HUMAN RESOURCES:

Amongst the various resources that are required for the successful functioning of any organization, human resource is one of the most important and impactful resource of any company. We fully acknowledge and understand the huge impact this resource can have on the proper functioning and growth of the organization and hence invest a significant amount of time and effort in nurturing and developing this resource.

Any asset needs to be managed, maintained and developed. Human asset is no different and considering the importance of this asset, we are continuously looking for ways and means for efficient and effective human resource management. It is with this consideration, that we engage with some of the best agencies and consultants in this area.

Working with top notch global agencies ensures that we have access to some of the best talents in our area of operation. The company works in a very structured and organized manner in sourcing and recruiting some of the most competent and experienced personnel from different parts of the world.

While having good talent is important, training and developing the same is equally important. As a corporate philosophy, we are dedicated towards continuous improvement and skill enhancement. Right from a very systematic, structured and elaborate orientation and induction program at the beginning, we continuously work towards regular and periodic skill enhancement programs for our team members. To ensure a structured and committed emphasis on this aspect, we have created a dedicated training and development cell which systematically designs training programs for different individuals based on the mapping of their skills.

One of our key corporate philosophy is safety and well being of our employees. We are extremely committed towards the physical and mental health of our team

members. In addition to prioritizing safe work practices, we champion holistic wellness and regularly organize different wellness sessions like yoga etc. conducted by experts for the overall health and well being of our employees.

Every asset has a lifecycle and hence understanding the same and optimally utilizing the same is a very scientific and technical process. We approach the employee lifecycle with precision and foresight, meticulously designing each stage from onboarding, training, career progression and succession planning. Our performance appraisal system is built on an objective assessment of individual performance and potential, ensuring fairness, growth opportunities and accountability throughout.

Continual upgradation and refinement of our HR practices is at the core of our organizational ethos. Through collaborating with leading global consultants, we ensure that we are at the forefront in talent acquisition, organizational structuring and other HR practices. While staying true to our core values, philosophy and management style, we embrace innovation and modern practices to enhance operational efficiency and effectiveness, leveraging the diverse talent pool created with utmost care and precision to propel forward our growth trajectory.

#### 6. MATERIAL CHANGES, TRANSACTIONS AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of Financial Year on March 31, 2024 to which the Financial Statements relates and the date of this Report.

#### 7. BUSINESS PROSPECTS:

Company's future growth of business is always linked to growth of the industries like Mining, Cement and Thermal Power generation.

Company's focus is to provide comprehensive solutions which are aimed at not only reducing the cost of consumable wear parts which are used in the process of Grinding and Crushing in the above industries through reduced wear rates but also to focus on reducing the overall cost of ownership in the hands of the customer by increasing the grinding efficiency, increasing the throughputs and reducing other operating expenses by customising tailor made solutions to suit the requirement of a given customer.

Cement Industry is largely converted into High Chrome Mill Internals use, Company's growth is linked mainly to the overall growth of the Industry. Cement industry growth remains low on account of heavy infrastructure already built in the western world and China, which drove global growth in Cement consumption in last

two decades, also tapering down its consumption. We continue remain closely involved with all key Cement manufacturers and invest resources to be able to help them optimise their grinding operations and remain a valued partner.

Major growth driver for Company continues to be the huge conversion opportunity available in the Mining Industry space. The addressable market opportunity is around 2 to 2.5 million tonnes (of annual consumption) for the three ores on which the Company is focused upon viz. Gold, Copper and Iron Ore. The level of penetration of High Chrome Grinding Media is less than 15%, which offers a significant opportunity for growth through conversion from Forged Grinding Media to High Chrome Grinding Media.

Further, in addition to Grinding Media as the main product supplied to the Mining Industry, Company is also very excited about prospects for growth in the Mill Liner Segment where the Company is manufacturing and supplying Metal Liners based on unique patented Mill Liner design licensed by the Company as well its own proprietary designs, which helps the Company in offering multiple advantages including improved throughputs and reduced power costs.

Company is addressing the mining opportunity of conversion through a combination of solutions based on the requirement of a mining customer. This includes cost savings through lower wear rates and lower consumptions owing to the High Chrome advantage; Down process related benefits in the form of reduction in the cost of other expensive reagents/improvement of recoveries by use of High Chrome Grinding Media; and lastly unique Mill Lining solutions having the effect of increasing the throughput and reduction in the power cost. Company is also offering unique Mill Liners to the mining market and widening its wallet share and value addition with customers. Company's dedicated greenfield Mining Liner plant has been commissioned in Quarter 2 of Financial Year 2022-23 is helping the Company in taking incremental market share in this segment, as well as offer higher cross selling opportunities for Grinding Media. Commissioning of said Mining Liner plant resulted in increase in capacity by 20,000 MT.

Going forward, Company continues to build on its competencies to offer material value addition to its customers in form of increase in throughput, increase in yield of gold and copper ores and reduction in operating costs in terms of wear costs, power costs and reagent consumption. This value addition is offered by continuous and direct engagement with operations personnel at plants in different countries and ensuring that a custom designed solution is offered

to meet their specific objectives and engage with them on a continuous improvement journey to measure and ensure the benefits accrue over the lifetime of our solution. A Continued volatility in the prices of major raw materials viz. Scrap and Ferro Chromium is now becoming a rule rather than exception. Thus, in Financial Year 2023-24 at least for first Quarter the Ferro Chromium prices continued to rise whereas in the second and third quarter there was a small dip while again in the fourth quarter the prices started rising. However, the Company has demonstrated its ability of passing over this increase cost of raw materials consistently year over year over a lag of anywhere between 3 and 6 months. This also demonstrates the resilience of our business model.

The Company is extremely confident of the long term prospects of sustained growth through new customer acquisitions in the Mining Segment. Company believes that it has certain distinct competitive advantages given its unique product offerings coupled with highly efficient plants in India, duly supported by a strong global sales force and support infrastructure in the form of Company's global offices and warehouse infrastructure and continued developmental efforts aimed at making its solutions very potent – all these factors are giving the Company the confidence that it should emerge as a dominant supplier of Mill Internals in the Mining space as well.

Company continues to maintain its significant market share as a supplier of large castings to the Thermal Power Plant Industry in India. Although this is relatively a smaller business, it is still an important business for it and the Company.

## 8. FUTURE EXPANSION:

Over the past five years, we have witnessed a positive trend in net cash generated from operating activities despite having challenges related to the metal prices, freight costs and global economic growth. This demonstrates our strong capital efficiency, i.e. effective conversion of operational performance into cash flows, which is vital for funding our growth initiatives and meeting our financial obligations. With a commitment to long-term growth, we have consistently prioritised allocating substantial financial resources towards capital expenditure. These strategic investments are designed to enhance operational capabilities, support expansion plans and ensure a robust and sustainable future for our Company. Accordingly, our capex proposals are from internal cash accruals.

The Company's current capacity stands at 4,60,000 MT Per Annum.

The Company is well progressing on implementing the second phase of Grinding Media Greenfield expansion

project with a capacity of 36,000 MT at Kerala GIDC near Ahmedabad and expected to come in production by December 2024.

The Company has a plant cluster in Odhav in Ahmedabad primarily for production of parts other than grinding media. For this cluster, Company is progressing on a one-time upgradation project which includes capacity de-bottlenecking and restructuring, creation of warehouse space, pattern storage facilities and related infrastructure. While the project will continue in phases over next year the capacity optimization of 20,000 MT of castings is now completed.

Being a responsible corporate citizen, we are dedicated to the conservation of environment. The Company recognises the significance of renewable energy in combating climate change. Keeping this as our primary objective for Financial Year 2024-25, the Company further plans to invest in Renewable Energy Projects (including Solar and Wind) by investing ₹ 30 to ₹ 40 Crores. In fiscal year 2025-2026, it is estimated that 60% to 70% of total power consumed will come from renewable sources.

#### 9. SUBSIDIARY COMPANIES/ASSOCIATE COMPANY:

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a Statement containing salient features of Financial Statement of Subsidiary Companies in Form AOC 1 is given as Annexure "B".

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. The Consolidated Financial Statements prepared by the Company include financial results of its Subsidiary Companies and Joint Venture.

The separate Audited Financial statements in respect of each of the Subsidiary Companies are also available on the website of your Company at <https://aiengineering.com/investor/>.

During the year under review, Company alongwith its wholly owned subsidiary i.e. Vega Industries (Middle East) FZC has acquired a wholly owned subsidiary in Peru viz. Vega Industries Peru Limited. Vega Industries (Middle East) FZC, UAE has also acquired 43% stake in the business of Vega MPS Pty Limited, Australia.

During the year under review, Vega Industries (Middle East) FZC, UAE, a wholly owned subsidiary of the Company has purchased 100% shareholding of Vega Industries Limited, USA from its wholly owned subsidiary i.e. Vega Industries Limited, UK. By virtue

of this, Vega Industries Limited, USA has now become the wholly owned subsidiary of Vega Industries (Middle East) FZC, UAE and first level step down subsidiary of the Company.

#### 10. INSURANCE:

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

#### 11. INDUSTRIAL RELATIONS (IR):

The Company continues to maintain harmonious industrial relations. Company periodically reviews its HR policies and procedures to aid and improve the living standards of its employees, and to keep them motivated and involved with the larger interests of the organisation. 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.

#### 12. 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 Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations").

A separate Report on Corporate Governance and Practicing Company Secretary's Report thereon is included as a part of the Annual Report.

#### 13. MANAGEMENT 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.

#### 14. RISK MANAGEMENT:

In compliance with the provisions of Regulation 21 of SEBI LODR Regulations, the Board of Directors has 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 Organisation. The Company has a well-defined Risk Management framework to



identify, monitor and minimising/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 Optimising.

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

## 15. POLICES:

### (a) Vigil Mechanism / Whistle Blower Policy:

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy through which the Company encourages employees to bring to the attention of Senior Management including Audit and Risk Management Committee, any unethical behavior and improper practice and wrongful conduct taking place in the Company. The brief details of such vigil mechanism forms part of the Corporate Governance Report.

### (b) Policy on protection of Women against Sexual Harassment at Workplace:

In line with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a policy for the same. The brief details of the said policy form part of the Corporate Governance Report of this Annual Report. The Company has not received any complaint during the Financial Year 2023-24 in this regard.

### (c) Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

In Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has revised Model Code of Conduct of Insider Trading Regulations from time to time. The Company adopted the Code of Conduct to regulate, monitor and report trading by Designated Person(s) in order to protect the Investor's Interest. The details of the said Code of Conduct forms part of the Corporate Governance Report.

### (d) Policy for Business Responsibility and Sustainability Report:

In pursuance of Regulation 34 of SEBI LODR Regulations, top 1000 companies based on market capitalisation (calculated as on March 31 of every

financial year) are required to prepare and enclose with its Annual Report, a Business Responsibility and Sustainability Report describing the initiatives taken by them from an environmental, social and governance perspectives. A separate report on Business Responsibility and Sustainability Report is annexed herewith as Annexure "C".

### (e) Dividend Distribution Policy:

The Board of Directors had approved the Dividend Distribution Policy in line with SEBI LODR Regulations. The Policy is hosted on website of the Company at <https://aiaengineering.com/wp-content/uploads/2023/06/Dividend-Distribution-Policy.pdf>.

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

### (a) Board of Directors and KMP:

The Board of Directors of the Company is led by the Independent – Non Executive Chairman and comprises eight other Directors as on 31 March, 2024, including one Managing Director, one Whole-Time Director, four Independent Directors (including one Woman Independent Director) and two Non-Executive Directors (other than Independent Directors).

All the Independent Directors of the Company have furnished declarations that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

Considering the integrity, expertise and experience (including the proficiency), the Board of Directors recommends the reappointment of Mrs. Bhumika Shyamal Shodhan (DIN: 02099400), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

Mrs. Janaki U. Shah (DIN: 00343343) has been appointed as an Independent Director for a period of 5 consecutive years from 12 August, 2019 to 11 August, 2024. The Board on recommendation of Nomination and Remuneration Committee, has re-appointed her as an Independent Director for a period of 5 consecutive years from 12 August, 2024 and proposed a resolution for member's approval at the ensuing Annual General Meeting.

As required under SEBI LODR Regulations amended from time to time, the information on the particulars of the Directors proposed for re-appointment has been given in the Notice of the Annual General Meeting.

**(b) Meetings:**

During the year under review, five Board Meetings and four Audit Committee Meetings were convened and held. The detail of composition of Audit Committee is as under:-

Mr. Sanjay S. Majmudar, Chairman

Mr. Rajendra S. Shah, Member

Mr. Bhadresh K. Shah, Member

Mr. Rajan R. Harivallabhadas, Member

All recommendations made by the Audit Committee during the year were accepted by the Board.

The details of Composition of all 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 SEBI LODR Regulations.

**(c) Committees of the Board of Directors:**

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31 March, 2024.

- (i) Audit Committee
- (ii) Stakeholders Relationship Committee
- (iii) Nomination and Remuneration Committee
- (iv) Corporate Social Responsibility Committee
- (v) Risk Management Committee

The details with respect to the aforesaid Committees are given in the Corporate Governance Report.

**(d) Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 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 Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**(e) Familiarisation Program for Independent Directors:**

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their Appointment Letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarisation programmes for Independent Directors is posted on the website of the Company and can be accessed at <https://aiaengineering.com/wp-content/uploads/2024/05/Familiarization-Programme-2023-24.pdf>.

**(f) Nomination and 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. The detailed Policy is placed on the website of the Company at <https://aiaengineering.com/wp-content/uploads/2023/06/Nomination-Remuneration-Policy.pdf>.

**(g) 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—

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

- vi. 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.

## 17. AUDITORS:

### Statutory Auditors:

BSR & Co. LLP, Chartered Accountants (Firm Registration 101248W/W-100022) were re-appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting.

The Report given by the Auditors on the Financial Statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### Internal Auditors:

The Board of Directors at the recommendations of the Audit Committee appointed Talati & Talati LLP, Chartered Accountants as Internal Auditors of the Company and ADCS & Associates, Chartered Accountants as Internal Auditors for its Nagpur Unit for the Financial Year 2024-25.

### Cost Auditors:

The Cost Auditors has filed the Cost Audit Report with Ministry of Corporate Affairs for the Financial Year ended 31 March, 2023 on 17 August, 2023.

The Board of Directors on the recommendation of the Audit Committee has re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the Financial Year 2024-25. 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 to the remuneration payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 34th Annual General Meeting.

### Secretarial Auditors:

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 (FCS-3459, C.P. No. 1745), Ahmedabad to conduct a Secretarial Audit of the Company's Secretarial and related records for the year ended 31 March, 2024.

The Report on the Secretarial Audit for the year ended 31 March, 2024 is annexed herewith as Annexure "D" to this Board's Report. There were no qualification/ observations in the report.

## 18. 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.

## 19. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with relevant Indian Accounting Standards (Ind AS) viz. Ind AS-27, Ind AS-28 and Ind AS-110 issued by the Ministry of Corporate Affairs, form part of this Annual Report.

## 20. ANNUAL RETURN:

In accordance with the provisions of Section 92(3) of the Companies Act, 2013, Annual Return of the Company as on 31 March, 2024 is hosted on website of the Company at <https://aiaengineering.com/wp-content/uploads/2024/07/Annual-Return.pdf>

## 21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the amount required to be spent on CSR activities during the year under review, is ₹ 1,652.10 Lakhs and the Company has spent ₹ 1,652.10 Lakhs during the Financial Year ended 31 March, 2024. The requisite details of CSR activities carried by the Company pursuant to Section 135 of the Companies Act, 2013 is annexed as Annexure "E".

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

## 22. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as Annexure "F". The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable as there was no employee falling under the criteria specified in aforesaid Rule 5(2) and 5(3).



### 23. ENVIRONMENT, HEALTH AND SAFETY:

At AIA Engineering, our commitments to sustainability are deeply embedded in our Company culture. The Company has an ambition to create a zero-harm culture. A safety culture that embraces care and trust as core values is fundamental for achieving improved outcomes. We work towards consistently improving our safety culture and to encourage the wellbeing of all our employees. Our employees are strongly encouraged to pursue these goals by observing safety rules and procedures. It protects the safety and occupational health of our workforce.

We continuously strive to minimise our environmental footprint by reducing our Greenhouse Gas (GHG) emissions and our energy consumption. We are improving energy efficiency, investing in renewable power generation technologies, and considering new solutions towards water conservation, managing waste through recycling and waste minimisation activities.

Since 2021, we have been diligently estimating our GHG emissions, covering Scope 1, 2, and 3 categories. Currently, we are exploring the feasibility of aligning with international guidelines by setting an emissions reduction target. Our comprehensive strategy involves exploring various avenues to reduce emissions across our value chain. This includes exploring low-carbon fuel adoption, transitioning towards grid electricity from renewable sources, expanding our renewable energy generation capacity. Furthermore, we are committed

to produce responsibly by developing products that not only enhance operational efficiency but also help our customers reduce their carbon footprint. By supplying novel products to our customers, we are not only improving our own environmental impact but also contributing to the overall targets of Net Zero alignment for our customers as well. We manage our impact on the natural environment, both today and with future generations in mind.

Priority of the Company is to maintain its commitment to operational excellence, social responsibility, and environmental stewardship. We contribute toward a global environment where people can live safe, healthy, and productive lives.

### 24. SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

### 25. 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,**

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)

Place: Ahmedabad  
Date: 7 August, 2024

**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. Effective usages of Machines leading to energy savings of 7,10,054 Units.
2. Technology up gradation as mentioned below leading to energy savings of 5,40,296 Units :-
  - Use of medium frequency Induction furnace for all our melting operations and closed-loop process ensures minimum loss of energy.
  - Direct Energy like Piped Natural Gas (PNG) & Liquid petroleum Gas (LPG) is used in the heat treatment process at all our foundry units which results in reduction in our Scope 1 emissions. Company has also installed flue gas recuperates on all the gas (PNG) fired Heat Treatment Furnaces to improve furnace efficiency and recover heat from the flue gases, which is further used in preheating the combustion air supply to the burners.
3. By improved temperature & pressures settings in coil cooling pump & compressor, Company saved 3,90,640 Units.

**Renewable Energy:**

The Company has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites and 3 sets of Hybrid (Wind+Solar) at Amreli, Gujarat which have total installed capacity of 37.38 MW of renewable energy. In Financial Year 2023-24, the Company was able to generate 85,127.199 MW through renewable energy sources.

**(I) POWER & FUEL CONSUMPTION:**

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Electricity		
a) Purchased Units (In Lakhs)	3,518.49	3,550.92
Total Amount (₹ Lakhs)	26,567.11	27,017.82
Rate/Unit (₹)	7.55	7.61
b) Own Generation		
Through Diesel Generator Unit	1,90,126	1,82,945
Unit per Litre of Diesel Oil	2.01	1.90
Cost/Unit (₹)	45.87	49.33
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)	5,01,473	5,11,143
Total Amount (₹ Lakhs)	271.29	325.75
Average Rate (₹)	54.10	63.73
f) PNG Consumption		
Quantity Unit (SCM) (In Lakhs)	71.62	98.87
Total Cost (₹ Lakhs)	4,751.57	7,973.13
Rate/Unit (₹)	66.34	80.64
g) LPG Consumption		
Quantity in Tons	5,746.01	2,095.73
Total Amount (₹ Lakhs)	3,458.38	1,512.50
Rate/Unit (₹)	60.19	72.17

**(II) CONSUMPTION PER UNIT OF PRODUCTION:**

Particulars	(₹ in Lakhs)	
	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Product:		
Casting Unit (Tonnes)	2,86,018	2,79,259
Electricity per Ton of Castings (Units)	1,230.83	1,272.20

**B) TECHNOLOGY ABSORPTION:****RESEARCH & DEVELOPMENT (R. & D.)****a) Specific areas in which R & D carried out by the Company**

- Development of new alloys for Grinding Media used in mining industry.
- Effect of using High Chrome Media in place of Steel Forged Balls on improvement in mineral recoveries.

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

- New alloys of Grinding Media are expected to be more cost effective at customer's end.
- Improvement in mineral recovery by replacing Forged Balls by High Chrome Media will add value at customer's end.

**c) Future plans of action**

Continue to introduce solutions which are cost effective and add value at customer's end.

**d) Expenditure on R. & D.**

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

**C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief made towards technology absorption, adaptation and innovation
  - Development of metallic liners with outside bolting.
2. Benefits derived as a result of the above efforts
  - Liners with arrangement for bolting from outside provide increased safety by avoiding the need of people remaining in the mill during mill relining.
3. Imported technology  
Nil

**D) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Particulars	(₹ in Lakhs)	
	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
i) Total Foreign Exchange used	51,120.72	42,528.10
ii) Total Foreign Exchange earned	2,76,976.80	2,75,419.99

For and on behalf of the Board,

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)

Place: Ahmedabad  
Date: 7 August, 2024

# ANNEXURE-“A” TO BOARD’S REPORT

## 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/arrangement/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 under first proviso to Section 188 of 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	Vega Industries (Middle East) FZC, a Wholly-Owned Subsidiary of the Company	Welcast Steels Limited, a Subsidiary Company of the Company.
ii)	Nature of contract/arrangement/ transactions	Distribution Agreement	Contract Manufacturing Agreement
iii)	Duration of contract / arrangements / transactions	Till the Agreement is mutually terminated	5 Years from 1 January, 2024
iv)	Salient Terms of contract/ arrangements/ transactions including the value if any	Vega Industries (Middle East) FZC is a Global Distributor for the operations of the Company in the international market including helping in developing and formulating the global market strategy, identifying and tracking the customers leads and converting the same into offers and firm orders, co-ordinating with the Company to ensure timely delivery of orders and also providing the support in relation to inventory and debtors management.	Welcast Steels Limited manufactures Grinding Media of different grades for AIA Engineering Limited (“AIA”) according to the Purchase Orders placed by AIA from time to time as per the technical specifications and using the technical knowhow provided by the AIA.
v)	Justification for entering into such contracts or arrangements or transactions	In order to optimise the Company's sales outside India, Vega Industries (Middle East) FZC acts as Global Distributor of the Company.	The Contract Manufacturing Arrangement was entered to fully utilise the installed capacity of Welcast Steels Limited.
vi)	Date(s) of approval by the Board	Approval of the Board is not required under Section 188(1) of the Companies Act, 2013.	14 May, 2024
vii)	Amount paid as Advances, if any	NIL	NIL

**For and on behalf of the Board,**

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)

Place: Ahmedabad  
Date: 7 August, 2024

**ANNEXURE-“B” TO BOARD'S REPORT****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 ₹ Lakhs)

Name of the Subsidiary	Welcast Steels Limited - Ahmedabad	AIA CSR Foundation- Ahmedabad	Vega Industries (Middle East) FZC - UAE	Vega Industries Limited - UK	Vega Industries Limited - USA	Vega Steel Industries (RSA) Proprietary Limited - South Africa	Wuxi Vega Trade Co. Limited - China	PT Vega Industries Indonesia - Indonesia	VEGA Industries Chile SPA - Chile	AIA Ghana Limited- Ghana	VEGA Industries Australia Pty Limited - Australia	Vega Industries Peru Limited, Peru
The date since when subsidiary was acquired	28 September, 2005	23 October, 2015	20 December, 2003	31 October, 2004	31 October, 2004	25 March, 2009	28 August, 2010	31 July, 2015	22 May, 2017	01 March, 2018	12 June, 2018	31 July, 2023
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024	31 March, 2024
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of the Foreign Subsidiary.	INR	INR	USD	GBP	USD	ZAR	CNY	IDR	CLP	USD	AUD	SOL
			BS 83.3466	BS 105.7918	BS 83.3466	BS 4.4090	BS 11.5351	BS 0.0053	BS 0.0851	BS 83.3466	BS 54.3683	BS 22.4062
			PL 83.7287	PL 103.5794	PL 83.7287	PL 4.4560	PL 11.5313	PL 0.0054	PL 0.0969	PL 82.7287	PL 54.4869	PL 22.2401
Share Capital	63.84	1.00	270.88	10.40	41.67	0.014	250.04	166.69	88.35	833.47	0.06	83.35
Reserves & Surplus	3,967.46	-	29,432.21	807.77	2,821.32	59.36	178.65	(1,041.28)	(799.50)	(3,277.26)	1,055.94	(94.42)
Total Assets	4,981.46	606.69	1,55,310.02	989.18	43,908.93	839.76	3,203.34	3,250.56	5,480.67	23,540.27	18,192.67	14.09
Total Liabilities	950.18	605.69	1,25,606.93	171.01	41,045.93	780.39	2,774.65	4,125.14	6,191.82	25,984.06	17,136.64	25.16
Investments	1,864.57	-	13,705.97	-	-	-	-	-	-	-	-	-
Turnover	9,107.30	-	2,85,050.87	220.45	66,655.39	2,202.31	5,305.41	4,181.42	6,589.49	37,200.24	34,841.07	-
Profit Before Taxation	700.84	-	14,696.55	813.76	1,043.18	44.94	292.38	194.88	(691.89)	686.07	624.92	(93.07)
Provision for Taxation	175.99	-	-	6.99	258.89	5.87	12.89	-	-	1,032.74	187.48	-
Profit After Taxation	524.85	-	14,696.55	806.77	784.29	39.07	279.48	194.88	(691.89)	(346.68)	437.44	(93.07)
Proposed Dividend	15.95	-	-	-	-	-	-	-	-	-	-	-
% of Shareholding	74.85%	100%	100%	100% by Vega ME	100% by Vega ME	74.63% by Vega ME	100% by Vega ME	99% by Vega ME & 1% by AIA	100% by Vega ME	100% by Vega ME	100% by Vega ME	99% by Vega ME & 1% by AIA



**Part – “B”: Associates & joint ventures**

Name of Associates / Joint Ventures	VEGA MPS PTY LIMITED	Clean Max Meidius Private Limited
Latest Audited Balance Sheet Date	31 March, 2024	31 March, 2024
Shares of Associates / Joint Ventures held by the Company on the year end		
I. No.	129 Equity Shares	24,478 Equity Shares
II. Amount of Investment in Associate / Joint Venture	₹ 6,414.54 Lakhs	₹ 396.25 Lakhs
III. Extent of holding %	43% by Vega Industries (Middle East) FZC - UAE	26%
Description of how there is significant influence	As per Companies Act, 2013	As per Companies Act, 2013
Reason why the Associate / Joint Venture is not consolidated	AIA does not have any control in Management	AIA does not have any control in Management
Net Worth attributable to Shareholding as per latest audited Balance Sheet	₹ 151.23 Lakhs	-
Profit / Loss for the year		
I. Considered in Consolidation	Yes	NA
II. Not considered in Consolidation	NA	NA

(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

**For and on behalf of the Board of Directors****AIA Engineering Limited**

CIN: L29259GJ1991PLC015182

**BHADRESH K. SHAH**

Managing Director  
(DIN: 00058177)

**VIREN K. THAKKAR**

Chief Financial Officer

Place: Ahmedabad  
Date: 7 August, 2024

**YASHWANT M. PATEL**

Whole-Time Director  
(DIN: 02103312)

**S. N. JETHELIYA**

Company Secretary  
(ACS: 5343)

Place: Ahmedabad  
Date: 7 August, 2024

**ANNEXURE “C”**

**Business Responsibility and Sustainability Report (BRSR) (Refer to page number 35 - 90)**

# ANNEXURE-“D” TO BOARD'S REPORT

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

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

To,  
The Members,  
AIA Engineering Limited

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 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion read with Annexure A forming part of this report, the Company has, during the audit period covering the financial year ended on 31 March, 2024, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2024 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') to the extent applicable to the Company: -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (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, 2021; and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of

1. Revised Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, however, while the Company is maintaining structural digital database under the provisions of Rule 3[5] and 3[6] of SEBI [Prohibition of Insider Trading] Regulations, 2015, in digital form, the capturing of some of the UPSI entries in the SDD Software has been done with a delay from the actual date of sharing of UPSI.

We further report that having regard to the compliance system and process prevailing in the Company and on examination of the relevant documents and records thereof on test-check basis, the Company has complied with the provision of (1) Water (Prevention & Control of Pollution) Act 1974, (2) The Air (Prevention & Control of Pollution) Act 1981, (3) The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008, (4) Noise Pollution (regulation & control) Rules 2000 as are specifically applicable to the Company.

**We further report that**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b) Adequate notice is given at least seven days in advance to all directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the directors reasonably in advance, 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.

- 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 having bearing on the Company's affairs:

The Board of Directors have at their meeting held on 13 December, 2023 passed a resolution for acquisition and delisting of equity shares of Welcast Steels Limited, a subsidiary company of the Company.

For **TUSHAR VORA & ASSOCIATES**  
Company Secretaries

**TUSHAR M VORA**

Proprietor

FCS No. 3459; C P No.: 1745

P R No.: 1200/2021

UDIN: F003459F000369572

Place: Ahmedabad

Date: 14 May, 2024

**"Annexure A 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 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 and its proper and adequate presentation and submission in prescribed formats is the responsibility of management. Our examination was limited to the verification of procedures on test basis and not its one to one contents.
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

P R No.: 1200/2021

UDIN: F003459F000369572

Place: Ahmedabad

Date: 14 May, 2024

## ANNEXURE-“E” TO BOARD’S REPORT

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD’S REPORT FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

Company’s vision on CSR is to enhance the quality of life and the economic wellbeing of communities around our operations.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Bhadresh K. Shah - Chairman	Managing Director	4	4
2.	Mr. Yashwant M. Patel	Whole-Time Director	4	3
3.	Mr. Sanjay S. Majmudar	Independent Director	4	4
4.	Mr. Rajendra S. Shah	Independent Director	4	4
5.	Mrs. Khushali S. Solanki	Non – Independent Director	4	3
6.	Mrs. Bhumika S. Shodhan	Non – Independent Director	4	4

3. Web-link where the composition of CSR Committee, CSR Policy approved by the Board are disclosed on website of the Company

Web-link where the composition of CSR Committee on the website of the Company	<a href="https://aiaengineering.com/board-of-directors/">https://aiaengineering.com/board-of-directors/</a>
Web-link where the CSR Policy on the website of the Company	<a href="https://aiaengineering.com/wp-content/uploads/2023/06/CSR-Policy.pdf">https://aiaengineering.com/wp-content/uploads/2023/06/CSR-Policy.pdf</a>

4. Provide the executive summary alongwith web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule (8) , if applicable : NOT APPLICABLE

5. a. Average Net Profit of the Company as per Section 135(5) : ₹ 82,604.86 Lakhs  
b. Two percent of average Net Profit of the Company as per Section 135 (5) : ₹ 1,652.10 Lakhs  
c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL  
d. Amount required to be set off for the financial year, if any : NIL  
e. Total CSR obligation for the financial year: ₹ 1,652.10 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project): ₹ 1,652.10 Lakhs.  
(b) Amount spent in Administrative Overheads: NIL  
(c) Amount spent on Impact Assessment, if applicable: Not Applicable  
(d) Total amount spent for the Financial Year (a+b+c): ₹ 1,652.10 Lakhs  
e) CSR amount spent or unspent for the Financial Year

Total amount spent for the F. Y. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
1,652.10	NOT APPLICABLE		NOT APPLICABLE		



(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount ₹ in Lakhs
i.	Two percent of average net profit of the Company as per Section 135(5)	₹ 1,652.10 Lakhs
ii.	Total amount spent for the Financial Year	₹ 1,652.10 Lakhs
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹ Lakhs)	Amount Spent in the Financial Year (in ₹ Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ Lakhs)	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of Transfer		
1	2020-21	-	-	-	0.50	14 September, 2021	-	-
2	2021-22	-	-	-	12.12	28 May, 2022	-	-
3	2022-23	-	-	-	-	-	-	-

8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount in the Financial Year

Yes

No

If yes, enter the number of capital assets created/acquired:

Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number if Applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Sub-Section (5) of Section 135:

Not Applicable

**For and on behalf of the Board**

**Bhadresh K. Shah**  
Managing Director and  
Chairman – CSR Committee  
(DIN: 00058177)

**Yashwant M. Patel**  
Whole-Time Director  
(DIN: 02103312)

Place: Ahmedabad  
Date: 7 August, 2024

## ANNEXURE-“F” TO BOARD’S REPORT

### 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	26.00
Mr. Yashwant M. Patel	6.11
Mr. Rajendra S. Shah	0.52
Mr. Sanjay S. Majmudar	4.96
Mr. Rajan Harivallabhdas	0.44
Mr. Dileep C. Choksi	0.29
Mrs. Khushali S. Solanki	3.95
Mrs. Bhumika S. Shodhan	0.37
Mrs. Janaki Udayan Shah	0.32

#### 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	16.07
Mr. Yashwant M. Patel	-
Mr. Rajendra S. Shah	-
Mr. Sanjay S. Majmudar	-
Mr. Rajan Harivallabhdas	-
Mr. Dileep C. Choksi	-
Mrs. Khushali S. Solanki	-
Mrs. Bhumika S. Shodhan	-
Mrs. Janaki Udayan Shah	-
Mr. Viren K. Thakkar – Chief Financial Officer	7.94
Mr. S. N. Jetheliya, Company Secretary	10.10

- 3) The percentage increase in the median remuneration of employees in the Financial Year was 5.97%.
- 4) There were 1,355 permanent employees on the rolls of the Company as on 31 March, 2024.
- 5) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 6.13% whereas the average increase in the managerial remuneration was 12.63%.
- 6) The members have at the 31st Annual General Meeting of the Company held on 3 September, 2021 approved the payment of remuneration by way of commission to the Non-Executive Directors. The performance of the Company in terms of sales and profitability are the key parameters apart contributions of the Directors at the Board and the Committee meetings.
- 7) 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: 7 August, 2024

**Rajendra S. Shah**  
Chairman  
(DIN: 00061922)