

Unique solution Making a difference



AIA ENGINEERING LIMITED
26TH ANNUAL REPORT 2015-16



A global supplier to
Cement, Mining, Utility & Aggregate Industries

Disclaimer

This document contains statements about expected future events and financial and operating results of AIA Engineering Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the AIA Engineering Limited Annual Report 2015-16.

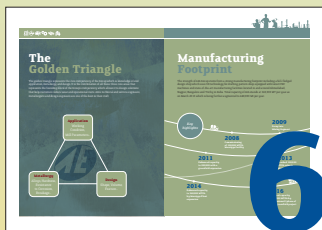
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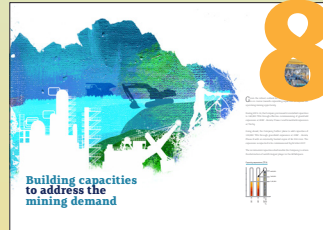
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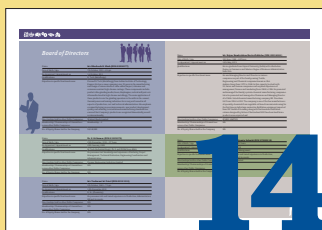
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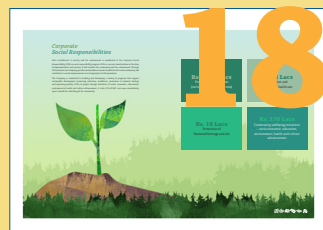
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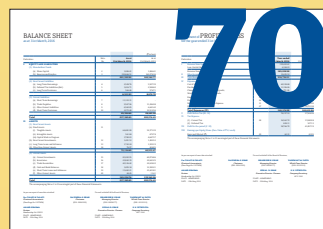
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NOTICE

Notice is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the members of **AIA ENGINEERING LIMITED** will be held on FRIDAY, the 12th August, 2016 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 2016 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 confirm the Interim Dividends declared on Equity Shares for the financial year ended 31st March 2016.
3. To appoint a Director in place of Dr. S. Srikumar (DIN 01025579), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.
5. 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), M/s. 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 the 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 for the Company's financial year 2016-17, 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-imbursment of out of pocket expenses incurred by them in connection with the audit of accounts of the Company."

SPECIAL BUSINESS:

6. 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 Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V, approval of the members be and is hereby accorded for the re-appointment of Mr. Bhadrsh K. Shah (DIN-00058177) as the Managing Director of the Company

for a period of 5 years with effect from 1st October, 2016 on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with a liberty and power to the Board of Directors of the Company (including its Committee constituted for the purpose) to grant increments and to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Mr. Bhadrsh K. Shah."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances, etc. payable to Mr. Bhadrsh K. Shah within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Bhadrsh K. Shah without any further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

7. 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 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, if applicable, the consent of the members of the Company be and is hereby accorded for the appointment of Powertec Infrastructure Holdings Pvt. Ltd., (hereinafter referred to as "Powertec Infrastructure") a Company, in which a Director of the Company Dr. S. Srikumar is a Director, for holding an Office or Place of Profit under the Company on the terms and conditions set out in the Agreements to be entered into between the Company and Powertec Infrastructure for a period of 3 years with effect from 1st October, 2016 to 30th September, 2019."

"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 and the decision taken by the Board shall be final and binding on all the members and other interested parties."

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the ordinary course of business and at arm's length price with Welcast Steels Limited (WSL), a Subsidiary of the Company and Related Party as per Accounting Standard (AS) 18, for the purchase of goods during the period from 1st April, 2016 to 31st March, 2017 for an aggregate amount, which may exceed the threshold limit of 10 percent of annual consolidated turnover of the Company for the financial year 2015-16 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with WSL on 1st January, 2014 and its Amendment dated 24th May, 2015."

"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."

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, 2017."

"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."

By Order of the Board of Directors,

Sd/-

S. N. JETHELIYA
Company Secretary

Place: Ahmedabad
Date : 25th May, 2016

NOTES

- The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, are annexed hereto.
- 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.
- Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the meeting Hall.
- An Interim Dividend of ₹ 8 per share (400%) and a Special Interim Dividend of ₹ 10 per share (500%) has been declared by the Board of Directors during the year ended 31st March, 2016 and the same is proposed to be confirmed by the approval of the members at the ensuing Annual General Meeting.
- 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.
- 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 2015-16 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 2015-16 has been sent in the permitted mode.
- All documents referred to in the accompanying Notice and the Explanatory Statements shall be open 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 Saturdays, 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 lose their rights to claim such dividend.

Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1.	2008-09	Final Dividend	30.10.2016
2.	2009-10	Interim Dividend	16.03.2017
3.	2009-10	Final Dividend	17.09.2017
4.	2010-11	Final Dividend	17.09.2018
5.	2011-12	Final Dividend	18.09.2019
6.	2012-13	Final Dividend	17.09.2020
7.	2013-14	Final Dividend	17.10.2021
8.	2014-15	Final Dividend	30.10.2022
9.	2015-16	Interim & Special Interim	15.04.2023

8. 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, 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 i.e. 5th August, 2016 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.

9. Re-appointment / Appointment of Directors:

Dr. S. Srikumar (DIN 01025579), Non-Independent, Non-Executive Director of the Company will retire by rotation at the ensuing 26th Annual General Meeting of the members of the Company and being eligible, has offered himself for re-appointment.

Mr. Yashwant M. Patel (DIN 02103312), Whole-Time Director of the Company will retire by rotation at the ensuing 26th Annual General Meeting of the members of the Company and being eligible, has offered himself for re-appointment.

Mr. Bhadrish K. Shah (DIN-00058177), who was appointed as a Managing Director on 2nd July, 2011, for a period of 5 years to hold the office from 1st October, 2011 to 30th September, 2016. The Board, on the recommendation of Nomination and Remuneration Committee, has re-appointed him as Managing Director for a further period of 5 years from 1st October, 2016 to 30th September, 2021 and proposed a resolution for member's approval at the ensuing AGM.

Pursuant to the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") 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 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. 6

The members at the 21st Annual General Meeting of the Company held on 12th August, 2011 re-appointed Mr. Bhadrish K. Shah as Managing Director for a period of 5 years with effect from 1st October, 2011 on a remuneration of ₹ 6.00 lacs per month. The term of his present appointment will expire on 30th September, 2016.

The Nomination and Remuneration Committee of the Company at its meeting held on 25th May, 2016 and subsequently, the Board at its meeting held on 25th May, 2016 has re-appointed Mr. Bhadrish K. Shah as Managing Director unanimously for a further period of 5 years on a same remuneration i.e. ₹ 6.00 Lacs per month with effect from 1st October, 2016 subject to the approval of the Shareholders in



General Meeting. The other terms and conditions are set out in the draft agreement to be entered into by the Company with him, which is available for inspection to the members at the registered office of the company on working days except Saturday between 9.00 a.m. and 5.00 p.m. till the date of Annual General Meeting.

Mr. Bhadresh K. Shah, is B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 39 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like grinding media, liners, diaphragms, vertical mill parts etc. all manufactured in high chrome metallurgy. The main application of these products is in the grinding operation in the mills in the cement, thermal power and mining industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.

The excellent growth and reputation enjoyed by the Company is attributable to the concentrated efforts and hard work put in by Mr. Bhadresh K. Shah. The Board of Directors felt that it is in the best interest of the Company to continue to avail the services of Mr. Bhadresh K. Shah as Managing Director. The Board recommends the resolution to the members for their approval. The brief particulars of his terms and conditions of remuneration are mentioned herein below:

1. The Managing Director shall be subject to the superintendence, control and direction of the Board of Directors and he will be entrusted with substantial powers of management and will also perform such other duties as may be entrusted to him, from time to time.
2. Period of appointment: Five years with effect from 1st October, 2016.
3. Remuneration payable to Mr. Bhadresh K. Shah:
 - (a) Salary : ₹ 6.00 lacs on per month with effect from 1st October, 2016 with such increment/revision as may be approved by the Board of Directors.
 - (b) Perquisites and allowances :
 - i) Housing
 1. Expenses pertaining to electricity bill of his residence will be borne/reimbursed by the Company.
 2. Company shall provide furniture, fixtures and furnishings at the residence of Managing Director.
 3. Expenses pertaining to repairs, maintenances & cleaning of the house, furniture and fixtures or other appliances etc. will be borne/reimbursed by the Company.
 - ii) Medical Expenses

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for himself and family.
 - iii) Leave Travel Concession

Leave Travel Concession (LTC) in respect of himself and family not exceeding one month's salary per annum. The LTC entitlement for any one year to the

extent not availed shall be allowed to be accumulated upto the next two years.

- iv) Club Fees

Reimbursement of membership-fee to 3 clubs in India including admission and life membership fee.
- v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount, premium of which shall not exceed ₹ 20,000/- per annum.
- vi) Gratuity

Gratuity at a rate of half month's salary for each completed year of service.
- vii) Leave

Leave with full pay or encashment thereof as per the rules of the Company.
- viii) Other Perquisites

Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

Explanation:

Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

(c) Amenities:

- i) Conveyance facilities

Company shall provide suitable conveyance facilities as may be required by the Managing Director.
- ii) Communication facilities

Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence.

Notwithstanding anything contained to the contrary herein contained, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites as specified above and in addition thereto perquisites not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 from time to time.

The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of Board or Committees thereof.

Mr. Bhadresh K. Shah shall not be liable to retire by rotation under Section 152 of the Companies Act, 2013, so long as he is Managing Director and if he ceases from any date to be a Director of the Company for any reason whatsoever, he shall also cease to be the Managing Director from such date.

Mr. Bhadresh K. Shah is deemed to be interested in the said resolution as it relates to his re-appointment. Except Mrs. Bhumika S. Shodhan and Mrs. Khushali S. Solanki, none of the other Directors is in any way concerned or interested in the above resolution.

Your Directors recommend the above Ordinary Resolution for your approval.

ITEM NO. 7:

The Company is having a Retainership Agreement as well as Service Agreement with Powertec Engineering Pvt. Ltd. for a period of three years from 1st April, 2014 to 31st March, 2017, in which a Director of the Company Dr. S. Srikumar is a Director.

Now the Company wants to enter the similar type of agreements with Powertec Infrastructure Holdings Pvt. Ltd. instead of Powertec Engineering Pvt. Ltd., a another Company of Dr. S. Sri Kumar, who is also a Director of the Company for a further period of three years from 1st October, 2016 to 30th September, 2019.

Your Directors feel that the business experience of the Company is very good with Powertec Engineering Pvt. Ltd. Powertec Engineering Pvt. Ltd. has totally proved that it can fulfill the trust reposed by the Company in it. The Company has got very good business during the period of the

Period	Retainership Fee Amount per month (₹ in lacs)	Service Charges Amount per month (₹ in lacs)
01.10.2016 to 30.09.2017	3.34	1.28
01.10.2017 to 30.09.2018	3.34	1.28
01.10.2018 to 30.09.2019	3.34	1.28

Pursuant to the provisions of Section 188 of the Companies Act, 2013 relating to holding an Office or Place of Profit by a Private Company in which a Director of the Company is also a Director, the prior approval of the members by way of an Ordinary Resolution is required.

In view of the above, your Directors feel that it is in the interest of the Company to continue commercial arrangement with the said Company. It is therefore proposed to enter the Agreements with Powertec Infrastructure Holdings Pvt. Ltd. for a further period of three years effective from 1st October, 2016 to 30th September, 2019.

The copies of the said Agreements to be entered into are available for inspection during the business hours on any working day, except Saturdays at the Registered Office of the Company upto the date of the said Annual General Meeting.

Except Dr. S. Sri Kumar who is also a Director and Member of Powertec Infrastructure Holdings Pvt.Ltd., none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the Members of the Company.

ITEM NO. 8:

Welcast Steels Limited, (WSL), 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 SEBI Listing Regulations, 2015.

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 an Ordinary Resolution.

Transactions to be entered into / carried out with WSL are of purchase and sale of goods. Omnibus approval of the Audit Committee has been obtained at its meeting held on 25th May, 2016.

Mr. Bhadresh K. Shah, Managing Director, Mr. Rajendra S. Shah, Chairman, Mr. Sanjay S. Majmudar, Director, Mrs. Khushali S. Solanki, Director, all being Directors in WSL and Mr. S. N. Jetheliya, Company Secretary who is also a Company Secretary of WSL are related to WSL.

The annual consolidated turnover as per the audited financial statements for the year ended 31st March, 2016 was ₹ 2,098.39 crore. It is presumed that the transactions to be entered in the Current Financial Year of 2016-17 may exceed the threshold limit of 10% of annual consolidated turnover of the Company. The approval of the members

agreement. With regard to Service Agreement also the experience is quite satisfactory.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, Company is required to take prior approval of the members of the Company before entering into any contract with the related party. In compliance with the above provisions, the Board recommends this resolution for their approval for entering into the contract with Powertec Infrastructure Holdings Pvt. Ltd. for a period of further three years from 1st October, 2016 to 30th September, 2019 for the following payments.

for the transactions proposed to be entered into and carried out with WSL during the financial year 2016-17, in ordinary course of business and at arm's length price, is being sought by way of abundant caution and as a proactive measure.

Further, Regulation 23 of the SEBI Listing Regulations 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. Rajendra S. Shah, Chairman, Mr. Sanjay S. Majmudar, Director, Mrs. Khushali S. Solanki, Director and 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 an Ordinary Resolution for the approval of the Members of the Company.

ITEM NO. 9.

The Board of Directors on the recommendation of the Audit Committee, re-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 2016-17 and fixed 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 2016-17.

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.

By Order of the Board of Directors,

Sd/-

S. N. JETHELIYA
Company Secretary

Place : Ahmedabad
Date : 25th May, 2016



ANNEXURE TO THE NOTICE

Disclosure pursuant to SEBI Listing Regulations with regard to the Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting (Refer Item No. 3, 4 and 6) of the Notice:

Name	Dr. S. Srikumar (DIN-01025579)
Date of Birth / Age	25th November, 1959 – 57 Years
Appointed on	20th January, 2009
Qualifications	M. Tech (Industrial Engg.), Ph. D and PGDM from AIMA.
Expertise in specific functional areas	He possesses vast knowledge and experience of Industry, Project Management, Technical Evaluation, Engineering Coordination and Administration.
Directorships held in other Public Companies	Promac Engineering Industries Ltd.
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	NIL

Name	Mr. Yashwant M. Patel (DIN-02103312)
Date of Birth / Age	5th October, 1943 – 72 Years
Appointed on	12th November, 2010
Qualifications	B. Sc (Chemistry)
Expertise in specific functional areas	He possesses rich and varied experience in Production, Administration, HR 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	Mr. Bhadresh K. Shah (DIN-00058177)
Date of Birth / Age	7th October, 1951 – 65 Years
Appointed on	11th March, 1991
Qualifications	B. Tech (Metallurgy)
Expertise in specific functional areas	He is B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 39 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like grinding media, liners, diaphragms, vertical mill parts etc. all manufactured in high chrome metallurgy. The main application of these products is in the grinding operation in the mills in the cement, thermal power and mining industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.
Directorships held in other Public Companies	Welcast Steels Ltd.
Membership/ Chairmanships of Committees across other Public Companies	Welcast Steels Ltd. - Audit Committee – Member Welcast Steels Ltd. - Stakeholders Relationship Committee – Member
No. of Equity Shares held in the Company.	5,81,28,900

INSTRUCTIONS FOR 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 26th 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:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9th August, 2016 at 9.00 a.m. and ends on 11th August, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 5th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders".
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN "**160630010-AIA Engineering Limited**".
- (xii) 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 that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The "m-Voting" app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- II. 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.
- III. 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-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



AIA ENGINEERING LIMITED

[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

26TH ANNUAL GENERAL MEETING

I/We hereby record my / our presence at the 26th 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 Friday, the 12th August 2016 at 10.00 a.m.

.....
Member's Folio / DP ID Client ID No.

.....
Member's / Proxy name in Block

.....
Member's / Proxy's Signature

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 2015-16 and Notice of the 26th Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is 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 2015-16 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all members whose email address is not registered or have requested for a hard copy.

ROUTE MAP TO THE AGM VENUE

AIA ENGINEERING LIMITED

CIN:L29259GJ1991PLC015182



26th Annual General Meeting
Date: 12th August, 2016
Time : 10.00 AM

Venue : HT Parekh Convention Centre,
Ahmedabad Management Association (AMA)
Vastrapur, Ahmedabad 380 015



PROXY FORM

**AIA ENGINEERING LIMITED**

[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:
 Email ID: Signature: or failing him / her:
- (2) Name: Address:
 Email ID: Signature: or failing him / her:
- (3) Name: Address:
 Email ID: Signature: or failing him / her:

as my /our proxy to attend and vote for my / our behalf at the Twenty Sixth Annual General Meeting of the Members of the Company to be held on Friday, the 12th August, 2016 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:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of financial statements for the year ended 31st March 2016.		
2.	Confirmation of declaration of Interim & Special Interim Dividend for the financial year 2015-16.		
3.	Re-appointment of Dr. S. Srikumar, a Director retires by rotation.		
4.	Re-appointment of Mr. Yashwant M. Patel, Whole-Time Director retires by rotation.		
5.	Re-Appointment of Statutory Auditors.		
	SPECIAL BUSINESS		
6.	Re-appointment of Mr. Bhadresh K. Shah as a Managing Director for a period of five years		
7.	Approval of related party transactions.		
8.	Approval of holding an Office or Place of Profit by Powertec Infrastructure Holdings Pvt. Ltd.		
9.	Ratification of remuneration to Cost Auditors.		

Signed this day of 2016

Signature of Shareholder

Signature of Proxy holder (s)

Note:

- 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.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 26th Annual General Meeting.
- 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.
- Please complete all details including details of member (s) in the above box before submission.



In today's world of challenging macro-economic environment, organisations strive for sustainability.

At AIA, we have distinctively defined our business dynamics through our niche offerings and are on course towards achieving industry leadership in our space.

Our customer-focussed mindset delivers unique solutions to meet varied client-specific needs. Our product offering enhances customer's operational efficiencies.

As a result, we have developed long-term relationships with our clients in India and across 110+ countries globally.

Thus making a difference!



Meet **AIA!**

AIA Engineering (AIA) is one of the largest manufacturers of high chrome wear parts for the Cement, Mining and Utility industries.

Cement plants, mines and thermal power plants across the world use grinding mills for grinding and crushing operations.

In cement plants, these mills are used for grinding of limestone and clinker.

In mining, these mills are used for grinding of mineral ore before it is processed for further metal separation.

In thermal power plants, these mills are used to grind coal before it is fed in to the boilers.



AIA makes all the wear parts inside these mills that do the grinding and crushing. On account of abrasion of input feed, impact inside the mills and corrosion, these parts undergo a lot of wear and they have to be replaced at regular intervals.

Through its core competence in design, development, manufacture and service of impact, abrasion and corrosion resistant castings and focus on metallurgy, grinding process at customer' end and new product development, AIA is able to bring tangible benefits to end customers. These benefits include longer wear life of parts thereby reducing wear costs and optimized mill operations thereby reducing power costs and improving throughputs.

AIA does not provide only wear parts but is a solution provider to cement plants, mines and thermal power plants and engages with them as a partner in their operational excellence journey.



GLOBAL NETWORK

AIA Group, through its wholly owned subsidiaries outside India, sells directly to end customers located in more than 110 countries. These customers are serviced out of its footprint in most of these geographies. The group has wholly owned subsidiaries/branches/rep offices in USA, Canada, UK, Brazil, UAE, Australia, South Africa, Phillipines, China, Egypt, Indonesia, etc.

BUSINESSES

The company's strength emerges from its strong focus on the three core industry segments – Mining, Cement & Utilities

Creating a value-proposition

Mining Industry



In the Mining industry, AIA caters to different mineral ores like Iron, Copper, Platinum, Gold, Lead, Zinc, Bauxite, etc and also to different mill types including Autogenous, Semi-autogenous and Rod mills. The company has invested and continues to invest capital, resources and effort in increasing its presence in this segment. Currently, more than 60% of its sales are driven by the Mining industry. The Company continues to develop new alloys and solutions for this industry and offers a comprehensive range of alloys in grinding media and shell liners for mining applications. The Group today sells to blue chip customers like Rio Tinto, Anglo American, BHP Billiton, Vale, Arcelor Mittal, etc.



Cement Industry



In cement business, the Group has a significant global market share. It has an illustrious list of customers that include global Cement groups like Holcim, Lafarge, Heidelberg, etc. Through constant development of new products, AIA has provided highly efficient wear parts with reduced maintenance costs and improved cost-effectiveness to its clients.



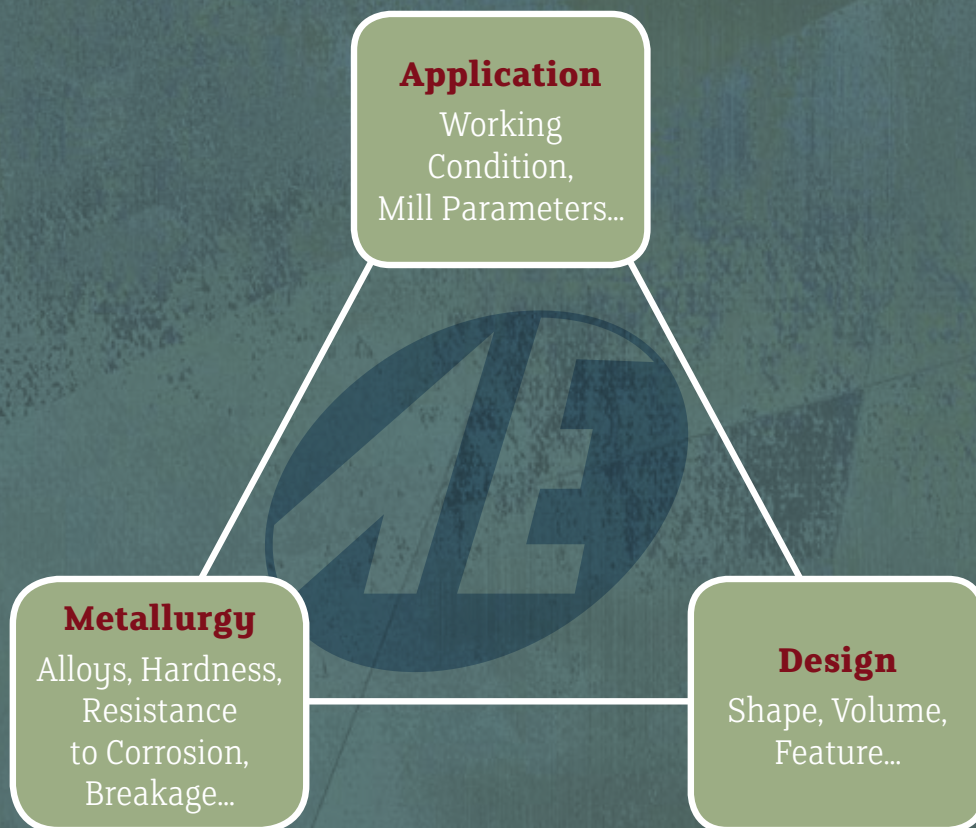
Thermal Power Industry

AIA is helping power plants by designing components that significantly reduce downtime and maintenance costs. In India, through its technologically advanced products, the Group serves all National Thermal Power Corporation Plants and all State Electricity Boards. In the Original Equipment Manufacturer or OEM Sector, the Group caters to prestigious names like Bharat Heavy Electricals Limited, Doosan Corporation, Larsen and Toubro, Hitachi and Alstom.



The Golden Triangle

The golden triangle represents the core competency of the Group which is knowledge of end application, metallurgy and design. It is the combination of all these three core areas that represents the founding block of the Group's competency which allows it to design solutions that help customers reduce wear and operational costs. AIA's technical and service engineers, metallurgists and design engineers are one of the best in their craft.





Manufacturing Footprint

The strength of AIA Group stems from a strong manufacturing footprint including a full-fledged design shop which uses 3D technology for drafting, pattern shop equipped with latest CNC machines and state-of-the-art manufacturing facilities located in and around Ahmedabad, Nagpur, Bangalore and Trichy in India. Total capacity of AIA stands at 340,000 MT per year as on March 2016 which is being further augmented to 440,000 MT per year.

Key highlights



2009

Foray into Mining Segment

2008

Commissioning of 100,000 MTPA Moraiya facility



2011

Enhanced capacity to 200,000 MTPA with a greenfield expansion

2013

Reached 100,000 MTPA sales to Mining segment

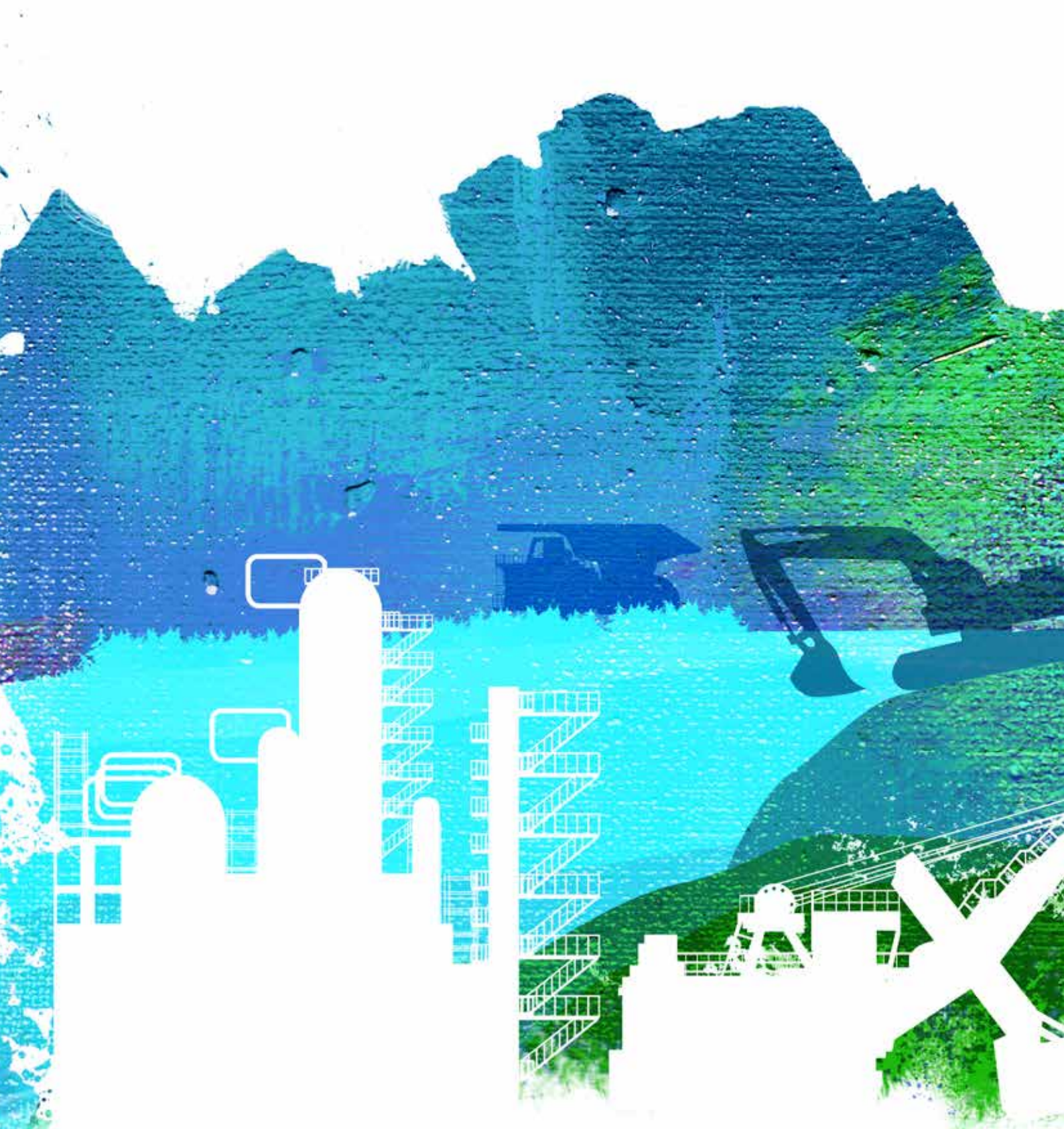


2014

Enhanced capacity to 260,000 MTPA by Moraiya Plant expansion

2016

Enhanced capacity to 340,000 MTPA by commissioning Phase - I of Kerala greenfield project



Building capacities to address the mining demand



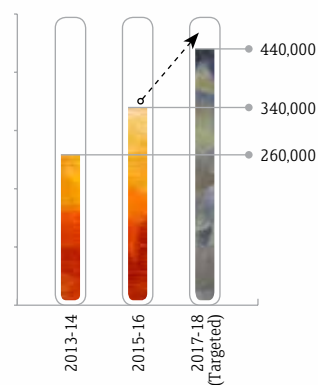
Given the robust outlook for copper and gold mining, AIA is on course towards expanding capacities to capture the upcoming mining opportunity.

During 2015-16, the Company increased its installed capacities to 340,000 TPA through effective commissioning of greenfield expansion at GIDC - Kerala, Phase-I and brownfield expansion at Trichy.

Going ahead, the Company further plans to add capacities of 100,000 TPA through greenfield expansion at GIDC - Kerala, Phase-II with an internally funded capex of Rs 350 crore. The expansion is expected to be commissioned by October 2017.

The incremental capacities shall enable the Company to attain the distinction of world's largest player in the HCMI space.

Capacity expansions (TPA)

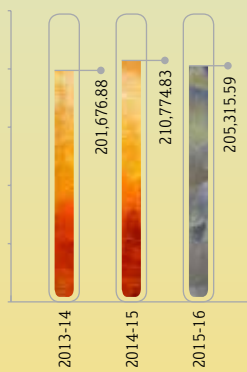




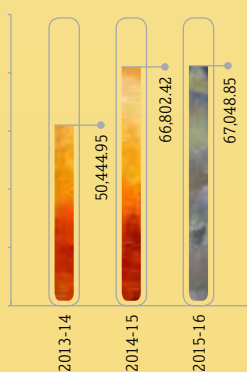
Performance Snapshot



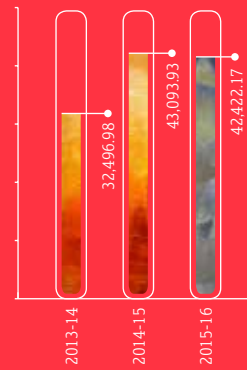
Net Sales (₹ Lacs)



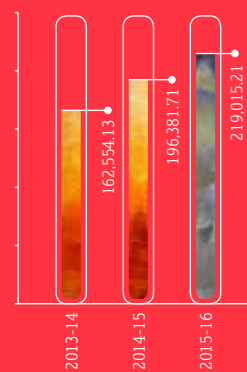
Operating Margin (₹ Lacs)



PAT – After Minority Interest (₹ Lacs)



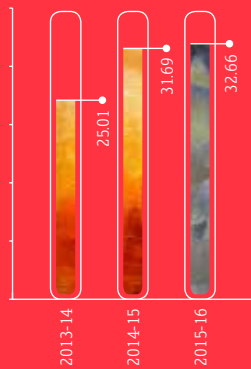
Net Worth (₹ Lacs)



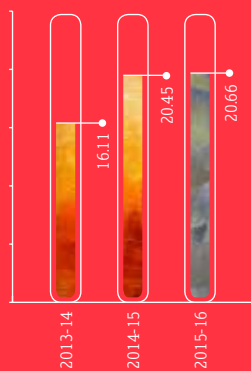
The Company declared and paid Interim Dividend of ₹8 (400%) and Special (additional interim) Dividend of ₹10 (500%) to commemorate the Silver Jubilee



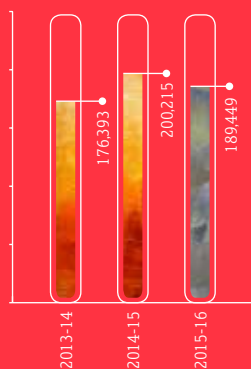
Operating Margin (%)



PAT –
After Minority Interest (%)



Production Volumes (MT)



STRONG CREDIT RATINGS

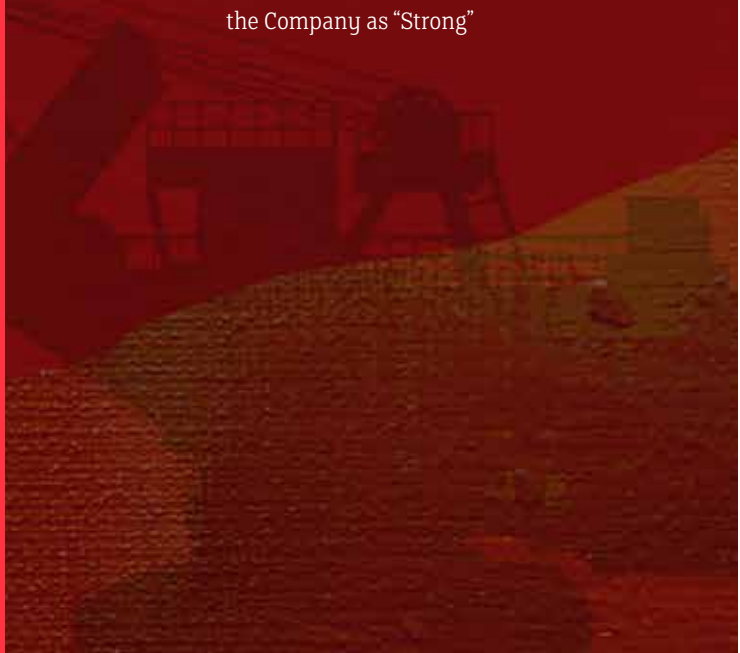
CRISIL

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



Dun & Bradstreet Information India Private Limited (D & B)

Assigned a Dun Bradstreet Rating of 5A1, indicating overall status of the Company as “Strong”





Managing Director's Review

Dear Shareholders,



I personally feel that our business is truly charming and it gives me immense satisfaction to see such a large number of satisfied customers across the Globe being serviced through a well balanced team and a network of subsidiaries/warehouses at strategic locations across the Globe.

It gives me immense pleasure to share my views with you through this communication. Since the detailed numbers are a part of the financial statements and more particularly since the analysis of the performance is also covered at length under the section "Management Discussion and Analysis" as well as a part of the report of the Board of Directors, I would rather take this opportunity to give an overview of our vision and our strategies.

As you are aware, our business is to offer unique solutions relating to reduction of wear rates and improvement of efficiencies relating to grinding and crushing operations in the Global Cement, and Mining industries and also in the Thermal power plant segment in India.

Our business focus is essentially on the replacement markets – we supply a comprehensive range of consumable parts like Grinding Media, Liners, Vertical Spindle Mill Spare parts, etc. which are designed as tailor made

solutions for the specific end users across the Globe. These wear parts are collectively referred to as 'Mill Internals' and we operate entirely in the High chrome category, that is to say, our wear parts are Alloys which are cast in our specialised Foundries utilising unique technology and processes where the element of Ferro Chrome is higher than 5%, and can go all the way up to even 32%. Our parts are very critical in nature since their non availability or failure can lead to the stoppage of the entire grinding or crushing operations in the end use industry. Again, our wear parts are impact and corrosion resistant and we offer the wear parts as a unique solution to a given customer after studying the application, and then design the wear parts to suit that application with a particular metallurgy.

I would like to state that we are only a 15 year "young" company and our independent journey has begun in 2001 after we separated from our erstwhile Joint Venture Partners.

I am proud and happy to state that in just 15 years of our journey we have come a long way. Your company is now regarded as a truly Global Indian MNC, we being present in more than 125 countries of the world, where we are directly in front of the customers – that is to say we cannot market our products through the standard distribution channels but our team has to be in front of the customers so as to understand their requirements and design the unique solution for them. Thus, our business is very niche business requiring tremendous micro management. I personally feel that our business is truly charming and it gives me immense satisfaction to see such a large number of satisfied customers across the Globe being serviced through a well balanced team and a network of subsidiaries/warehouses at strategic locations across the Globe.

As you may be aware, the current focus of the company is on the huge opportunity available in Mining segment. To elaborate as against the conservative market in the form of annual replacement demand of around 2.5 to 3 million tons the penetration of High Chrome Mill Internals in this segment is not more than 15%. Thus, we have a huge opportunity of conversion of the mines from conventional wear parts to our high chrome wear parts. While cost reduction is a very important driver thanks to much lower wear rate that our parts offer, we have also attempted to a significant quality shift viz. our R & D efforts are to establish that apart from the reduction in the cost of wear parts we are able to bring on table a significant reduction in the consumption cost of other consumables (over and above the cost of wear parts), improvement in efficiencies and perhaps the most important of all, a perceptible improvement in the recoveries of base metals also. I am happy to share that we have made considerable headway in this direction and going forward we are fully geared to take your company to the next level with a clear vision to become the undisputed Global leader in the High Chrome Mill Internals segment. I am elated to inform that we have started servicing all major Mines/Mining Groups across the Globe and our developmental efforts are going on in full swing to ensure that we achieve our vision at the earliest.

Needless to add, while we will continue to service the Global Cement as well as Indian thermal power plant segments, and therefore as and when the growth opportunity in these segments arise, we will be obviously ready to capitalise upon the same; as of now, in foreseeable future our focus will continue to be on capitalising the Global Mining segment opportunity.

I want to sincerely thank you, our shareholders, for always standing by us and reposing full faith and confidence in our endeavour. I look forward to keep on sharing details of the company's growth and progress as and when we reach the desired milestones.

I wish you all the very best.

Best Wishes,
Bhadresh K. Shah
Managing Director, AIA Engineering Limited



Board of Directors

Name	Mr. Rajendra S. Shah (DIN 00061922)
Date of Birth / Age	1st February, 1948 – 68 Years
Appointed on	15th March, 2005
Qualifications	B. E. (Mech.)
Expertise in specific functional areas	Mr. Rajendra S. Shah is a Mechanical Engineer and is an Industrialist. He has an entrepreneurial insight into running engineering business. He possesses rich and varied experience in Administration and Finance. He is the Chairman and Managing Director of Harsha Engineers Limited, manufacturers of Bearing Cages.
Directorships held in other Public Companies	- Welcast Steels Limited - Harsha Engineers Limited - Transformers & Rectifiers (India) Limited - Dishman Pharmaceuticals and Chemicals Limited
Membership/ Chairmanships of Committees across other Public Companies	Chairmanship – Nil Membership – 4
No. of Equity Shares held in the Company.	847



Name	Mr. Bhadresh K. Shah (DIN-00058177)
Date of Birth / Age	7th October, 1951 – 65 yrs.
Appointed on	11th March, 1991
Qualifications	B. Tech (Metallurgy)
Expertise in specific functional areas	Pursued B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 39 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like grinding media, liners, diaphragms, vertical mill parts etc. all manufactured in high chrome metallurgy. The main application of these products is in the grinding operation in the mills in the cement, thermal power and mining industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.
Directorships held in other Public Companies	Welcast Steels Limited
Membership/ Chairmanships of Committees across other Public Companies	Membership – 2
No. of Equity Shares held in the Company.	58,128,900

Name	Dr. S. Srikumar (DIN-01025579)
Date of Birth / Age	25th November, 1959 – 57 Years
Appointed on	20th January, 2009
Qualifications	M. Tech (Industrial Engg.), Ph. D and PGDM from AIMA.
Expertise in specific functional areas	He possesses vast knowledge and experience of Industry, Project Management, Technical Evaluation, Engineering Coordination and Administration.
Directorships held in other Public Companies	Promac Engineering Industries Limited
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	NIL

Name	Mr. Yashwant M. Patel (DIN-02103312)
Date of Birth / Age	5th October, 1943 – 73 yrs.
Appointed on	12th November 2010
Qualifications	B. Sc. (Chemistry)
Expertise in specific functional areas	He possesses rich and varied experience in Production, Administration, HR 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	Mr. Rajan Ramkrishna Harivallabhdas (DIN-00014265)
Date of Birth / Age	18th June, 1948 – 68 Years
Appointed on	14th 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 specialty 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
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





Name	Mrs. Khushali S. Solanki (DIN 07008918)
Date of Birth / Age	9th May, 1977 – 39 Years
Appointed on	7th November, 2014
Qualifications	Diploma in Hotel Management
Expertise in specific functional areas	She possesses rich and varied experience in Production, Administration and Accounts.
Directorships held in other Public Companies	Welcast Steels Limited
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	10010

Name	Mrs. Bhumika S. Shodhan (DIN 02099400)
Date of Birth / Age	11th March, 1980 – 36 Years
Appointed on	7th November, 2014
Qualifications	Diploma in Fashion Designing
Expertise in specific functional areas	She possesses rich and varied experience in Marketing, 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.	10005

Name	Mr. Sanjay S. Majmudar (DIN 00091305)
Date of Birth / Age	21st March, 1963 – 53 Yrs.
Appointed on	7th May, 2007
Qualifications	B.Com, FCA & ACS
Expertise in specific functional areas	Mr. Sanjay S. Majmudar is a Practicing Chartered Accountants. He has got extensive experience and expertise in the field of Corporate Laws, Direct Tax Laws, Financial Advisory Services, Debt Syndications, Project Finance, International Structures and Taxation Planning, M & A etc. He has contributed Papers and participated as Speaker on Corporate Laws in Seminars and conferences hosted by ICAI and CA Association, Ahmedabad. He is also a regular Speaker in the SMTP Programme of the Institute of Company Secretaries of India, Ahmedabad Chapter.
Directorships held in other Public Companies	- Welcast Steels Limited - Aarvee Denims & Exports Limited - Dishman Pharmaceuticals and Chemicals Limited - M & B Engineering Limited - Carbogen Amics (India) Limited - Adani Logistics Limited
Membership/ Chairmanships of Committees across other Public Companies	Chairmanship - 4 Membership – 3
No. of Equity Shares held in the Company.	15120





Name	Mr. Dileep C. Choksi (DIN 00016322)
Date of Birth / Age	26th December, 1949 – 66 Yrs.
Appointed on	27th January, 2014
Qualifications	B. Com, LLB, FCA and Grad. CWA
Expertise in specific functional areas	Mr. Dileep C. Choksi is a leading Chartered Accountant, qualified Lawyer and a Cost Accountant with over 35 years of experience. His areas of specialization include tax planning and structuring for domestic and international clients, including expatriates, finalizing collaborations and joint ventures, executive advisory and decision support, corporate restructuring with a focus on start-ups, turnaround and change management strategies and analyzing tax impact of various instruments. Mr. Choksi was the former joint Managing Partner of Deloitte in India. He has set up C. C. Chokshi Advisors Pvt Limited., the activities of which aim to provide complete solutions for all business requirements.
Directorships held in other Public Companies	<ul style="list-style-type: none"> - ICICI Lombard General Insurance Co. Limited - ICICI Home Finance Co. Limited - Lupin Limited - ICICI Bank Limited - Arvind Limited - Swaraj Engines Limited - Tata Housing Development Company Limited - Hexaware Technologies Limited
Membership/ Chairmanships of Committees across other Public Companies	Chairmanship: 5 Membership: 3
No. of Equity Shares held in the Company.	NIL



Corporate Social Responsibilities

AIA's contribution to society and the environment is manifested in the Corporate Social Responsibility (CSR) or social responsibility program. CSR is a concrete manifestation in the form of implementation and concern of AIA towards the community and the environment. Through CSR activities, the Company provides sustainable economic benefits for the local community and contributes to social empowerment as an integral part of AIA operations.

The Company is committed to building and developing a variety of programs that support sustainable development promoting education, healthcare, protection of national heritage and improving quality of life of people through initiatives of social, economics, educational, environmental, health and culture advancement. A total of ₹ 495.76 Lacs were cumulatively spent towards the well-being of the community.



₹ 41.81 Lacs
Promotion of Education
(including women education)

₹ 53 Lacs
Prevention and
Promoting Healthcare

₹ 10 Lacs
Protection of
National Heritage and Art

₹ 370 Lacs
Community wellbeing initiatives
– socio economic, education,
environment, health and culture
advancement

₹ 20.95 Lacs Plantation - Green Environment





BOARD'S REPORT



The Members,

AIA Engineering Limited

Ahmedabad

Your Directors take pleasure in submitting the 26th Annual Report and the Audited Annual Accounts of the Company for the year ended 31st March, 2016.

1. FINANCIAL HIGHLIGHTS

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from operations & Other Income	216,734.11	223,135.20	215,752.60	226,685.28
Profit before Finance Cost, Depreciation & Amortization and Tax	83,172.01	64,625.69	67,048.85	66,802.42
Finance Cost	446.82	339.88	487.27	393.55
Depreciation & Amortization	6,567.66	6,761.45	6,698.50	6,974.68
Profit Before Tax	76,157.53	57,524.36	59,863.08	59,434.19
(i) Provision for Taxation (Current)	16,562.72	15,540.04	16,624.15	15,795.75
(ii) Provision for Taxation (Deferred)	828.11	527.13	826.05	545.14
Total Tax (i+ii)	17,390.83	16,067.17	17,450.20	16,340.89
Profit After Tax	58,766.70	41,457.19	42,412.88	43,093.30
Minority Interest	-	-	(9.29)	(0.63)
Profit After Tax (After Minority Interest)	58,766.70	41,457.19	42,422.17	43,093.93
Surplus Brought Forward from Previous Year	115,895.58	87,664.19	151,306.86	121,453.30
Balance available for appropriations	174,662.28	129,121.38	193,719.74	164,546.60
Transferred to General Reserve	-	4,146.00	-	4,146.00
Interim /Final Dividend on Equity Shares	16,977.67	7,545.63	16,977.67	7,558.39
Reversal of Corporate Tax on Dividend for Previous Year	220.51	-	220.51	-
Tax on Dividend on Equity Shares	3,023.35	1,534.17	3,023.35	1,536.77
Balance Carried to Balance Sheet	154,881.77	115,895.58	173,940.36	151,306.86

During the year under review, the Revenue from operations of the Company is ₹ 185,038.58 Lacs as compared to ₹ 209,402.79 Lacs in the previous Financial Year. Exports Turnover registered in the same period was ₹ 124,383.72 Lacs as against the turnover of ₹ 145,529.91 Lacs in the previous Financial Year.

Standalone Operating Results:

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹ 76,157.53 Lacs and Profit After Tax (PAT) of ₹ 58,766.70 Lacs as compared to PBT of ₹ 57,524.36 Lacs and PAT of ₹ 41,457.19 Lacs respectively in the previous Financial year.

Consolidated Operating Results:

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries) has earned Revenue from Operations of ₹ 209,839.14 Lacs as compared to ₹ 218,363.69 Lacs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 42,422.17 Lacs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹ 43,093.93 Lacs in the previous Financial Year.

2. DIVIDEND:

During the Financial Year 2015-16, the Company has declared and paid on 28th March, 2016 an Interim Dividend of ₹ 8/- (400%) and Special (additional interim) Dividend of ₹ 10/- (500%) to commemorate the Silver Jubilee year of the Company aggregating to ₹ 18 per share on 94,320,370 Equity Share of the face value of ₹ 2/- each amounting to ₹ 16,977.67 Lacs for the Financial Year 2015-16. Having declared Interim dividends, your Board has not recommended a Final dividend for the Financial Year 2015-16.

3. SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on 31st March, 2016 is ₹ 1,886.41 Lacs. 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 31st March, 2016 were ₹ 88,765.65 Lacs. The Company continues to focus on judicious management of its Working Capital, Receivables, Inventories, all other Working Capital parameters were kept under strict check through continuous monitoring.

Capital Expenditure Outlay:

During the year under review, the Company has incurred an expense of ₹ 22,424.43 Lacs (including ₹ 3,780.03 Lacs of Capital work-in-progress) on Capital Expenditure.

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 Companies Act, 2013. The details of the Guarantees provided and Investment made by the Company are given in the notes to the Financial Statements.

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 2016-17.

Internal Auditors monitor and evaluate 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.

Related Party Transactions:

All the Related Party Transactions entered into during the financial year are 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.

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 "A".

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz <http://www.aiaengineering.com/finances/pdf/POLICYONRELATEDPARTYTRANSACTIONS.pdf>

Credit Rating:

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



Dun & Bradstreet Information India Private Limited (D & B) has evaluated the Company during January, 2016 and assigned a Dun Bradstreet Rating of 5A1, which indicates that overall status of the Company is “Strong”.

5. HUMAN RESOURCE:

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. Behavioral 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.

6. MATERIAL CHANGES, TRANSACTIONS AND COMMITMENTS:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2016. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

7. BUSINESS PROSPECTS:

Future growth prospects of the Company will rely on making further inroads in mining industry worldwide.

The growth prospects are primarily emanating out of the large annual replacement market in this industry, primarily in four major metal ore types, viz., Iron, Platinum, Gold and Copper. The company is now focusing on certain strategic drivers in the Mining Segment over and above the cost reduction due to much lower wear rates owing to High Chrome, viz. improved process efficiencies, reduction in the cost of other consumables (other than high-chrome grinding media), significantly reduced environment hazards and consequentially improved environmental benefits, etc. for providing comprehensive solution to the mining industry. This has helped your company in creating a unique positioning which augurs well for the consistent and steady growth in this industry over medium to long term. Reliance on multiple ores means that declining fortunes of one commodity will 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 North America, Latin America, Australia, Africa, and the Far

East Asia, etc. The Company has fairly aggressive growth plans so as to capitalize upon the available opportunity in the mining segment and the vision is to emerge as the leading global solution provider in this segment. 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 cement segment is concerned, the near term prospects continue to remain flat, although in India it seems that the average capacity utilization levels of cement companies have started to go up. It is also expected that with the government taking lot of initiatives on the infrastructure segment, more particularly the road construction and port infrastructure, it might provide much needed stimulus to the overall construction and industrial segments and it is hoped that from the current fiscal year onwards the positive impact of this stimulus should start coming in. As and when India's cement production will go up your company will be an immediate beneficiary in terms of incremental production going to service the additional requirement. On the global front, while most of the key markets like North America, Latin America, Western and Eastern Europe, Africa, etc. continue to remain sluggish, 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. On the whole, in near term, your company continues to believe that the overall production and sales will remain flat in this segment.

In the Utility sector (thermal power plants), which is more prominent in the domestic market, your Company continues to enjoy a niche position. The Company will strive to maintain a steady growth rate in this particular segment matching with the rate at which the sector grows.

8. FUTURE EXPANSION:

The Company's effective capacity reached 340,000 Metric Tonnes after successful commission of Kerala GIDC brownfield expansion project during the year 2015-16. We are on track for the purpose of implementing second phase of capital expenditure plan at GIDC Kerala involving augmentation of the total capacity by further 100,000 MT, which is expected to be commissioned by October 2017, which will take the total installed capacity to 440,000 MT. The incremental Capex required to be incurred for the second phase is estimated around ₹ 350 crores (from April, 2016) and the same will be funded entirely from internal cash accruals.

9. SUBSIDIARY COMPANIES:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements as provided under the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), 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 "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 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.

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 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 employee's 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 Regulations.

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

13. 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.

14. RISK MANAGEMENT:

In compliance with the provisions of Regulation 21 of SEBI Listing 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 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 SEBI Listing Regulations;
- 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.

15. POLICES:

(a) Vigil Mechanism / Whistle Blower Policy:

The Company has adopted a Vigil Mechanism/Whistle Blower Policy through which the Company encourages employees 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 and complaints received, if any, forms part of the Corporate Governance Report.

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

In pursuance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company adopted the Code of Conduct to regulate, monitor and report trading by the Employees, insider and connected 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.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

(a) **Board of Directors:**

The Board of Directors of the Company is led by the Independent – Non Executive Chairman and comprises eight other Directors as on 31st March, 2016, including one Managing Director, one Whole-Time Director, three Independent Directors and three 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 Listing Regulations.

Dr. S. Srikumar (DIN-01025579), Non-Independent Non-Executive Director and Mr. Yashwant M. Patel (DIN -02103312), Whole-Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

The Term of Mr. Bhadresh K. Shah (DIN-00058177) as Managing Director will come to an end on 30th September, 2016. The Board, therefore, recommends his re-appointment as Managing Director for a further period of 5(Five) Years w.e.f. 1st October, 2016.

The Nomination and Remuneration Committee recommended to the Board for the re-appointment of Mr. Bhadresh K. Shah as Managing Director and the Board has re-appointed him as the Managing Director subject to the approval of members of the Company at the ensuing 26th Annual General Meeting.

As required under SEBI Listing Regulations amended from time to time, the information on the particulars of the Directors proposed for appointment/re-appointment have 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 details of composition Audit Committee is as under:-

Mr. Rajendra S. Shah, Chairman

Mr. Sanjay Shailesh Majmudar, Member

Mr. Bhadresh K. Shah, Member

Mr. Rajan Ramkrishna Harivallabhdas, Member

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

The details of Composition of other 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 Listing 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 31st March, 2016

(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 forms part of the Corporate Governance Report.

(d) **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing 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) **Whole-Time Key Managerial Personnel:**

There is no change in whole-time Key Managerial Personnel during the year under review.

(f) **Familiarization Program for Independent Director:**

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 familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.aiaengineering.com/finances/pdf/familiarizationprogramme.pdf>

(g) **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.

(h) **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.

17. AUDITORS:

Statutory Auditors:

Since, the Company's Auditors M/s. Talati & Talati, Chartered Accountants, Ahmedabad (who holds office of Auditors for more than 10 years at the time of commencement of the Companies Act, 2013) has already been appointed as Statutory Auditors of the Company for two years, they can be appointed as Statutory Auditors of the Company to hold the office for another one year from the ensuing Annual General Meeting of the Company. They will hold office for one year from the conclusion of the ensuing Annual General Meeting till the conclusion of the 27th Annual General Meeting. 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 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 SEBI Listing Regulations, 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.

The Board has duly reviewed the Statutory Auditors' Report for the financial year ended 31st March, 2016. There were no qualifications / observations in the Report.

Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014, the cost accounting 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 2015-16.

The Cost Auditors has filed the cost audit report for the financial year ended 31st March, 2015 within the stipulated time frame.

The Board of Directors on the recommendation 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 2016-17. 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 members' ratification of the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 26th 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, Tushar Vora & Associates, Company Secretaries FCS-3459, CP No. 1745), Ahmedabad to conduct a Secretarial Audit of the Company's secretarial and related records for the year ended 31st March, 2016.

The Report on the Secretarial Audit for the year ended 31st March, 2016 is annexed herewith as Annexure "C" 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 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.

20. 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".

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 ₹ 824.01 Lacs and

the Company has spent ₹ 495.76 Lacs during the financial year ended 31st March, 2016. 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 'E'.

The composition and other details of the CSR Committee are included in the Corporate Governance Report which form part of 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 are annexed as Annexure 'F'.

23. 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, 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.

24. 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 : 25th May, 2016

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:

- 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%.
- 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 2015- 16	Previous Year 2014- 15
1. Electricity		
a) Purchased Units	248,491.13	248,612.89
Total Amount (₹ Lacs)	17,016.10	17,218.33
Rate/Unit (₹)	6.85	6.93
b) Own Generation		
Through Diesel Generator Unit	142,071.00	83,746.00
Unit per Litre of Diesel Oil	1.96	2.03
Cost/Unit (₹)	26.43	25.98
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)	2,146,796	2,830,226
Total Amount (₹ Lacs)	712.88	1,480.29
Average Rate (₹)	33.21	52.30
f) Others/Internal Generation PNG		
Quantity Unit (SCM)	6,763,306	6,134,460
Total Cost (₹ Lacs)	2,760.12	2,902.97
Rate/Unit (₹)	40.81	47.32

(II) CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	Current Year 2015- 16	Previous Year 2014- 15
Product:		
Castings Unit (Tonnes)	166,745.29	164,733.63
Electricity per Ton of Castings (Units)	1,440.24	1,509.18

**(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 (₹ in 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.
- IBO Fume extraction hood have been installed on induction melting furnaces.
- b) Benefits derived as a result of the above efforts.
- It has helped in improving the work environment by reducing the emission levels.
- c) Imported technology.
- IBO hoods have been imported from Germany.
- d) Foreign Exchange Earnings and outgo:

Particulars	(₹ in lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
i) Total foreign exchange used	18,420.00	25,462.18
ii) Total foreign exchange earned	149,086.66	151,081.74

Place: Ahmedabad
Date : 25th May, 2016

For and on behalf of the Board,
RAJENDRA S. SHAH
Chairman
(DIN-00061922)

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
ii)	Nature of contract/arrangement/transactions	Distribution Agreement
iii)	Duration of contract/arrangements/transactions	Till the Agreement is mutually terminated
iv)	Salient Terms of contract/arrangements/transactions including the value if any	As per the Distribution Agreement dated 1st April, 2006
v)	Justification for entering into such contracts or arrangements or transactions	In order to optimize the Company's sales, Vega Industries (Middle East) FZC acts as Global Distributor of the Company.
vi)	Date(s) of approval by the Board	25.05.2016
vii)	Amount paid as Advances, if any	--

Place : Ahmedabad
Date : 25th May, 2016

For and on behalf of the Board,
RAJENDRA S. SHAH
Chairman
(DIN-00061922)



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)

Sr. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	WSL	VEGA – ME	VEGA – UK	VEGA – USA	VEGA – RSA	VEGA – WUXI	VEGA-INDONESIA	AIA CSR FOUNDATION
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
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-66.2489 PL-65.6073	Pound BS-95.2697 PL-97.9660	USD BS-66.2489 PL-65.6073	ZAR BS-4.4958 PL-4.7493	CNY BS-10.2698 PL-10.3140	IDR BS-0.0050 PL-0.0048	INR
Share Capital	63.84	215.31	9.53	33.12	-	196.77	196.74*	1.00
CSR Contribution	-	-	-	-	-	-	-	370.00
Reserves & Surplus	2,974.39	23,100.95	4,064.08	657.67	160.24	(41.66)	(4.67)	(0.82)
Total Assets	3,737.29	57,632.14	9,218.24	18,594.00	7,149.79	1,359.51	223.51	370.32
Total Liabilities	699.06	34,761.29	5,177.76	17,903.21	6,989.55	1,204.40	31.44	370.14
Investments	-	445.42	33.13	-	-	-	-	-
Turnover	11,962.81	144,256.71	19,915.35	25,058.64	16,025.78	1,809.96	-	-
Profit Before Taxation	(41.15)	6,071.38	245.17	5.83	25.12	(32.50)	(4.48)	-
Provision for Taxation	(4.23)	-	48.96	5.39	0.95	-	-	-
Profit After Taxation	(36.92)	6,071.38	196.21	0.44	24.17	(32.50)	(4.48)	-
Proposed Dividend	-	-	-	-	-	-	-	-
% of Shareholding	74.85%	100%	100% by Vega ME	100% by Vega UK	100% by Vega ME	100% by Vega ME	99% by Vega ME & 1% (to be subscribed) by AIA Eng. Ltd.	100%

*Share Application Money

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

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

Part – “B”: Associates & Joint Ventures

Sr. No.	1	2	3	4	5
Name of Associates / Joint Ventures	None				
Latest Audited Balance Sheet Date					
Shares of Associates / Joint Ventures held by the Company on the year end					
I. No.					
II. Amount of Investment in Associate / Joint Venture					
III. Extend of holding %					
Description of how there is significant influence					
Reason why the Associate / Joint Venture is not consolidated					
Net Worth attributable to Shareholding as per latest audited Balance Sheet					
Profit / Loss for the year					
I. Considered in Consolidation					
II. 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. MR-3****Secretarial Audit Report**

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[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 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, 2016, 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 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) as informed to us, there are below mentioned laws which are specifically applicable to the Company:

1. Water (Prevention & control pollution) Act 1974
2. The Air (Prevention & control pollution) Act 1981
3. The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008.
4. Noise Pollution (regulation & control) Rules 2000

We have also examined compliance with the applicable clauses of

1. Secretarial Standards issued by the Institute of Company Secretaries of India
2. The Listing Agreements entered into by the Company with [1] BSE Limited and [2] The National Stock Exchange of India Limited.

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

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.

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 188 of the Companies Act, 2013 approving the Related Party Transactions.
2. Holding of office or place of profit by Mr. Yashwant Patel, Whole Time Director of the Company.

For **Tushar Vora & Associates**
Company Secretaries

Tushar M Vora
Proprietor

FCS No. 3459
C P No.: 1745

Ahmedabad
25th May, 2016

“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 upto 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

Ahmedabad
25th May, 2016

**FORM NO. MGT – 9****EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended 31st March 2016

[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	11th March, 1991
iii)	Name of the Company	AIA Engineering Limited
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, Ahmedabad – 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, 3rd Floor, Shopper's Plaza – V, Nr. 5 Government Society, Opp. Municipal 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:

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	Holding/ Subsidiary/ Associates	% of Shares held	Applicable Section
1.	Welcast Steels Ltd.	L27104GJ1972PLC085827	Subsidiary	74.85%	2 (87)
2.	Vega Industries (Middle East) FZC, 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 Vega Trade Co. Ltd., China	Foreign Company	Wholly-Owned Subsidiary	100% by Vega ME	2 (87)
7.	Pt. Vega Industries Indonesia, Indonesia	Foreign Company	Wholly-Owned Subsidiary	99% by Vega ME & 1% (to be subscribed) by AIA Eng. Ltd.	2 (87)
8.	AIA CSR Foundation	U85190GJ2015NPL084851	Wholly-Owned Subsidiary	100%	2(87)

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	%	Demat	Physical	Total	%	
A. Promoters									
(1) Indian									
a) Individual / HUF	58148920	-	58148920	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)	58148920	-	58148920	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)	58148920	-	58148920	61.65	58148920	-	58148920	61.65	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	6051784	-	6051784	6.42	4777553	-	4777553	5.07	-1.35
b) Banks / FIs	2463	-	2463	0.00	32956	-	32956	0.03	+0.03
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	24669559	-	24669559	26.16	25986448	-	25986448	27.55	+1.39
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others – Specify	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	30723806	-	30723806	32.57	30796957	-	30796957	32.65	0.08



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	%	Demat	Physical	Total	%	
(2) Non-Institutional									
a) Bodies Corporate	2308662	-	2308662	2.45	2805677	-	2805677	2.97	0.52
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual Shareholders holding share capital upto ₹ 1 Lac.	2252685	3130	2255815	2.39	2089972	2630	2092602	2.22	-0.17
(ii) Individual Shareholders holding share capital in excess of ₹ 1 Lac.	693567	-	693567	0.74	56782	-	56782	0.06	-0.68
c) Others - Specify									
Clearing Member	44450	-	44450	0.05	148575	-	148575	0.16	+0.11
NRI / NRN	145150	-	145150	0.15	159813	-	159813	0.17	+0.02
Hindu Undivided Family	-	-	-	-	111044	-	111044	0.12	+0.12
Sub-Total (B) (2)	5444514	3130	5447644	5.78	5371863	2630	5374493	5.70	-0.08
Total Public Shareholding (B) = (B) (1) + (B) (2)	36168320	3130	36171250	38.35	36168820	2630	36171450	38.35	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	94317240	3130	94320370	100.00	94317240	2630	94320370	100.00	-

ii) Shareholding of Promoters and 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	58128900	61.63	-	58128900	61.63	-	-
2.	Bhumika Shah	10010	0.01	-	10010	0.01	-	-
3.	Khushali Shah	10005	0.01	-	10005	0.01	-	-
4.	Gita B. Shah	5	-	-	5	-	-	-
Total		58148920	61.65	-	58148920	61.65	-	-

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

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	58148920	61.65	58148920	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.)	-	-	-	-
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	Particular	Shareholding at the beginning of the year 1st April, 2015		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2015-2016		Shareholding at the end of the year 31st March, 2016	
		No. of Shares	% of total shares of the Company				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	8.3957	15 Jan 2016	13100	Transfer	7931945	8.4096	9127809	9.6775
				22 Jan 2016	287100	Transfer	8219045	8.7140		
				29 Jan 2016	49800	Transfer	8268845	8.7668		
				12 Feb 2016	482350	Transfer	8751195	9.2782		
				26 Feb 2016	109614	Transfer	8860809	9.3944		
				04 Mar 2016	267000	Transfer	9127809	9.6775		
2	Matthews India Fund	2648467	2.8079	17 Apr 2015	834	Transfer	2649301	2.8088	3190467	3.3826
				24 Apr 2015	50166	Transfer	2699467	2.8620		
				14 Aug 2015	65000	Transfer	2764467	2.9309		
				21 Aug 2015	762	Transfer	2765229	2.9317		
				28 Aug 2015	66123	Transfer	2831352	3.0018		
				04 Sep 2015	61115	Transfer	2892467	3.0666		
				11 Sep 2015	6104	Transfer	2898571	3.0731		
				23 Oct 2015	38000	Transfer	2936571	3.1134		
				30 Oct 2015	27000	Transfer	2963571	3.1420		
				13 Nov 2015	70000	Transfer	3033571	3.2162		
				20 Nov 2015	50700	Transfer	3084271	3.2700		
				27 Nov 2015	23196	Transfer	3107467	3.2946		
				22 Jan 2016	36445	Transfer	3143912	3.3332		
29 Jan 2016	46555	Transfer	3190467	3.3826						
3	HDFC Trustee Company Ltd - A/C HDFC Mid Capopportunities Fund	2985275	3.1650	17 Apr 2015	(600)	Transfer	2984675	3.1644	2792963	2.9611
				01 May 2015	29150	Transfer	3013825	3.1953		
				23 Oct 2015	(107842)	Transfer	2905983	3.0810		
				30 Oct 2015	(12324)	Transfer	2893659	3.0679		
				26 Feb 2016	5004	Transfer	2898663	3.0732		
				31 Mar 2016	(105700)	Transfer	2792963	2.9611		



Sr. No	Particular	Shareholding at the beginning of the year 1st April, 2015		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2015-2016		Shareholding at the end of the year 31st March, 2016	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	Pinebridge Investments GF Mauritius Limited	1261020	1.3370	29 May 2015	7396	Transfer	1268416	1.3448	2756227	2.9222
				19 Jun 2015	84383	Transfer	1352799	1.4343		
				26 Jun 2015	360491	Transfer	1713290	1.8165		
				30 Jun 2015	150762	Transfer	1864052	1.9763		
				10 Jul 2015	3521	Transfer	1867573	1.9800		
				24 Jul 2015	92215	Transfer	1959788	2.0778		
				31 Jul 2015	50000	Transfer	2009788	2.1308		
				07 Aug 2015	231140	Transfer	2240928	2.3759		
				14 Aug 2015	68249	Transfer	2309177	2.4482		
				21 Aug 2015	22341	Transfer	2331518	2.4719		
				28 Aug 2015	65000	Transfer	2396518	2.5408		
				09 Oct 2015	195000	Transfer	2591518	2.7476		
				16 Oct 2015	118000	Transfer	2709518	2.8727		
18 Dec 2015	46709	Transfer	2756227	2.9222						
5	Jwalamukhi Investments Holdings	2670000	2.8308	22 May 2015	(25000)	Transfer	2645000	2.8043	1635000	1.7335
				29 May 2015	(289628)	Transfer	2355372	2.4972		
				05 Jun 2015	(20000)	Transfer	2335372	2.4760		
				19 Jun 2015	(549404)	Transfer	1785968	1.8935		
				26 Jun 2015	(150968)	Transfer	1635000	1.7335		
6	Burgundy Asset Management Ltd A/c Burgundy Emerging Markets Fund	855730	0.9073	28 Aug 2015	(83518)	Transfer	772212	0.8187	768621	0.8149
				04 Sep 2015	(3591)	Transfer	768621	0.8149		
7	Bajaj Allianz Life Insurance Company limited	25000	0.0265	07 Aug 2015	125000	Transfer	150000	0.1590	704426	0.7468
				23 Oct 2015	100000	Transfer	250000	0.2651		
				30 Oct 2015	50000	Transfer	300000	0.3181		
				06 Nov 2015	10000	Transfer	310000	0.3287		
				27 Nov 2015	100000	Transfer	410000	0.4347		
				11 Dec 2015	(10000)	Transfer	400000	0.4241		
				18 Dec 2015	80000	Transfer	480000	0.5089		
				31 Dec 2015	(2566)	Transfer	477434	0.5062		
				08 Jan 2016	(20000)	Transfer	457434	0.4850		
				15 Jan 2016	100000	Transfer	557434	0.5910		
				29 Jan 2016	(10000)	Transfer	547434	0.5804		
				05 Feb 2016	10000	Transfer	557434	0.5910		
				12 Feb 2016	10000	Transfer	567434	0.6016		
				19 Feb 2016	12000	Transfer	579434	0.6143		
				26 Feb 2016	10000	Transfer	589434	0.6249		
				04 Mar 2016	(20000)	Transfer	569434	0.6037		
				11 Mar 2016	15000	Transfer	584434	0.6196		
				18 Mar 2016	49992	Transfer	634426	0.6726		
25 Mar 2016	30000	Transfer	664426	0.7044						
31 Mar 2016	40000	Transfer	704426	0.7468						

Sr. No	Particular	Shareholding at the beginning of the year 1st April, 2015		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2015-2016		Shareholding at the end of the year 31st March, 2016	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	Kuwait Investment Authority Fund 225	92316	0.0979	19 Jun 2015	94000	Transfer	186316	0.1975	627193	0.6650
				26 Jun 2015	194267	Transfer	380583	0.4035		
				17 Jul 2015	10934	Transfer	391517	0.4151		
				24 Jul 2015	4494	Transfer	396011	0.4199		
				28 Aug 2015	33474	Transfer	429485	0.4553		
				04 Sep 2015	91436	Transfer	520921	0.5523		
				09 Oct 2015	(27000)	Transfer	493921	0.5237		
				16 Oct 2015	(1200)	Transfer	492721	0.5224		
				23 Oct 2015	(5129)	Transfer	487592	0.5170		
				30 Oct 2015	(2800)	Transfer	484792	0.5140		
				06 Nov 2015	71364	Transfer	556156	0.5896		
				13 Nov 2015	25000	Transfer	581156	0.6162		
				20 Nov 2015	(11200)	Transfer	569956	0.6043		
				04 Dec 2015	24615	Transfer	594571	0.6304		
				18 Dec 2015	(10800)	Transfer	583771	0.6189		
				25 Dec 2015	(8000)	Transfer	575771	0.6104		
31 Dec 2015	(5200)	Transfer	570571	0.6049						
22 Jan 2016	(17600)	Transfer	552971	0.5863						
26 Feb 2016	74222	Transfer	627193	0.6650						
9	Somerset Emerging Markets Small Cap Fund LLC	0	0.0000	19 Jun 2015	188000	Transfer	188000	0.1993	582898	0.6180
				26 Jun 2015	167252	Transfer	355252	0.3766		
				30 Jun 2015	14263	Transfer	369515	0.3918		
				03 Jul 2015	37744	Transfer	407259	0.4318		
				10 Jul 2015	34290	Transfer	441549	0.4681		
				18 Mar 2016	96454	Transfer	538003	0.5704		
				25 Mar 2016	13484	Transfer	551487	0.5847		
				31 Mar 2016	31411	Transfer	582898	0.6180		
10	Kotak Select Focus Fund	338168	0.3585	10 Apr 2015	(10907)	Transfer	327261	0.3470	521966	0.5534
				17 Apr 2015	(918)	Transfer	326343	0.3460		
				24 Apr 2015	(238)	Transfer	326105	0.3457		
				15 May 2015	(2937)	Transfer	323168	0.3426		
				22 May 2015	(1997)	Transfer	321171	0.3405		
				19 Jun 2015	5800	Transfer	326971	0.3467		
				03 Jul 2015	6032	Transfer	333003	0.3531		
				10 Jul 2015	15000	Transfer	348003	0.3690		
				04 Sep 2015	2000	Transfer	350003	0.3711		
				25 Sep 2015	14207	Transfer	364210	0.3861		
				30 Sep 2015	83	Transfer	364293	0.3862		
				09 Oct 2015	11675	Transfer	375968	0.3986		
				16 Oct 2015	108	Transfer	376076	0.3987		
				06 Nov 2015	5000	Transfer	381076	0.4040		
				20 Nov 2015	115000	Transfer	496076	0.5259		
				04 Dec 2015	3927	Transfer	500003	0.5301		
				11 Dec 2015	13573	Transfer	513576	0.5445		
				18 Dec 2015	9427	Transfer	523003	0.5545		
				08 Jan 2016	4000	Transfer	527003	0.5587		
18 Mar 2016	(2037)	Transfer	524966	0.5566						
31 Mar 2016	(3000)	Transfer	521966	0.5534						



Sr. No	Particular	Shareholding at the beginning of the year 1st April, 2015		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2015-2016		Shareholding at the end of the year 31st March, 2016	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	Tata AIA Life Insurance Co Ltd - Whole Life Mid Cap Equity Fund -ULIF 009 04/01/07 WLE 110	806565	0.8551	01 May 2015	100000	Transfer	906565	0.9612	477230	0.5060
				29 May 2015	97573	Transfer	1004138	1.0646		
				24 Jul 2015	(750)	Transfer	1003388	1.0638		
				14 Aug 2015	(2000)	Transfer	1001388	1.0617		
				28 Aug 2015	(74931)	Transfer	926457	0.9822		
				04 Sep 2015	(3000)	Transfer	923457	0.9791		
				11 Sep 2015	(2319)	Transfer	921138	0.9766		
				18 Sep 2015	(8322)	Transfer	912816	0.9678		
				30 Sep 2015	(20269)	Transfer	892547	0.9463		
				09 Oct 2015	(20386)	Transfer	872161	0.9247		
				23 Oct 2015	(14377)	Transfer	857784	0.9094		
				06 Nov 2015	(50000)	Transfer	807784	0.8564		
				13 Nov 2015	(66600)	Transfer	741184	0.7858		
				27 Nov 2015	(112500)	Transfer	628684	0.6665		
				26 Feb 2016	(119000)	Transfer	509684	0.5404		
				11 Mar 2016	(454)	Transfer	509230	0.5399		
18 Mar 2016	(32000)	Transfer	477230	0.5060						
12	Mondrain Emerging Markets Small Cap Equity Fund , L.P.	639295	0.6778	18 Dec 2015	(54619)	Transfer	584676	0.6199	351276	0.3724
				08 Jan 2016	(25029)	Transfer	559647	0.5933		
				15 Jan 2016	(35279)	Transfer	524368	0.5559		
				22 Jan 2016	(28013)	Transfer	496355	0.5262		
				05 Feb 2016	(28300)	Transfer	468055	0.4962		
				04 Mar 2016	(13114)	Transfer	454941	0.4823		
				11 Mar 2016	(11719)	Transfer	443222	0.4699		
				18 Mar 2016	(91946)	Transfer	351276	0.3724		
13	Franklin Templeton Investments Fund	1125747	1.1935	09 Oct 2015	(272000)	Transfer	853747	0.9052	0	0.0000
				16 Oct 2015	(11200)	Transfer	842547	0.8933		
				23 Oct 2015	(67450)	Transfer	775097	0.8218		
				30 Oct 2015	(38000)	Transfer	737097	0.7815		
				06 Nov 2015	(25350)	Transfer	711747	0.7546		
				20 Nov 2015	(141852)	Transfer	569895	0.6042		
				04 Dec 2015	(42400)	Transfer	527495	0.5593		
				18 Dec 2015	(132400)	Transfer	395095	0.4189		
				25 Dec 2015	(101292)	Transfer	293803	0.3115		
				31 Dec 2015	(70000)	Transfer	223803	0.2373		
				08 Jan 2016	(272)	Transfer	223531	0.2370		
22 Jan 2016	(223531)	Transfer	0	0.0000						
14	IDFC Sterling Equity Fund	584955	0.6202	10 Apr 2015	(110955)	Transfer	474000	0.5025	0	0.0000
				22 May 2015	(17725)	Transfer	456275	0.4838		
				31 Jul 2015	(2272)	Transfer	454003	0.4813		
				07 Aug 2015	(449003)	Transfer	5000	0.0053		
				30 Oct 2015	(5000)	Transfer	0	0.0000		

v) Shareholding of Directors and Key Managerial Personnel:

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 S. Solanki – Director				
At the beginning of the year	10010	0.01	10010	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)	10010	0.01	10010	0.01
Mrs. Bhumika S. Shodhan – 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
Mr. Yashwant M. Patel-Whole-Time Director, Dr. S. Srikumar, Mr. Rajan Harivallabhadas & Mr. Dileep C. Choksi – Director				
At the beginning of the year				
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)				
	None of the above Directors hold Shares in the Company			
	-			
	None of the above Directors hold Shares in the Company			



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. 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	0.01	10000	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)	10000	0.01	10000	0.01

vi) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the Financial Year				
i) Addition	8,005.74	-	-	8,005.74
ii) Reduction	-	-22.32	-	-22.32
Net Change	8,005.74	-22.32	-	7,983.42
Indebtedness at the end of the Financial Year				
i) Principal Amount	16,884.63	70.00	-	16,954.63
ii) Interest due but not paid	64.81	-	-	64.81
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	16,949.44	70.00	-	17,019.44

vii) Remuneration of Directors and Key Managerial Personal:

A. Remuneration of Managing Director and Whole Time Director

(₹ in 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 provision contained in Section 17 (1) of the Income Tax Act, 1961	72.00	14.40	86.40
	b) Value of perquisite u/s. 17(2) of Income Tax Act, 1961	31.87	0.32	32.19
	c) Profit in lieu of salary under Section 17(3) of Income Tax, Act 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission –As % of Profit(Others, specify)	-	-	-
5.	Others, Please Specify	-	-	-
Total		103.87	14.72	118.59

B. Remuneration to Other Directors :-

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Names of Other Directors				Total Amount
		Mr. Dileep C. Choksi	Mr. Rajendra S. Shah	Mr. Rajan Harivallabhdas	Mr. Sanjay S . Majmudar	
1.	Gross Salary					
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act, 1961	-	-	-	-	-
	b) Value of perquisite u/s. 17(2) of Income Tax Act, 1961	-	-	-	-	-
	c) Profit in lieu of salary under Section 17(3) of 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	0.45	0.90	1.15	1.15	3.65
Total		0.45	0.90	1.15	16.15	18.65

Other Non-Executive Directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Names of other Non-Executive Directors			Total Amount
		Dr. S. Srikumar	Mrs. Khushali S. Solanki	Mrs. Bhumika S. Shodhan	
1.	Gross Salary				
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act, 1961	-	-	-	-
	b) Value of perquisite u/s. 17(2) of Income Tax Act, 1961	-	-	-	-
	c) Profit in lieu of salary under Section 17(3) of Income Tax, Act 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission –As % of Profit(Others, specify)	-	-	-	-
5.	Others, Sitting Fees	-	0.60	0.45	1.05
Total		-	0.60	0.45	1.05


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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Other than MD/WTD)		Total Amount
		Executive Director (Finance)	Company Secretary	
1.	Gross Salary			
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act, 1961	34.00	29.94	63.94
	b) Value of perquisite u/s. 17(2) of Income Tax Act, 1961	0.32	0.48	0.80
	c) Profit in lieu of salary under Section 17(3) of Income Tax, Act 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission –As % of Profit(Others, specify)	-	-	-
5.	Others, please specify	-	-	-
Total		34.32	30.42	64.74

V. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

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 <http://www.aiaengineering.com/Finances/pdf/csr%20policy.pdf>

CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENT:

Sr. No.	Particulars	Amt. (₹ inLacs)
1.	Average Net Profit of the Company for the last three years	41,200.61
2.	Prescribed CSR Expenditure (2% of the Amount of Net Profit)	824.01
3.	Details of CSR spent during the financial year	
	a) Total Amount spent for the financial year	495.76
	b) Amount unspent, if any	328.25
	c) Manner in which the amount spent during the financial year is given on next page in a separate table	
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 ₹ 824.01 Lacs and the Company has spent ₹ 495.76 Lacs during the financial year ended 31st March, 2016. 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 with CSR objectives and Policy of the Company.	

For and on behalf of the Board,

BHADRESH K. SHAH
Chairman - CSR Committee
(DIN : 00058177)

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

PLACE : AHMEDABAD
DATE : 25th May, 2016



Manner in which CSR amount was spent during the financial year

(₹ in lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Promotion of Education	Cl(ii) - Education	Local	11.60	11.60	11.60	Asha School, Cantonment, Shahibaug, Ahmedabad
2.	Promotion of Education	Cl (ii) - Education of women	Local	0.21	0.21	0.21	The National Indian Association, Ahmedabad
3	Prevention & Promoting Health care	Cl(i) – Healthcare	Local	5.00	5.00	5.00	Ashirvad Education Trust, Ahmedabad
4	Protection of national heritage, Art & Culture	Cl (v) - Heritage, Art & Culture	Local	10.00	10.00	10.00	Karmakshetra Educational Foundation, Ahmedabad
5	Promotion of Education	Cl (ii) - Education of disabled students	Local	5.00	5.00	5.00	Vidya Charitable Trust, Ahmedabad
6	Prevention & Promoting Health care	Cl. (i) - Healthcare	Local	7.00	7.00	7.00	Sanjivani Health and Relief Committee, Ahmedabad
7	Prevention & Promoting Health care	Cl. (i) Healthcare	Local	21.00	21.00	21.00	Tulsi Vallabh Nidhi Trust, Ahmedabad
8	Improvement of quality of life of People through initiatives of Social, Economics, Educational, Environmental, Health and Cultural Advancement	Schedule VII of Companies Act, 2013	Local	370.00	370.00	370.00	AIA CSR Foundation, Ahmedabad
9	Promotion of Education	Cl(ii) - Education	Uttar Pradesh	25.00	25.00	25.00	IIT, Kanpur
10	Prevention & Promoting Health care	Cl(i) - Healthcare	Haryana	15.00	15.00	15.00	Public Health Foundation of India, Gurgaon
11	Prevention & Promoting Healthcare	Cl(i) - Healthcare	New Delhi	5.00	5.00	5.00	AADI – Action for Ability Development and Inclusion, New Delhi
12	Plantation - Green Environment	Cl(iv) - Environment	Local	20.95	20.95	20.95	Tree Plantation Project at the Air Force Base in Chiloda, Gandhinagar, Ahmedabad - Direct
Total						495.76	

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	32.94
Mr. Yashwant M. Patel	4.67
Mr. Rajendra S. Shah	0.29
Mr. Sanjay S. Majmudar	5.12
Mr. Rajendra Harivallabhdas	0.36
Dr. S. Srikumar	-
Mr. Dileep C. Choksi	0.14
Mrs. Khushali S. Solanki	0.19
Mrs. Bhumika S. Shodhan	0.14

- 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	(6.77)
Mr. Yashwant M. Patel	48.90
Mr. Rajendra S. Shah	-
Mr. Sanjay S. Majmudar	-
Mr. Rajan Harivallabhdas	-
Dr. S. Srikumar	-
Mr. Dileep C. Choksi	-
Mrs. Khushali S. Solanki	-
Mrs. Bhumika S. Shodhan	-
Mr. Kunal P. Shah, Executive Director - Finance	-
Mr. S. N. Jetheliya, Company Secretary	8.16

- 3) The percentage increase in the median remuneration of employees in the financial year was 21.69%.
 4) There were 1,267 permanent employees on the rolls of Company as on 31st March 2016.
 5) The Profit After Tax for the financial year ended 31st March 2016 increased by 41.75% whereas the average increase in remuneration of employee was 21.69%.
 6) The Profit After Tax for the financial year ended 31st March 2016 increased by 41.75% whereas the average increase in remuneration of Key Managerial Personnel (KMP) was 1.45%.
 7) The Company came out with Initial Public Offer in November 2005 at a price of ₹ 315 per share. The other details are as follows:

Date	Market Price	EPS (₹)	P/E Ratio	Market Capitalization	% of Change
31.03.2015	1,245.80	43.95	28.33	11,742.89	
31.03.2016	937.90	62.31	15.05	8,846.31	24.67%

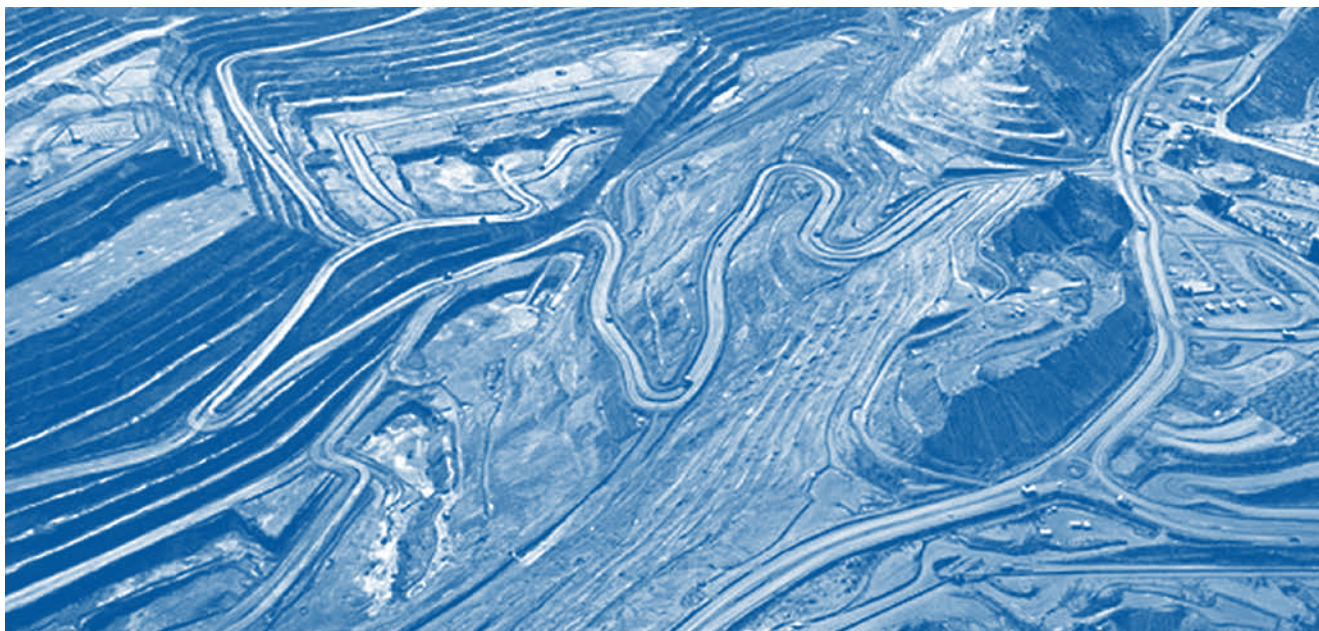
- 8) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 4.32% whereas the average increase in the managerial remuneration was 0.14%.
 9) The members have at the 24th Annual General Meeting of the Company held on 11th September, 2014 approved 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 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.

Place : Ahmedabad
Date : 25th May, 2016

For and on behalf of the Board,
RAJENDRA S. SHAH
Chairman
(DIN-00061922)



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.

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders. 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 (Prohibition of Insider Trading) Regulations in this regard.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

We take pleasure in reporting that your Company has complied in all respects with the requirements stipulated under Clause 49 of the Listing Agreements and Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

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 provisions 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 the SEBI Listing Regulations. Board represents a balanced mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (3) of the Companies Act, 2013 and SEBI Listing Regulations, 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 SEBI Listing Regulations 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 Five times during the year under review on 19th May, 2015, 1st August, 2015, 2nd November, 2015, 8th February, 2016 and 10th March, 2016. 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 the SEBI Listing Regulations. Details of the Directors, their 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, 2016 are as follows:

Name of the Board Member	Category	Attendance at the Board of Directors Meeting held on					Attendance at the AGM 24th September, 2015
		19th May, 2015	1st August, 2015	2nd November, 2015	8th February, 2016	10th March, 2016	
Mr. Rajendra S. Shah (Chairman)	Independent - Non Executive	L.A.	✓	✓	✓	✓	✓
Mr. Bhadresh K. Shah (Managing Director)	Executive - Promoter	✓	✓	✓	✓	L.A.	✓
Mr. Sanjay S. Majmudar	Independent Director	✓	✓	✓	✓	✓	✓
Dr. S. Srikumar	Non Independent - Non Executive	✓	L.A.	✓	✓	L.A.	L.A.
Mr. Yashwant M. Patel Whole-time Director	Executive	✓	✓	✓	✓	✓	✓
Mr. Dileep C. Choksi	Independent Director	✓	✓	L.A.	✓	L.A.	L.A.
Mrs. Khushali S. Solanki	Non Independent - Non Executive	L.A.	✓	✓	✓	✓	✓
Mrs. Bhumika S. Shodhan	Non Independent - Non Executive	L.A.	✓	✓	L.A.	✓	✓
Mr. Rajan Harivallabhdas	Independent Director	✓	✓	✓	✓	✓	✓

* L.A. (Leave of Absence)

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	4	4	-
Mr. Bhadresh K. Shah	1	2	-
Mr. Sanjay S. Majmudar	6	3	4
Dr. S. Srikumar	1	-	-
Mr. Yashwant M. Patel	-	-	-
Mr. Dileep C. Choksi	8	3	5
Mrs. Khushali S. Solanki	1	-	-
Mrs. Bhumika S. Shodhan	-	-	-
Mr. Rajan Harivallabhdas	1	-	-



(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 sitting fees of ₹ 15,000 for attending a Board meeting and ₹ 10,000 for attending an 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 prohibition of Insider Trading, the Company has formed Model Code of Conduct as per 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 Regulation 22 of SEBI Listing Regulations, 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.

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, who comes across any instances of unethical matters, can report the same by sending an email to inform@aiaengineering.com.

(G) POLICY ON PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE:

The Company is committed to create a healthy and conducting working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. Pursuant to the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place" by forming a Committee as prescribed in the Regulation. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints related to matters connected therewith or incidental thereto. During the year, no case was reported under the Policy.

(H) FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's Procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a Whole. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.aiaengineering.com/finances/pdf/FamiliarizationProgramme.pdf>

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 within 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 the SEBI Listing Regulations.

The terms of reference of the Audit Committee cover the matters specified for Audit Committee in the SEBI Listing Regulations 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. Modified opinion(s) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring 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 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;
- 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;
- Statement of deviations.

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 2015-16, Four (4) Audit Committee meetings were held on 19th May, 2015, 1st August, 2015, 2nd November, 2015 and 8th February, 2016. 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, 2016, the Audit Committee comprises of 3 Independent Directors and 1 Executive Director. Names of the members and the chairman of the Committee as on 31st March, 2016 together with their attendance are given in the following table.

Name of the Member / Chairman	Category	Attendance at the Audit Committee meeting held on			
		19th May, 2015	1st August, 2015	2nd November, 2015	8th February, 2016
Mr. Rajendra S. Shah - Chairman	Independent	Leave of Absence	✓	✓	✓
Mr. Sanjay S. Majmudar	Independent	✓	✓	✓	✓
Mr. Bhadresh K. Shah	Executive	✓	✓	✓	✓
Mr. Rajan Harivallabhdas	Independent	✓	✓	✓	✓

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 Whole-Time 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:

The terms of reference of the Nomination and Remuneration Committee cover the matters specified in SEBI Listing Regulations and Section 178 of the Companies Act, 2013 are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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	
		22nd April, 2015	19th May, 2015
Mr. Sanjay S. Majmudar – Chairman	Independent	✓	✓
Mr. Rajendra S. Shah	Independent	✓	Leave of Absence
Dr. S. Srikumar	Non-Executive	✓	✓

c) **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The terms of reference of the Stakeholders' Relationship Committee cover the matters as under:

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 shares 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.

Meetings and attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Stakeholders' Relationship Committee meetings held on			
		29th April, 2015	1st August, 2015	2nd November, 2015	8th February, 2016
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 has not received any Complaint from Shareholders. There is no outstanding complaint as on 31st March, 2016.

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 followings:

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 of the Corporate Social Responsibility Committee as on 31st March, 2016 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 committee are:

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

Meeting and attendance during the year:

During the year under review, one meeting of CSR Committee was held on 8th February, 2016, in which all members of CSR Committee were present.

e) INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 8th February, 2016, 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 has one Material Subsidiary Company i.e. Vega Industries (Middle East) FZC. UAE 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. The Company has complied with all compliances related to its Material Subsidiary.

The Company has formed a Policy on Material Subsidiary which has been placed at the website of Company at http://www.aiaengineering.com/finances/pdf/AIA_PolicyfordeterminingMaterialSubsidiaries.pdf.

The Company does not have any Unlisted Material Indian Subsidiary.

IV. RISK MANAGEMENT COMMITTEE:

Though the provisions of Regulation 21 of SEBI Listing Regulations relating to Risk Management Committee do not apply to the Company, the Board of Directors has constituted a Risk Management Committee, voluntarily.

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 legal requirements and the SEBI Listing Regulations;
- 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, 2016 is:

Name of the Member / Chairman	Category	Attendance at the Risk Management Committee meetings held on		
		18th May, 2015	4th September, 2015	11th December, 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 keeps the Risk Management Committee and the Board updated 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 of SEBI Listing Regulations during the financial year 2015-16 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, its 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.

(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, 2013 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.

(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:

- 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.
- 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.
- 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.
- Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, professional or business standing;
 - Diversity of the Board.
- 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 SEBI Listing Regulations.

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 of SEBI Listing Regulations, 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 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 judgment, 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.

The details of remunerations paid to the Managing Director and Whole-Time Director during the year 2015-2016 are given below:

(₹ in lacs)			
Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	72.00	31.87	103.87
Mr. Yashwant M. Patel, Whole-Time Director	14.40	0.32	14.72

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 other Directors for attending Board and Committee meetings during the financial year 2015-2016 are given below:

		(₹ in lacs)
Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	0.90
2.	Mr. Sanjay S. Majmudar*	1.15
3.	Mr. Dileep C. Choksi	0.45
4.	Mr. Rajan Harivallabhdas	1.15
5.	Dr. S. Srikumar	--
6.	Mrs. Khushali S. Solanki	0.60
7.	Mrs. Bhumika S. Shodhan	0.45

*In addition to sitting fees, ₹ 15.00 Lacs has been paid as commission during the financial year 2015-16.

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 transaction that may have a potential conflict with the interest of the Company at large was taken place during the year under report.

(E) SHAREHOLDERS:

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

Dr. S. Srikumar, Director & Mr. Yashwant M. Patel, Whole-Time Director of the Company will retire by rotation at the ensuing 26th Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment.

The term of Mr. Bhadresh K. Shah as Managing Director will come to end on 30th September, 2016. The Board has recommended his re-appointment as Managing Director for a further period of 5(Five) years w.e.f, 1st October, 2016

The brief resumes and other information of the above retiring Directors and Managing Director 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 all Directors as on 31st March, 2016 is as under:

		(₹ in lacs)
Name of the Director	Number of Shares	
Mr. Bhadresh K. Shah	58,128,900	
Mr. Yashwant M. Patel	NIL	
Mr. Rajendra S. Shah	847	
Mr. Sanjay S. Majmudar	15,120	
Dr. S. Srikumar	NIL	
Mr. Dileep C. Choksi	NIL	
Mr. Rajan Harivallabhdas	NIL	
Mrs. Khushali S. Solanki	10,010	
Mrs. Bhumika S. Shodhan	10,005	

(F) COMPLIANCE BY THE COMPANY:

The Company has complied with all the mandatory requirements of the Listing Agreements with Stock Exchanges, SEBI Listing Regulations 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, 2016 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 by Regulations 33 of SEBI Listing Regulations.

VIII. MEANS OF COMMUNICATION:

The quarterly and half yearly results are published in widely circulating national and local dailies in English and Gujarati. These results are not sent individually to the shareholders but are put on the website of the Company.

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
2014-15	24th September, 2015	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	10.00 A.M.
2013-14	11th 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	12th August, 2013	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 24th September, 2015:

- (i) Approval of related party transaction.
- (ii) Holding of Office or Place of Profit by Mr. Yashwant Patel.

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-Executive 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.

POSTAL BALLOT:

During the year under review, there was no resolution passed through Postal Ballot.

X. GENERAL SHAREHOLDERS' INFORMATION

Date and Time of 26th AGM	:	Friday, the 12th August, 2016 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	:	31st March, 2016.
Book Closure Date	:	N.A.
Registered Office Address	:	115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 410
Dividend Payment Date	:	N.A.
Compliance Officer	:	Mr. S. N. Jetheliya, Company Secretary
Email for redressal of Investors' Complaints	:	ric@aiaengineering.com
Website	:	www.aiaengineering.com
Financial Calendar (subject to change) for the Financial Year 2016-17:		
First Quarter Results	:	On or before 14th August, 2016
Second Quarter & Half Yearly Results	:	On or before 14th November, 2016
Third Quarter Results	:	On or before 14th February, 2017
Audited Results for the year 2016-17	:	On or before 30th May, 2017

(a) Listing on Stock Exchanges:

Name and Address of the Stock Exchanges	Scrip Code
BSE Limited 25th 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 2016-17 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	BSE Limited		National Stock Exchange of India Limited	
		High (₹)	Low (₹)	High (₹)	Low (₹)
April 15	27954.86	1311.00	980.00	1283.00	977.15
May 15	27204.63	1228.00	995.00	1230.00	991.00
June 15	27770.79	1032.75	926.00	1037.25	925.50
July 15	27823.65	1047.00	971.10	1049.00	965.70
Aug. 15	28089.09	1080.90	891.10	1082.00	891.00
Sept. 15	26127.04	1006.00	891.15	1010.00	890.80
Oct. 15	26344.19	1042.00	945.00	1044.40	942.00
Nov.15	26641.69	974.95	878.00	974.00	878.00
Dec.15	26201.27	914.75	835.20	922.00	835.75
Jan.16	26101.50	914.95	771.00	915.10	766.00
Feb.16	24982.22	848.00	700.00	850.00	701.90
Mar.16	23153.32	1060.00	795.25	1074.70	795.65

**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 after downloading 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)/National Automated Clearing House(NACH):**

The Company provides facility for remittance of dividend to the members through NECS. To facilitate dividend payment through NECS/NACH, members who hold shares in demat mode should inform their Depository Participant and 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, 2016 transfer to the said Fund, the unpaid dividend for the year ended 31st March, 2009 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

(d) Distribution of Shareholding:

(i) Shareholding pattern as on 31st March, 2016.

Category	No. of Shares held		No. of Shares	% of holding
	Physical	Electronic		
Promoters Shareholding	-	58148920	58148920	61.6504
Mutual Funds & UTI	-	4777553	4777553	5.0652
Banks, FI & Insurance Companies	-	32956	32956	0.0349
Foreign Financial Institutions	-	25986448	25986448	27.5513
NRIs	-	159813	159813	0.1694
Other Corporate Bodies	-	2805677	2805677	2.9746
Indian Public	2630	2406373	2409003	2.5542
Total	2630	94317740	94320370	100.0000

(ii) Distribution of Shareholding as on 31st March, 2016.

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	18306	95.5578	1314118	1.3932
501 to 1000	356	1.8583	270681	0.2870
1001 to 2000	180	0.9396	262363	0.2782
2001 to 3000	67	0.3497	167613	0.1777
3001 to 4000	32	0.167	113506	0.1203
4001 to 5000	19	0.0992	88155	0.0935
5001 to 10000	47	0.2453	324373	0.3439
10001 & above	150	0.783	91779561	97.3062
Grand Total	19157	100.0000	94320370	100.0000
Shareholders in Physical Mode	7	0.0365	2630	0.0028
Shareholders in Electronic Mode	19150	99.9635	94317740	99.9919

(e) 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, 2016, 94,317,740 Equity Shares are in Dematerialized Form representing 99.99% of the total 94,320,370 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 BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

(f) 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.

**(g) 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, 2016:

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

(h) Plant Locations:

- (a) 235-236 & Other Plants at G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 410
- (b) 129/129-A, G.V.M.M. Estate, Odhav Road, (erstwhile Reclamation Welding Ltd.) Odhav, Ahmedabad – 382 410
- (c) 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
- (d) 18/P, 20th Mile Stone, Sarkhej-Bavla N. H. 8-A, Village: Moraiya, Post: Changodar, Taluka: Sanand, Ahmedabad – 382 213
- (e) Plot No. 14, (Survey No. 67, 67A & 70), Ginnar Scooter Compound, Odhav Road, Odhav, Ahmedabad – 382 410
- (f) L-3, MIDC Industrial Area, (erstwhile Paramount Centrispun Castings Pvt. Ltd.) Hingna, Nagpur – 440 016
- (g) SF No. 514, 5A1, 5A2, 5A3, (erstwhile DCPL Foundries Ltd.) Thathamangalam Village, Kariamanickam Road, S. Pudur, Samayapuram, Trichy – 621 115
- (h) 103/104/115 to 118, Kerala GIDC Estate, Taluka Bavala, Ahmedabad – 382 220.

(i) Address for Correspondence:

- a) 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

b) Any query relating to Dividend, Annual Reports etc.

Mr. S. N. Jetheliya,

Company Secretary & Compliance Officer

AIA Engineering Limited

REGISTERED OFFICE:

115, G.V.M.M. 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, Sindhu Bhavan Road,

Off. S.G. Highway, Bodakdev,

AHMEDABAD – 380 054

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.



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
AIA Engineering Limited
Ahmedabad

In terms of clause E of Schedule V [Disclosures to be made in the Annual Report] of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, we have examined the compliance of conditions of Corporate Governance by AIA ENGINEERING LIMITED for the year ended 31st March, 2016 as stipulated under the said regulations and Clause 49 of the erstwhile listing agreement till the date of applicability of relevant provisions thereof.

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 Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile listing agreement till the date of applicability of relevant provisions thereof.

We state that as informed to us, during the year ended 31st March 2016, no complaint was received by the Company as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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 : 25th May, 2016

DECLARATION

In compliance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2015-16.

Place : Ahmedabad
Date : 25th May, 2016

BHADRESH K. SHAH
Chairman - CSR Committee
(DIN : 00058177)

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, 2016 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
Chairman - CSR Committee
(DIN : 00058177)

Place : Ahmedabad
Date : 25th May, 2016

KUNAL D. SHAH
Executive Director (Finance)

Place : Ahmedabad
Date : 25th May, 2016



MANAGEMENT DISCUSSION AND ANALYSIS



A. INDUSTRY OVERVIEW:

AIA Engineering Limited (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 off 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 two years, major mines worldwide remain operational. 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 2015-16, 31.11% of its total sales came from India while balance 68.89% came from sales outside India.

C. OUTLOOK AND PROSPECTS:

From a strategic positioning perspective, a significant contribution in your Company's growth is coming 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. Again the company is now focusing on certain strategic drivers in the Mining segment over and above the cost reduction due to much lower wear rates owing to high chrome, viz. improved process efficiencies, reduction in the cost of other consumables (other than high-chrome grinding media), significantly reduced environment hazards and consequentially improved environmental benefits, etc. for providing comprehensive solution to the mining industry. This has helped your company in creating a unique positioning which 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 North America, Latin America, Australia, Africa, and the Far East Asia, etc. Over the coming years your company has fairly aggressive growth plans so as to capitalise upon the available opportunity in the mining segment and the vision is to emerge as the leading global solution provider in this segment. 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 cement segment is concerned, the near term prospects continue to remain flat, although in India it seems that the average capacity utilisation levels of cement companies have started to go up. It is also expected that with the government taking lot of initiatives on the infrastructure segment, more particularly the road construction and port infrastructure, it might provide much needed stimulus to the overall construction and industrial segments and it is hoped that from the current fiscal year onwards the positive impact of this stimulus should start coming in. As and when India's cement production will go up your company will be an immediate beneficiary in terms of incremental production going to service the additional requirement. On the global front, while most of the key markets

like North America, Latin America, Western and Eastern Europe, Africa, etc. continue to remain sluggish, 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. On the whole in near term your company continues to believe that the overall production and sales will remain flat in this segment.

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 340,000 Metric Tonnes after successful commission of Kerala GIDC brownfield expansion project during 2015-16. We are on track for the purpose of implementing second phase of capital expenditure plan at GIDC Kerala involving augmentation of the total capacity by further 100,000 MT, which is expected to be commissioned by October 2017 which will take the total installed capacity to 440,000 MT. The incremental Capex required to be incurred for the second phase is estimated around ₹ 350 crores (from April, 2016) and the same will be funded entirely from internal cash accruals.

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. To protect itself against debtor defaults, which risk has increased due to the state of global economy and commodity price melt down, the Company has taken a comprehensive credit insurance policy.

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 which has also helped in further strengthening the internal control system.

Again, during the fiscal year 2015-16, your company has comprehensively reviewed and re-designed the internal financial controls across the organisation encompassing all key functional areas as well as covering the entire gamut of entity/operational level controls commensurate with the nature and size of business.

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

G. FINANCIAL PERFORMANCE REVIEW:

I. Consolidated Performance:

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

- PHYSICAL PRODUCTION:

The Production achieved as under:	(Qty.in M.T)	
Product	F.Y. 2015-16	F.Y. 2014-15
High Chrome Mill Internals	189,449	200,215

- Sales Turnover (Consolidated):

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

Particulars	(₹ in lacs)	
	F.Y. 2015-16	F.Y. 2014-15
Sales in India (Net of Excise)	56,207.40	55,720.05
Sales Outside India	149,108.19	155,054.78
Total	205,315.59	210,774.83

- Key Performance Indicators (Consolidated)

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

Particulars	(₹ in lacs)	
	F.Y. 2015-16	F.Y. 2014-15
1 Revenue from Operations (Net)	209,839.14	218,363.69
2 Cost of Materials Consumed	67,257.60	86,063.29
- % of revenue from operations	32.05%	39.41%
3 Employee Benefits Expense	10,220.23	9,811.13
- % of revenue from operations	4.87%	4.49%
4 Other Expenses	66,986.95	73,911.49
- % of revenue from operations	31.92%	33.85%
5 EBIDTA	67,048.85	66,802.42
- % of revenue from operations	31.95%	30.59%
6 Finance Costs	487.27	393.55
- % of revenue from operations	0.23%	0.18%
7 Depreciation and Amortization Expense	6,698.50	6,974.68
- % of revenue from operations	3.19%	3.19%
8 Profit Before Tax	59,863.08	59,434.19
- % of revenue from operations	28.53%	27.22%
9 Profit After Tax	42,422.17	43,093.93
- % of revenue from operations	20.22%	19.74%

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:

		(₹ in lacs)
Product	F.Y. 2015-16	F.Y. 2014-15
Sales in India (Net of Excise)	56,161.64	56,298.12
Sales Outside India	124,383.72	145,529.91
Total	180,545.36	201,828.03

- Key Performance Indicators (Standalone)

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

		(₹ in lacs)
Particulars	F.Y. 2015-16	F.Y. 2014-15
1 Revenue from Operations (Net)	185,038.58	209,402.79
2 Cost of Materials Consumed	60,338.88	73,159.75
- % of revenue from operations	32.61%	34.94%
3 Employee Benefits Expense	7,008.30	6,621.35
- % of revenue from operations	3.79%	3.16%
4 Other Expenses	54,893.99	58,701.98
- % of revenue from operations	29.67%	28.03%
5 EBIDTA	83,172.01	64,625.69
- % of revenue from operations	44.95%	30.86%
6 Finance Costs	446.82	393.88
- % of revenue from operations	0.24%	0.16%
7 Depreciation and Amortization Expense	6,567.66	6,761.45
- % of revenue from operations	3.55%	3.23%
8 Profit Before Tax	76,157.53	57,524.36
- % of revenue from operations	41.16%	27.47%
9 Profit After Tax	58,766.70	41,457.19
- % of revenue from operations	31.76%	19.80%

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.



INDEPENDENT

AUDITOR'S 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, 2016, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S 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. 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, 2016, 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, 2016 ("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" 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.
 - (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, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 (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 33 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 : AHMEDABAD
DATE : 25th May, 2016



ANNEXURE A

TO INDEPENDENT AUDITOR'S 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 is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (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.
 - (c) Based on our audit procedures and on the basis of information and explanations given to us by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. 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, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence Clause (iii) (a), (b) and (c) are not applicable to the Company.
- (iv) Based on our audit procedures and on the basis of information and explanations given to us by the management, provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security have been complied with.
- (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 so made and 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, 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, 2016 for a period of more than six months from the date they became payable.



- (b) The disputed Statutory dues aggregating to ₹ 3,241.22 lacs, that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

(₹ in lacs)

Name of the statute	Nature of dues	Amt. under dispute not yet deposited as on 31st March, 2016	Periods to which the amount relates(F.Y)	Forum where the dispute is pending
Central Excise	Excise Duty including interest and penalty as applicable	5.43	Prior to 2006	High Court
		2.34	2006-07 to 2008-09	Asst. Commissioner
		31.39	2006-07 to 2007-08	CESTAT
		1,315.11	2009-10 to 2012-13	CESTAT
Service Tax	Service Tax including interest and penalty as applicable	2.08	2005-06 to 2007-08	CESTAT
		3.38	2006-07	Asst. Commissioner
		6.23	2007-08 to 2009-10	Joint Commissioner
		99.60	2007-08 to 2010-11	CESTAT
		0.85	2009-10	Deputy Commissioner
		38.59	2010-11 to 2015-16	Joint Commissioner
		80.03	2010-11 to 2015-16	Commissioner(Appeals)
Sales tax	Sales tax including interest and penalty as applicable	19.76	2001-02	Sales Tax- Tribunal
VAT	VAT including interest and penalty as applicable	9.16	2013-14	Tribunal
Income Tax Act, 1961	Income Tax including interest and penalty as applicable	64.45	2005-06	ITAT
		9.38	2007-08	CIT(Appeals)
		1,402.40	2010-11	CIT(Appeals)
Total		3,241.22		

- (viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the Financial Institutions, Banks, Government or Debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year under audit. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
- (x) Based on the audit procedures performed and representation obtained from management, we report that, no case of material fraud by the Company or on the Company by its officer or employee has been noticed or reported for the year under audit.
- (xi) Based on our audit procedures and on the basis of information and explanations given to us by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) Based on our audit procedures and on the basis of information and explanations given to us by the management, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

ANAND SHARMA
(Partner)
Mem No: 129033

PLACE : AHMEDABAD
DATE : 25th May, 2016



ANNEXURE B

TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the Internal Financial Controls over financial reporting of AIA Engineering Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls over financial reporting and the Standards on auditing, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition



use or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

ANAND SHARMA
(Partner)
Mem No : 129033

PLACE : AHMEDABAD
DATE : 25th May, 2016



BALANCE SHEET

as at 31st March, 2016

		(₹ in lacs)	
Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,886.41	1,886.41
(b) Reserves and Surplus	3	199,666.51	163,278.36
		201,552.92	165,164.77
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,528.76	5,507.39
(b) Deferred Tax Liabilities (Net)	5	3,416.71	2,588.60
(c) Long Term Provisions	6	566.46	574.71
		6,511.93	8,670.70
(3) Current Liabilities			
(a) Short Term Borrowings	7	11,103.31	-
(b) Trade Payables	8	9,567.96	11,286.98
(c) Other Current Liabilities	9	6,560.85	6,641.42
(d) Short-Term Provisions	10	2,072.48	10,512.56
		29,304.60	28,440.96
Total		237,369.45	202,276.43
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	64,481.08	52,373.39
(ii) Intangible Assets		561.84	670.74
(iii) Capital Work in Progress		3,780.03	4,647.57
(b) Non-Current Investments	12	1,491.53	1,490.53
(c) Long Term Loans and Advances	13	1,743.24	3,309.19
(d) Other Non-Current Assets	14	76.97	424.05
		72,134.69	62,915.47
(2) Current Assets			
(a) Current Investments	15	85,283.95	60,074.86
(b) Inventories	16	20,842.39	22,643.25
(c) Trade Receivables	17	40,126.42	22,638.22
(d) Cash and Bank Balances	18	3,495.34	12,389.21
(e) Short-Term Loans and Advances	19	15,442.21	21,603.81
(f) Other Current Assets	20	44.45	11.61
		165,234.76	139,360.96
Total		237,369.45	202,276.43

The accompanying Notes 1 to 35 are integral part of these Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors,

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

RAJENDRA S. SHAH
Chairman
(DIN : 00061922)

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

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

ANAND SHARMA
Partner
Membership No.129033
PLACE : AHMEDABAD
DATE : 25th May, 2016

KUNAL D. SHAH
Executive Director - Finance

S. N. JETHELIYA
Company Secretary
ACS : 5343

PLACE : AHMEDABAD
DATE : 25th May, 2016



Statement of PROFIT & LOSS

for the year ended 31st March, 2016

Particulars	Note No.	(₹ in lacs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
I Revenue from Operations	21	191,422.61	214,935.22
Less: Central Excise duty		6,384.03	5,532.43
Revenue from Operations (Net)		185,038.58	209,402.79
II Other Income	22	31,695.53	13,732.41
III Total Revenue (I +II)		216,734.11	223,135.20
IV Expenses:			
Cost of Materials Consumed	23	60,338.88	73,159.75
Purchases of Stock-in-Trade		11,396.06	20,301.10
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	24	(75.14)	(274.67)
Employee Benefits Expense	25	7,008.30	6,621.35
Finance Costs	26	446.82	339.88
Depreciation and Amortization Expense	11	6,567.66	6,761.45
Other Expenses	27	54,894.00	58,701.98
Total Expenses (IV)		140,576.58	165,610.84
V Profit Before Tax (III - IV)		76,157.53	57,524.36
VI Tax Expense :			
(1) Current Tax	28	16,562.72	15,540.04
(2) Deferred Tax		828.11	527.13
VII Profit for the period (V -VI)		58,766.70	41,457.19
VIII Earnings per Equity Share: (Face Value of ₹ 2/- each)			
Basic and Diluted (₹)	29	62.31	43.95

The accompanying Notes 1 to 35 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 : 25th May, 2016

RAJENDRA S. SHAH
Chairman
(DIN : 00061922)

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 : 25th May, 2016

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

S. N. JETHELIYA
Company Secretary
ACS : 5343



CASH FLOW STATEMENT

for the financial year ended 31st March, 2016

Particulars	(₹ in lacs)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Exceptional Items	76,157.53	57,524.36
Adjustment for		
Add :		
Difference of Provision and payment of Expenses	631.47	(411.45)
Interest and Finance Charges	446.82	339.88
Depreciation (Including adjusted to General Reserve)	6,567.66	6,761.45
Loss on Sale of Assets	47.62	19.09
Loss on Sale of Investments	4.54	-
	7,698.11	6,708.97
Less :		
Interest Income	161.00	90.99
Dividend on Shares	24,671.65	5,442.24
Dividend on Mutual Fund	425.00	2,259.76
Profit on Sale of Assets	53.57	9.83
Profit on Sale of Investments	2,106.94	607.21
	27,418.16	8,410.03
Operating Profit Before Working Capital Changes	56,437.48	55,823.30
(Increase) / Decrease in Current Assets		
Trade and Other Receivables	(11,405.99)	(5,400.95)
Inventories	1,800.87	(703.01)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	(1,700.89)	1,822.45
Cash Generated From Operations		
Direct Taxes Paid	(17,200.00)	(19,070.85)
Net Cash Inflow / (Outflow) from Operating Activities (A)	27,931.47	32,470.94
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	161.00	90.99
Dividend Received on Shares	24,671.65	5,442.24
Dividend Received on Mutual Fund	425.00	2,259.76
Purchase of Fixed Assets	(17,776.86)	(18,112.41)
Purchase of Current Investments (Net)	(45,818.47)	(23,806.39)
Investments in Subsidiary Company	(1.00)	-
Proceeds from Investments in Joint Venture	-	0.50
Proceeds from Sale of Fixed Assets	83.90	61.54
Proceeds from Sale of Current Investments	22,711.79	14,473.69
Net Cash Inflow / (Outflow) From Investing Activities (B)	(15,542.99)	(19,590.08)
C. CASH FLOW USED IN FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	10,787.94	-
Repayment of Long Term Borrowings	(2,763.16)	(2,754.43)
Interest and Finance Charges paid	(446.82)	(339.88)
Dividend paid including Tax	(28,860.31)	(5,696.10)
Net Cash Inflow / (Outflow) From Financing Activities (C)	(21,282.35)	(8,790.41)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(8,893.87)	4,090.45
Add : Cash and Cash Equivalents balance as at 1st April	12,389.21	8,298.76
Cash and Cash Equivalents as at 31st March	3,495.35	12,389.21

Note : Cash and Cash Equivalents include balances with Scheduled Banks in Unpaid Dividend Accounts ₹ 13.64 lacs (Previous Year ₹ 4.61 lacs) which are not available for the use by the Company.

The accompanying Notes 1 to 35 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 : 25th May, 2016

RAJENDRA S. SHAH

Chairman

(DIN : 00061922)

For and on behalf of the Board of Directors,

BHADRESH K. SHAH

Managing Director

(DIN : 00058177)

KUNAL D. SHAH

Executive Director - Finance

YASHWANT M. PATEL

Whole-Time Director

(DIN : 02103312)

S. N. JETHALIYA

Company Secretary

ACS : 5343

PLACE : AHMEDABAD

DATE : 25th May, 2016



NOTES

to the Financial Statements for the year ended 31st March, 2016

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 Companies Act 2013.

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 & 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.



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to the Financial Statements for the year ended 31st March, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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) 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 statement of Profit and Loss, 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 Statement of Profit and Loss.

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



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to the Financial Statements for the year ended 31st March, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

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, 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 upto 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 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 2016

2 SHARE CAPITAL		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Authorized 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, 2016 and 31st March, 2015 is set out below :

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Shares outstanding at the beginning of the year	94,320,370	1,886.41	94,320,370	1,886.41
Shares outstanding at the end of the year	94,320,370	1,886.41	94,320,370	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. 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 Financial year 2015-16, the Company has declared and paid an Interim Dividend of ₹ 8 (400%) and Special (additional interim) Dividend of ₹ 10 (500%) to commemorate the Silver Jubilee year of the Company aggregating to ₹ 18 per share on 94,320,370 Equity Share of the face value of ₹ 2 each amounting to ₹ 16,977.67 lacs for the financial year 2015-16 on 10th March, 2016. Having declared Interim dividends, Board of Directors has not recommended a Final dividend for the Financial Year 2015-16.

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K.Shah	58,128,900	61.65	58,128,900	61.65
Nalanda India Equity Fund Limited	9,127,809	9.68	7,918,845	8.40



NOTES

to the Financial Statements for the year ended 31st March, 2016

3 RESERVES & SURPLUS		(₹ in lacs)		
Sl. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015
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	16,189.27		12,202.98
	Less : Adjustment relating to fixed assets	-		1,59.71
	Add : Transferred from Statement of Profit & Loss	-		4,146.00
			16,189.27	16,189.27
4	Surplus in Statement of Profit & Loss			
	Balance as per last financial year	115,895.58		87,664.19
	Add : Profit for the year	58,766.70		4,1457.19
	Less : Appropriations			
	Transferred to General Reserve	-		4,146.00
	Interim Dividend on Equity Shares	16,977.67		-
	Tax on Interim Dividend	3,023.35		-
	Proposed Dividend on Equity Shares	-		7,545.63
	(Dividend per share ₹ NIL (Previous year ₹ 8))			
	Tax on Dividend (Net of Credit)	(220.51)		1534.17
			154,881.77	115,895.58
5	Hedging Reserve Account			
	Balance as per last financial year	2,688.25		946.45
	Add/ (Less) : Mark to Market of Hedging Instruments designated and effective as Hedges of Future Cash Flow	(2,598.04)		1,741.80
			90.21	2,688.25
	Total		199,666.51	163,278.36

4 LONG TERM BORROWINGS		(₹ in lacs)		
Sl. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015
1	Term Loan (Secured)			
	From banks			
	- External Commercial Borrowings		2,477.71	5,437.39
2	Deferred Payment Liabilities (Unsecured)*		51.05	70.00
	Total		2,528.76	5,507.39

4.1 Terms of repayment for External Commercial Borrowings:

External Commercial Borrowings (ECB) of US \$ 18,700,000 is secured by hypothecation of Identified Plant and Machineries procured from Citi Bank N.A. and installed at Moraiya Unit (M1) of the Company mentioned in Hypothecation Agreement..

The Loan is repayable in 15 equal quarterly instalments of US\$ 1,246,667 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 repayment of loan started from 3rd April, 2014 and the loan will be fully re-paid on 3rd October, 2017.

Repayment of External Commercial Borrowings (ECB)

(₹ in lacs)	
2017-18	2,477.71



NOTES

to the Financial Statements for the year ended 31st March, 2016

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

Deferred Sales tax under Package Scheme of Incentives 1993

	(₹ in lacs)
2017-18	17.48
2018-19	13.72
2019-20	19.85

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

5 DEFERRED TAX LIABILITY (NET)		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
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	3,580.75	2,762.91
	TOTAL DEFERRED TAX LIABILITIES (A)	3,580.75	2,762.91
	Less :		
2	DEFERRED TAX ASSETS : Arising on account of timing difference		
	- Leave Encashment	162.32	172.00
	- Others	1.72	2.31
	TOTAL DEFERRED TAX ASSETS (B)	164.04	174.31
	Total (A - B)	3,416.71	2,588.60

6 LONG TERM PROVISIONS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Provision for Employee Benefits (Refer Note No : 25.1)		
1	Provision for Leave Encashment	419.58	450.08
2	Provision for Gratuity	146.88	124.63
	Total	566.46	574.71

7 SHORT TERM BORROWINGS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Secured		
	(a) Loan repayable on demand		
	- From banks	3,000.00	-
2	Unsecured		
	(a) Loan repayable on demand		
	- From banks	8,103.31	-
	Total	11,103.31	-

Pre-Shipment Credit in Foreign Currency (PCFC) borrowing is a short term working capital finance denominated in foreign currency and disbursed in INR using the prevailing exchange rate. The interest on the loan is linked to LIBOR with a margin spread. The loan is repayable from export proceeds. As on 31st March, 2016, the total outstanding of PCFC loans are ₹ 11,103.31 lacs bifurcated as under :

- 1 (a) Secured by pari-passu charge over inventories and book debts, outstanding ₹ 3,000 lacs to Citi Bank N.A.
- 2 (a) Unsecured outstanding ₹ 8,103.31 lacs, with ₹ 5,618.98 lacs to Citi Bank N.A. and ₹ 2,484.33 to HSBC Bank Limited



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to the Financial Statements for the year ended 31st March, 2016

8 TRADE PAYABLES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Due to Micro, Small and Medium Enterprises *	-	-
2	Other than Micro, Small and Medium Enterprises #	9,567.96	11,286.98
Trade payables to the Subsidiaries are as under.			
# Includes dues to :			
	Maximum due during the year		
	Subsidiaries	958.77	746.77
	Previous Year	462.46	906.16
Total		9,567.96	11,286.98

* 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.

9 OTHER CURRENT LIABILITIES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Current Maturity of Long Term Debt	3,322.56	3,444.78
2	Unpaid Dividend *	13.64	4.61
3	Other Payables #	3,224.65	3,192.03
Total		6,560.85	6,641.42

* 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		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Provision for employee benefits ; (Refer Note No.25.1)		
	- Provision for Bonus	485.59	443.18
	- Provision for Gratuity	135.74	118.92
	- Provision for Leave Encashment	49.46	55.95
2	Others :		
	- Proposed Dividend	-	7,545.63
	- Provision for Corporate Tax on Dividend	-	1,534.17
	- Provision for Expenses	1,021.04	513.69
	- Provision for Product Warranties Claims	380.65	301.02
Total		2,072.48	10,512.56



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to the Financial Statements for the year ended 31st March, 2016

11 FIXED ASSETS

TANGIBLE ASSETS :

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipments	Others *	TOTAL
Cost of Assets									
As at 1st April, 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
Addition	57.99	-	6,862.17	9,862.50	142.55	34.81	83.38	1,493.61	18,537.01
Disposal / Adjustments	-	-	1.12	572.58	7.70	45.53	4.80	29.11	660.84
As at 31st March, 2016	3,032.62	2,238.53	29,240.49	52,655.73	1,617.47	276.28	293.14	5,926.82	95,281.08
Depreciation									
As at 1st April 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
Charge for the year	-	-	829.58	4,702.74	148.96	31.31	31.07	607.71	6,351.37
Disposal / Adjustments	-	-	0.53	511.81	6.87	34.57	4.44	24.67	582.89
As at 31st March, 2016	-	-	4,300.35	22,634.99	753.86	109.74	162.77	2,838.29	30,800.00
Net Block									
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
As at 31st March, 2016	3,032.62	2,238.53	24,940.14	30,020.74	863.61	166.54	130.37	3,088.53	64,481.08
Capital Work in Progress :									
As at 31st March, 2015									4,647.57
As at 31st March, 2016									3,780.03

* Others Includes Electrical Installations, Laboratory Equipments, Computer Hardware.

INTANGIBLE ASSETS :

(₹ in lacs)

Particulars	Goodwill	Software	Patents and Copyrights	TOTAL
Cost of Assets				
As at 1st April, 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
Addition	-	105.80	1.59	107.39
Disposal / Adjustments	-	-	-	-
As at 31st March, 2016	767.81	525.12	35.24	1,328.17
Amortization				
As at 1st April 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
Charge for the year	153.56	60.94	1.79	216.29
Disposal / Adjustments	-	-	-	-
As at 31st March, 2016	460.68	298.42	7.23	766.33
Net Block				
As at 31st March, 2015	460.69	181.84	28.21	670.74
As at 31st March, 2016	307.13	226.70	28.01	561.84

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.



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to the Financial Statements for the year ended 31st March, 2016

12 NON CURRENT INVESTMENTS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
LONG TERM INVESTMENTS			
A	Trade Investments (Valued at Cost)		
	Investment in Equity Instruments		
1	Investment in Subsidiary Companies :		
(a)	Fully paid Equity Shares (Quoted)		
	477,661 Equity Shares of Welcast Steels Limited of ₹ 10/- each fully paid up (Previous year 477,661 Equity Shares)	1,341.05	1,341.05
(b)	Fully paid Equity Shares (Unquoted)		
	32,500 Equity Shares of Vega Industries (Middle East) FZC,U.A.E.of US\$ 10/-each fully paid up (Previous year 32,500 Equity Shares)	149.39	149.39
(c)	10,000 Equity Shares of AIA CSR Foundation of ₹ 10/- each fully paid up (Previous year NIL Equity Shares)	1.00	-
2	Investment in Other Company : (Unquoted)		
	25 Equity Shares of Koramangla Properties.Limited of ₹ 100/- each fully paid up (Previous year 25 Equity Shares)	0.03	0.03
	Other Investments (valued at cost)		
B	Investment in Government Securities : (Unquoted)		
	National Savings Certificates	0.06	0.06
	AGGREGATE		
	QUOTED		
	UNQUOTED		
	Cost	1,341.05	150.48
	Previous Year	1,341.05	149.48
	Market Value	2,024.33	-
	Previous Year	2,784.76	-
	Total	1,491.53	1,490.53
13 LONG TERM LOANS AND ADVANCES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good unless otherwise stated :			
1	Capital Advances	530.29	2,668.44
2	Advance Income tax (Net of Provision)	1,049.61	509.09
3	Other Loans & Advances		
	- Loans and Advances to Staff	163.34	131.66
	Total	1,743.24	3,309.19
14 OTHER NON CURRENT ASSETS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Long Term Trade Receivables Unsecured, Considered Good	76.97	117.68
2	Others *	-	306.37
	Total	76.97	424.05

* Others includes Bank FD more than 12 months and interest receivable thereon.



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to the Financial Statements for the year ended 31st March, 2016

15 CURRENT INVESTMENTS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
Others Investments			
<i>Investment in Mutual Funds (Unquoted) (Valued at Cost unless otherwise stated)</i>			
1	HDFC Cash Management Fund Savings Plan Growth 388,747.018 Units NAV of ₹ 3,154.7902 each (Previous year 38,874,701.84 Units NAV of ₹ 29.1838 each)	11,015.96	11,015.96
2	HDFC Liquid Fund Growth Plan 476,998.232 Units NAV of ₹ 2,984.5463 each (Previous year NIL Units NAV of ₹ NIL each)	14,200.00	-
3	HDFC GILT Fund Long Term Growth 6,783,523.394 Units NAV of ₹ 30.2544 each (Previous year NIL Units NAV of ₹ NIL each)	1,995.46	-
4	HDFC GILT Fund Long Term Direct Plan 10,104,003.880 Units NAV of ₹ 30.6339 each (Previous year NIL Units NAV of ₹ NIL each)	3,000.00	-
5	HDFC FMP 1167D JAN-2016 (1) 500,000,000 Units NAV of ₹ 10.0377 each (Previous year NIL Units NAV of ₹ NIL each)	5,018.85	-
6	ICICI Prudential Liquid Regular Plan Growth 10,664,344.970 Units NAV of ₹ 223.8540 each (Previous year 5,402,034.32 Units NAV of ₹ 206.857 each)	22,083.79	10,849.88
7	ICICI Prudential FMP Series 73-391 Days NIL Units NAV of ₹ NIL each (Previous year 50,000,007 Units NAV of ₹ 10.4352 each)	-	5,000.00
8	State Bank of India Premier Liquid Fund Plan DDR NIL Units NAV of ₹ NIL each (Previous year 1,057,501.684 Units NAV of ₹ 1,003.25 each)	-	10,609.38
9	State Bank of India Debit Fund Series A-11 385 Days NIL Units NAV of ₹ NIL each (Previous year 50,000,073.827 Units NAV of ₹ 10.4182 each)	-	5,000.00
10	State Bank of India Premier Liquid Fund Growth 310,320.261 Units NAV of ₹ 2,376.0805 each (Previous year 310,320.261 Units NAV of ₹ 2,195.7218 each)	6,616.88	6,616.88
11	Birla Sunlife Cash Plus Growth Regular Plan 7,717,367.058 Units NAV of ₹ 242.7740 each (Previous year 5,044,034.769 Units NAV of ₹ 224.2841 each)	17,172.01	10,982.76
12	L&T Liquid Fund - Growth 201,845.699 Units NAV of ₹ 2,074.229 each (Previous year NIL Units NAV of ₹ NIL each)	4,181.00	-
	AGGREGATE	QUOTED	UNQUOTED
	Cost	NIL	85,283.95
	Previous Year	NIL	60,074.86
	Market Value	NIL	90,835.33
	Previous Year	NIL	89,044.61
	Total		
		85,283.95	60,074.86



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to the Financial Statements for the year ended 31st March, 2016

16 INVENTORIES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	(As taken, valued & certified by the Management) (At lower of cost or Net Realisable Value)		
1	Raw Materials	4,329.34	6,117.36
2	Raw Materials in Transit	1,145.60	1,426.17
3	Work in progress	8,822.09	8,746.95
4	Stores & Spares	6,382.49	6,045.66
5	Stores and Spares in Transit	162.87	307.11
	Total	20,842.39	22,643.25

17 TRADE RECEIVABLES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Unsecured, Considered Good : *		
	- Outstanding for more than six months	737.37	1,294.78
	- Others	39,389.05	21,343.44
	(*) Includes Receivables from :		
	Maximum due during the year		
	Welcast Steels Limited	224.02	-
	Previous Year	163.65	10.19
	Vega Industries (Middle East) FZC, U.A.E.	27,067.14	27,067.14
	Previous Year	12,212.15	9,074.08
	Vega Industries Limited U.K.	55.30	16.56
	Previous Year	65.84	55.30
	Total	40,126.42	22,638.22

18 CASH & BANK BALANCES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Cash & Cash Equivalent		
	(a) Balances with Schedule Banks	2,884.68	8,980.57
	(b) Cash on Hand	8.56	9.57
	(c) Others		
	- In Fixed Deposits	8.66	3,107.99
	Sub Total (A)	2,901.90	12,098.13
2	Other Bank Balances		
	(a) Fixed Deposits with Banks		
	- Less than 12 months	579.80	286.47
	- More than 12 months	-	298.99
	(b) Earmarked balances with banks (Unpaid Dividend)	13.64	4.61
		593.44	590.07
	Less : Bank FD for more than 12 months transferred to Non Current Assets	-	(298.99)
	Sub Total (B)	593.44	291.08
	Total (A + B)	3,495.34	12,389.21



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to the Financial Statements for the year ended 31st March, 2016

19 SHORT TERMS LOANS AND ADVANCES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Unsecured, Considered Good :		
1	Loans & Advances to related parties : (Refer Note No.30) *	-	-
	(*) Includes Receivables from :		
	Maximum due during the year		
	Welcast Steels Limited	-	-
	Previous Year	1561.94	
2	Others :		
	Advances to Supplier's	1,319.68	1,752.79
	Prepaid Expenses	154.11	131.94
	Sundry Deposits and Advances	630.87	618.58
	Balance with Statutory / Government authorities	13,150.45	15,809.18
	Loans and Advances to Staff	126.45	140.81
	Hedging Instruments	60.65	3,150.51
	Total	15,442.21	21,603.81

20 OTHER CURRENT ASSETS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Interest Accrued on Investments	44.45	11.61
	Total	44.45	11.61

21 REVENUE FROM OPERATIONS		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Revenue from Operations		
	Sale of Products - High Chrome Mill Internals (Castings)		
	Domestic Sales	56,161.64	56,298.12
	Export Sales	124,383.72	145,529.91
		180,545.36	201,828.03
2	Other Operating Revenue		
	Exports Incentives	4,493.22	7,574.76
	Total	185,038.58	209,402.79

22 OTHER INCOME		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Interest #	161.00	90.99
2	Dividend from Mutual Funds (Current Investment)	425.00	2,259.76
3	Dividend from subsidiary (Trade Investment)	24,671.65	5,442.24
4	Profit on Sale of Mutual Fund Units (Current Investment) (Net)	2,102.40	607.21
5	Other Non Operating Income		
	- Gain on Exchange Rate Fluctuation	4,048.42	5,034.09
	- Profit on Sale of Fixed Assets	53.57	9.83
	- Insurance Claim received	29.87	31.81
	- Miscellaneous Receipts	58.98	143.95
	- Service Tax Draw Back Income	97.07	109.17
	- Income Tax Refund	4.93	-
	- Sales Tax Refund	25.87	3.36
	- Sundry balances (dr. / cr.) written back	16.77	-
	Total	31,695.53	13,732.41

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



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to the Financial Statements for the year ended 31st March, 2016

23 COST OF MATERIALS CONSUMED

		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	Opening Stock	7,543.53	8,109.19
	Add : Purchases	58,270.29	72,594.09
	Sub Total	65,813.82	80,703.28
	Less: Closing Stock	5,474.94	7,543.53
	Total	60,338.88	73,159.75

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Opening Stock : Work-In-Progress	8,746.95	8,472.28
	Less :		
2	Closing Stock : Work-In-Progress	8,822.09	8,746.95
	Total	(75.14)	(274.67)

25 EMPLOYEE BENEFITS EXPENSE

		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Salaries, Wages and Bonus	6,236.51	5,916.23
2	Contribution to Provident Fund / ESIC / Gratuity	718.78	649.73
3	Staff Welfare Expenses	53.01	55.39
	Total	7,008.30	6,621.35

25.1 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, recognized as expense for the year is as under :

	(₹ in lacs)	
	2015-16	2014-15
Employer's Contribution to Provident Fund	326.38	304.08

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 :

	(₹ in lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit Obligation at beginning of the year	1,414.10	1,097.74	506.03	411.22
Current Service Cost	118.62	92.32	70.91	56.02
Interest Cost	104.72	94.43	37.29	35.61
Actuarial (Gain) / Loss	(2.04)	158.21	22.44	128.82
Benefits paid	(63.05)	(28.60)	(167.64)	(125.64)
Prior year Charge	175.33	-	-	-
Defined Benefit Obligation at year end	1,747.68	1,414.10	469.03	506.03



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to the Financial Statements for the year ended 31st March, 2016

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

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Fair value of plan assets at beginning of the year	1,170.70	1,009.18		
Expenses deducted from the fund	(10.01)	(1.02)		
Expected return on plan assets	101.37	87.52		
Actuarial Gain / (Loss)	22.66	15.06		
Employer contribution	243.40	88.56		
Benefits paid	(63.05)	(28.60)		
Fair Value of plan assets at year end	1,465.07	1,170.70		
Actual return on plan assets	124.03	102.58		
			Not applicable as leave liability is not funded	

Reconciliation of fair value of Assets and Obligations :

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Fair value of plan assets	1,465.07	1,170.70	-	-
Present value of Obligation	1,747.68	1,414.10	469.03	506.03
Amount recognized in Balance Sheet	282.61	243.40	469.03	506.03

Expense recognized during the year :

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	118.62	92.32	70.91	56.02
Interest Cost	104.72	94.43	37.29	35.61
Expected return on plan assets	(101.37)	(87.52)	-	-
Actuarial (Gain) / Loss	(24.70)	143.15	22.44	128.82
Net Cost	97.27	242.38	130.64	220.45

Investment Details:

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Government of India Securities	0%	7%		
Public Securities	0%	9%		
State Government Securities	8%	3%		
Private Sector Securities	5%	0%		
Insurance Policies	84%	78%		
Others	3%	3%		
			Not applicable as leave liability is not funded	



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to the Financial Statements for the year ended 31st March, 2016

Actuarial assumptions:

	(₹ in lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Mortality Table	LIC (2006-08)	LIC (2006-08)	LIC (2006-08)	LIC (2006-08)
Discount Rate Expected Rate of Return	7.80%	7.80%	7.80%	7.80%
Expected Rate of Return	7.80%	8.75%	-	-
Rate of escalation in salary	8.00%	8.00%	8.00%	8.00%

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

	(₹ in lacs)				
	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Gratuity (Funded)					
Defined Benefit obligation	1,747.68	1,414.10	1,097.74	1,017.41	831.49
Plan Assets	1,465.07	1,170.70	1,009.18	853.13	737.25
Surplus / (Deficit)	97.27	242.38	86.17	164.28	94.24
Experience adjustments on Plan Liability	(2.04)	10.31	18.37	55.69	65.68
Experience adjustments on Plan Assets	(22.66)	(15.07)	(7.77)	(5.83)	(8.92)
Leave Encashment (Unfunded)					
Defined Benefit Obligation	469.03	506.03	411.22	413.02	298.03
Experience adjustments on Plan Liability	22.44	(67.29)	(27.97)	74.57	42.15

Company's estimate of Contributions expected to be paid during Financial Year 2016-17 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	282.62
(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.

26 FINANCE COSTS

Sl. No.	Particulars	(₹ in lacs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
	Interest Expense		
	- For Borrowings	322.61	294.93
	- For Income tax	122.00	40.00
	- For Others	2.21	4.95
	Total	446.82	339.88



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to the Financial Statements for the year ended 31st March, 2016

27 OTHER EXPENSES		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Manufacturing Expenses		
	Consumption of Stores		
	Opening Stock	6,352.77	5,358.78
	Add : Purchases	18,243.46	20,460.95
	Sub Total	24,596.23	25,819.73
	Less : Closing Stock	6,545.36	6,352.77
		18,050.87	19,466.96
	Power and Fuel	19,371.47	20,010.57
	Labour Charges	5,267.11	5,137.47
	Freight Inward, Octroi, Coolies and Cartages	1,137.90	1,429.53
	Repairs and Maintenance		
	- To Buildings	146.24	177.06
	- To Plant and Machineries	422.90	575.56
	- To Other Assets	196.47	215.86
	Rent Expenses	24.61	114.55
2	Selling and Distribution Expenses		
	Freight Outward, Coolies and Cartages	6,009.39	8,057.20
	Commission Expenses	86.33	122.49
	Travelling Expenses		
	- For Directors	31.19	38.07
	- For Staff and Guests	395.56	359.60
	Sales Promotion / Gift Expenses	29.42	24.66
	Advertisement Expenses	28.27	9.39
	Product Warranty Expenses	196.57	197.00
	Late Delivery Charges	44.03	42.00
	Bad Debts	63.88	30.86
	Central Excise Duty and CVD	72.31	57.52
	Sales tax	2.25	1.26
	Tender Fees	2.90	1.00
3	Administrative Expenses		
	Insurance Premium Expenses	337.15	256.18
	Rent Expenses	102.44	94.78
	Rates and Taxes	47.02	41.15
	Service Charges	4.30	3.91
	Directors' Sitting Fees	4.70	3.35
	Payments to Auditors		
	- As Auditor		
	Statutory Audit fees	13.00	13.00
	Tax Audit Fees	1.50	1.50
	- For Other Services	2.06	3.30
	Legal and Professional Consultancy Fees	822.03	672.81
	Bank Commission Charges	160.11	185.00
	Printing and Stationery Expenses	26.76	25.29
	Postage, Telephones, Courier, Internet & E-mail	108.07	105.49
	Computer Expenses	4.20	1.58
	Vehicle Repairs and Maintenance	81.71	85.36
	Conveyance Expenses	231.76	222.34
	Security Expenses	382.40	410.68
	Subscription and Membership Fees	14.67	26.04
	Entertainment Expenses	13.40	11.06
	Donation Expenses	31.56	22.61
	Seminar Expenses	37.50	10.26
	License Fees	8.88	8.07
	Inspection Charges	23.39	14.17



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to the Financial Statements for the year ended 31st March, 2016

27 OTHER EXPENSES (contd.)		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	Water Charges	53.81	42.77
	Office Expenses	38.81	39.14
	Electricity Expenses	20.49	20.17
	Service tax	76.14	19.63
	Garden Expenses	19.63	20.99
	Festival Celebration Expenses	18.67	13.87
	Factory GVMM / GIDC Administrative Charges	11.96	14.75
	CSR Expenses	495.76	114.47
	Recruitment and Training Expenses	9.56	10.62
	Loss on Sale of Fixed Assets	47.62	19.09
	Sundry Balance Written Off	-	40.30
	General / Miscellaneous Expenses	63.27	59.64
	Total	54,894.00	58,701.98
27.1 C. I. F. Value of Imports :		(₹ in lacs)	
		2015-16	2014-15
1	Raw Materials - Scrap	5,119.13	9,192.25
2	Raw Materials - Ferro Alloys	9,710.22	11,787.29
3	Stores	2,003.70	2,938.92
4	Capital Goods	1,073.36	1,221.80
27.2 Expenditure in Foreign Currency :		(₹ in lacs)	
		2015-16	2014-15
1	Interest on ECB /Buyer's Credit Loan	309.55	88.93
2	Travelling Expenses	136.22	195.27
3	Legal and Professional Consultancy Fees	22.90	16.13
4	Advertisement Expenses	21.02	-
5	Bank Charges	9.19	8.95
6	Subscription and Membership Fees	2.56	5.15
7	Others	12.15	7.49
	Total	513.59	321.92
27.3 Value of Imported and Indigenous Raw Materials, Stores & Spares consumed and percentage thereof :		(₹ in lacs)	
		2015-16	2014-15
a)	Raw Materials		
1	Imported - Scrap	5,991.62	9,212.09
	Percentage	9.93%	12.59%
2	Imported - Ferro Alloys	9,766.57	12,259.31
	Percentage	16.19%	16.76%
3	Indigenous - Scrap	24,747.68	29,382.60
	Percentage	41.01%	40.16%
4	Indigenous - Ferro Alloys	19,833.01	22,305.75
	Percentage	32.87%	30.49%
	Total	60,338.88	73,159.75
b)	Stores & Spares		
1	Imported	2,409.42	3,169.65
	Percentage	13.35%	16.28%
2	Indigenous	15,641.45	16,297.31
	Percentage	86.65%	83.72%
	Total	18,050.87	19,466.96



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to the Financial Statements for the year ended 31st March, 2016

27.4 Earning in Foreign Exchange		(₹ in lacs)	
		2015-16	2014-15
1	Export of Goods	124,383.72	145,529.92
2	Dividend Received from Subsidiaries	24,662.10	5,418.36
3	Miscellaneous Receipts (Corporate Guarantee charges recovered)	40.84	133.46
Total		149,086.66	151,081.74

28 CURRENT TAX		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Current Tax	16,478.00	16,460.00
2	Short / (Excess) Provision for earlier year	84.72	(919.96)
Total		16,562.72	15,540.04

29 EARNINGS PER SHARE		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Net Profit attributable to the Equity Shareholders	58,766.70	41,457.19
2	Weighted average number of Equity Shares outstanding during the period	94,320,370	94,320,370
3	Nominal value of Equity Shares (₹)	2	2
4	Basic/Diluted Earnings per Share (₹)	62.31	43.95

30 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18 :

(i) Subsidiaries :

- 1 Welcast Steels Limited
- 2 Vega Industries (Middle East) FZC, U.A.E.
- 3 Vega Industries Limited, U.K.
- 4 Vega Industries Limited, U.S.A.
- 5 Vega Steel Industries (RSA) Proprietary Limited, South Africa
- 6 Wuxi Vega Trade Co. Limited, China
- 7 PT. Vega Industries Indonesia, Indonesia
- 8 AIA CSR Foundation

(ii) Relatives of Key Management Personnel :

- 1 Mrs. Giraben K. Shah
- 2 Mrs. Gitaben B. Shah
- 3 Mrs. Khushali S. Solanki
- 4 Mrs. Bhumika S. Shodhan
- 5 AB Tradelink Limited
- 6 Powertec Engineering Private Limited
- 7 Vee Connect Travels Private Limited
- 8 Discus IT Private Limited
- 9 Harsha Engineers Limited
- 10 RNCA & Associates

(iii) Key Management Personnel :

- 1 Mr. Rajendra S. Shah (Chairman)
- 2 Mr. Bhadrash K. Shah (Managing Director)
- 3 Mr. Yashwant M. Patel (Whole-Time Director)
- 4 Dr. S. Srikumar (Non Executive Director)
- 5 Mr. Kunal D. Shah (Executive Director - Finance)
- 6 Mr. S. N. Jetheliya (Company Secretary)



NOTES

to the Financial Statements for the year ended 31st March, 2016

Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016 :

(₹ in lacs)

Sl. No.	Particulars	Subsidiaries	Relatives of Key Management Personnel	Management Personnel
1	Revenue from Operations	124,323.33	NIL	NIL
	(Previous Year)	(144,614.08)	NIL	NIL
2	Miscellaneous receipt of Income	40.84	NIL	NIL
	(Previous Year)	(133.46)	NIL	NIL
3	Purchase of Goods	12,434.05	2,026.24	NIL
	(Previous Year)	(21,989.10)	(2,430.03)	NIL
4	Investment in Equity Shares	1.00	NIL	NIL
	(Previous Year)	NIL	NIL	NIL
5	Recovery of Travelling Expenses	220.94	NIL	NIL
	(Previous Year)	(270.49)	NIL	NIL
6	CSR Expenses	370.00	NIL	NIL
	(Previous Year)	NIL	NIL	NIL
7	Commission Expense on Purchases	NIL	48.81	NIL
	(Previous Year)	NIL	(68.17)	NIL
8	Legal and Professional Consultancy Fees	6.87	47.95	NIL
	(Previous Year)	NIL	(39.42)	NIL
9	SAP ERP Functional and Technical Support	NIL	18.15	NIL
	(Previous Year)	NIL	(2.53)	NIL
10	Salary, Bonus and Perquisites	NIL	1.68	64.75
	(Previous Year)	NIL	(1.48)	(62.27)
11	Rent, Rates & Taxes Expenses	NIL	1.46	NIL
	(Previous Year)	NIL	(1.48)	NIL
12	Repairs & Maintenance of Equipments	NIL	15.98	NIL
	(Previous Year)	NIL	(14.33)	NIL
13	Travelling Expenses	NIL	153.42	NIL
	(Previous Year)	NIL	(170.09)	NIL
14	Professional Tax	0.09	NIL	NIL
	(Previous Year)	(0.09)	NIL	NIL
15	Dividend received	24,671.65	NIL	NIL
	(Previous Year)	(5,442.24)	NIL	NIL
16	Directors' Remuneration and perquisites	NIL	NIL	118.59
	(Previous Year)	NIL	NIL	(118.57)
	GRAND TOTAL	162,068.77	2,313.69	183.34
	(Previous Year)	(172,449.46)	(2,727.53)	(180.84)
	Balance Outstanding at the year end (Receivable)	27,083.71	2.83	NIL
	(Previous Year)	(9,139.58)	(2.01)	NIL
	Balance Outstanding at the year end (Payable)	46.25	128.30	NIL
	(Previous Year)	(746.77)	(19.57)	NIL



NOTES

to the Financial Statements for the year ended 31st March, 2016

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

			(₹ in lacs)	
Sl. No.	Description	Related Parties	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Revenue from Operations	Vega Industries (Middle East) FZC	123,881.28	144,133.63
		Welcast Steels Limited	442.05	480.45
2	Miscellaneous receipt of Income	Vega Industries (Middle East) FZC	24.28	78.16
		Vega Industries Limited, U.K.	16.56	55.30
3	Purchase of Goods	Welcast Steels Limited	12,434.05	21,989.10
		Harsha Engineers Limited	2,026.24	2,430.03
4	Investment in Equity Shares	AIA CSR Foundation	1.00	-
5	Recovery of Travelling Expenses	Vega Industries (Middle East) FZC	220.94	270.49
6	CSR Expenses	AIA CSR Foundation	370.00	-
7	Commission Expense on Purchases	AB Tradelink Limited	48.81	68.17
8	Legal and Professional Consultancy Fees	Welcast Steels Limited	6.87	-
		Powertec Engineering Private Limited	41.48	37.21
		RNCA & Associates	6.47	2.21
9	SAP ERP Functional and Technical Support	Discus IT Private Limited	18.15	2.53
10	Salary, Bonus and Perquisites	Mrs. Gitaben B. Shah	1.68	1.48
		Mr. Kunal D. Shah	34.33	34.33
		Mr. S. N. Jetheliya	30.42	27.94
11	Rent, Rates & Taxes Expenses	Mrs. Giraben K. Shah	1.46	1.48
12	Repairs & Maintenance of Equipments	Powertec Engineering Private Limited	15.98	14.33
13	Travelling Expenses	Vee Connect Travel Private Limited	149.88	166.96
		AB Tradelink Limited	3.54	-
14	Professional Tax	Welcast Steels Limited	0.09	0.09
15	Dividend received	Vega Industries (Middle East) FZC	24,662.10	5,418.36
		Welcast Steels Limited	9.55	23.88
16	Directors' Remuneration and perquisites	Mr. Bhadresh K. Shah	103.87	111.05
		Mr. Yashwant M. Patel	14.72	7.52

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 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 :

		(₹ in lacs)	
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	
Revenue by Geographical Segment			
India	67,647.45	72,053.46	
Outside India	149,086.66	151,081.74	
Addition to Fixed Assets and Intangible Assets			
India	18,644.40	23,441.03	
Outside India	-	-	
Carrying amount of Fixed Assets (Net)			
India	68,822.95	57,691.70	
Outside India	-	-	



NOTES

to the Financial Statements for the year ended 31st March, 2016

Notes:

- 1) 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.

Particulars	(₹ in lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from operations	185,038.58	209,402.79
Other income	31,695.53	13,732.41

32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

Sl. No.	Particulars	(₹ in lacs)	
		As at 31st March, 2016	As at 31st March, 2015
1	Contingent Liabilities		
a.	Claims against the Company not acknowledged as debts		
i)	Central Excise & Service Tax	2,576.98	1,714.84
ii)	Income Tax	7,834.13	5,932.31
iii)	Sales Tax / Central Sales Tax	57.24	19.77
b.	Guarantees		
i)	Bank Guarantees Outstanding	12,919.34	12,365.53
ii)	Corporate Guarantees Outstanding to Customers	624.83	713.65
iii)	Guarantees given by the Company on behalf of Subsidiaries	7,949.87	3,621.31
iv)	Corporate Guarantees given by the Company on behalf of Subsidiaries	-	2,632.28
v)	Letter of Credit (L/C)	-	33.55
c.	Others	595.08	650.05
2	Commitments :		
a.	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.	430.16	2,782.82
b.	Others	-	-
	Total	32,987.63	30,466.11

33 DERIVATIVE INSTRUMENTS

a) Derivatives outstanding as at the Balance Sheet date				
Currency	Exposure to Buy / Sell	No. of contracts	As at 31st March, 2016	
			Amount (₹ in lacs)	Foreign currency
CAD / USD		3	1,530.35	3,000,000
CAD / INR		8	2,721.04	5,325,000
EUR / INR		6	2,263.82	3,000,000
EUR / USD	Sell	3	561.45	750,000
USD / INR		68	10,931.07	16,500,000
ZAR / INR		14	2,832.35	63,000,000
(Previous year)		(477)	(87,140.48)	(299,250,000)



NOTES

to the Financial Statements for the year ended 31st March, 2016

b) Foreign currency exposure at the year end not hedged by derivative instruments.		(₹ in lacs)	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
Payables against import of goods and services			
₹ in lacs	61.60	10.53	
US Dollar	91,394	-	
Euro	-	15,726	
Advance payment to suppliers for goods and services			
₹ in lacs	710.33	17.06	
US Dollar	748,703	26,327	
Euro	271,214	978	
GBP	20,242	-	
CHF	16,883	-	

The Company enters into 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 ₹ 90.21 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.

34 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 2015-16:

Particulars	Amount	(₹ in lacs) Amount
1. Prescribed CSR Expenditure (2% of Avg. Net Profit)		824.01
2. Details of CSR Expenditure during the financial year 2015-16		
Cl. (i) Promoting Healthcare including preventing Health care	53.00	
Cl. (iii) Promoting Education	41.81	
Cl. (iv) Ensuring Environmental Sustainability	20.95	
Cl. (v) Protecting of National Heritage, Art	10.00	
Cl. Contribution to AIA CSR Foundation for various activities as per Schedule VII of the Companies Act, 2013	370.00	
Total Amount Spent during the financial year 2015-16		495.76
Amount Unspent, if any		328.25

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

Notes 1 to 35 above are integral part those Financial Statements, 2015

For and on behalf of the Board of Directors,

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

RAJENDRA S. SHAH
Chairman
DIN : 00061922

BHADRESH K. SHAH
Managing Director
DIN : 00058177

YASHWANT M. PATEL
Whole-Time Director
DIN : 02103312

ANAND SHARMA
Partner
Membership No.129033
PLACE : AHMEDABAD
DATE : 25th May, 2016

KUNAL D. SHAH
Executive Director - Finance

S. N. JETHELIYA
Company Secretary
ACS : 5343

PLACE : AHMEDABAD
DATE : 25th May, 2016



CONSOLIDATED

Financial Section



INDEPENDENT AUDITOR'S REPORT

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 (here in after 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, 2016, 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.

AUDITOR'S 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 auditor's 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. 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of subsidiaries viz. Welcast Steels Limited, Ahmedabad, Vega Industries (Middle East) FZC, Ajman, U.A.E., Vega Industries Limited, U.K., Vega Industries Limited, U.S.A., Vega Steel Industries (RSA) Proprietary Limited, South Africa, Wuxi Vega Trade Co. Limited, China, Pt. Vega Industries Indonesia, Indonesia whose financial statements reflect total assets of ₹ 67,006.94 Lacs as at 31st March, 2016, total revenues of ₹ 1,59,561.00 Lacs and net cash inflow amounting to ₹ 2,621.83 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated



financial statements also include the Group's share of net profit of ₹ 9,200.29 Lacs for the year ended 31st March, 2016, 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 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.
- (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, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting and operating effectiveness of such controls of the subsidiary company incorporated in India, refer to "Annexure - A" of our report of even date.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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(1)(a) 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 : AHMEDABAD
DATE : 25th May, 2016



ANNEXURE A

TO INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the Internal Financial Controls over financial reporting of AIA Engineering Limited ("the Holding Company") and its subsidiary Company which is a Company incorporated in India as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The management of the Holding Company and its subsidiary Company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of



the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary Company, which is Company incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anand Sharma
(Partner)
Mem No : 129033

PLACE : AHMEDABAD
DATE : 25th May, 2016



Consolidated BALANCE SHEET

as at 31st March, 2016

Particulars	Note No.	(₹ in lacs)	
		As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,886.41	1,886.41
(b) Reserves and Surplus	3	226,347.78	206,474.14
		228,234.19	208,360.55
(2) Minority Interest		764.14	773.42
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,528.76	5,507.39
(b) Deferred Tax Liabilities (Net)	5	3,291.44	2,464.63
(c) Long Term Provisions	6	862.85	898.26
		6,683.05	8,870.28
(4) Current Liabilities			
(a) Short Term Borrowings	7	12,526.31	905.28
(b) Trade Payables	8	9,837.56	11,911.45
(c) Other Current Liabilities	9	10,249.05	10,182.90
(d) Short-Term Provisions	10	5,089.55	13,876.12
		37,702.47	36,875.75
Total		273,383.85	254,880.00
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		64,997.87	52,979.23
(ii) Intangible Assets		2,067.85	2,165.02
(iii) Capital Work in Progress		3,780.03	4,647.57
(b) Non-Current Investments	12	1.10	0.10
(c) Long Term Loans and Advances	13	2,599.04	4,030.17
(d) Other Non-Current Assets	14	82.91	424.14
		73,528.80	64,246.23
(2) Current Assets			
(a) Current Investments	15	89,091.36	63,695.70
(b) Inventories	16	38,929.45	45,963.67
(c) Trade Receivables	17	43,044.62	39,375.49
(d) Cash and Bank Balances	18	12,407.30	18,679.34
(e) Short-Term Loans and Advances	19	16,241.97	22,865.03
(f) Other Current Assets	20	140.35	54.54
		199,855.05	190,633.77
Total		273,383.85	254,880.00

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

As per our report of even date attached.

For and on behalf of the Board of Directors,

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

RAJENDRA S. SHAH
Chairman
(DIN : 00061922)

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

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

ANAND SHARMA
Partner
Membership No.129033
PLACE : AHMEDABAD
DATE : 25th May, 2016

KUNAL D. SHAH
Executive Director - Finance

S. N. JETHELIYA
Company Secretary
ACS : 5343

PLACE : AHMEDABAD
DATE : 25th May, 2016



Consolidated Statement of PROFIT & LOSS

for the year ended 31st March, 2016

		(₹ in lacs)		
Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015	
I	Revenue from Operations	21	217,238.84	225,710.34
	Less: Central Excise duty		7,399.70	7,346.65
	Revenue from Operations (Net)		209,839.14	218,363.69
II	Other Income	22	5,913.46	8,321.59
III	Total Revenue (I +II)		215,752.60	226,685.28
IV	Expenses:			
	Cost of Materials Consumed	23	67,257.60	86,063.29
	Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	24	4,238.97	(9,903.05)
	Employee Benefits Expense	25	10,220.23	9,811.13
	Finance Costs	26	487.27	393.55
	Depreciation and Amortization Expense	27	6,698.50	6,974.68
	Other Expenses	28	66,986.95	73,911.49
	Total Expenses (IV)		155,889.52	167,251.09
V	Profit Before Tax (III - IV)		59,863.08	59,434.19
VI	Tax expense :			
	(1) Current Tax	29	16,624.15	15,795.75
	(2) Deferred Tax		826.05	545.14
VII	Profit for the year before Minority Interest (V- VI)		42,412.88	43,093.30
VIII	Minority Interest		(9.29)	(0.63)
IX	Profit for the year after adjustment of Minority Interest (VII-VIII)		42,422.17	43,093.93
X	Earnings per Equity Share: (Face Value of ₹ 2/- each)	30		
	Basic and Diluted (₹)		44.98	45.69

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 : 25th May, 2016

RAJENDRA S. SHAH
Chairman
(DIN : 00061922)

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 : 25th May, 2016

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, 2016

Particulars	(₹ in lacs)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax & Exceptional Items	59,863.08	59,434.19
Adjustment for		
Add :		
Depreciation (Including adjusted to General Reserve)	6,698.50	6,974.68
Difference of Provision and payment of Expenses	278.83	-
Interest and Finance Charges	487.27	393.55
Loss on Sale of Assets	47.62	19.09
Change in Provisions made	-	1,793.53
	7,512.22	9,180.85
Less :		
Interest Income	470.63	395.06
Dividend on Shares	9.55	23.88
Dividend on Mutual Fund	425.00	2,259.76
Profit on Sale of Assets	54.74	28.56
Profit on Sale of Investments	2,102.39	607.21
	3,062.31	3,314.47
Operating Profit Before Working Capital Changes	64,312.99	65,300.57
(Increase) / Decrease in Current Assets		
Trade and Other Receivables	2,557.09	(1,210.74)
Inventories	7,034.22	(10,886.26)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	(1,777.63)	(3,188.64)
Cash Generated From Operations	72,126.67	50,014.93
Direct Taxes Paid	(17,425.00)	(19,310.88)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	54,701.67	30,704.05
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	470.63	395.06
Dividend Received on Shares	9.55	23.88
Dividend Received on Mutual Fund	425.00	2,259.76
Purchase of Fixed Assets	(17,820.37)	(18,258.10)
Purchase of Current Investments	(45,818.48)	(24,652.82)
Investments in Subsidiary Company	(1.00)	-
Proceeds from Sale of Fixed Assets	75.06	82.54
Proceeds from Sale of Current Investments	22,525.21	14,473.70
Disinvestment in Joint Venture	-	0.50
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(40,134.40)	(25,675.48)



Particulars	(₹ in lacs)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
C. CASH FLOW USED IN FINANCING ACTIVITIES:		
Proceeds from Secured Short Term Borrowings	11,621.03	580.28
Repayment of Secured Long Term Borrowings	(3,106.40)	(2,778.89)
Interest and Finance Charges paid	(487.27)	(393.55)
Dividend paid including Tax	(28,866.67)	(5,733.43)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	(20,839.31)	(8,325.59)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(6,272.04)	(3,297.02)
Add : Cash and Cash Equivalents as at 1st April	18,679.34	21,976.36
Cash and Cash Equivalents as at 31st March	12,407.30	18,679.34

Note : Cash and Cash Equivalents include balances with Scheduled Banks in Unpaid Dividend Accounts ₹ 18.65 lacs (Previous Year ₹ 9.65 lacs) 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 : 25th May, 2016

RAJENDRA S. SHAH
Chairman
(DIN : 00061922)

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 : 25th May, 2016

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, 2016

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 yearend; any exchange difference arising on same is recognized in "Foreign Currency Translation Reserve".
 - iii. The difference between the costs 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 31-03-2016	Shareholding as at 31-03-2015
Welcast Steels Limited	India	74.85%	74.85%
Vega Industries (Middle East) F.Z.C.	U.A.E.	100%	100%
Vega Industries Limited	U.K.	100% by Vega Industries (Middle East) F.Z.C.	100% by Vega Industries (Middle East) F.Z.C.
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.C.	100% by Vega Industries (Middle East) F.Z.C.
Wuxi Vega Trade Co. Limited	China	100% by Vega Industries (Middle East) F.Z.C.	100% by Vega Industries (Middle East) F.Z.C.
PT .Vega Industries Indonesia	Indonesia	99% (to be subscribed) by Vega Industries (Middle East) F.Z.C. & 1% (to be subscribed) by AIA Engineering Limited	NIL

- Company has made an investment in AIA CSR Foundation (wholly owned Subsidiary), a Section 8 company under the Companies Act 2013, wherein the profits will be applied for promoting its objects. Accordingly, the Financial Statements of AIA CSR Foundation is not consolidated in these financial statements, since the Holding Company will not derive any economic benefits from its investments in AIA CSR Foundation.

- Vega Industries (Middle East) - F.Z.C., Ajman Free Zone, Ajman ("the company") was originally incorporated as a Free Zone Establishment under the Ajman Free Zone Authority Offshore Companies Regulations 2003 of the United Arals Emirates, during the year, the legal status of the Company was amended from a Free Zone Establishment ("FZE") to Free Zone Company ("FZC") as the Shareholding structure was changed.



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

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 (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 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, 2016

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, 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) FZC, U.A.E.	Equal annual instalments 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 Vega Trade Co. Limited, 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 Statement of Profit and Loss.

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.

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.



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

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 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, 2016

2 SHARE CAPITAL		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Authorized Share Capital		
	230000000 Equity Shares of ₹ 2/- each (Previous Year 230000000 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		
	94320370 Equity Shares of ₹ 2/-each fully paid up (Previous Year 94320370 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, 2016 and 31st March, 2015 is set out below :

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Shares outstanding at the beginning of the year	94,320,370	1,886.41	94,320,370	1,886.41
Shares outstanding at the end of the year	94,320,370	1,886.41	94,320,370	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 Financial Year 2015-16, the Company has declared and paid an Interim Dividend of ₹ 8 (400%) and Special (additional interim) Dividend of ₹ 10 (500%) to commemorate the Silver Jubilee year of the Company aggregating to ₹ 18 per share on 9,43,20,370 Equity Share of the face value of ₹ 2/- each amounting to ₹ 16,977.67 lacs for the Financial Year 2015-16 on 10th March, 2016. Having declared Interim dividends , Board has not recommended a Final dividend for the Financial Year 2015-16.

During the Financial Year 2015-16, Vega Industries(Middle East) FZC. has declared and paid in September,2015 First Interim Dividend of USD 355 per Share on Equity Share of USD 10 each absorbing USD 11537500 (Equivalent to ₹ 7591.68 lacs) and Second Interim Dividend of USD 787 per Share on Equity Share of USD 10 each absorbing USD 25577500 (Equivalent to ₹ 17070.42 lacs) for the Financial Year 2015-16 in March, 2016. Having declared Interim dividends , Vega Industries(Middle East) FZC has not recommended a Final dividend for the Financial Year 2015-16.

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

Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of holdings	No. of shares	% of holdings
Bhadresh K.Shah	58,128,900	61.63%	58,128,900	61.63%
Nalanda India Equity Fund Limited	9,127,809	9.68%	7,918,845	8.40%



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

3 RESERVES & SURPLUS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
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	9.12	10.54
	Less: Withdrawal on account of Depreciation Transferred to Statement of Profit and Loss	1.13	1.42
	Sub Total	7.99	9.12
4	Other Reserves		
	(a) General Reserve		
	Balance as per last Financial year	16,561.13	12,587.11
	Less: Net Depreciation consequent upon change in the useful life of Assets	-	171.98
	Add : Transferred from Statement of Profit and Loss	-	4,146.00
	Sub Total	16,561.13	16,561.13
	(b) Foreign Currency Translation Reserve	7,302.59	7,463.56
5	Surplus in Statement of Profit & Loss		
	Balance as per last Financial Year	151,306.86	121,453.30
	Add : Profit for the Year	42,412.88	43,093.30
	Add : Depreciation transferred to Revaluation Reserve	1.13	1.42
	Less : Appropriations :		
	Transferred to General Reserve	-	4,146.00
	Interim Dividend on Equity Shares (Amount per share ₹ 18) (Previous Year ₹ Nil)	16,977.67	-
	Tax on Interim Dividend	3,023.35	-
	Proposed Dividend on Equity Shares	-	7,558.39
	Tax on Dividend(net of credit)	(220.51)	1,536.77
	Sub Total	173,940.36	151,306.86
6	Hedging Reserve account		
	Balance as per last Financial year	2,688.25	946.45
	Add: Loss on Mark to Market of Hedging Instruments designated and effective as Hedges of Future Cash Flow.	(2,598.04)	1,741.80
	Sub Total	90.21	2,688.25
	Total	226,455.33	206,581.97
	Less: Adjustment on account of Consolidation	107.55	107.83
	Net Total	226,347.78	206,474.14

4 LONG TERM BORROWINGS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Term Loan (Secured)		
	From banks		
	- From Bank-External commercial Borrowings	2,477.71	5,437.39
2	Deferred Payment Liabilities * (Unsecured)	51.05	70.00
	Total	2,528.76	5,507.39



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

4.1 Terms of repayment for External Commercial Borrowings:

AIA Engineering Ltd.

External Commercial Borrowings (ECB) of US\$ 18,700,000 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\$ 1,246,667 after a moratorium period 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 repayment of loan started from 3rd April, 2014 and the loan will be fully re-paid on 3rd October 2017.

Repayment of External Commercial Borrowings (ECB)

	(₹ in lacs)
2017-18	2,477.71

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

AIA Engineering Ltd.

Deferred Sales Tax under Package Scheme of Incentives 1993

	(₹ in lacs)
2017-18	17.48
2018-19	13.72
2019-20	19.85

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

5 DEFERRED TAX LIABILITY (NET)		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
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	3,524.31	2,699.60
	TOTAL DEFERRED TAX LIABILITIES (A)	3,524.31	2,699.60
	Less :		
2	DEFERRED TAX ASSETS : Arising on account of timing difference - Leave Encashment/Compensated Absences/Gratuity	232.87	234.97
	TOTAL DEFERRED TAX ASSETS (B)	232.87	234.97
	Total (A - B)	3,291.44	2,464.63

6 LONG TERM PROVISIONS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Provision for Employee Benefits		
1	Provision for Gratuity	404.82	418.45
2	Provision for Leave Encashment /Compensated Absences	458.03	479.81
	Total	862.85	898.26



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

7 SHORT TERM BORROWINGS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Secured		
1	Loan Repayable on Demand from Bank - Packing Credit / Cash Credit	4,423.00	905.28
	Unsecured		
2	Loan Repayable on Demand from Bank - Pre shipment Credit	8,103.31	-
	Total	12,526.31	905.28

7.1 AIA Engineering Limited

Pre shipment Credit in Foreign Currency (PCFC) borrowing is a short term working capital finance denominated in foreign currency and disbursed in INR using the prevailing exchange rate. The interest on the loan is linked to Libor with a margin spread. The loan is repayable from export proceeds. As on 31st March, 2016, the total outstanding of PCFC loans are ₹ 11,103.31 lacs bifurcated as under :

- Secured by Pari pasu charge over inventories and book debts outstanding ₹ 3,000 lacs to Citi Bank N.A.
- Unsecured outstanding ₹ 8,103.31 lacs, with ₹ 5,618.98 lacs to Citi Bank N.A. and ₹ 2,484.33 lacs to HSBC Bank Limited

Vega Industries(Middle East) FZC

Bank borrowings are from commercial banks in the United Arab Emirates, carry interest at commercial rates and are secured by the corporate guarantee from a share holder.

8 TRADE PAYABLES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Due to Micro, Small and Medium Enterprises	1.73	10.98
2	Other than Micro, Small and Medium Enterprises	9,835.83	11,900.47
	Total	9,837.56	11,911.45

9 OTHER CURRENT LIABILITIES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Current Maturities of Long Term Debts	3,322.56	3,450.33
2	Unpaid Dividend *	18.65	9.65
3	Other Payables #	6,907.84	6,722.92
	Total	10,249.05	10,182.90

* 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		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Provision for employee benefits :		
	- Provision for Bonus	530.51	479.05
	- Provision for Gratuity	155.68	136.87
	- Provision for Leave Encashment/Compensated Absences	69.37	72.43
2	Others :		
	- Provision for Income tax (Net of Advance tax)	-	5.65
	- Proposed Dividend	-	7,558.39
	- Provision for Corporate Tax on Dividend	-	1,536.77
	- Provision for Expenses	1,137.07	957.64
	- Provision for Product Warranties Claims	1,740.24	1,579.73
	- Provision for Claims Payable	1,456.68	1,549.59
	Total	5,089.55	13,876.12



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

11 FIXED ASSETS

TANGIBLE ASSETS :

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipments	Others*	TOTAL
Cost of Assets									
As at 1st April, 2014	2,983.52	1,333.44	19,148.89	29,695.01	1,484.74	442.65	368.30	3,352.11	58,808.66
Addition	-	905.09	3,871.42	17,258.79	95.83	86.06	23.07	1,294.14	23,534.40
Disposal / Adjustments	-	-	-	165.05	(4.54)	128.04	11.81	4.10	304.46
As at 31st March, 2015	2,983.52	2,238.53	23,020.31	46,788.75	1,585.11	400.67	379.56	4,642.15	82,038.60
Addition	57.99	-	6,862.17	9,864.19	144.89	34.81	102.00	1,514.24	18,580.29
Disposal / Adjustments	-	-	1.12	572.58	8.57	54.18	6.12	50.44	693.01
As at 31st March, 2016	3,041.51	2,238.53	29,881.36	56,080.36	1,721.43	381.30	475.44	6,105.95	99,925.88
Depreciation									
As at 1st April 2014	-	-	3,168.17	16,467.89	480.83	205.43	179.09	1,791.77	22,293.18
Consequent upon change in the useful life	-	-	6.84	171.35	11.46	0.69	22.47	41.92	254.73
Charge for the year	-	-	722.18	5,102.04	198.42	52.52	74.86	580.98	6,731.00
Disposal / Adjustments	-	-	-	133.99	2.08	59.81	2.75	20.91	219.54
As at 31st March, 2015	-	-	3,897.19	21,607.29	688.63	198.83	273.67	2,393.76	29,059.37
Charge for the year	-	-	851.44	4,752.31	156.51	51.69	45.90	623.35	6,481.20
Disposal / Adjustments	-	-	0.53	511.81	(4.43)	45.09	21.92	37.64	612.56
As at 31st March, 2016	-	-	4,748.10	25,847.79	849.57	205.43	297.65	2,979.47	34,928.01
Net Block									
As at 31st March, 2015	2,983.52	2,238.53	19,123.12	25,181.46	896.48	201.84	105.89	2,248.39	52,979.23
As at 31st March, 2016	3,041.51	2,238.53	25,133.26	30,232.57	871.86	175.87	177.79	3,126.48	64,997.87
Capital Work in Progress :									
As at 31st March, 2015									4,647.57
As at 31st March, 2016									3,780.03

*Other includes Electrical Instalations, Laboratory Equipments, Computer Hardware.

INTANGIBLE ASSETS :

(₹ in lacs)

Particulars	Goodwill on consolidation	Goodwill	Software	Patents and Copyrights	TOTAL
Cost of Assets					
As at 1st April 2014	1,482.47	767.81	374.29	31.10	2,655.67
Addition	-	-	49.77	2.55	52.32
Disposal / Adjustments	(6.88)	-	-	-	(6.88)
As at 31st March, 2015	1,489.35	767.81	424.06	33.65	2,714.87
Addition		-	106.02	1.60	107.62
As at 31st March, 2016	1,489.35	767.81	530.08	35.25	2,822.49
Depreciation					
As at 1st April 2014	(3.02)	153.56	151.84	3.77	306.15
Charge for the year		153.56	88.46	1.68	243.70
As at 31st March, 2015	(3.02)	307.12	240.30	5.45	549.85
Charge for the year		-	61.95	1.79	217.30
Disposal / Adjustments	12.51	-	-	-	12.51
As at 31st March, 2016	(15.53)	460.68	302.25	7.24	754.64
Net Block					
As at 31st March, 2015	1,492.37	460.69	183.76	28.20	2,165.02
As at 31st March, 2016	1,504.88	307.13	227.83	28.01	2,067.85

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.



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to the Consolidated Financial Statements for the year ended 31st March, 2016

12 NON CURRENT INVESTMENTS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Trade Investments (Valued at Cost)		
	LONG TERM TRADE INVESTMENTS: (UNQUOTED)		
1	INVESTMENT IN EQUITY INSTRUMENT		
	INVESTMENT IN OTHER COMPANY :		
	25 Equity Shares of Koramangla Properties Limited of ₹ 100 each fully paid-up.(Previous year 25 Equity Shares)	0.03	0.03
2	INVESTMENT IN SUBSIDIARY COMPANIES :		
	10,000 Equity Shares of AIA CSR Foundation of ₹ 10/- each fully paid up.(Previous year NIL Equity Shares)	1.00	-
	Other Investments (Valued at Cost)		
	INVESTMENT IN GOVERNMENT SECURITIES :		
	National Savings Certificates	0.07	0.07
	Total	1.10	0.10

13 LONG TERM LOANS AND ADVANCES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Unsecured, Considered Good unless otherwise stated :		
1	Capital Advances	718.69	2,856.84
2	Advance Income tax (Net of Provision)	1,284.02	608.68
3	Security Deposit		
	- Earnest Money Deposit	2.72	2.72
	- Other Deposit	430.27	430.27
4	Other Loans & Advances		
	- Loans and Advances to Staff	163.34	131.66
	Total	2,599.04	4,030.17

14 OTHER NON CURRENT ASSETS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Long Term Trade Receivables		
	Unsecured, Considered Good :	76.97	117.68
2	Others *	5.94	306.46
	Total	82.91	424.14

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

15 CURRENT INVESTMENTS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Other Investments (Valued at Cost unless otherwise stated)		
1	Investment in Bonds (Unquoted)	3,807.41	3,620.83
2	Investment in Mutual Fund (Unquoted)	85,283.95	60,074.87
	Total	89,091.36	63,695.70



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to the Consolidated Financial Statements for the year ended 31st March, 2016

16 INVENTORIES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	(As taken, valued & certified by the Management) (At lower of cost or Net Realisable Value)		
1	Raw Materials	4,727.84	7,113.16
2	Raw Material -in-transit	1,145.60	1,426.17
3	Work in Progress	9,127.54	9,126.47
4	Finished Goods	16,802.40	21,283.06
5	Stores & Spares	6,963.20	6,707.70
6	Stores & Spares in-transit	162.87	307.11
	Total	38,929.45	45,963.67

17 TRADE RECEIVABLES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Unsecured, Considered Good :		
1	Outstanding for more than six months	766.20	1,342.10
2	Others	42,278.42	38,033.39
	Total	43,044.62	39,375.49

18 CASH & BANK BALANCES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Cash & Cash Equivalent		
	(a) Balance with Scheduled Banks	11,423.26	15,005.70
	(b) In Cash Credit Account Debit Balance	41.99	-
	(c) Cash on Hand	11.40	11.85
	(d) Others		
	- In Fixed Deposits	332.20	3,365.67
	Sub Total (A)	11,808.85	18,383.22
2	Other Bank Balances		
	(a) Fixed Deposits with Banks		
	- Less than 12 months	579.80	286.47
	- More than 12 months	-	298.99
	(b) Earmarked Balances with Bank (Unpaid Dividend)	18.65	9.65
		598.45	595.11
	Less : Bank FD for more than 12 months transferred to Non Current Assets	-	298.99
	Sub Total (B)	598.45	296.12
	Total [A + B]	12,407.30	18,679.34

19 SHORT TERMS LOANS AND ADVANCES		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
	Others		
	Advance Recoverable in cash or in kind or for value to be received.	1,471.52	1,832.12
	Prepaid Expenses	154.11	198.58
	Sundry Deposits and Advances	805.10	651.04
	Income Tax Refund Due	111.83	10.05
	Balance With Statutory / Government authorities	13,414.15	16,745.21
	Loans and Advances to Staff	224.61	277.52
	Hedging Instruments	60.65	3,150.51
	Total	16,241.97	22,865.03



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to the Consolidated Financial Statements for the year ended 31st March, 2016

20 OTHER CURRENT ASSETS		(₹ in lacs)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Interest Accrued on Investments	132.75	46.94
2	DEPB Receivables	7.60	7.60
	Total	140.35	54.54

21 REVENUE FROM OPERATIONS		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Revenue from Operations		
	Sale of Products		
	A. Sales in India	63,607.10	63,066.70
	B. Sales Outside India	149,108.19	155,054.78
		212,715.29	218,121.48
2	Other Operating Revenue		
	Exports Incentives	4,523.55	7,588.86
	Total	217,238.84	225,710.34

22 OTHER INCOME		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Interest (Gross) #	470.63	395.06
2	Dividend from Mutual Funds (Current Investment)	425.00	2,259.76
3	Dividend from subsidiary (Trade Investment)	9.55	23.88
4	Other Non Operating Income		
	- Profit on Sale of Mutual Fund Units(Net)	2,102.39	607.21
	- Gain on Exchange Rate Fluctuation	2,620.52	4,845.80
	- Income Tax Refund	4.93	-
	- Profit on Sale of Assets	54.74	28.56
	- Insurance Claim received	29.87	31.81
	- Sales Tax Refund	25.87	3.36
	- Miscellaneous Receipts	56.12	16.98
	- Service Tax Draw back Income	97.07	109.17
	- Sundry balances written back	16.77	-
	Total	5,913.46	8,321.59

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

23 COST OF MATERIALS CONSUMED		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	Opening Stock	8,539.33	8,684.98
	Add : Purchases	64,591.71	85,917.64
	= Sub Total	73,131.04	94,602.62
	Less: Closing Stock	5,873.44	8,539.33
	Total	67,257.60	86,063.29



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to the Consolidated Financial Statements for the year ended 31st March, 2016

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	Opening Stock : Work in Progress	9,126.47	8,966.41
	Opening Stock : Finished Goods	21,298.47	11,555.48
	Less :		
	Closing Stock : Work in Progress	9,127.54	9,126.47
	Closing Stock : Finished Goods	17,058.43	21,298.47
	Total	4,238.97	(9,903.05)

25 EMPLOYEE BENEFITS EXPENSE		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Salaries, Wages and Bonus	9,041.52	8,727.01
2	Contribution to Provident Fund / ESIC / Gratuity	820.47	766.53
3	Staff Welfare Expenses	358.24	317.59
	Total	10,220.23	9,811.13

26 FINANCE COSTS		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	Interest Expense :		
	- For Short Term Borrowings	363.05	348.41
	- For Others	2.22	5.14
	- For Income Tax	122.00	40.00
	Total	487.27	393.55

27 DEPRECIATION & AMORTIZED COST		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	Depreciation & Amortization	6,698.50	6,974.68
	Total	6,698.50	6,974.68

28 OTHER EXPENSES		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Manufacturing Expenses		
	Consumption of Stores		
	Opening Stock	7,014.81	6,016.60
	Add : Purchases	19,429.87	22,710.46
	Sub total	26,444.68	28,727.06
	Less : Closing Stock	7,126.07	7,014.81
		19,318.61	21,712.25
	Power and Fuel	21,042.09	22,568.45
	Labour Charges	5,575.89	5,610.79
	Freight Inward, Octroi, Coolies and Cartages	1,137.90	1,429.53
	Other Purchases Expenses	998.15	1,149.61
	Repairs and Maintenance		
	- To Buildings	156.35	208.76
	- To Plant and Machineries	521.48	762.33
	- To Other Assets	201.06	226.27
	Rent Expenses	24.61	114.55



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to the Consolidated Financial Statements for the year ended 31st March, 2016

28 OTHER EXPENSES (contd.)		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
2	Selling and Distribution Expenses		
	Freight Outward, Coolies and Cartages	8,851.52	8,713.30
	Warehouse Expenses	11.54	1,048.14
	Commission Expenses	2,111.08	2,467.05
	Travelling Expenses		
	- For Directors	31.59	38.76
	- For Staff and Guests	1,548.49	1,551.69
	Sales Promotion / Gift Expenses	46.72	68.21
	Advertisement Expenses	30.37	10.94
	Product Warranty Expenses	3.20	1,476.55
	Late Delivery Charges	44.03	42.00
	Claims payable	-	129.42
	Bad Debts	194.56	346.62
	Central Excise Duty and CVD	72.31	57.52
	Sales Tax	24.53	150.90
	Other Selling & Distribution Expenses	3.04	1.00
3	Administrative Expenses		
	Insurance Premium Expenses	518.45	421.64
	Rent Expenses	228.94	208.62
	Rates and Taxes	59.58	53.35
	Service Charges	4.30	7.29
	Directors' Sitting Fees	7.10	5.65
	Payment to Auditor		
	- As Auditor		
	Statutory Audit fees	77.45	57.63
	Tax Audit Fees	2.00	2.00
	- For Other Services	4.76	4.80
	Legal and Professional Consultancy Fees	1,543.00	1,329.38
	Bank Commission Charges	341.75	362.47
	Printing and Stationery Expenses	46.24	41.77
	Postage, Telephones, Courier, Internet & E-mail	287.36	277.26
	Computer Expenses	23.89	15.38
	Vehicle Repairs and Maintenance	128.70	157.79
	Conveyance Expenses	232.91	229.38
	Security Expenses	382.40	410.68
	Subscription and Membership Fees	19.32	27.12
	Entertainment Expenses	13.40	11.06
	Donation Expenses	31.86	22.61
	Seminar Expenses	69.03	22.89
	License Fees	8.88	8.07
	Inspection Charges	23.39	14.17
	Water Charges	53.81	42.77
	Office Expenses	63.90	67.87
	Electricity Expenses	20.49	20.17
	Service Tax	76.14	19.63
	Garden Expenses	19.63	20.99
	Festival Celebration Expenses	18.67	13.87
	Factory-GVMM / GIDC Administrative Charges	11.96	14.75
	CSR Expenses	495.76	114.47
	Loss on Sale of Assets	47.62	19.09
	Sundry balances written off	-	40.30
	Change in fair Value of Investment	40.36	(127.50)
	General / Miscellaneous Expenses	134.78	89.43
	Total	66,986.95	73,911.49



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to the Consolidated Financial Statements for the year ended 31st March, 2016

29 CURRENT TAX		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Current Tax	16,541.60	16,718.56
2	(Excess)/Short Provision for earlier years	82.55	(922.81)
	Total	16,624.15	15,795.75

30 EARNINGS PER SHARE		(₹ in lacs)	
Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Net Profit attributable to the Equity Shareholders (₹ lacs) A	42,422.17	43,093.93
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	44.98	45.69

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 :		(₹ in lacs)	
Particulars		Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue by Geographical Segment			
India		41,941.47	66,078.67
Outside India		173,811.13	160,606.60
Addition to Fixed Assets and Intangible Assets			
India		18,658.30	23,550.42
Outside India		29.61	36.29
Carrying amount of Fixed Assets (Net)			
India		70,565.98	59,509.43
Outside India		279.77	282.39

Notes:

- 1) **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.

2) Revenue comprises		(₹ in lacs)	
Particulars		Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from operations		209,839.14	218,363.69
Other income		5,913.46	8,321.59

32 In case of Vega Industries (Middle East) FZC., 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".



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to the Consolidated Financial Statements for the year ended 31st March, 2016

33 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18:

(a) Relatives of Key Management Personnel :

- 1 Mrs. Giraben K. Shah
- 2 Mrs. Gitaben B. Shah
- 3 Mrs. Khushali S. Solanki
- 4 Mrs. Bhumika S. Shodhan
- 5 AB Tradelink Limited
- 6 Powertec Engineering Private Limited
- 7 Vee Connect Travels Private Limited
- 8 RNCA & Associates
- 9 Discuss IT Private Limited
- 10 Harsha Engineers Limited

(b) Key Management Personnel :

- 1 Mr. Bhadrash K. Shah
- 2 Mr. Yashwant M. Patel
- 3 Dr. S. Srikumar
- 4 Mr. Pradip R. Shah
- 5 Mr. Paryank R. Shah
- 6 Mr. R.A. Gilani
- 7 Mr. Rajendra S. Shah
- 8 Mr. S.N. Jetheliya
- 9 Mr. Vinod Narain
- 10 Mr. Kunal D. Shah

(c) Subsidiary (not consolidated)

- 1 AIA CSR Foundation

Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016:

(₹ in lacs)

Sl. No.	Nature of Transactions	Subsidiary (Not Consolidated)		Relatives of Key Management Personnel		Key Management Personnel	
		Year ended 31st March,		Year ended 31st March,		Year ended 31st March,	
		2016	2015	2016	2015	2016	2015
1	Purchase of Goods	-	-	2,026.24	2,430.03	-	-
2	Investment in Equity Shares	1.00	-	-	-	-	-
3	CSR Expenses	370.00	-	-	-	-	-
4	Rent, Rates & Taxes	-	-	1.46	1.48	-	-
5	Professional/Consultancy /Retainership Fees	-	-	47.95	39.42	3.00	3.00
6	Commission	-	-	48.81	68.17	-	-
7	Salary, Bonus and Perquisites	-	-	1.68	1.48	64.75	62.27
8	Repair & Maintenance of Equipments	-	-	15.98	14.33	-	-
9	Directors' Remuneration and perquisites	-	-	-	-	302.73	181.11
10	Traveling expenses	-	-	153.42	170.09	-	-
11	SAP ERP functional and technical support	-	-	18.15	2.53	-	-
	TOTAL	371.00	-	2,313.69	2,727.53	370.48	246.38
	Balance outstanding at the year end (Receivable)	-	-	2.83	2.01	-	-
	Balance outstanding at the year end (Payable)	-	-	128.30	19.57	-	-



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to the Consolidated Financial Statements for the year ended 31st March, 2016

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

			(₹ in lacs)	
Sl. No.	Particulars	Related Parties	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Purchase of Goods	Harsha Engineers Limited	2026.24	2430.03
2	Rent, Rates & Taxes	Mrs. Giraben K. Shah	1.46	1.48
3	Retainership Fee	Powertec Engineering Private Limited	41.48	37.21
4	Professional/ Consultancy Fees	RNCA & Associates	6.47	2.21
5	Professional/ Consultancy Fees	Discus IT Private Limited	18.15	2.53
6	Commission	AB Tradelink Limited	48.81	68.17
7	Salary, Bonus and Perquisites	Mrs. Gitaben B. Shah	1.68	1.48
8	Salary, Bonus and Perquisites	Mr. Kunal D. Shah	34.33	34.33
9	Salary, Bonus and Perquisites	Mr. S. N. Jetheliya	30.42	27.94
10	Professional Charges	Mr. Pradip R. Shah	3.00	3.00
11	Repair & Maintenance of Equipments	Powertec Engineering Private Limited	15.98	14.33
12	Traveling expenses	AB Tradelink Limited	3.54	0
13	Traveling expenses	Vee Connect Travels Private Limited	149.88	166.96
14	Investment in Equity Shares	AIA CSR Foundation	1.00	0
15	CSR Expenses	AIA CSR Foundation	370.00	0
16	Directors' Remuneration and perquisites	Mr. Bhadresh K. Shah	103.87	111.05
17	Directors' Remuneration and perquisites	Mr. Paryank R. Shah	156.45	62.54
18	Directors' Remuneration and perquisites	Mr. R. A. Gilani	27.69	0

34 CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS:			(₹ in lacs)	
Sl. No.	Particulars		As at 31st March, 2016	As at 31st March, 2015
1	Contingent Liabilities			
a.	Claims against the Company not acknowledged as debts			
i)	Central Excise & Service Tax		2,693.62	1,831.48
ii)	Income Tax		7,834.13	5,932.31
iii)	Sales Tax / Central Sales Tax		57.24	19.77
iv)	In respect of claims against the Company not acknowledged as debt		7.60	7.60
v)	Custom duty matters in dispute		747.04	711.03
b.	Guarantees			
i)	Bank Guarantees Outstanding		15,564.81	13,521.56
ii)	Corporate Guarantees Outstanding to Customers		624.83	713.65
iii)	Guarantees given by Company on behalf of Subsidiaries		7,949.87	3,621.31
iv)	Corporate Guarantees given by the Company to banks on behalf of Subsidiaries		-	2,632.28
v)	Letter of Credit		-	33.55
c.	Others		658.82	650.05
2	Commitments:			
a.	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.		430.16	2,782.83
Total			36,568.12	32,457.42



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to the Consolidated Financial Statements for the year ended 31st March, 2016

35 DERIVATIVE INSTRUMENTS

a) Derivatives outstanding as at the balance sheet date

Currency	Exposure to Buy / Sell	No. of contracts	As at the year end	
			Amount (₹ in lacs)	Foreign currency
CAD / USD	Sell	3	1,530.35	3,000,000
CAD / INR	Sell	8	2,721.04	5,325,000
EUR / INR	Sell	6	2,263.82	3,000,000
EUR / USD	Sell	3	561.45	750,000
USD / INR	Sell	68	10,931.07	16,500,000
ZAR / INR	Sell	14	2,832.35	63,000,000
(Previous year)	Sell	(477)	(87,140.48)	(299,250,000)

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

Particulars	(₹ in lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Payables against import of goods and services		
₹ in lacs	61.60	10.53
US Dollar	91,394	-
Euro	-	15,726
Advance payment to suppliers and for Expenses		
₹ in lacs	710.33	17.06
US Dollar	748,703	2,6327
Euro	271,214	978
GBP	20,242	-
CHF	16,883	-

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 ₹ 90.21 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 Limited (U.S.A.), Vega Industries Limited (U.K.), Vega Steel Industries (RSA) Proprietary Limited (South Africa) and PT. Vega Industries Indonesia (Indonesia) 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, 2017.

At 31st March, 2016 the future minimum rental payments under non-cancelable operating lease consist of the following:

Year Ending 31st March	(₹ in lacs)
2017	31.74
2018	12.62
2019	1.05
Total rent expenses as on 31st March, 2016 and on 31st March, 2015 were ₹ 76.34 lacs and ₹ 72.68 lacs respectively.	



NOTES

to the Consolidated Financial Statements for the year ended 31st March, 2016

37 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 2015-16:

Sl. No.	Particulars	(₹ in lacs)	(₹ in lacs)
1.	Prescribed CSR Expenditure (2% of Avg. Net Profit)		824.01
2.	Details of CSR Expenditure during the Financial Year 2015-16		
	Cl. (i) Promoting Healthcare including preventing Health care	53.00	
	Cl. (iii) Promoting Education	41.81	
	Cl. (iv) Ensuring Environmental Sustainability	20.95	
	Cl. (v) Protecting of National Heritage, Art	10.00	
	Cl. Contribution to AIA CSR Foundation for various activities as per Schedule VII of the Companies Act, 2013	370.00	
	Total Amount Spent during the year 2015-16		495.76
3.	Amount Unspent, if any.		328.25

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.

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 : 25th May, 2016

RAJENDRA S. SHAH
Chairman
(DIN : 00061922)

BHADRESH K. SHAH
Managing Director
(DIN : 00058177)

KUNAL D. SHAH
Executive Director - Finance

PLACE : AHMEDABAD
DATE : 25th May, 2016

For and on behalf of the Board of Directors,

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

S. N. JETHELIYA
Company Secretary
ACS : 5343

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Rajendra S. Shah	:	Chairman	:	Independent–Non-Executive
Mr. Bhadresh K. Shah	:	Managing Director	:	Executive - Promoter
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		
Mrs. Bhumika S. Shodhan	:	Non-Executive – Non-Independent		
Mr. Rajan Harivallabhdas	:	Independent Director		

EXECUTIVE DIRECTOR (FINANCE) : Mr. Kunal D. Shah

COMPANY SECRETARY : Mr. S. N. Jetheliya

AUDITORS:

M/s.Talati & Talati
Chartered Accountants,
Ambica Chambers, Near Old High Court,
Navrangpura, AHMEDABAD-380 009

REGISTERED OFFICE:

115, GVMM Estate,
Odhav Road, Odhav,
AHMEDABAD – 382 410

REGISTRAR & TRANSFER AGENTS:

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. 022-25960320-28
Fax No. 022-25960329

BANKERS:

State Bank of India
G.V.M.S.A.V. Ltd. Branch,
Odhav Road, Odhav
AHMEDABAD – 382 410

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

HSBC Bank Ltd.
7th Floor, Mardia Plaza,
Upper Level, C. G. Road,
AHMEDABAD – 380 009

COMMITTEES:

1. Audit Committee:

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

2. Nomination & Remuneration Committee:

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



AIA Engineering Limited

Registered Office : 115, GVMM Estate, Odhav Road, Ahmedabad - 382 410

Tel. : +91-79-22901078-81, Fax : +91-79-22901077

E-mail : snj@aiaengineering.com, Website : www.aiaengineering.com

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