



AIA ENGINEERING LTD.

**23rd ANNUAL REPORT
2012-2013**



NOTE FROM THE MANAGING DIRECTOR'S DESK



Dear Shareholders,

It gives me immense pleasure in addressing this communication to you, particularly considering the fact that the Fiscal Year 2012-13 in a way is a landmark year for your Company considering the fact that your Company has surpassed the Profit after Tax figure of Rs.200 crores on a consolidated basis and also considering the fact that we are now regarded as a serious long term player in the Global mining replacement markets; over and above the already strong position that your Company is enjoying in the Global cement consumable wear parts market space.

I am happy to note that your Company has been very conscious about its obligation towards the society and as elaborated later in this report we have contributed our bit towards the Corporate Social Responsibility initiatives.

Ultimately we believe, we owe a lot to the society and where we live and the CSR initiatives voluntarily undertaken by your Company are all in this direction.

Apart from our initiatives on CSR, we have embarked on reducing our Carbon Footprint, attempting to achieve Water neutrality where possible through reduced consumption and Rain Water Recharge. Our initiatives in these areas have been appreciated by Regulatory Authorities. More details about these initiatives are detailed subsequently.

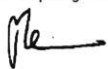
Let me share with you certain important developments which I feel are strategic in terms of charting the course of the future growth trajectory of your Company. Thus first and foremost, your Company has continued its strong march of further consolidating its position as a leading quality supplier of High Chrome consumable wear parts in the cement industry worldwide with our presence now being in more than 90 countries. Thus every single major cement group that you might have heard of are our customers. It is heartening to mention that notwithstanding the continuation of a relatively depressed economic growth scenario in the major markets of US and Europe, we have actually achieved a positive growth in the cement segment through a growth in the market share and also by geographical extension of our market reach which is now practically in every part of the world.

However, more heartening is the fact that the endeavour that we began in the mining space around 3 years ago has now gathered momentum and in the years to come this segment will be a major growth driver on a sustained basis. In Fiscal Year 2013 we have achieved a 13.38% volume growth which predominantly has come through increased sales in the mining segment. Today your Company is servicing major mining groups in major geographies of North America, Latin America, Africa, Australia, etc. Several new mines across all the key geographies are under development. I am of a firm belief that considering the significant opportunity offered by the mining space of 1.5 million tons per annum, we are just at the tip of the iceberg. Thus, the medium to long term growth prospects in mining segment are indeed bright.

No doubt, the process of finding right solution for a given mine is indeed a long and entails painstaking efforts. Nevertheless through a strong and dedicated team backed by equally dedicated research and development process your Company has demonstrated a proven capability profile of finding cost effective and innovative solutions for the customers and this process will continue on a consistent basis in the years to come; which will eventually help your Company in achieving its vision of becoming a Global leader in this niche business of High chrome mill internals.

If I talk of China, I believe China continues to be an exciting market opportunity for your Company specifically in the cement space since China is a major producer of cement in the world. However, it is equally important to understand that China is a tough market to do business with. Your Company has successfully started servicing this market with a niche range of products and going forward I believe that we should be able to increase our volumes in this huge market.

I gratefully acknowledge the un-stinted support of all the Board Members and Senior Managerial Personnel, the Staff Members and Workers and each and every member of the AIAE family for their untiring efforts in making the Company what it is today. I cannot forget our customers, vendors and suppliers for reposing strong confidence in the Company. I also acknowledge the kind co-operation and support of bankers. Last but not the least, I sincerely once again thank all the stake holders for supporting and encouraging in Company's endeavour.



Bhadresh Shah
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajendra S. Shah : *Chairman : Independent - Non-Executive*
 Mr. Bhadresh K. Shah : *Managing Director : Executive - Promoter*
 Mr. Vinod Narain : *Independent*
 Mr. Sanjay S. Majmudar : *Independent*
 Dr. S. Srikumar : *Non Independent - Non-Executive Director*
 Mr. Yashwant M. Patel : *Whole-time Director*

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-382410

The Royal Bank of Scotland N.V.
 (Formerly known as ABN AMRO Bank)
 Viva Complex, Opp. Parimal Garden,
 Ellisbridge, Ahmedabad – 380 006

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

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

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NUMBERS SPEAK
STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

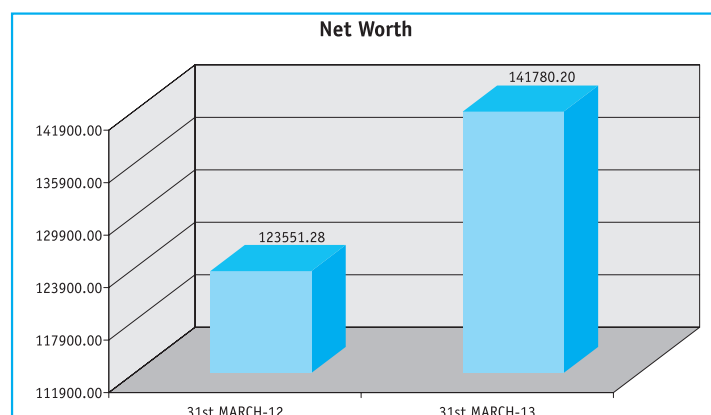
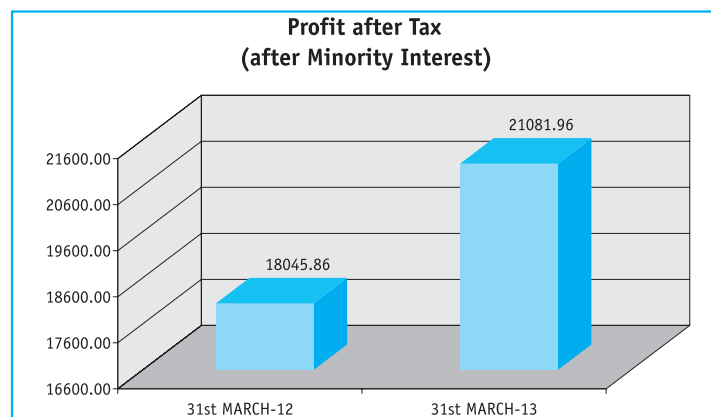
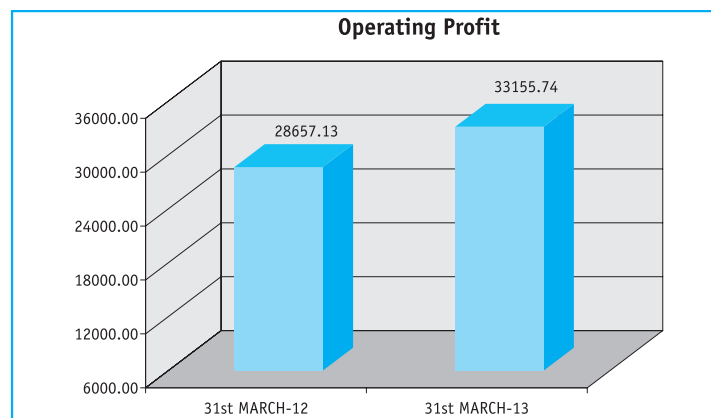
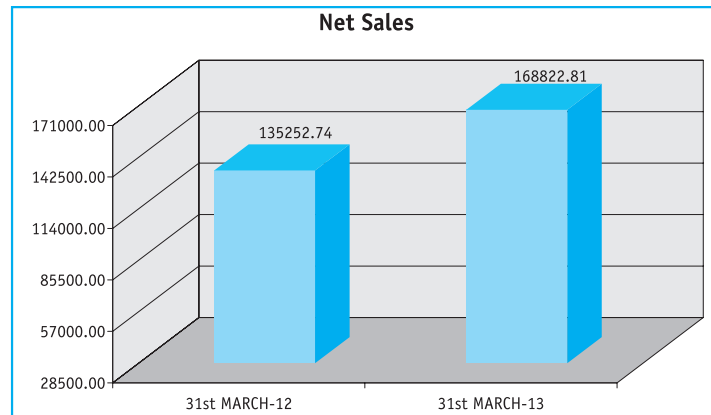
Particulars	Year Ended 31st March, 2013 ₹ Lacs	Year Ended 31st March, 2012 ₹ Lacs
I. Revenue from Operations	183699.77	147887.06
Less : Central Excise Duty	8568.70	6220.42
Revenue from Operations (Net)	175131.07	141666.64
II. Other Income	2131.94	1327.31
III. Total Revenue (I +II)	177263.01	142993.95
IV. Expenses:		
Cost of Materials Consumed	68593.16	58000.76
Changes in Inventories of Finished goods, Work-in-process and Stock-in-Trade	(3163.26)	(3758.02)
Employee Benefits Expense	8089.34	6488.52
Finance Costs	549.85	439.18
Depreciation and Amortization Expense	3448.40	2944.43
Other Expenses	70588.03	53605.56
Total Expenses	148105.52	117720.43
V. Profit before Tax (III-IV)	29157.49	25273.52
VI. Tax Expenses:		
(1) Current Tax	7879.21	6962.47
(2) Deferred Tax	115.95	190.62
Total Tax Expenses	7995.16	7153.09
VII. Profit for the period before Minority Interest (V-VI)	21162.33	18120.43
VIII. Minority Interest	80.37	74.57
IX. Profit for the period after Minority Interest (VII-VIII)	21081.96	18045.86
Earning per Equity Share: (Face Value of ₹ 2 each)		
Basic & Diluted	22.35	19.13

BALANCE SHEET (CONSOLIDATED)

Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
I. EQUITY AND LIABILITIES:		
(1) Shareholders' Funds		
(a) Share Capital	1886.41	1886.41
(b) Reserves and Surplus	139893.79	121664.87
	141780.20	123551.28
(2) Minority Interest	808.41	437.96
(3) Non-Current Liabilities		
(a) Long-Term Borrowings	10632.66	712.45
(b) Deferred Tax Liabilities (Net)	1320.79	1576.98
(c) Long Term Provisions	590.11	430.14
	12543.56	2719.57
(4) Current Liabilities		
(a) Short-Term Borrowings	5243.33	3859.95
(b) Trade Payables	11263.58	9864.27
(c) Other Current Liabilities	5323.05	3558.44
(d) Short-Term Provisions	7503.59	5032.56
	29333.55	22315.22
Total	184465.72	149024.03
II. ASSETS:		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	36049.67	33978.65
(ii) Intangible Assets	1666.92	1628.16
(iii) Capital Work in Progress	3157.44	1808.49
(b) Non-Current Investments	739.63	0.10
(c) Long term Loans and Advances	1645.92	1798.27
(d) Other Non-Current Assets	373.38	619.08
	43632.96	39832.75
(2) Current Assets		
(a) Current Investments	18670.35	14025.83
(b) Inventories	40298.14	30108.87
(c) Trade Receivables	34007.17	37172.56
(d) Cash and Bank balances	27913.56	14964.17
(e) Short-term Loans and Advances	19862.92	12583.63
(f) Other Current Assets	80.62	336.22
	140832.76	109191.28
Total	184465.72	149024.03

**RATIOS (Consolidated)**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
FINANCIAL PERFORMANCE RATIOS %:		
Operating Profits	19.64	21.19
PAT / Net Sales	12.49	13.34
Interest / Total Income	0.30	0.30
BALANCE SHEET RATIOS (TIMES):		
Debt / Equity Ratio	0.07	0.01
Current Ratio	4.80	4.89
PER SHARE DATA RATIOS (₹):		
Earning per Share	22.35	19.13

GRAPHS ₹ Lacs


**DIRECTORS' REPORT**

To,
The Members,
AIA Engineering Limited
Ahmedabad

Your Directors take pleasure in submitting the 23rd Annual Report and the Audited Annual Accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL HIGHLIGHTS:

Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
Revenue from operations & Other Income	160536.73	128421.30
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses	27979.07	24759.72
Finance Cost	321.93	213.40
Depreciation & Amortization	3069.32	2547.20
Profit before tax	24587.82	21999.12
(i) Provision for Taxation (Current)	7539.88	6659.00
(ii) Provision for Taxation (Deferred)	137.59	249.36
Total Tax (i+ii)	7677.47	6908.36
Profit after tax	16910.35	15090.75
Surplus Brought Forward from Previous Year	57820.00	47525.51
Balance available for Appropriations	74730.35	62616.26
Transferred to General Reserve	1691.10	1509.10
Proposed Dividend on Equity Shares	3772.81	2829.61
Tax on Dividend on Equity Shares	638.23	457.55
Balance Carried to Balance Sheet	68628.21	57820.00

2. OPERATIONAL REVIEW:

During the year under review, the Revenue from Operations of the Company has gone up to ₹ 158603.66 Lacs as compared to ₹ 127256.00 Lacs in the previous Financial Year. Exports Turnover has also gone up to ₹ 103394.25 Lacs as compared to ₹ 75602.15 Lacs in the previous Financial Year.

During the year under review, Company has registered a Profit Before Tax (PBT) of ₹ 24587.82 Lacs and Profit After Tax (PAT) of ₹ 16910.35 Lacs as compared to PBT of ₹ 21999.12 Lacs and PAT of ₹ 15090.75 Lacs respectively in the previous Financial year.

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries) registered Revenue from Operations of ₹ 175131.07 Lacs as compared to the Turnover of ₹ 141666.64 Lacs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 21162.33 Lacs as compared to PAT of ₹ 18120.43 Lacs in the previous Financial Year.

3. DIVIDEND:

The Board of Directors is pleased to recommend a Dividend of ₹ 4 (200%) per Equity Shares of the face value of ₹ 2 each amounting to ₹ 3772.81 Lacs for the Financial Year 2012-13.

The dividend, if declared by the shareholders at the ensuing Annual General Meeting, will be paid to those shareholders, whose names stand registered in the Register of Members as on 3rd August, 2013. In respect of shares held in dematerialized form, it will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services [India] Limited, as beneficial owners.

The total Dividend outgo for the year ended 31st March, 2013 would be ₹ 4411.04 Lacs including the Corporate Dividend Tax of ₹ 638.23 Lacs.

4. ACQUISITION OF REMAINING 30% EQUITY SHARES OF DCPL FOUNDRIES LTD.:

The Company has acquired the remaining 3,00,000 (30%) Equity Shares of the face value of ₹ 10 at a price of ₹ 10 each of DCPL Foundries Ltd. from Dhandapani Cements Pvt. Ltd. and its Promoters.

With the acquisition of the said Equity Shares, DCPL Foundries Ltd. has become the Wholly-owned Subsidiary of the Company with effect from 5th September, 2012.

5. JOINT VENTURE AGREEMENT WITH POLYEX MINERALS PVT. LTD.:

The Company has entered into a Share Purchase Agreement on 11th April, 2013 for the acquisition of 5,000 Equity Shares of ₹ 10 each (being 50% of the Paid-up Share Capital) of Polyex Minerals Private Limited, Ahmedabad (Polyex) at a price of ₹ 10 per Share, for a total consideration of ₹ 50000. The Joint Venture has come into effect from 11th May, 2013.

The said Joint Venture proposes to establish a Silca Sand Refining Project with refining Capacity of 2,00,000 MT of raw sand per annum to produce 100,000 MT of Special graded Sand, subject to clearances of various approvals from Statutory Authorities.

The Joint Venture has significance for the Company as a backward integration project that will allay the Company's concerns with the procurement of Quality Sand on a continuous basis.

6. CAPITAL EXPENDITURE OUTLAY:

During the year under review, the Company has incurred ₹ 8647.20 Lacs (including ₹ 3174.85 Lacs of Capital work-in-progress) on Capital Expenditure.

7. HUMAN RESOURCE POLICY:

The Company has till date witnessed very low attrition levels. This is on account of its special emphasis on ensuring a fair and sustainable working environment in addition to sufficient growth opportunities. Staff undergoes regular functional and cross-functional training to ensure they are current with skill sets relevant in today's time. The Company has inducted some senior staff to further augment its HR function in this Fiscal Year. The Company's business is highly specialized and involves full cycle from designing solutions for customer specific applications, production of highest quality material, supervision of installation of parts at the customer's end. This requires dedicated staff at all level. Company's HR policy is aligned periodically to energize the employees for giving competitive edge to the customers in the present volatile market.

8. BUSINESS PROSPECTS:

The Company closed the Fiscal Year 2012-2013 with a growth of 13.38 % in terms of tonnage and 24.76% in terms of revenue as compared to the previous year. Bulk of this growth has come from the mining space. The Company continued its pace of customer addition in this business segment. The Company today services different mineral ores like iron, copper, gold, platinum and zinc for blue chip mining customers in geographies like USA, Canada, Brazil, South Africa, Australia, etc.

While the cement sector worldwide continuous to remain flat, your company has managed to achieve a nominal growth in this segment in Fiscal Year 2012-13 as compared to the previous year. However, in all fairness it must be stated that while this may be read as some early signs of recovery, the same could be confined only to a select few geographies only. Thus, the European markets particularly Western Europe still continue to face very difficult situation while some revival may be seen in North American market and a few other markets.

Bulk of your company's growth is therefore focused on mining segment where the company relies heavily in its endeavour of replacing its products in place of the conventional forged parts or taking away some market share from its existing key competitor based out of Belgium. The addressable market opportunity relating to the replacement demand of consumable ware parts from the key ores can be regarded to be at least 1.5 million tons per annum and as against that not more than 15% has been converted into the high Chrome use – which is the opportunity on which your company is very much focused upon. No doubt this entails a tremendous degree of customization which involves a long process of anywhere between 9 to 15 months or even longer in some cases. However with a sales tonnage of over 75000 tons already attained in the mining space in Fiscal Year 2013 your company is now positioned as a serious long term committed player in this space and with many new mines under development, your company continues to remain bullish about a steady and sustainable Growth over a medium to long term from this particular segment.

For the upcoming Fiscal Year, i.e. 2013-14, the Company expects to further increase its market share in the mining space by targeting increased business from existing customers as well as new customers. In the Cement market, the company will continue to focus on countries with high growth potential.

In the utility market in India, there is a lot of optimism in relation to the planned commissioning of coal fired thermal power stations in the country and the Company will continue to benefit from its strong presence in this market.

9. FUTURE EXPANSION:

AIAE's effective capacity at end of Fiscal Year 2012-2013 stood at 200,000 Metric tons. The company is on target in implementing its Capex plans for Fiscal Year 2013-14 and 2014-15 so as to effectively augment the total available capacity from the existing level of 2 lac TPA as on 31.03.2013 to 3 lac TPA by 31.03.2015. Out of this in the current Fiscal Year 2013-14 the company has plans to implement the Moraiya Brown field capacity expansion project and in Fiscal Year 2014-15 the Kerala Greenfield project is expected to come on stream.

10. SUBSIDIARY COMPANIES:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and as provided under the Listing Agreement with the Stock Exchanges, the audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, income, profits and other details of the Company, its associates companies and its subsidiaries as a single entity.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. As required under the circular, the Board of Directors at its meeting held on 30th May, 2013 passed a resolution giving consent for not attaching these documents with the Balance Sheet of the Company.

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.

11. INSURANCE:

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

12. DEPOSITS:

The Company has not accepted any deposit from the public during the year under review, within the meaning of Section 58A of the Companies Act, 1956.

13. INDUSTRIAL RELATIONS:

The Company is extremely sensitive in dealing with its staff and workers and continues to take steps towards achieving the highest standards of industrial harmony. All statutory compliances are maintained and its focused efforts towards nurturing its staff are reflected in its work culture. Company has always tuned its policy and process to help staff and workers to have a quality life and keep high morale in the organization. Company has continued regular interaction with the business and industrial fraternity through prestigious institutions like Confederation of Indian Industries (CII), Gujarat Chamber of Commerce and Industries (GCCII), Ahmedabad Management Association (AMA) and other recognized associations and institutes.

14. INTERNAL CONTROL AND AUDIT:

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-authorised use or disposition and those transactions are authorised, recorded and reported correctly.

During the year under review, Internal Audit of the Company has been carried out by M/s. Kunte & Associates, Chartered Accountants, Ahmedabad.

15. CORPORATE GOVERNANCE:

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

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

16. 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.

17. DIRECTORS:

Mr. Sanjay S. Majmudar, Director and Mr. Yashwant M. Patel, Whole-time Director, of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

The Board recommends the re-appointments of Mr. Sanjay S. Majmudar, Director and Mr. Yashwant M. Patel, Whole-time Director as Directors of the Company.

Mr. Bhupendra A Shah, an Independent Director of the Company expired on 23-2-2013. Board of Directors in their meeting held on 30-5-2013 has decided not to fill the casual vacancy created by the sad demise of Mr. Bhupendra A. Shah, Independent Director as the present composition of the Board of Directors of the company is in compliance with Clause 49 of the Listing Agreement.

18. STATUTORY AUDITORS:

M/s. Talati & Talati, Chartered Accountants, the Company's Statutory Auditors will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received a letter to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

19. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under section 217[3] of the Companies Act, 1956.

20. COST AUDITORS:

In compliance with the Ministry of Corporate Affairs' order No. 52/26/CAB-2010 dated 3rd May 2011, on the recommendations of the Audit Committee, the Board of Directors of the Company on the approval of the Central Government, 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 2012-13.

The Cost Auditor has filed the cost audit reports for the financial year ended 31st March, 2012 within the due date.

21. PARTICULARS OF EMPLOYEES:

The particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended are given as an Annexure - A to this report.

22. 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 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are provided as an Annexure-B to this report.

23. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) sound accounting policies have been selected and applied consistently and judgments and estimates made 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 ended 31st March, 2013 and the Profit for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts have been prepared on a going concern basis.

24. SUSTAINABLE DEVELOPMENT:

The Company is firm in its commitment towards sustainable growth and its social responsibility. Various initiatives are planned which are explained in more detail in Annexure 'C' of this report.

25. ENVIRONMENT, HEALTH AND SAFETY:

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

26. ACKNOWLEDGEMENT:

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 2013

(Rajendra S. Shah)
Chairman

ANNEXURE- "A" TO THE DIRECTORS' REPORT

Information under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 and forming part of the Directors' report for the year ended 31st March, 2013.

- (A) Employed throughout the financial year under review and were in receipt of remuneration for the Financial Year in the aggregate of not less than ₹ 60.00 Lacs p.a.

1.	Name	Shri Bhadresh K. Shah
2.	Age	62 Years
3.	Qualification	B.Tech Metallurgical
4.	Designation	Managing Director
5.	Date of commencement of employment.	1.4.1991
6.	Experience	36 Years
7.	Remuneration	₹ 78.05 Lacs p.a.
8.	a) Particulars of last employment:Employer b) Last Post c) No. of Years	Ahmedabad Induction Alloys Ltd. Managing Director 12 Years

- (B) Employed for part of the Financial Year under review and were in receipt of remuneration at the rate of not less than ₹ 5.00 Lacs per month : Nil

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 2013

(Rajendra S. Shah)
Chairman

**ANNEXURE – “B” TO THE DIRECTORS’ REPORT**

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors’ Report for the year ended 31st March, 2013.

FORM - A**A) CONSERVATION OF ENERGY:**

- (i) Modification of Natural Gas Circuit and improved loading per batch in Heat Treatment of Castings resulted in energy savings of more than 10%.
- (ii) Installation of Air Cooled Heat Exchanger in place of Water Cooled Heat Exchanger in Grinding Media High Temperature Furnaces resulted in energy saving of at least 10 KW/Hour/Furnace apart from saving of water resources of 25000 Ltrs/Day/Furnace.

(I) POWER & FUEL CONSUMPTION:

Particulars	Current Year 2012-2013	Previous Year 2011-2012
Electricity		
a) Purchased Units	191015584	173993723
Total Amount (₹ Lacs)	12270.60	10810.90
Rate/Unit (₹)	6.42	6.21
b) Own Generation		
Through Diesel Generator Unit	83168	50619
Unit per Litre of Diesel Oil	2.39	2.03
Cost/Unit (₹)	43.91	39.67
c) Through Steam Turbine/Generator		
Units	N.A.	N.A.
Units per Ltr. of Fuel/Oil/Gas	N.A.	N.A.
Cost/Unit (₹)	N.A.	N.A.
d) Coal(Specify Quantity and where used)		
Quantity (in Tons)	N.A.	N.A.
Total cost (₹)	N.A.	N.A.
Average Rate (₹)	N.A.	N.A.
e) Light Diesel Oil		
Quantity (in Ltrs)	2388155	2936265
Total Amount (₹ Lacs)	1150.74	1485.76
Average Rate (₹)	48.19	50.60
f) Others/Internal Generation. PNG		
Quantity Unit (SCM)	4358595	1584872
Total Cost (₹ Lacs)	1723.62	725.92
Rate/Unit (₹)	39.55	45.80

II. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	Current Year 2012-2013	Previous Year 2011-2012
Product:		
Castings Unit (Tonnes)	123195	105170
Electricity per Ton of Castings (Units)	1551	1654

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

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

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

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

c) Future plans of action:

- Continue to introduce solutions with higher performance.

d) Expenditure on R & D (₹ Lacs):

- Capital - Nil
- Recurring - Nil
- Total - Nil
- 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:

- Introduction of air cooled heat exchangers in place of water cooled for cooling of quenching oil.

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

- Large saving in water consumption.
- Improved life of quenching oil as oxidation of oil due to water contamination is avoided.

c) Imported technology:

Equipment and technology imported from Italy.

d) Foreign Exchange Earnings and outgo:

₹ Lacs

Particulars	Year ended 31 st March, 2013	Year ended 31 st March, 2012
i) Total foreign exchange used	19202.09	13044.58
ii) Total foreign exchange earned	103394.25	75602.15

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 2013

(Rajendra S. Shah)
Chairman

ANNEXURE – “C” TO THE DIRECTORS’ REPORT

CORPORATE SUSTAINABILITY:

AIA is geared to meet evolving customer expectations; comply with present and future regulations; build brand reputation and adopt sustainable growth strategies. Sustainable Growth is particularly relevant for us since we service environmentally sensitive industrial sectors (mining, cement, power, aggregate and utilities) and are present in diverse and global geographies. AIA's sustainability drivers are represented below:



Keeping in view expected future regulation, customer's requirement and its reputation, the Company has decided to implement Sustainability initiatives in the following operational areas:

Reducing our Carbon Footprint:

An external agency has been hired to assist in preparing our Green House Gas (GHG) Inventory from all our activities and operations. Once we have calculated our GHG emissions, we hope to take on reduction targets per ton of production. Our tree plantation project at the Air Force Base in Chiloda, Gandhinagar is making progress with 15000 trees already planted. Over the next two years, further 30,000 plants are expected to be planted. Plant level initiatives such as switch over to low carbon fuels and process efficiency are being implemented at all our facilities. The Carbon Footprint exercise has been completed and process for implementation of Sustainability Management System has been developed.

Tree plantation project at the Air Force Base in Chiloda, Gandhinagar:

AIA along with Indian Air force has taken an initiative to conserve plant biodiversity at Chiloda air force base, Gandhinagar. We have planned to plant 45000 trees in the region in the span of two years i.e. 2012-13 & 2013-14. Approx. 15000 trees have already been planted in region.

Reducing our Water Footprint:

AIA plans to treat all its domestic and industrial waste water and reuse it. We have already installed and in operation of STP (Sewage Treatment Plant) at our one of the existing unit. We are reusing a cooling tower blow down water in to a sand cooling purpose. We have installed an additional RWH (Rain water harvesting) structure in Moraiya village and our existing unit also. Through rain water harvesting approx. more than 273750 M³ (meter cube) of water recharge in last monsoon. We have planed to make further more Rain water harvesting structure in this financial year to reduce water footprint. Following steps have been taken to reduce water foot print.

- Green Belt developed by using Recycled domestic wastewater.
- Water Recharge structure in one of our unit.

Waste Minimization and Recycling:

The management of AIA has made it a priority to reduce the consumption of fresh sand by sand reclamation and reusing discarded sand, fines and slag residue in making non structural bricks and blocks. Samples bricks and blocks have been developed and tested. The project will be scaled in the current Financial Year.

Environment, Health and Safety:

In the current Financial Year, in line with our commitment to devote relevant resources and management priority, we have inducted a senior person to head the EHS Division. Moreover, a new variable bonus scheme has been introduced for all our plant staff wherein a

portion of their salary will be linked to improvement in EHS performance at the plant level. Senior Management is actively involved in improving the work area environment through monthly review meetings chaired by the Managing Director.

Our Sustainability Policy and Charter has undergone revision. It was the result of consultation with employees, customers and regulatory authorities. Key sustainability issues, risks and opportunities relevant to our company were incorporated.

SUSTAINABILITY POLICY AND CHARTER:

Vision:

“To deliver superior value to our customers, shareholders, employees, environment and society”.

Sustainability Policy:

We, AIA are the solution provider and supplier of wear resistant and allied components for applications in cement, power, mining, aggregate manufacturing and other industry segments. We recognize sustainable development as a corporate priority and key to our growth and commit ourselves;

1. To integrate environmental, social and economic policies and practices into business processes and conduct our business in a fair and ethical manner.
2. To set objectives and targets for continual improvement and periodically review our performance.
3. To regularly engage with our stakeholders to understand and address their concerns and expectations.
4. To comply with the applicable statutory requirements and global charters subscribed by us.
5. To continuously upgrade technology and infrastructure and remain EVA +.
6. To develop and offer products and services of superior quality, which are efficient, safe and environment friendly.
7. To integrate and train our people to conduct their business in line with company policies.

This policy has been communicated to all the employees and is available to public on demand.

Sustainability Charter:

Economic:

The organization is committed to remain EVA positive by:

- ⌘ Following good governance practices.
- ⌘ Continually upgrading technology and infrastructure.
- ⌘ Continually improving quality, productivity and optimizing manufacturing cycle.

Human Rights:

- ⌘ We are committed to continually improve our human capital through integration and growth of our people.
- ⌘ We follow the policy of freedom of association, collective bargaining, non-discrimination and non employment of forced or child labor.
- ⌘ We encourage our suppliers and sub-contractors to adhere to HR principles followed by AIA.

Knowledge Management:

- ⌘ AIA is developing its knowledge base through:
 - Innovation and Research.
 - Partnering with customers.
 - Keeping abreast with latest developments in technology.
- ⌘ Promoting internal communication to develop and share individual knowledge and experience across the organization.

Environment, Health and Safety:

- ⌘ We believe that continual improvement in Health, Safety and Environmental performance will contribute to the sustainable growth of our organization.



- ⌄ We are committed to promoting EHS Management practices in our organization by ensuring statutory compliance, training and awareness, periodic health examination, safe work environment and work practices.
- ⌄ Production units are audited by external competent agency.
- ⌄ Imparting a training program on various EHS topics.

Resource Conservation and Climate Change:

- ⌄ The organization is committed to utilizing natural resources in an efficient manner by adopting the policy of Reduce, Recover, Renew, Reuse & Recycle (5R).
- ⌄ We will reduce energy consumption in our operations by implementing energy efficiency measures.
- ⌄ We will promote use of renewable energy.
- ⌄ We shall consistently reduce our carbon footprint.

Sustainable Business Growth:

- ⌄ We are committed to sustainable business growth by consistently striving to expand our current market share and developing unserved markets. We shall achieve this by introducing new technologies and new products conforming to our sustainability policy.
- ⌄ We will ensure that our products are energy efficient, reduce ecological footprints and minimize waste.
- ⌄ We shall foster social entrepreneurship and encourage community driven activities to generate and distribute wealth in our neighborhood.
- ⌄ The organization will periodically carry out risk assessments, implement and review management plans.

Community Development:

- ⌄ AIA recognizes that the community in and around its enterprises is an important stakeholder and can offer conducive environment for business growth. We commit ourselves to contribute our share towards improving their quality of life.
- ⌄ As part of CSR activity, AIA has made a drinking water Bore well in Moraiya Village for village people.

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.

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

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

I. BOARD OF DIRECTORS:

(A) Composition of the Board:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Code of Corporate Governance. The Board is headed by the Non-Executive Chairman, Mr. Rajendra S. Shah. The present strength of the Board of Directors is 6 which include 1 Executive - Promoter Director, 1 Executive - Whole-time Director, 3 Independent Directors and 1 Non Independent - Non-Executive Director in terms of Clause - I (A) (iii) of Clause 49 of the Listing Agreement. Board represents a balance mix of professionalism, knowledge and expertise.

Board Meetings / Director's Particulars:

Company's Board met Five times during the year under review on 30th May, 2012, 11th July, 2012, 13th August, 2012, 12th November, 2012 and 11th February, 2013. The Company holds one Board Meeting in each quarter and the gap between any two Board Meetings was not more than four months as prescribed under the Listing Agreement. Details of the Directors, their positions, attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding private limited Companies, foreign companies and alternate directorships) and the memberships / Chairmanships of Board Committees other than your Company as on 31st March, 2013 are as follows:

Name of the Director	Category	Board Meetings Attended	Attendance at the Last AGM held on 13.08.2012
Mr. Rajendra S. Shah (Chairman)	Independent - Non Executive	5	Yes
Mr. Bhadresh K. Shah (Managing Director)	Executive - Promoter	5	Yes
Mr. Vinod Narain	Independent	-	No
Mr. Bhupendra A. Shah*	Independent	4	Yes
Mr. Sanjay S. Majmudar	Independent	4	Yes
Dr. S. Srikumar	Non Independent-Non Executive	4	Yes
Mr. Yashwant M. Patel	Whole-time Director	4	Yes

* Ceased to be a Director of the Company w.e.f. 23.02.2013 on account of his death.


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	1	None
Mr. Bhadresh K. Shah	2	1	None
Mr. Vinod Narain	1	1	None
Mr. Bhupendra A. Shah*	None	None	None
Mr. Sanjay S. Majmudar	5	3	1
Dr. S. Srikumar	1	None	None
Mr. Yashwant M. Patel	None	None	None

* Ceased to be a Director of the Company w.e.f. 23.02.2013 on account of his death.

(B) Independent Directors' Compensation and Disclosures:

Independent Directors are paid sitting fees in accordance with the applicable laws.

The Board of Directors at their meeting held on 30th January, 2010 has decided to pay a sitting fees of ₹ 15,000 for attending a Board Meeting and ₹ 10,000 for attending a Audit Committee Meeting.

Role of Independent / Non-Independent – Non Executive Directors:

The Independent Directors / Non-Independent – Non-Executive Director play an important role in the deliberations in Board Meetings and bring with them rich expertise in their respective fields.

(C) Information available to the members of the Board:

All the information as specified in – Annexure – I (A) of Clause 49 of the Listing Agreement is provided to the Board of Directors. Information like businesses to be transacted at Board Meeting is submitted well in advance through electronic mail mode and agenda papers are submitted to them during the course of Board Meetings.

(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. 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 on Prevention of Insider Trading, the Company has formed Model Code of Conduct of Insider Trading Regulations which is applicable to all the Directors, Officers and the Designated Employees of the Company who are expected to have access to the unpublished Price Sensitive information relating to the Company.

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

II. COMMITTEES OF THE BOARD:

The Company has three (3) Board level Committees, namely:

- Audit Committee;
- Shareholders' / Investors' Grievance Committee; and
- Remuneration Committee.

a) AUDIT COMMITTEE:

As on 31st March, 2013, the Audit Committee comprise of 4 Independent Directors. Names of the members and the Chairman of the Committee as on 31st March, 2013 together with their attendance are given in the following table.

Name of the Member / Chairman	No. of Meetings	Meetings Attended
Mr. Rajendra S. Shah - Chairman	4	4
Mr. Vinod Narain	4	-
Mr. Bhupendra A. Shah*	4	3
Mr. Sanjay S. Majmudar	4	3

* Ceased to be a member of the Committee of the Company w.e.f. 23.02.2013 on account of his death.

During Financial Year 2012-13, four (4) Audit Committee meetings were held on 30th May, 2012, 13th August, 2012, 12th November, 2012 and 11th February, 2013. Necessary quorum was present in all the meetings. The time gap between any two Audit committee meetings was not more than four months.

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

The Managing Director, Executive Director (Finance), General Manager (Corporate Affairs), Statutory Auditors, Cost Auditors and Internal Auditors are invited to attend the meetings of the Audit Committee.

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

The Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Brief description of terms of reference:

- Supervision of the Company's financial reporting process.
- Reviewing with the management, the financial results before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliance with the accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of internal control systems and internal audit functions including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- Reviewing the Company's financial and Risk Management policies;
- Recommending the appointment and removal of external auditors and their remuneration.
- Keeping watch on timely payment to shareholders, creditors etc.
- Reviewing of significant Related Party Transactions, if any.
- Reviewing management discussion and analysis of financial condition and result of operations.
- Reviewing the performance of the Statutory and Internal Auditors and appointment, removal and terms of remuneration of Chief Internal Auditors.

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 continue 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.

b) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders'/Investors' Grievance Committee of Directors to look into the:

- Redressal of Shareholders and Investors complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc.
- 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:

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

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



Meetings and attendance during the year:

The Committee meets on need basis. During the year under review Committee met Four times on 30th May, 2012, 13th August, 2012, 12th November, 2012 and 11th February, 2013.

Number of Shareholders complaints received so far:

The Committee ensures that the shareholders' / investors' grievances and correspondences are attended and resolved expeditiously.

During the period under review, Company received two Complaints from Shareholders and were resolved to their satisfactions. There is no outstanding complaint as on 31st March, 2013.

Number of Complaints not solved to the satisfaction of shareholders : Nil

Number of pending share transfers : Nil

c) REMUNERATION COMMITTEE:

Brief description of terms of reference:

To formulate a remuneration policy and recommend/review the remuneration payable to the Executive Directors.

Remuneration Policy:

To review the remuneration package of the Managing Director / Whole-time Director etc. and recommend suitable revision to the Board.

Composition, Name of Members and Chairperson of Remuneration Committee are:

1. Mr. Rajendra S. Shah - Chairman
2. Mr. Bhupendra A. Shah* - Member
3. Mr. Sanjay S. Majmudar - Member

* Ceased to be a Member of the Committee w.e.f. 23.02.2013 on account of his death.

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

Meeting and Attendance during the year:

No meeting of Remuneration Committee held during the year under review.

III. SUBSIDIARY COMPANIES:

Company has one Non-Listed Indian Subsidiary. None of the Non-Listed Indian Subsidiary of the Company comes under the purview of the Material Non-Listed Subsidiary. However, the particulars of the significant transactions and the Financial Statements of Subsidiary, in particular, the investments, if any made during the quarter are reviewed by the Audit Committee of the Company.

The Copy of Minutes of the meetings of the Board of Directors of the Un-listed Subsidiary Company is placed in the subsequent Board Meeting of the Company.

IV. DISCLOSURES:

(A) Related Party Transactions:

The Company has not entered into transactions of material nature with related parties i.e. Directors or Management, their subsidiaries or relatives conflicting with the Company's interest at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Audit Committee / Board regularly for its 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 and there is no change in the accounting treatment during the year under review.

(C) Board Disclosure – Risk Management:

The Company has laid down procedures for the Risk Assessment and its Minimization. These procedures are periodically reviewed by the Audit Committee / Board to ensure that executive management controls risk through means of a properly defined framework.

(D) The Company has not come out with any Public Issue, Right Issue or Preferential Issue etc. during the year under review.

(E) Remuneration of Directors:

The details of remunerations paid to the Managing Director and Whole-time Director during the year 2012 - 2013 are given below:

₹ Lacs

Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	72.00	6.05	78.05
Mr. Yashwant M. Patel, Whole-time Director	7.20	0.32	7.52

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

The details of Sitting Fees paid to the Independent Directors for attending Board and Committee Meetings during the Financial Year 2012-2013 is given below:

₹ Lacs

Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	1.15
2.	Mr. Bhupendra A. Shah	0.90
3.	Mr. Sanjay S. Majmudar*	0.90

* Also paid Professional Fees for rendering Professional Services to the Company in his Professional capacity or through the firms with which he is associated which is not considered as affecting his independence.

The Directors' Remuneration Policy of your Company conforms to the provisions under Companies Act, 1956. The Board determines the remuneration of the Non-Executive Directors.

(F) Management:
(i) Management Discussion and Analysis Report:

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

(ii) Disclosure of material Financial and Commercial Transactions:

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

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

Mr. Sanjay S. Majmudar, Director and Mr. Yashwant M. Patel, Whole-time Director of the Company will retire by rotation at the ensuing 23rd Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Board of Directors of the Company in their meeting held on 30th May, 2013 re-appointed Mr. Yashwant M. Patel as a Whole-time Director of the Company for a period of three years with effect from 01.04.2014.

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

Mr. Bhupendra A Shah, an Independent Director of the Company expired on 23-2-2013. Board of Directors in their meeting held on 30-5-2013 has decided not to fill the casual vacancy created by the sad demise of Mr. Bhupendra A. Shah, Independent Director as the present composition of the Board of Directors of the company is in compliance with Clause 49 of the Listing Agreement.

(ii) Quarterly / Half yearly results are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed and the same is posted on Company's website.
(iii) Shareholding of Non-Executive Directors as on 31st March, 2013 is as under:

Name of Director	Number of Shares
Mr. Rajendra S. Shah	847
Mr. Vinod Narain	NIL
Mr. Sanjay S. Majmudar	15120
Dr. S. Srikumar	NIL

(H) Compliance by the Company:

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


V. 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, 2013 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Clause 49 (V) of the Listing Agreement.

VI. MEANS OF COMMUNICATION:

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

VII. 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
2011-12	13.08.2012	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	10.00 A.M.
2010-11	12.08.2011	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.	10.00 A.M.
2009-10	12.08.2010	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 13.08.2012:

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

Annual General Meeting held on 12.08.2011:

To take approval for the appointment of Powertec Engineering Pvt. Ltd. to hold Office or Place of Profit under Section 314 of the Companies Act, 1956.

Annual General Meeting held on 12-08-2010:

To take approval under Section 314 of the Companies Act, 1956 for holding of Office or Place of Profit.

VIII. GENERAL SHAREHOLDERS' INFORMATION:

Date and Time of 23 rd AGM	:	Monday, the 12 th August, 2013 at 10.00 A.M.
Venue of AGM	:	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015
Financial Year	:	31 st March, 2013.
Book Closure Date	:	3 rd August, 2013 to 12 th August, 2013 (both days inclusive)
Registered Office Address	:	115, GVMM Estate, Odhav Road, Odhav, Ahmedabad 382 410
Dividend Payment Date	:	Within 30 days from the date of declaration of dividend.
Compliance Officer	:	Mr. S. N. Jetheliya, Company Secretary
Email for Redressal of Investors' Complaints in terms of Clause 47 (f) of the Listing Agreement	:	ric@aiaengineering.com
Website	:	www.aiaengineering.com
Financial Calendar (subject to change) for the Financial Year 2013-14:		
First Quarter Results	:	On or before 14 th August, 2013
Second Quarter & Half Yearly Results	:	On or before 14 th November, 2013
Third Quarter Results	:	On or before 14 th February, 2014
Audited Results for the year 2013-14	:	On or before 30 th May, 2014

(a) Listing on Stock Exchanges:

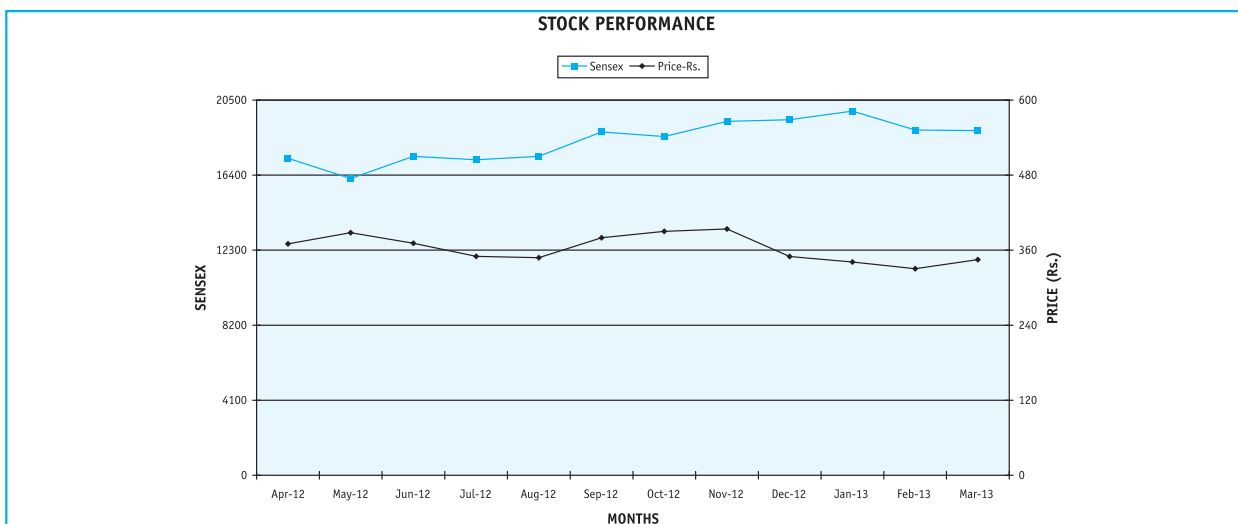
Name and Address of the Stock Exchanges	Scrip Code
Bombay Stock Exchange Limited 25 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	532683
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	AIAENG

The listing fees for the Financial Year 2013-14 have been paid to both the Stock Exchanges.

(b) Market Price Data:

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

Month	BSE Sensex	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
		High (₹)	Low (₹)	High (₹)	Low (₹)
April 12	17318.81	370.00	344.40	374.00	350.00
May 12	16218.53	387.95	340.00	398.00	344.30
June 12	17429.98	371.00	302.00	370.35	315.10
July 12	17236.18	350.00	306.00	358.00	291.00
Aug. 12	17429.56	348.00	300.00	349.00	300.00
Sept. 12	18762.74	379.95	330.00	380.00	332.00
Octo. 12	18505.38	390.00	348.00	391.00	351.00
Nov.12	19339.90	394.00	334.00	401.85	332.70
Dec.12	19426.71	349.75	315.05	361.15	317.50
Jan.13	19894.98	341.00	318.00	344.00	310.95
Feb.13	18861.54	330.30	306.10	328.00	309.06
Mar.13	18835.77	344.95	310.35	329.75	305.05




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

Email : isrl@vsnl.com

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) Share transfer System:

The share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

(e) Distribution of Shareholding:
(i) Shareholding pattern as on 31st March, 2013.

Category	No. of Shares held		No. of Shares	% of holding
	Physical	Electronic		
Promoters Shareholding	–	58149120	58149120	61.6506
Mutual Funds & UTI	–	7337403	7337403	7.7792
Banks, FI & Insurance Companies	–	2100	2100	0.0022
Foreign Financial Institutions	–	23860386	23860386	25.2972
NRI's	–	54887	54887	0.0582
Other Corporate Bodies	–	3421809	3421809	3.6279
Indian Public	130	1494535	1494665	1.5847
Total	130	94320240	94320370	100.0000

(ii) Distribution of Shareholding as on 31st March, 2013.

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	7886	95.8435	703898	0.7966
501 to 1000	120	1.4584	92711	0.1083
1001 to 2000	60	0.7292	84596	0.0983
2001 to 3000	27	0.3281	68513	0.0754
3001 to 4000	11	0.1337	39428	0.0416
4001 to 5000	17	0.2066	79800	0.0946
5001 to 10000	22	0.2674	151929	0.0994
10001 & above	85	1.0331	93099315	98.6858
Grand Total	8228	100.0000	94320370	100.0000
Shareholders in Physical Mode	6	0.0729	130	0.0001
Shareholders in Electronic Mode	8222	99.9271	94320240	99.9999

(f) Dematerialization of Shares & Liquidity:

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

As on 31.03.2013, 94320240 Equity Shares are in Dematerialized Form representing 99.99% of the total 94320370 Equity Share Capital of the Company. The ISIN allotted to the Company's scrip is INE212H01026. The shares of the company are actively traded at Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

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

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

(h) Outstanding Shares in Unclaimed Suspense Account of the Company:

The following Outstanding Shares lying in the Unclaimed Suspense Account of the Company as on 31.03.2013:

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

(i) Plant Locations:

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

(j) Address for Correspondence:

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

MUMBAI OFFICE:
Link Intime India Private Limited

C/13, Pannalal Silk Mills Compound,
Kantilal Maganlal Ind. Estate,
L.B.S. Marg, Bhandup (West), **MUMBAI – 400 078**
Phone No. 022-25960320-28 Fax No. 022-25960329
Email : isrl@vsnl.com

AHMEDABAD BRANCH OFFICE:
Link Intime India Private Limited

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

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

Details of Non-Compliance:

There was no non-compliance during the year and no penalty has been imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other Statutory Authority. The Company has obtained a Certificate from the Practicing Company Secretaries on Corporate Governance and has attached the certificate with the Directors' 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.

Practicing Company Secretaries Certificate on Corporate Governance

A certificate has been issued by M/s. Tushar Vora & Associates, Practicing Company Secretaries with regard to compliance of conditions of Corporate Governance is attached to this report.

NON-MANDATORY REQUIREMENTS:
a) Chairman of the Board:

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

b) Remuneration Committee:

The Board has constituted a Remuneration Committee consisting of three non-executive directors.

c) Shareholder Rights:

As the Quarterly, Half Yearly and Annual Results are published in leading newspapers having wide circulation, the same are not sent to the shareholders of the company individually.

d) Postal Ballot:

No Postal Ballot was conducted during the year under review.

e) Whistle Blower Policy:

The Company promotes ethical behaviour in all its business and has put in place a mechanism of reporting of (i) Bribery and Corruption (ii) Financial Misappropriation and other illegal or unethical behaviour. The Company has a Whistle Blower Policy wherein the employees are free to report above violations directly to the Managing Director in a sealed envelope or to an email id provided in the Whistle Blower Policy.

The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practices and are suitably rewarded.

The above Corporate Governance Report was adopted by the Board of Directors at their meeting held on 30th May, 2013.



PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
AIA Engineering Limited,
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by AIA ENGINEERING LIMITED for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

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

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

We state that during the year ended 31st March, 2013, two complaints were received and resolved and hence no Investor Complaint is pending against the Company as on 31st March, 2013 as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee and to us.

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

For **Tushar Vora & Associates**
Company Secretaries

TUSHAR M.VORA
Proprietor
C.O.P. No.: 1745

Place : Ahmedabad
Date : 30th May, 2013

DECLARATION

In compliance with Clause 49 of the Listing Agreement, I Bhadresh K. Shah, Managing Director of the Company hereby declares on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2012-13.

Place : Ahmedabad
Date : 30th May, 2013

(Bhadresh K. Shah)
Managing Director

MANAGING DIRECTOR / EXECUTIVE DIRECTOR (FINANCE) CERTIFICATION

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

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

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2013 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, there are no transactions executed into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

Bhadresh K. Shah
Managing Director

Place : Ahmedabad
Date : 30th May, 2013

Kunal D. Shah
Executive Director (Finance)

Place : Ahmedabad
Date : 30th May, 2013

**MANAGEMENT DISCUSSION AND ANALYSIS****A. INDUSTRY OVERVIEW:**

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

The Company employs alloy-casting process for manufacture of the products, which require designing of alloys in relation to end application. The casting process is followed by precision heat treatment to develop required end properties. Therefore, Company can generally be classified as a foundry. The industry produces a specific range of high chrome mill internals which are used as wear parts in the crushing / grinding operations in the mills/plants of Cement, Mining, Utility and Aggregate industries and therefore the market prospects are linked with the requirement of these industries.

AIAE has a global footprint with sales and service support in more than 90 countries. Segmentally, the global cement industry has been undergoing structural issues and virtually all new capacity addition has come to a halt except for a few select countries. Also, capacity utilization in developed countries continues to remain flat. Even 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 additions having slowed down. As for the mining business, as many reports suggest, it seems an era of super-cycle for commodities has come to an end. Capacity addition plans for many companies are being put on hold. But AIAE's prospects are more closely linked to the capacity utilization of the mines and the subsequent wear part replacement which seems to be holding up well till now. The Company will continue to monitor this very closely.

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 projected to continue to be power deficit for the foreseeable future and hence a sustained growth in this particular segment in India is predictable.

B. SEGMENTWISE PERFORMANCE:

The Company primarily operates in only one segment i.e. manufacturing of High Chrome Mill Internals. In Fiscal Year 2012-13, 31.27% of its total sales came from India while balance 68.73% came from sales outside India.

C. OUTLOOK AND PROSPECTS:

The annual replacement market of High Chrome mill internals for cement globally is estimated at around 0.300 million tons. The overall position of the cement industry in the key global markets continued to remain sluggish for a major part of Fiscal Year 2013. There is expectation that to stimulate growth in the developed countries their governments will have to resort to infrastructure spending and which will trigger positive improvements in capacity utilizations at Cement plants. AIAE will be a beneficiary as and when the same is witnessed. In addition, there are certain specific markets in Asia, Africa and South America that continue to add capacity and/or have increased capacity utilization. In China, the company currently has a limited presence in form of a particular variety of products. China continues to remain a major market and the company will continue to invest resources and strategy for a bigger market share. In India while new capacities were created the pace has distinctively slowed down. Nevertheless India's cement production has increased by around 8 to 10% in Fiscal Year 2013 and on a matching basis your company has maintained a similar growth in the cement replacement market in India.

In the mining industry the company is predominantly focused on four major metal ore types viz. Iron, Platinum, Gold and Copper with emphasis on the replacement market. The growth prospects are primarily emanating out of the large annual replacement market in this industry. The addressable market opportunity relating to wear parts are estimated in the range of 1.5 to 2.0 million tons per annum Out of this less than 20% requirement is converted into high chrome which implies the opportunity of conversion of the balance requirements into high chrome products. While your company started its foray into mining space with concentration on grinding media, the company has now successfully developed mining liners also. Even within grinding media, the company has developed certain specialized applications. Now your company is positioned as perhaps the only company in the world offering the complete range of Mining High- Chrome consumables including grinding media products as well as mining liners made out of chrome alloys. This positioning is unique to your company and augurs well for the consistent and steady growth in this industry over medium to long term. Again, since the company is focused on the above four major ores some cyclical fluctuations in any of the above products does not impact significantly your company's growth prospects. AIAE has steadily increased its market presence in the major mining groups across the Globe with particularly strong focus on major mining centers like Australia, Africa, North America, etc. The focus of the company in mining industry is predominantly outside India.

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 is on target in implementing its Capex plans for Fiscal Year 2013-14 and 2014-15 so as to effectively augment the total available capacity from the exiting level of 200,000 Metric tonnes per year as on 31.03.2013 to 300,000 Metric tonnes per year by 31.03.2015. This expansion consists of brown field capex at its plant in Moraiya, Gujarat and greenfield capex at its site in Kerala GIDC in Gujarat.

E. RISKS AND CONCERNS:

Given its large exports, the Company is exposed to foreign exchange rate fluctuation risk. The Company is closely monitoring the Currency movements, so as to mitigate the risks.

Another major area of risk 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 the price movements and is regularly buying the raw materials during low price cycles so as to average out the impact of price fluctuations.

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

F. INTERNAL CONTROL SYSTEM AND THE ADEQUACY:

The Company has proper and adequate system 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 is mitigated by regular monitoring and corrective actions.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects 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 helped in further strengthening the Internal Control System.

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

G. FINANCIAL PERFORMANCE REVIEW:

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

I. Consolidated Performance:

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

Physical Production:

The production achieved is as under:

(Qty.in M.T)

Product	F.Y.2012-13	F.Y.2011-12
High Chrome Mill Internals	168395	148963

Sales Turnover (Consolidated):

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

₹ Lacs

Particulars	F.Y.2012-13	F.Y.2011-12
Sales in India (Net of Excise)	52786.32	49471.43
Sales Outside India	116036.49	85781.31
Total	168822.81	135252.74

Key Performance Indicators (Consolidated):

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

₹ Lacs

	Particulars	F.Y.2012-13	F.Y.2011-12
1	Revenue from Operations (Net)	175131.07	141666.64
2	Cost of Materials Consumed (Including Trading Purchase)	68593.16	58000.76
	- % of revenue from operations	39.17%	40.94%
3	Employee Benefits Expense	8089.34	6488.52
	- % of revenue from operations	4.62%	4.58%
4	Other Expenses	70588.03	53605.56
	- % of revenue from operations	40.31%	37.84%
5	EBIDTA	33155.74	28657.13
	- % of revenue from operations	18.93%	20.23%
6	Finance Costs	549.85	439.18
	- % of revenue from operations	0.31%	0.31%
7	Depreciation and Amortization Expense	3448.40	2944.43
	- % of revenue from operations	1.97%	2.08%
8	Profit before Tax	29157.49	25273.52
	- % of revenue from operations	16.65%	17.84%
9	Profit for the period After tax & Minority Interest	21081.96	18045.86
	- % of revenue from operations	12.04%	12.74%



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:

₹ Lacs

Particulars	F.Y.2012-13	F.Y.2011-12
Sales in India (Net of Excise)	48928.23	45243.34
Sales Outside India	103394.25	75602.15
Total	152322.48	120845.49

• Key Performance Indicators (Standalone):

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

₹ Lacs

	Particulars	F.Y.2012-13	F.Y.2011-12
1	Revenue from Operations (Net)	158603.66	127256.00
2	Cost of Materials Consumed(Including Trading Purchase)	74523.35	62799.81
	- % of revenue from operations	46.99%	49.35%
3	Employee Benefits Expense	5187.22	4178.36
	- % of revenue from operations	3.27%	3.28%
4	Other Expenses	52373.63	38856.48
	- % of revenue from operations	33.02%	30.53%
5	EBIDTA	27979.07	24759.72
	- % of revenue from operations	17.64%	19.46%
6	Finance Costs	321.93	213.40
	- % of revenue from operations	0.20%	0.17%
7	Depreciation and Amortization Expense	3069.32	2547.20
	- % of revenue from operations	1.94%	2.00%
8	Profit before Tax	24587.82	21999.12
	- % of revenue from operations	15.50%	17.29%
9	Profit After Tax	16910.35	15090.75
	- % of revenue from operations	10.66%	11.86%

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

H) INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

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

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

CAUTIONARY STATEMENT:

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

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

INDEPENDENT AUDITORS' REPORT

To
The Members of
AIA Engineering Limited, Ahmedabad

Report on the Financial Statements:

We have audited the accompanying financial statements of AIA Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of statement of Profit and Loss, of the profit for the year ended on that date ; and
- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956:

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

(Anand Sharma)
Partner
 Membership No. 129033

Place : AHMEDABAD
 Date : 30th May, 2013



ANNEXURE TO INDEPENDENT AUDITORS' REPORT:

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

- (i) In respect of its fixed assets :
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, Majority of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its Fixed Assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its Inventories :
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) (a) During the year the company has not given any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence Clause (iii) (b), (c) and (d) of paragraph 4 of the Order are not applicable to the company.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence Clause (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) 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, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material 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 outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (b) The disputed Statutory dues aggregating to ₹ 1689.91 lacs that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amt. under dispute not yet deposited As on 31st March, 2013 ₹ Lacs	Periods to which the amount relates (F.Y.)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax including interest as applicable	27.45	2006-07	ITAT
		1.49	2006-07	CIT (Appeal)
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	53.79	2000-04	Gujarat High Court
		2.94		Supreme Court
		6.31		CESTAT
		130.70	2002-05	CESTAT
		82.82	2003-04	CESTAT
		1.42	2005-09	Commissioner (Appeal)
		5.72	2006-10	Asst. Commissioner
Finance Act, 1994 (Service Tax)	Service Tax including interest and penalty as applicable	41.66	1997-98 to 2007-08	Commissioner (Appeal) returned to Asstt. Commissioner
		1254.94	2006-07 to 2007-08	CESTAT
		2.08	2005-07	CESTAT
		19.29	2008-09	CESTAT
		4.87	2009-10	Asst. Commissioner
		6.22	2009-10 to 2011-12	Asst. Commissioner
Central Sales Tax Act, 1956 and Sales Tax Act, of various States	Sales Tax / Central Sales Tax	28.45	2003-04	Dy. Commissioner of Commercial Tax (Appeal)
		19.76	2004-05	
Total		1689.91		

- (x) The Company does not have any accumulated losses at the end of the Financial year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the banks.
- (xii) In our opinion and according to explanations given to us and based on the information available, no loans and advances have been granted by company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund / nidhi / mutual benefit fund/society. Therefore, the provisions of Clause(xiii) of paragraph 4 of the Order are not applicable to the company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of paragraph 4 of the Order are not applicable to the company.
- (xv) In our opinion the Company has provided Guarantees for Non-fund based limits taken by its subsidiaries from Banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prejudicial to the interest of the Company.
- (xvi) The Company has raised new Term Loans during the year which have been applied for the purposes for which they were raised.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s.301 of the Companies Act, 1956.
- (xix) During the year covered by our audit report, the Company has not issued any debentures. Accordingly, the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the company.
- (xx) The Company has not raised any monies by way of Public Issues during the year.
- (xxi) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud on or by the Company has been noticed or reported for the year under audit.

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

(Anand Sharma)
Partner
Membership No. 129033

Place : AHMEDABAD
Date : 30th May, 2013


BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	As at 31st March, 2013 ₹ Lacs	As at March, 2012 ₹ Lacs
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	2	1886.41	1886.41
(b) Reserves and Surplus	3	106485.45	93986.14
		108371.86	95872.55
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	10544.45	127.90
(b) Deferred Tax Liabilities (Net)	5	1966.46	1828.87
(c) Long Term Provisions	6	365.14	266.72
		12876.05	2223.49
(3) Current Liabilities			
(a) Short-Term Borrowings	7	4143.32	2543.50
(b) Trade Payables	8	8590.21	7267.24
(c) Other Current Liabilities	9	2147.91	1580.28
(d) Short-Term Provisions	10	6822.28	4675.56
		21703.72	16066.58
Total :		142951.63	114162.62
II. ASSETS:			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		33687.89	31337.59
(ii) Intangible Assets		240.00	214.62
(iii) Capital Work in Progress		3144.72	1808.49
(b) Non Current Investments	12	1546.00	1515.92
(c) Long term Loans and Advances	13	976.09	1182.44
(d) Other Non Current Assets	14	91.59	566.12
		39686.29	36625.18
(2) Current Assets			
(a) Current Investments	15	17657.88	11210.59
(b) Inventories	16	20964.29	16210.48
(c) Trade receivables	17	23352.31	29716.16
(d) Cash and Bank Balances	18	20858.01	7781.08
(e) Short-term Loans and Advances	19	20352.24	12283.38
(f) Other Current Assets	20	80.61	335.75
		103265.34	77537.44
Total :		142951.63	114162.62

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

As per our report of even date attached.

For **TALATI & TALATI**

Chartered Accountants

(Firm Regn. No. 110758W)

ANAND SHARMA

Partner

Membership No. 129033

Place : AHMEDABAD

Date : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)

Chairman

(BHADRESH K.SHAH)

Managing Director

(YASHWANT M.PATEL)

Whole-time Director

(S .N.JETHELIYA)

Company Secretary

Place : AHMEDABAD

Date : 30th May, 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	Year Ended 31st March, 2013 ₹ Lacs	Year Ended 31st March, 2012 ₹ Lacs
I. Revenue from Operations	21	164399.90	131849.95
Less: Central Excise duty		5796.24	4593.95
Revenue from Operations (Net)		158603.66	127256.00
II. Other Income	22	1933.06	1165.31
III. Total Revenue (I +II)		160536.72	128421.31
IV. Expenses:			
Cost of Materials Consumed	23	51395.24	42077.40
Purchases of Stock-in-Trade		23128.11	20722.40
Changes in Inventories of Finished goods, Work-in-process and Stock-in-Trade	24	473.45	(2173.05)
Employee Benefits Expense	25	5187.22	4178.36
Finance Costs	26	321.93	213.40
Depreciation and Amortization Expense	11	3069.32	2547.20
Other Expenses	27	52373.63	38856.48
Total Expenses (IV)		135948.90	106422.19
V. Profit before Tax (III - IV)		24587.82	21999.12
VI. Tax Expenses :			
(1) Current Tax	28	7539.88	6659.00
(2) Deferred Tax		137.59	249.37
VII. Profit for the period (V - VI)		16910.35	15090.75
VIII. Earning per Equity Share: (Face Value of ₹ 2 each)			
Basic and Diluted (₹)	29	17.93	16.00

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

As per our report of even date attached.

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

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)
Chairman

(BHADRESH K.SHAH)
Managing Director

(YASHWANT M.PATEL)
Whole-time Director

(S .N.JETHELIYA)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
CASH FLOW FROM OPERATING ACTIVITIES:		
A. NET PROFIT BEFORE TAX	24587.82	21999.12
Add / (Less) : Adjustments for		
Depreciation	3069.32	2547.20
Sundry balances written back	(79.07)	-
Unrealised Exchange Fluctuation (Gain) / Loss	(101.55)	(421.46)
Difference of Provision and payment of Expenses	493.18	(427.54)
Interest and Finance Charges	321.93	213.40
Interest Income	(247.84)	(173.43)
Profit on Sale of Assets	(4.65)	(17.23)
Dividend on Shares	(18.28)	(9.14)
Dividend on Mutual Fund	(1027.66)	(725.30)
Profit on Sale of Investments	(308.93)	-
Loss on Sale of Assets	11.83	17.58
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	26696.10	23003.20
(Increase) / Decrease in Current Assets		
Trade and Other Receivables	(769.00)	(10212.93)
Inventories	(4753.81)	(3025.28)
Trade Payables	1887.19	1092.98
CASH GENERATED FROM OPERATION	23060.48	10857.97
Direct Taxes Paid	(6600.00)	(5500.00)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	16460.48	5357.97
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	247.84	177.91
Dividend Received	1045.93	734.44
Purchase of Fixed Assets	(6808.58)	(10419.59)
Purchase of Investments	(12593.29)	(4194.35)
Investments in Subsidiary Company	(30.08)	-
Sale of Fixed Assets	96.38	99.91
Sale of Investments	6145.99	7997.08
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(11895.81)	(5604.60)
C. CASH FLOW USED IN FINANCING ACTIVITIES:		
Proceed for Secured Borrowings	12033.75	2543.50
Payment for Other Borrowings	(13.96)	(12.49)
Interest and Finance Charges paid	(321.93)	(47.87)
Dividend paid including Tax	(3287.16)	(3285.47)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	8410.70	(802.33)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	12975.37	(1048.96)
CASH AND CASH EQUIVALENTS AS AT 1st APRIL	7781.09	8408.59
CASH AND CASH EQUIVALENTS AS AT 31st MARCH	20756.46	7359.63
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	12975.37	(1048.96)
Cash and Cash Equivalents Comprise :		
Cash and Bank Balances	20858.01	7781.09
Adjustment : Unrealised Exchange Gain / Loss	(101.55)	(421.46)
	20756.46	7359.63

Note: Cash and Cash Equivalents include balances with Scheduled Banks in Unpaid Dividend Accounts ₹ 4.16 lacs (Previous Year ₹ 3.89 lacs) which are not available for the use by the Company.

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

As per our report of even date attached.

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

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)
Chairman

(BHADRESH K.SHAH)
Managing Director

(YASHWANT M.PATEL)
Whole-time Director

(S .N.JETHELIYA)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

1. Significant Accounting Policies:

1) Basis of Accounting:

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 1956, and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

2) 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.

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 are 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 the rates specified in Schedule XIV of the Companies Act, 1956 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
(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 perform the services that the payment covers.

Defined Benefit Plans

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

Other Employee Benefit

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

10) Central Excise Duty:

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

11) Foreign Currency Transactions:

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account.

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

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

The Company enters into derivative contracts strictly for hedging purposes and not for trading or speculation. Derivative transactions are being considered as off balance sheet date transactions and accordingly the gains/ losses arising there from are recognized under respective heads of accounts as and when the settlement takes place with the terms of the respective contracts.

12) Borrowing Cost:

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

13) Earning per Share:

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

14) Provisions, Contingent Liabilities and Contingent Assets:

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

15) Product Warranty Expenses:

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

16) Taxation on Income:

(a) Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

(b) Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realised 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 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, 2013 (Contd...)
2. Share Capital:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	AUTHORISED SHARE CAPITAL 230000000 Equity Shares of ₹ 2 each (Previous Year 230000000 Equity Shares of ₹ 2 each)	4600.00	4600.00
	Total	4600.00	4600.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 94320370 Equity Shares of ₹ 2 each fully paid up (Previous Year 94320370 Equity Shares of ₹ 2 each fully paid up)	1886.41	1886.41
	Total	1886.41	1886.41

2.1 The reconciliation of the number of shares outstanding as at 31st March, 2013 and 31st March, 2012 is set out below:

	As at 31st March, 2013		As at 31st March, 2012	
Equity Shares	No of shares	₹ Lacs	No of shares	₹ Lacs
Shares outstanding at the beginning of the year	94320370	1886.41	94320370	1886.41
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	94320370	1886.41	94320370	1886.41

2.2 Rights, preferences and restrictions attached to Equity shares:

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

During the year ended 31st March, 2013, the amount of Dividend proposed by the Board of Directors of the Company to the Equity Share holders is ₹ 4 per Share (Previous Year ₹ 3 per Share)

2.3 The details of shareholder holding more than 5% shares is set out below:

	As at 31st March, 2013		As at 31st March, 2012	
Name of the shareholder	No of Shares	% of holding	No of Shares	% of holding
Bhadresh K.Shah	39626875	42.01%	39626875	42.01%
Bhadresh K.Shah Karta of Bhadresh K. Shah H.U.F.	18502025	19.62%	18502025	19.62%
Nalanda India Equity Fund Ltd.	7918845	8.40%	7918845	8.40%
HDFC Trustee Company Ltd. - HDFC Prudent Fund	5822074	6.17%	4944218	5.24%

2.4 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

336430 Equity Shares (Previous Year 336430) of ₹ 2 each fully paid-up have been issued to the Shareholders of the Amalgamating Company i.e. Reclamation Welding Ltd.pursuant to the Scheme of Amalgamation with the Company during the Financial Year 2009-10.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
3. Reserves & Surplus:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Capital Redemption Reserve	1925.74	1925.74
2	Securities Premium Reserve	26579.52	26579.52
3	Other Reserves		
	General Reserve		
	Balance as per last Financial year	7660.88	6151.78
	Add : Transferred from Statement of Profit & Loss	1691.10	1509.10
		<u>9351.98</u>	<u>7660.88</u>
4	Surplus in Statement of Profit & Loss		
	Balance as per last Financial year	57820.00	47525.51
	Add : Profit for the year	16910.35	15090.75
	Less : Appropriations		
	Transferred to General Reserve	1691.10	1509.10
	Proposed Dividend on Equity Shares (Dividend per share ₹ 4 (Previous year ₹ 3)	3772.81	2829.61
	Tax on Dividend	638.23	457.55
		<u>68628.21</u>	<u>57820.00</u>
	Total	106485.45	93986.14

4. Long Term Borrowings:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Secured		
	From banks		
	- External Commercial Borrowings	10151.29	-
	- Foreign Currency Loan Buyer's Credit	282.64	-
2	Unsecured		
	Deferred Payment Liabilities *	110.52	127.90
	Total	10544.45	127.90

4.1 Terms of repayment for External Commercial Borrowings:

External Commercial Borrowings (ECB) of US \$ 18700000 is secured by hypothecation of Identified Plant and Machineries procured / to be 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 instalments of US\$ 1246667 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 first Instalment will due on 3rd April, 2014 and the loan will be fully re-paid on 3rd October, 2017.

<u>Repayment of External Commercial Borrowings (ECB)</u>	<u>₹ Lacs</u>
2014-15	2707.01
2015-16	2707.01
2016-17	2707.01
2017-18	2030.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
4.2 Terms of repayment for Buyers Credit:

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

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

Repayment of Deferred Sales tax under Package Scheme of Incentives 1993		₹ Lacs
2014-15		18.01
2015-16		22.32
2016-17		18.95
2017-18		17.48
2018-19		13.72
2019-20		20.04

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

5. Deferred Tax Liability (Net):

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	DEFERRED TAX LIABILITIES:		
	Arising on account of timing difference		
	- Fixed Assets : Impact of difference between Tax Depreciation and Depreciation/amortisation charged for the financial reporting	2099.75	1924.85
	- Others	0.71	0.71
	TOTAL DEFERRED TAX LIABILITIES (A)	2100.46	1925.56
2	Less :		
	DEFERRED TAX ASSETS :		
	Arising on account of timing difference		
	- Leave Encashment	134.00	96.69
	TOTAL DEFERRED TAX ASSETS (B)	134.00	96.69
	Total (A - B)	1966.46	1828.87

6. Long Term Provisions:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	Provision for Employee Benefits (Refer Note No: 25.1)		
	Provision for Leave Encashment	365.14	266.72
	Total	365.14	266.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
7. Short Term Borrowings:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Loans repayable on demand Secured From banks - Foreign Currency Loan Buyer's Credit / Packing Credit	3706.09	2543.50
2	Unsecured From banks - Foreign Currency Loan Buyer's Credit	437.23	-
	Total	4143.32	2543.50

7.1 Terms of repayment for Buyers Credit:

The Company has availed Buyer's Credit / Packing Credit of US\$ 1827108.33 and US\$ 5000000 respectively which are secured by Hypothecation of entire chargeable Current Assets of the Company including Stocks of Raw Materials, Stores and Spares, Work In-Process and Receivables on pari-passu basis. The Interest rates are determined as a spread over 90 /180 days LIBOR and the spread is a function of liquidity available with the Bank. The Buyer's Credit finance arranged in this financial year has been at a spread of 150 bps over LIBOR.

8. Trade Payables:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Due to Micro, Small and Medium Enterprises *	-	-
2	Other than Micro, Small and Medium Enterprises # Trade payables to the Subsidiaries are as under.	8590.21	7267.24
	# Includes dues to : Subsidiaries Maximum due during the year 1530.65 Previous Year 564.12	654.42	494.41
	Total	8590.21	7267.24

* The Company has not received information from the Suppliers regarding their status under The Micro, Small & 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:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Current Maturity of Deferred payment liabilities	17.38	13.96
2	Interest Accrued but not due on borrowings	3.89	-
3	Unpaid Dividend *	4.16	3.88
4	Other Payables #	2122.48	1562.44
	Total	2147.91	1580.28

* There is no amount due to be transferred to Investor Education and Protection fund.

Includes Statutory dues and advances from customers.

10. Short Term Provisions:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Provision for employee benefits ; (Refer Note No:25.1) - Provision for Bonus - Provision for Gratuity - Provision for Leave Encashment	359.25 164.28 47.88	311.49 94.24 31.31
2	Others: - Provision for Income Tax (Net of Advance Tax) - Proposed Dividend - Provision for Corporate Tax on Dividend - Provision for Expenses - Provision for Product Warranties Claims	1180.51 3772.81 638.23 494.32 165.00	388.33 2829.61 457.55 488.03 75.00
	Total	6822.28	4675.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
11. Fixed Assets:

TANGIBLE ASSETS:									₹ Lacs
	Free hold Land	Lease hold Land	Buildings	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipments	Others	TOTAL
Cost of Assets									
As at 1st April, 2011	1866.00	6.67	10370.71	17882.20	714.47	468.19	117.60	2140.07	33565.91
Addition	737.36	1326.77	3202.82	3929.42	133.68	32.93	7.91	420.39	9791.28
Disposal / Adjustments	-	-	28.71	30.24	-	128.26	1.20	1.51	189.92
As at 31st March, 2012	2603.36	1333.44	13544.82	21781.38	848.15	372.86	124.31	2558.95	43167.27
Addition	25.35	-	2861.20	1890.17	444.36	16.12	37.86	175.76	5450.82
Disposal / Adjustments	-	-	-	53.24	2.71	30.86	-	111.32	198.13
As at 31st March, 2013	2628.71	1333.44	16406.02	23618.31	1289.80	358.12	162.17	2623.39	48419.96
Depreciation									
As at 1st April, 2011	-	-	1239.44	6915.84	239.41	145.90	57.00	809.09	9406.68
Charge for the year	-	-	382.21	1793.16	49.34	42.76	5.83	239.36	2512.66
Disposal / Adjustments	-	-	0.78	22.40	-	64.15	1.01	1.32	89.66
As at 31st March, 2012	-	-	1620.87	8686.60	288.75	124.51	61.82	1047.13	11829.68
Charge for the year	-	-	507.79	2135.07	64.45	33.26	7.24	250.17	2997.98
Disposal / Adjustments	-	-	-	47.81	1.45	15.73	-	30.60	95.59
As at 31st March, 2013	-	-	2128.66	10773.86	351.75	142.04	69.06	1266.70	14732.07
Net Block									
As at 31st March, 2012	2603.36	1333.44	11923.95	13094.78	559.40	248.35	62.49	1511.82	31337.59
As at 31st March, 2013	2628.71	1333.44	14277.36	12844.45	938.05	216.08	93.11	1356.69	33687.89
CAPITAL WORK IN PROGRESS :									
As at 31st March, 2012									1808.49
As at 31st March, 2013									3144.72

INTANGIBLE ASSETS:

	Software	Patents and Copyrights	TOTAL ₹ Lacs
Cost of Assets			
As at 1st April, 2011	97.75	4.59	102.34
Addition	159.90	7.50	167.40
Disposal / Adjustments	-	-	-
As at 31st March, 2012	257.65	12.09	269.74
Addition	10.65	10.88	21.53
Disposal / Adjustments	(101.75)	-	(101.75)
As at 31st March, 2013	370.05	22.97	393.02
Depreciation			
As at 1st April, 2011	19.61	0.97	20.58
Charge for the year	34.11	0.43	34.54
Disposal / Adjustments	-	-	-
As at 31st March, 2012	53.72	1.40	55.12
Charge for the year	70.37	0.97	71.34
Disposal / Adjustments	(26.56)	-	(26.56)
As at 31st March, 2013	150.65	2.37	153.02
Net Block			
As at 31st March, 2012	203.93	10.69	214.62
As at 31st March, 2013	219.40	20.60	240.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
12. Non Current Investments:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
A	Trade Investments (Valued at Cost)		
1	Investment in Equity Instrument		
	INVESTMENT IN SUBSIDIARY COMPANIES :		
	(a) Fully paid Equity Shares (Quoted)		
	456881 Equity Shares of Welcast Steels Ltd. of ₹ 10 each fully paid up. (Previous year 456881 Equity Shares)	1296.27	1296.27
	(b) Fully paid Equity Shares (Unquoted)		
	1000000 Equity Shares of DCPL Foundries Ltd. of ₹ 10 each fully paid up. (Previous year 700000 Equity Shares)	100.25	70.17
	32500 Equity Shares of Vega Industries (Middle East) FZE, U.A.E. of US\$ 10 each fully paid up (Previous year 32500 Equity Shares)	149.39	149.39
2	INVESTMENT IN OTHER COMPANY : (Unquoted)		
	25 Equity Shares of Koramangla Properties Pvt.Ltd.of ₹ 100 each fully paid up (Previous year 25 Equity Shares)	0.03	0.03
B	INVESTMENT IN GOVERNMENT SECURITIES :		
	National Savings Certificates	0.06	0.06
	AGGREGATE QUOTED UNQUOTED		
	Cost 1296.27 249.72		
	Previous Year 1296.27 219.65		
	Market Value 1209.82 -		
	Previous Year 1126.67 -		
	Total	1546.00	1515.92

13. Long Term Loans and Advances:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Unsecured, Considered Good unless otherwise stated :		
	Capital Advances	837.45	1057.76
2	Other Loans & Advances		
	Loans and Advances to Staff	138.64	124.68
	Total	976.09	1182.44

14. Other Non Current Assets:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Long Term Trade Receivables		
	Unsecured, Considered Good :	91.48	554.96
2	Others *	0.11	11.16
	Total	91.59	566.12

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
15. Current Investments:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	Investment in Mutual Fund (Unquoted) (Valued at Cost unless otherwise stated)		
1	HDFC Cash Management Fund 30446612.769 Units NAV of ₹ 10.6364 each (Previous year NIL Units NAV of ₹ NIL each)	3238.43	-
2	HDFC Annual Internal Fund 50000000 Units NAV of ₹ 10.0437 each (Previous year NIL Units NAV of ₹ NIL each)	5000.00	-
3	HDFC FMP 92 days Dividend Series XIX NIL Units NAV of ₹ NIL each (Previous year 10047943 Units NAV of ₹ 10.0842 each)	-	1004.79
4	ICICI Prudential Interval Fund Quarterly -II Institutional Plan 15919820 Units NAV of ₹ 10 each (Previous year 25263494 Units NAV of ₹ 10.0310 each)	1591.98	2526.35
5	ICICI Prudential Flexible Income Plan NIL Units NAV of ₹ NIL each (Previous year 1424.528 Units NAV of ₹ 105.735 each)	-	1.51
6	State Bank of India Debt Fund Series 366 Days 18900000 Units NAV of ₹ 10 each (Previous year 30000000 Units NAV of ₹ 11.0097 each)	1890.00	3000.00
7	State Bank of India Magnum Insta Cash Fund 431212.990 Units NAV of ₹ 1009.91 each (Previous year NIL Units NAV of ₹ NIL each)	4354.86	-
8	State Bank of India SHF Ultra Short Term Fund NIL Units NAV of ₹ NIL each (Previous year 165854.514 Units NAV of ₹ 1000.60 each)	-	1659.54
9	State Bank of India Debt Fund Series 90 Days NIL Units NAV of ₹ NIL each (Previous year 10000000 Units NAV of ₹ 10.0616 each)	-	1000.00
10	Birla Sunlife Internal Income Fund Institutional Plan 15826102 Units NAV of ₹ 10.0338 each (Previous year 20176293.707 Units NAV of ₹ 10.1079 each)	1582.61	2018.40
	AGGREGATE QUOTED UNQUOTED		
	Cost NIL 17657.88		
	Previous Year NIL 11210.59		
	Market Value NIL 17685.08		
	Previous Year NIL 11556.95		
	Total	17657.88	11210.59

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
16. Inventories:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	(As taken, valued & certified by the Management) (At lower of cost or Net Realisable Value)		
1	Raw Material	7284.23	3513.29
2	Raw Materials in Transit	912.77	194.87
3	Work in Process	7699.38	8172.83
4	Stores & Spares	4643.93	3885.08
5	Stores and Spares in Transit	423.98	444.41
	Total	20964.29	16210.48

17. Trade Receivables:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	Unsecured, considered Good : *		
	Outstanding for more than six months	1279.25	1548.12
	Others	22073.06	28168.04
(*)	Includes Receivables from : Maximum due during the year		
	Welcast Steels Ltd. 345.17	-	41.25
	Previous Year 384.79		
	DCPL Foundries Ltd. 32.05	31.98	22.31
	Previous Year 78.58		
	Vega Industries (Middle East) FZE U.A.E. 23651.65	10946.91	16721.11
	Previous Year 18847.50		
	Vega Industries Ltd. U.K. 19.23	19.23	2.54
	Previous Year 4.45		
	Total	23352.31	29716.16

18. Cash & Bank balances:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Cash & Cash Equivalent		
	(a) Balances with Schedule Banks	11849.21	7562.13
	(b) Cash on Hand	4.33	3.42
	(c) Others		
	- In Fixed Deposits	8764.51	11.77
	Sub Total (A)	20618.05	7577.32
2	Other Bank Balances		
	(a) Fixed Deposits with Banks		
	- Less than 12 months	235.80	199.88
	- More than 12 months	0.11	10.69
	(b) Earmarked balances with banks (Unpaid Dividend)	4.16	3.88
		240.07	214.45
	Less : Bank Fixed Deposits for more than 12 months transferred to Non Current Assets	(0.11)	(10.69)
	Sub Total (B)	239.96	203.76
	Total (A+B)	20858.01	7781.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
19. Short Terms Loans and Advances:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Unsecured, considered Good : Loans & Advances to related parties : (Refer Note No.30) *	2410.71	1917.31
	(*) Includes Receivables from : Maximum due during the year		
	Welcast Steels Ltd. 2326.11	380.63	1076.11
	DCPL Foundries Ltd. Previous Year 2688.75	2030.08	841.20
	Previous Year 1135.42		
2	Others : Advance Recoverable in cash or in kind or for value to be received. Sundry Deposits and Advances Security Deposit * Balance with Statutory / Government authorities Loans and Advances to Staff	1098.74 630.50 3924.02 12160.70 127.57	923.12 584.98 - 8742.83 115.14
	Total	20352.24	12283.38

* Security Deposit of US \$ 7228544.64 placed in the District Court of Nashville, Tennessee U.S.A. to stay the execution of judgement awarded in Patent Matter.

20. Other Current Assets:

Sr. No	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Interest Accrued on Investments	80.61	11.75
2	Advance Premium on Forward Contracts	-	324.00
	Total	80.61	335.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
21. Revenue from Operations:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Revenue from Operations		
	Sale of Products - High Chrome Mill Internals (Castings)		
	Domestic Sales	48928.23	45243.34
	Export Sales (*)	103394.25	75602.16
	(*) Earning in Foreign Exchange		
		152322.48	120845.50
2	Other Operating Revenue		
	Exports Incentives	6281.18	6410.50
	Total	158603.66	127256.00

22. Other Income:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Interest #	247.84	173.43
2	Dividend from Mutual Funds (Current Investment)	1027.65	725.30
3	Dividend from subsidiary (Trade Investment)	18.28	9.14
4	Profit on Sale of Mutual Fund Units (Current Investment)	308.93	-
5	Other Non Operating Income		
	- Gain on Exchange Rate Fluctuation	-	106.88
	- Profit on Sale of Fixed Assets	4.65	17.23
	- Insurance Claim received	36.45	11.27
	- Miscellaneous Receipts	105.52	89.86
	- Service tax draw back Income	88.87	-
	- Sales Tax refund	15.80	-
	- Sundry balances written back	79.07	32.20
	Total	1933.06	1165.31

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

23. Cost of Materials Consumed:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
	Opening Stock	3708.16	4978.46
	Add : Purchases	55884.08	40807.10
	= Sub Total	59592.24	45785.56
	Less: Closing Stock	8197.00	3708.16
	Total	51395.24	42077.40

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

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Opening Stock : Work in Process	8172.83	5999.78
	Less :		
2	Closing Stock : Work in Process	7699.38	8172.83
	Total	473.45	(2173.05)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
25. Employee Benefits Expense:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Salaries, Wages and Bonus	4670.49	3772.27
2	Contribution to Provident Fund / ESIC / Gratuity	472.66	354.93
3	Staff Welfare Expenses	44.07	51.16
	Total	5187.22	4178.36

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, recognised as expense for the year is as under:

	2012-13 ₹ Lacs	2011-12 ₹ Lacs
Employer's Contribution to Provident Fund	234.76	196.12

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:

	2012-13 ₹ Lacs	2011-12 ₹ Lacs	2012-13 ₹ Lacs	2011-12 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Defined Benefit obligation at beginning of the year	831.49	734.85	298.03	251.78
Current Service Cost	78.01	64.43	49.27	38.49
Interest Cost	68.60	60.63	23.31	20.77
Actuarial (Gain)/Loss	88.10	33.38	90.02	31.42
Benefits paid	(48.79)	(61.80)	(47.61)	(44.43)
Defined Benefit obligation at year end	1017.41	831.49	413.02	298.03

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

	2012-13 ₹ Lacs	2011-12 ₹ Lacs	2012-13 ₹ Lacs	2011-12 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Fair value of plan assets at beginning of the year	737.25	627.64	Not applicable as leave Liability is not funded	
Expected return on plan assets	64.60	55.28		
Actuarial Gain/(Loss)	5.83	8.92		
Employer contribution	94.24	107.21		
Benefits paid	(48.79)	(61.80)		
Fair Value of plan assets at year end	853.13	737.25		
Actual return on plan assets	70.43	64.20		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
Reconciliation of fair value of assets and obligations:

	2012-13 ₹ Lacs	2011-12 ₹ Lacs	2012-13 ₹ Lacs	2011-12 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Fair value of plan assets	853.13	737.25	-	-
Present value of obligation	1017.41	831.49	413.02	298.03
Amount recognized in Balance Sheet	164.28	94.24	413.02	298.03

Expense recognised during the year:

	2012-13 ₹ Lacs	2011-12 ₹ Lacs	2012-13 ₹ Lacs	2011-12 ₹ Lacs
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Current Service Cost	78.01	64.43	49.27	38.49
Interest Cost	68.60	60.63	23.31	20.77
Expected return on plan assets	(64.60)	(55.28)	-	-
Actuarial (Gain)/Loss	82.27	24.46	90.02	31.42
Net cost	164.28	94.24	162.60	90.68

Investment Details:

	2012-13	2011-12	2012-13	2011-12
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Government of India Securities	11%	15%	Not applicable as leave Liability is not funded	
Public Securities	22%	33%		
Special Deposit Schemes	NIL	NIL		
Employer contribution	4%	8%		
Private Sector Securities	NIL	NIL		
Insurance Policies	61%	44%		
Others	2%	NIL		

Actuarial assumptions:

	2012-13	2011-12	2012-13	2011-12
	Gratuity (Funded)		Leave Encashment (Unfunded)	
Mortality Table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Discount rate Expected rate of return	8.10%	8.50%	8.10%	8.50%
Expected rate of return	8.50%	8.50%	-	-
Rate of escalation in salary	7.00%	7.00%	7.00%	7.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)

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

₹ Lacs

	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Gratuity (Funded)					
Defined Benefit obligation	1017.41	831.49	734.85	599.31	509.98
Plan assets	853.13	737.25	627.64	594.89	495.90
Surplus/(Deficit)	164.28	94.24	107.21	4.42	14.08
Experience adjustments on plan liability	55.69	65.68	47.71	20.59	-
Experience adjustments on plan assets	(5.83)	(8.92)	(6.35)	15.04	-
Leave Encashment (Unfunded)					
Defined Benefit obligation	413.02	298.03	251.78	235.71	177.88
Experience adjustments on plan liability	74.57	42.14	33.55	42.44	-

Company's estimate of Contributions expected to be paid during Financial Year 2013-14 is as under:

(i) Defined Contribution Plan :

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

(ii) Defined Investment Plan :

(a) Gratuity : ₹ 164.28 Lacs

(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:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Interest Expense		
	- For Short Term Borrowings	71.38	46.14
	- For Others	6.44	0.18
2	Other Borrowing Costs	0.23	1.55
3	Applicable net loss on foreign currency transactions and translation	243.88	165.53
	Total	321.93	213.40


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
27. Other Expenses:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Manufacturing Expenses		
	Consumption of Stores		
	Opening Stock	4329.49	2206.96
	Add : Purchases	19333.17	16904.72
	= Sub Total	23662.66	19111.68
	Less : Closing Stock	5067.91	4329.49
		18594.75	14782.19
	Power and Fuel	13994.22	11536.90
	Labour Charges	4198.75	3442.29
	Freight Inward, Octroi, Coolies and Cartages	1261.32	945.11
	Repairs and Maintenance		
	- To Buildings	124.35	93.00
	- To Plant and Machineries	451.62	349.45
	- To Other Assets	160.43	113.81
2	Selling and Distribution Expenses		
	Freight Outward, Coolies and Cartages	7012.33	4543.65
	Commission Expenses	139.68	309.90
	Traveling Expenses		
	- For Directors	17.38	86.76
	- For Staff and Guests	308.65	271.95
	Sales Promotion / Gift Expenses	26.81	30.38
	Advertisement Expenses	13.96	7.71
	Product Warranty Expenses	419.12	113.55
	Late Delivery Charges	100.09	17.15
	Bad Debts	69.96	43.71
	Central Excise Duty and CVD	28.17	22.76
	Sales Tax	2.28	0.51
3	Administrative Expenses		
	Insurance Premium	177.98	151.65
	Rent	80.77	70.15
	Rates and Taxes	26.24	18.51
	Service Charges	3.20	3.07
	Directors' Sitting Fees	2.95	3.60
	Payments to Auditors		
	- As Auditor		
	Statutory Audit Fees	11.00	9.00
	Tax Audit Fees	1.00	1.00
	- For Other Services	5.35	3.30
	Legal and Professional Consultancy Fees	1588.92	845.68
	Bank Commission Charges	158.21	189.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
27. Other Expenses: (Contd...)

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
3	Administrative Expenses (Contd...)		
	Printing and Stationery Expenses	25.14	45.87
	Postage, Telephones, Courier, Internet & E-mail	98.02	96.02
	Computer Expenses	0.88	1.17
	Vehicle Repairs and Maintenance	81.74	70.00
	Conveyance Expenses	130.50	111.40
	Security Expenses	275.03	202.13
	Subscription and Membership Fees	11.92	7.81
	Entertainment Expenses	12.18	11.24
	Donation Expenses	2.69	97.83
	Seminar Expenses	7.93	0.32
	License Fees	3.99	4.28
	Inspection Charges	17.36	18.77
	Water Charges	34.75	24.72
	Office Expenses	18.69	16.81
	Electricity Expenses	6.16	10.68
	Tender Fees	1.69	1.85
	Service Tax	32.20	11.66
	Garden Expenses	16.83	10.73
	Festival Celebration Expenses	18.72	10.96
	Factory GVMM / GIDC Administrative Charges	14.47	16.57
	Plantation (under CSR) Expenses	14.28	8.87
	Recruitment and Training Expenses	3.06	7.34
	Loss on Exchange Rate Fluctuation	2443.42	-
	Loss on Sale of Fixed Assets	11.83	17.57
	General / Miscellaneous Expenses	110.66	45.16
	Total	52373.63	38856.48

27.1 C. I. F. Value of Imports:

		2012-13		2011-12	
		M.T.	₹ Lacs	M.T.	₹ Lacs
1	Raw Materials - Scrap	20467.522	6573.68	12414.645	3780.38
2	Raw Materials - Ferro Alloys	7162.808	5339.53	4037.268	3831.47
3	Stores	-	4142.87	-	2920.90
4	Capital Goods	-	2619.38	-	2199.72

27.2 Expenditure in Foreign Currency:

		2012-13 ₹ Lacs	2011-12 ₹ Lacs
1	Travelling Expenses	121.30	72.78
2	Legal and Professional Consultancy Fees	374.49	227.72
3	Bank Charges	15.03	8.95
4	Subscription and Membership Fees	4.17	2.93
5	Others	11.35	8.68
	Total	526.34	321.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
27.3 Value of Imported and Indigenous Raw Materials, Stores & Spares consumed and percentage thereof:

		2012-13		2011-12	
		M.T.	₹ Lacs	M.T.	₹ Lacs
a) Raw Materials					
1	Imported - Scrap	16732.814	5396.92	11290.575	3386.01
	Percentage		10.50%		8.05%
2	Imported - Ferro Alloys	5993.027	4434.33	4626.211	3925.48
	Percentage		8.63%		9.33%
3	Indigenous - Scrap	82484.610	23922.87	73574.823	19858.24
	Percentage		46.55%		47.19%
4	Indigenous - Ferro Alloys	21633.600	17641.12	20098.715	14907.67
	Percentage		34.32%		35.43%
	Total	126844.051	51395.24	109590.324	42077.40
b) Stores & Spares					
1	Imported	-	3652.23	-	1195.30
	Percentage	-	19.64%	-	13.28%
2	Indigenous	-	14942.52	-	13586.89
	Percentage	-	80.36%	-	86.72%
	Total	-	18594.75	-	14782.19

28. Current Tax:

Sr. No	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Current Tax	7550.00	6659.00
2	Excess Provision for earlier years	(10.12)	-
	Total	7539.88	6659.00

29. Earning Per Share:

Sr. No	Particulars		Year ended 31st March, 2013	Year ended 31st March, 2012
1	Profit attributable to the Equity Shareholders (₹ Lacs)	A	16910.35	15090.75
2	Weighted average number of Equity Shares outstanding during the period	B	94320370	94320370
3	Nominal value of Equity Shares (₹)		2	2
4	Basic/Diluted Earnings per Share (₹)	A / B	17.93	16.00

30. Related party disclosures under Accounting Standard 18:
(i) Subsidiaries:

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

(ii) Relatives of Key Management Personnel:

- 1 Mrs. Giraben K. Shah
- 2 Mrs. Gitaben B. Shah
- 3 AB Tradelink Ltd.
- 4 Powertec Engineering Pvt. Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
(iii) Key Management Personnel:

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

Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2013:

Sr. No	Nature of Transactions	Subsidiaries ₹ Lacs	Relatives of Key Management Personnel ₹ Lacs	Management Personnel ₹ Lacs
1	Revenue from Operations	103665.47	NIL	NIL
2	Miscellaneous receipt of Income	56.10	NIL	NIL
3	Purchase of Goods	25709.39	NIL	NIL
4	Purchase of Capital Goods	30.34	NIL	NIL
5	Purchase of Stores	3391.99	NIL	NIL
6	Interest received on Inter Corporate Deposit	30.35	NIL	NIL
7	Recovery of Travelling Expenses	185.96	NIL	NIL
8	Recovery of Bank Charges	0.02	NIL	NIL
9	Commission Expense on Purchases	NIL	42.92	NIL
10	Legal and Professional Consultancy Fees	0.03	30.75	NIL
11	Salary and Bonus Expenses	NIL	1.94	NIL
12	Rent, Rates & Taxes Expenses	NIL	1.61	NIL
13	Repairs & Maintenance of Equipments	NIL	11.84	NIL
14	Travelling Expenses	NIL	3.29	NIL
15	Miscellaneous Labour Expenses	1.01	NIL	NIL
16	Professional Tax	0.10	NIL	NIL
17	Dividend received	18.28	NIL	NIL
18	Directors' Remuneration and perquisites	NIL	NIL	85.58
	GRAND TOTAL	133089.04	92.35	85.58
	Balance Outstanding at the year end (Receivable)	13408.82	NIL	NIL
	Balance Outstanding at the year end (Payable)	654.42	5.71	NIL

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

Sr.No.	Description	Related Parties	₹ Lacs
1	Revenue from Operations	Vega Industries (Middle East) FZE	103155.70
		Welcast Steels Limited	500.03
2	Miscellaneous receipt of Income	Vega Industries (Middle East) FZE	36.97
		Vega Industries Limited, U.K.	19.13
3	Purchase of Goods	Welcast Steels Limited	20397.16
		DCPL Foundries Ltd.	5312.23
4	Purchase of Capital Goods	DCPL Foundries Ltd.	30.34
5	Purchase of Stores	Vega Industries (Middle East) FZE	2056.03
		Vega Industries Ltd. U.S.A.	1333.42
6	Interest received on Inter Corporate Deposits	DCPL Foundries Ltd.	30.35
7	Recovery of Travelling Expenses	Vega Industries (Middle East) FZE	185.96
8	Recovery of Bank Charges	Welcast Steels Limited	0.02
9	Commission Expense on Purchases	AB Tradelink Ltd.	42.92
10	Legal and Professional Consultancy Fees	Powertec Engineering Pvt. Ltd.	30.75
11	Salary and Bonus Expenses	Mrs. Gitaben B. Shah	1.94
12	Rent, Rates & Taxes Expenses	Mrs. Giraben K. Shah	1.61
13	Repairs & Maintenance of Equipments	Powertec Engineering Pvt. Ltd.	11.84
14	Travelling Expenses	AB Tradelink Ltd.	3.29
15	Miscellaneous Labour Expenses	Welcast Steels Limited	1.01
16	Professional Tax	Welcast Steels Limited	0.10
17	Dividend received	Welcast Steels Ltd.	18.28
18	Directors' Remuneration and perquisites	Mr. Bhadresh K. Shah	78.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)

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:

Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
Revenue by Geographical Segment		
India	57145.15	52819.15
Outside India	103394.25	75602.15
Addition to Fixed Assets and Intangible Assets		
India	8617.07	11767.17
Outside India	-	-
Carrying amount of Fixed Assets (Net)		
India	37072.61	33360.70
Outside India	-	-

Notes:

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

Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
Revenue from operations	158606.33	127256.00
Other income	1933.06	1165.31

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

Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1. Contingent Liabilities :		
a. Claims against the Company not acknowledged as debts		
i) Central Excise & Service Tax	1642.65	1743.60
ii) Income Tax	NIL	2506.15
iii) Sales Tax / Central Sales Tax	48.21	68.50
iv) Award of Damages in Patent matter by District Court of Nashville, Tennessee, U.S.A., which is disputed by the Company (US\$ 7228544.64)	3924.02	-
b. Guarantees		
i) Bank Guarantees Outstanding	6676.93	6309.29
ii) Corporate Guarantees Outstanding to Customers	991.61	1141.45
iii) Guarantees given by the Company on behalf of Subsidiaries	2612.15	1526.10
iv) Corporate Guarantees given by the Company on behalf of Subsidiaries	1837.49	-
v) Letter of Credit (L/C)	2182.39	963.60
2. Commitments :		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.	2633.51	1191.38
Total	22548.96	15450.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
33. Derivative Instruments:
a) Derivatives outstanding as the balance sheet date:

Currency	Exposure to Buy / Sell	No. of contracts	As at the year ended	
			₹ Lacs	Foreign currency
Us Dollar (Previous year)	Sell Sell	NIL (5)	NIL (19459.69)	NIL (38250000)

The notional marked to market loss on these unexpired contracts as on 31-3-2013 amounting to NIL (Previous Year ₹ 829.87 Lacs) has not been considered in the Financial Statements.

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

Particulars	As at 31st March, 2013	As at 31st March, 2012
Payables against import of goods and services		
₹ Lacs	903.95	666.51
US Dollar	1602718.00	1044559.21
Euro	12833.00	199086.00
GBP	30307.00	NIL
Advance payment to suppliers and for Expenses		
₹ Lacs	1016.54	882.32
US Dollar	1406153.00	313189.00
Euro	364093.00	1044549.00
GBP	NIL	11455.00
Switzerland Francs	300.00	8207.00

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

Signature to Notes 1 to 34

As per our report of even date attached.

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

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)
Chairman

(BHADRESH K.SHAH)
Managing Director

(YASHWANT M.PATEL)
Whole-time Director

(S .N.JETHELIYA)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

1.	Name of the Subsidiary Company	Welcast Steels Limited, Bangalore	Vega Industries (Middle East) F.Z.E., UAE	Vega Industries Ltd., U.K.	Vega Industries Ltd., U.S.A.	Vega Steel Industries (RSA) PTY Ltd., South Africa	DCPL Foundries Limited, Trichy	Wuxi Weigefia Trade Co. Ltd., China
2.	The Financial Year of the Subsidiary Company ended on	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
3.(a)	No. of Equity Shares held by AIA Engineering Ltd. in the Subsidiary as at the end of the Financial Year of the Subsidiary.	456881 Equity Shares of ₹ 10/- each fully paid-up	32500 Shares of US\$ 10/- each fully paid-up	10000 Ordinary Shares of Pound 1 each fully paid-up	50000 Shares of US \$ 1 each fully paid-up	100 Shares of Rand 1 each paid-up	10,00,000 Equity Shares of ₹ 10 each fully paid-up	—
(b)	Capital and Reserves of Subsidiary at the end of the Financial Year of Subsidiary							
	i) Capital	₹ 63.84 Lacs	US \$ 3,25,000	£ 10,000	US \$ 50,000	R100	₹ 100.00 Lacs	CNY19,15,998
	ii) Reserves and Surplus	₹ 2781.97 Lacs	US \$ 5,55,49,012	£ 28,64,745	US \$ 9,98,037	R (39,23,176)	₹ (767.56) Lacs	CNY(3,79,101)
(c)	Extent of interest of AIA Engineering Ltd. in the Equity Capital of the Subsidiary at the end of the Financial Year of the Subsidiary.	71.59%	100%	100% * By Vega Industries (Middle East) F.Z.E.	100% * By Vega Industries Ltd. U.K.	100% * By Vega Industries (Middle East) F.Z.E.	100%	100% * By Vega Industries (Middle East) F.Z.E.
4.	The net aggregate amount of Profits of the Subsidiary so far as they concern the members of the AIA Engineering Ltd.							
(a)	Not dealt with in the accounts of AIA Engineering Ltd.							
*	For the Subsidiary's Financial Year ended on 31st March, 2013.	₹ 282.91 Lacs	US \$ 84,85,690	£ 5,07,287	US \$ 1,54,255	R (77,64,349)	₹ (165.96) Lacs	CNY (53918)
*	For the previous Financial Years of the Subsidiary since it became the Subsidiary of AIA Engineering Ltd.	₹ 1,747.99 Lacs	US \$ 4,70,63,322	£ 22,74,260	US \$ 7,43,108	R 38,41,173	₹ (601.60) Lacs	CNY (325183)
(b)	Dealt with in the accounts of AIA Engineering Ltd. For the Subsidiary's Financial Year ended on 31st March, 2013.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
*	For previous Financial Years of the Subsidiary since it became the Subsidiary of AIA Engineering Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Place : Ahmedabad
Date : 30th May, 2013

(RAJENDRA S. SHAH)
Chairman

(BHADRESH K. SHAH)
Managing Director

(YASHWANT M. PATEL)
Whole-time Director

(S. N. JETHELIYA)
Company Secretary

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
AIA Engineering Limited.

Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of AIA Engineering Limited ("the Company") and its subsidiaries (collectively referred as "Group"), which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter:

We did not audit the financial statements / consolidated financial statements of subsidiaries viz Welcast Steel Limited, DCPL Foundries Limited, Vega Industries (Middle East) F.Z.E, Vega Industries Limited, U.K ,Vega Industries limited, U.S.A, Vega Steel Industries (R.S.A) (Proprietary) Limited, Wuxi Weigejia Trade Co. Limited, China whose financial statements reflect total assets (net) of ₹ 56429.75 lacs as at 31st March, 2013, total revenues (net) of ₹ 148574.30 lacs and net cash out flows amounting to ₹ 127.54 lacs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matter.

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

(Anand Sharma)
Partner

Membership No. 129033

Place : AHMEDABAD
Date : 30th May, 2013



AIA ENGINEERING LIMITED - CONSOLIDATED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	2	1886.41	1886.41
(b) Reserves and Surplus	3	139893.79	121664.87
		141780.20	123551.28
(2) Minority Interest		808.41	437.96
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	10632.66	712.45
(b) Deferred Tax Liabilities (Net)	5	1320.79	1576.98
(c) Long Term Provisions	6	590.11	430.14
		12543.56	2719.57
(4) Current Liabilities			
(a) Short-Term Borrowings	7	5243.33	3859.95
(b) Trade Payables	8	11263.58	9864.27
(c) Other Current Liabilities	9	5323.05	3558.44
(d) Short-Term Provisions	10	7503.59	5032.56
		29333.55	22315.22
Total		184465.72	149024.03
II. ASSETS:			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		36049.67	33978.65
(ii) Intangible Assets		1666.92	1628.16
(iii) Capital Work in Progress		3157.44	1808.49
(b) Non-Current Investments	12	739.63	0.10
(c) Long term Loans and Advances	13	1645.92	1798.27
(d) Other Non-Current Assets	14	373.38	619.08
		43632.96	39832.75
(2) Current Assets			
(a) Current Investments	15	18670.35	14025.83
(b) Inventories	16	40298.14	30108.87
(c) Trade receivables	17	34007.17	37172.56
(d) Cash and Bank Balances	18	27913.56	14964.17
(e) Short-term Loans and Advances	19	19862.92	12583.63
(f) Other Current Assets	20	80.62	336.22
		140832.76	109191.28
Total		184465.72	149024.03

The accompanying Notes 1 to 38 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 : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)
Chairman

(BHADRESH K.SHAH)
Managing Director

(YASHWANT M.PATEL)
Whole-time Director

(S .N.JETHELIYA)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	Year Ended 31st March, 2013 ₹ Lacs	Year Ended 31st March, 2012 ₹ Lacs
I. Revenue from Operations	21	183699.77	147887.06
Less : Central Excise Duty		8568.70	6220.42
Revenue from Operations (Net)		175131.07	141666.64
II. Other Income	22	2131.94	1327.31
III. Total Revenue (I + II)		177263.01	142993.95
IV. Expenses:			
Cost of Materials Consumed	23	68593.16	58000.76
Changes in Inventories of Finished goods, Work-in-process and Stock-in-Trade	24	(3163.26)	(3758.02)
Employee Benefits Expense	25	8089.34	6488.52
Finance Costs	26	549.85	439.18
Depreciation and Amortisation Expense	11	3448.40	2944.43
Other Expenses	27	70588.03	53605.56
Total Expenses (IV)		148105.52	117720.43
V. Profit Before Tax (III - IV)		29157.49	25273.52
VI. Tax Expenses:			
(1) Current Tax	28	7879.21	6962.47
(2) Deferred Tax		115.95	190.62
VII. Profit for the period (V - VI)		21162.33	18120.43
VIII. Minority Interest		80.37	74.57
IX. Profit for the period after adjustment of Minority Interest (VII-VIII)		21081.96	18045.86
X. Earning per Equity Share: (Face Value of ₹ 2 each) Basic & Diluted (₹)	29	22.35	19.13

The accompanying Notes 1 to 38 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 : 30th May, 2013

For and on behalf of the Board of Directors,

(**RAJENDRA S.SHAH**)
Chairman

(**BHADRESH K.SHAH**)
Managing Director

(**YASHWANT M.PATEL**)
Whole-time Director

(**S .N.JETHELIYA**)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013



AIA ENGINEERING LIMITED - CONSOLIDATED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT AND LOSS	29157.49	25273.52
ADD / (LESS) : ADJUSTMENTS FOR		
Depreciation	3448.40	2944.43
Effect of Exchange Rate Change	158.70	2587.04
Interest and Finance Charges	549.85	439.18
Interest Income	(334.25)	(263.36)
Profit on Sale of Assets	(6.89)	(19.79)
Dividend on Shares	(18.28)	(9.14)
Dividend on Mutual Funds	(1027.66)	(725.30)
Loss on Sale of Assets	11.90	17.57
Change In Fair Value of Investments	78.98	115.67
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES (INCREASE) / DECREASE IN CURRENT ASSETS AND LIABILITIES	32018.24	30359.82
Trade and Other Receivables	(3460.25)	(6930.28)
Inventories	(10189.27)	(6441.76)
Trade & other Payables	4663.62	(1787.86)
CASH GENERATED FROM OPERATIONS	23032.34	15199.92
Direct Taxes Paid	(6807.32)	(5834.23)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	16225.02	9365.69
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	334.25	258.88
Dividend Received	1045.94	734.44
Purchase of Fixed Assets	(6954.24)	(10691.52)
Purchase of Investments	(14266.31)	(7125.26)
Sale of Fixed Assets	166.59	210.66
Sale of Investments	8961.23	7997.08
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(10712.54)	(8615.72)
(C) CASH FLOW USED IN FINANCING ACTIVITIES:		
Proceeds from Secured Borrowings	13929.83	150.25
Proceeds from Other Borrowings	(2626.24)	2541.06
Interest and Finance Charges paid	(549.85)	(439.18)
Dividend paid including Tax	(3316.83)	(3303.99)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	7436.91	(1051.86)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	12949.39	(301.89)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	14964.17	15266.06
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	27913.56	14964.17
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	12949.39	(301.89)

Note : Cash and Cash Equivalents include balances with Scheduled Banks in Unpaid Dividend Accounts ₹ 7.83 Lacs (Previous Year ₹ 7.06 Lacs) which are not available for the use by the Company.

The accompanying Notes 1 to 38 are an 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 : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)
Chairman

(BHADRESH K.SHAH)
Managing Director

(YASHWANT M.PATEL)
Whole-time Director

(S .N.JETHELIYA)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013
1. Significant Accounting Policies:
1) Principles of consolidation:

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited Financial Statements of AIA Engineering Limited ("the Company") and its subsidiaries (collectively referred as Group).
- b) The Consolidated Financial Statements have been prepared on the following basis:
 - (i) The Financial Statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 (AS 21).
 - (ii) In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end. Any exchange difference arising on consolidation is recognized in "Exchange Fluctuation 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 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 31-03-2013	Shareholding as at 31-03-2012
Welcast Steels Limited	India	71.59%	71.59%
DCPL Foundries Limited	India	100.00%	70.00%
Vega Industries (Middle East) F.Z.E.	U.A.E.	100.00%	100.00%
Vega Industries Limited	U.K.	100% by Vega Industries (Middle East) F.Z.E.	100% by Vega Industries (Middle East) F.Z.E.
Vega Industries Limited	U.S.A.	100% by Vega Industries Limited, U.K	100% by Vega Industries Limited, U.K
Vega Steel Industries (R.S.A.) (Proprietary) Limited	South Africa	100% by Vega Industries (Middle East) F.Z.E.	100% by Vega Industries (Middle East) F.Z.E.
Wuxi Weigejia Trade Co. Ltd.	China	100% by Vega Industries (Middle East) F.Z.E.	100% by Vega Industries (Middle East) F.Z.E.

3) Basis of Accounting:

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 1956 and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
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 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. 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.

9) Depreciation:

Depreciation has been provided on Fixed Assets on Straight Line Method as per the rates specified in Schedule XIV of the Companies Act, 1956 as amended from time to time, except for the following subsidiaries:

	Name of Subsidiaries	Basis of Depreciation
1	Welcast Steels Limited, Bangalore	In case of assets acquired after 31-3-1996, Written Down Value Method as per the rates specified in Schedule XIV to the Companies Act, 1956.
2	Vega Industries (Middle East) F.Z.E., U.A.E.	Equal annual installments over estimated useful lives of the assets.
3	Vega Industries Limited, U.S.A.	Straight-line method over the estimated useful lives of the assets.
4	Vega Industries Limited, U.K.	Written Down Value Method over the estimated useful lives of the assets.
5	Wuxi Weigejia Trade Co. Ltd., China	Straight-line method over the estimated useful lives of the assets.
6	Vega Steel Industries (R.S.A.) (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
10) Central Excise Duty:

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

11) Foreign Currency Transactions:

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account.

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

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

Derivative contracts entered are strictly for hedging purposes and not for trading or speculation. Derivative transactions are being considered as off balance sheet date transactions and accordingly the gains/ losses arising there from are recognized under respective heads of accounts as and when the settlement takes place with the terms of the respective contracts.

12) Investments:

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

13) Borrowing Costs:

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

14) Earnings per Share:

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

15) Provisions, Contingent Liabilities and Contingent Assets:

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

16) Product Warranty Expenses:

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

17) Lease:

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

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, 2013 (Contd...)
2. Share Capital:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	AUTHORISED SHARE CAPITAL 230000000 Equity Shares of ₹ 2 each (Previous Year 230000000 Equity Shares of ₹ 2 each)	4600.00	4600.00
	Total	4600.00	4600.00
2	ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL 94320370 Equity Shares of ₹ 2 each fully paid up (Previous Year 94320370 Equity Shares of ₹ 2 each fully paid up)	1886.41	1886.41
	Total	1886.41	1886.41

2.1 The reconciliation of the number of shares outstanding as at 31st March, 2013 and 31st March, 2012 is set out below:

	As at 31st March, 2013		As at 31st March, 2012	
Equity Shares	No of shares	₹ Lacs	No of shares	₹ Lacs
Shares outstanding at the beginning of the year	94320370	1886.41	94320370	1886.41
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	94320370	1886.41	94320370	1886.41

2.2 Rights, preferences and restrictions attached to Equity Shares:

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

During the year ended 31st March, 2013, the amount of Dividend proposed by the Board of Directors of the Company to the Equity Share holders is ₹ 4 per Share (Previous Year ₹ 3 per Share)

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

	As at 31st March, 2013		As at 31st March, 2012	
Name of the Shareholders	No of Shares	% of holding	No of Shares	% of holding
Bhadresh K. Shah	39626875	42.01%	39626875	42.01%
Bhadresh K. Shah, Karta of Bhadresh K. Shah, H.U.F.	18502025	19.62%	18502025	19.62%
Nalanda India Equity Fund Ltd.	7918845	8.40%	7918845	8.40%
HDFC Trustee Company Ltd. - HDFC Prudent Fund	5822074	6.17%	4944218	5.24%

2.4 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

336430 Equity Shares (Previous Year 336430) of ₹ 2 each fully paid-up have been issued to the Shareholders of the Amalgamating Company i.e. Reclamation Welding Ltd. pursuant to the Scheme of Amalgamation with the Company during the Financial Year 2009-10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
3. Reserves & Surplus:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Capital Redemption Reserve	1925.74	1925.74
2	Securities Premium Reserve	26627.31	26627.31
3	Revaluation Reserve		
	Balance as per last Financial year	12.88	14.06
	Less: Withdrawal on account of Depreciation Transferred to Statement of Profit and Loss	1.17	1.17
	Sub Total	11.71	12.89
4	Other Reserves		
	(a) General Reserve		
	Balance as per last Financial year	7945.01	6405.91
	Add : Transferred from Statement of Profit and Loss	1741.10	1539.10
	Sub Total	9686.11	7945.01
	(b) Foreign Currency Translation Reserve	4085.65	2555.87
5	Surplus in Statement of Profit & Loss		
	Balance as per last Financial Year	82696.00	69431.50
	Add : Profit for the Year	21162.33	18120.43
	Less: Appropriations :		
	Transferred to General Reserve	1741.10	1539.10
	Proposed Dividend on Equity Shares	3804.72	2855.14
	Tax on Dividend	643.41	461.69
	Sub Total	97669.10	82696.00
	Total	140005.62	121762.82
	Less: Adjustment on account of Consolidation	111.83	97.95
	Total	139893.79	121664.87

4. Long Term Borrowings:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Secured		
	Term Loan		
	- From Bank	10239.49	300.86
	Unsecured		
1	From banks	282.64	-
2	Deferred Payment Liabilities *	110.53	127.90
3	Loans & Advances from Related Parties	-	283.69
	Total	10632.66	712.45

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

4.1 Terms of Security and repayment for Term Loan:
AIA Engineering Ltd.

External Commercial Borrowings (ECB) of US\$ 18700000 is secured by hypothecation of Identified Plant and Machineries procured from it and to be installed at Moraiya Unit (M1) of the Company mentioned in Hypothecation Agreement. The Loan is repayable in 15 equal quarterly installments of US\$ 1246667 after a moratorium 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 first Installment will be due on 3rd April, 2014 and the loan will be fully re-paid on 3rd October, 2017.

External Commercial Borrowings (ECB)

	₹ Lacs
2014-15	2707.01
2015-16	2707.01
2016-17	2707.01
2017-18	2030.27

DCPL Foundries Ltd. (DFL) (Funded by Andhra Bank)

- Secured by First charge by way of hypothecation of Plant & Machinery, Equipments & Accessories & Mortgage of Land and Buildings and second charge on Current Assets & Personal guarantee of one of the erstwhile Director.
- Term Loan-I carries interest @ 13 % p.a. and repayable in Equated Quarterly installments, last installment falling due on 30th June, 2014.
- Term Loan-II carries interest @ 18.25 % p.a. and repayable in Equated Quarterly installments, last installment falling due on 31st May, 2016.
- Out of Loans from Related parties ₹ 900 Lacs carries interest @ 10% p.a. and ₹ 45.19 Lacs carries interest @ 13% p.a.
- Both loans from related parties are repayable after repayment of Term Loans to Bank, i.e., after 31st May, 2016. However these loans are repaid during the year.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)

Vega Industries Ltd., U.S.A.

- Secured by Hypothecation of Vehicles

- Term Loan carries interest @ 3.49% which is repayable over a period of four years in monthly payment of USD 903.61.

There are no defaults in repayment of above loans and in payment of interest

4.2 Terms of repayment for Buyers Credit:

AIA Engineering Ltd.

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

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

AIA Engineering Ltd.

Deferred Sales Tax under Package Scheme of Incentives 1993

	₹ Lacs
2014-15	18.01
2015-16	22.32
2016-17	18.95
2017-18	17.48
2018-19	13.72
2019-20	20.04

5. Deferred Tax Liability (Net):

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	DEFERRED TAX LIABILITIES: Arising on account of timing difference - Fixed Assets : Impact of difference between Tax Depreciation and Depreciation/amortisation charged for the financial reporting - Others	2099.75 0.71	1924.85 0.71
	TOTAL DEFERRED TAX LIABILITIES (A)	2100.46	1925.56
2	DEFERRED TAX ASSETS: Arising on account of timing difference - Fixed Assets : Impact of difference between Tax Depreciation and Depreciation/amortisation charged for the financial reporting - Leave Encashment	80.14 699.53	74.11 274.47
	TOTAL DEFERRED TAX ASSETS (B)	779.67	348.58
	T O T A L : (A - B)	1320.79	1576.98

6. Long Term Provisions:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Provision for Employee Benefits: Provision for Gratuity	198.38	137.86
2	Provision for Leave Encashment	391.73	292.28
	Total	590.11	430.14

7. Short Term Borrowings:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Secured Loan Repayable on Demand from Bank - Foreign Currency Loan Buyer's Credit / Packing Credit - Cash Credit	3706.10 1100.00	264.90 550.00
2	Unsecured Loan Repayable on Demand from Bank - Pre shipment Credit	437.23	3045.05
	Total	5243.33	3859.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
7.1 Buyer's Credit / Packing Credit:
AIA Engineering Ltd.

The Company has availed Buyer's Credit / Packing Credit of US\$ 1827108.33 and US\$ 5000000 respectively which are secured by Hypothecation of entire chargeable Current Assets of the Company including Stocks of Raw Materials, Stores and Spares, Work In-Process and Receivables on pari-passu basis.

Welcast Steel Ltd.

Secured by Hypothecation, by way of first charge on stocks of raw materials, semi finished goods, packing materials, book debts, receivables and other Current Assets and fixed assets including Plant, Machinery, Tools, Accessories and other Assets stored/ installed in factory or at any other place and no default in repayment of above loan/ in payment of interest.

DCPL Foundries Ltd.

Secured by Hypothecation of Book debts and Inventories and Collaterally covered by hypothecation of Plant and Machinery, Equipments, Accessories and Mortgage of Land and Buildings and Personal guarantee of one of the erstwhile Director.

8. Trade Payables:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Due to Micro, Small and Medium Enterprises	30.53	14.20
2	Other than Micro, Small and Medium Enterprises	11233.05	9850.07
	Total	11263.58	9864.27

9. Other Current Liabilities:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Current maturities of Long Term Debts	215.97	220.96
2	Interest accrued and due on above	3.89	6.46
3	Unpaid Dividend *	7.83	7.02
4	Other Payables #	5095.36	3324.00
	Total	5323.05	3558.44

* There is no amount due to be transferred to Investor Education and Protection Fund.

Includes Statutory dues and advances from customers.

10. Short Term Provisions:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Provision for employee benefits:		
	- Provision for Bonus	393.86	341.49
	- Provision for Gratuity	188.96	113.29
	- Provision for Leave Encashment	54.39	34.48
2	Others:		
	- Provision for Income tax (Net of Advance tax)	1255.75	440.80
	- Proposed Dividend	3804.72	2855.14
	- Provision for Corporate Tax on Dividend	643.41	461.69
	- Provision for Expenses	997.50	710.67
	- Provision for Product Warranty Claims	165.00	75.00
	Total	7503.59	5032.56



AIA ENGINEERING LIMITED - CONSOLIDATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)

11. Fixed Assets:

TANGIBLE ASSETS:									₹ Lacs
	Free hold Land	Lease hold Land	Buildings	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipments	Others	TOTAL
Cost of Assets									
As at 1st April, 2011	1878.64	6.67	11448.07	22120.52	787.63	570.27	245.60	2440.37	39497.77
Addition	738.10	1326.77	3255.39	4233.89	161.40	59.66	13.46	443.43	10232.10
Disposal / Adjustments	-	-	28.71	30.24	0.18	144.60	1.54	3.17	208.44
As at 31st March, 2012	2616.74	1333.44	14674.75	26324.17	948.85	485.33	257.52	2880.63	49521.43
Addition	25.35	-	2866.97	1973.45	446.74	32.24	50.55	186.99	5582.29
Disposal / Adjustments	0.30	-	-	88.83	3.84	49.42	0.56	126.54	269.49
As at 31st March, 2013	2641.79	1333.44	17541.72	28208.79	1391.75	468.15	307.51	2941.08	54834.23
Depreciation									
As at 1st April, 2011	-	-	1562.14	9634.58	287.23	222.90	121.99	910.34	12739.18
Charge for the year	-	-	426.83	2082.67	56.87	52.42	19.64	272.64	2911.07
Disposal / Adjustments	-	-	0.79	22.40	2.39	79.85	3.38	(1.34)	107.47
As at 31st March, 2012	-	-	1988.18	11694.85	341.71	195.47	138.25	1184.32	15542.78
Charge for the year	-	-	552.96	2397.62	74.64	50.75	21.42	283.92	3381.31
Disposal / Adjustments	-	-	-	55.90	2.00	34.34	4.51	42.78	139.53
As at 31st March, 2013	-	-	2541.14	14036.57	414.35	211.88	155.16	1425.46	18784.56
Net Block									
As at 31st March, 2012	2616.74	1333.44	12686.57	14629.32	607.14	289.86	119.27	1696.31	33978.65
As at 31st March, 2013	2641.79	1333.44	15000.58	14172.22	977.40	256.27	152.35	1515.62	36049.67
CAPITAL WORK-IN-PROGRESS:									
PARTICULARS									₹ Lacs
As at 31st March, 2012									1808.49
As at 31st March, 2013									3157.44
INTANGIBLE ASSETS:									₹ Lacs
					Goodwill	Software	Patents and Copyrights		TOTAL
Cost of Assets									
As at 1st April, 2011					1421.11	97.75	4.59		1523.45
Addition					-	159.89	7.50		167.39
Disposal / Adjustments					(0.42)	-	-		(0.42)
As at 31st March, 2012					1421.53	257.64	12.09		1691.26
Addition					-	12.12	10.88		23.00
Disposal / Adjustments					-	(102.90)	-		(102.90)
As at 31st March, 2013					1421.53	372.66	22.97		1817.16
Depreciation									
As at 1st April, 2011					28.62	19.62	0.97		49.21
Charge for the year					-	34.11	0.43		34.54
Disposal / Adjustments					20.65	-	-		20.65
As at 31st March, 2012					7.97	53.73	1.40		63.10
Charge for the year					-	70.62	0.96		71.58
Disposal / Adjustments					10.99	(26.55)	-		(15.56)
As at 31st March, 2013					(3.02)	150.90	2.36		150.24
Net Block									
As at 31st March, 2012					1413.56	203.91	10.69		1628.16
As at 31st March, 2013					1424.55	221.76	20.61		1666.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
12. Non Current Investments:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Trade Investments (Valued at Cost) Long Term Trade Investments: (Unquoted) Investment in Equity Instrument Investment in other Company : 25 Equity Shares of Coramangla Properties Pvt. Ltd. of ₹ 100 each fully paid-up. (Previous year 25 Equity Shares)	0.03	0.03
2	Investment in Government Securities : National Savings Certificates	0.07	0.07
3	Investment in Mutual Funds	739.53	-
	Total	739.63	0.10

13. Long Term Loans and Advances:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Unsecured, considered Good unless otherwise stated: Capital Advances	1025.85	1228.53
2	Security Deposits - Earnest Money Deposits - Other Deposits	2.71 478.73	2.52 442.54
3	Other Loans & Advances - Loans and Advances to Staff	138.63	124.68
	Total	1645.92	1798.27

14. Other Non Current Assets:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Long Term Trade Receivables Unsecured, considered Good	209.06	572.17
2	Others *	164.32	46.91
	Total	373.38	619.08

* Others includes Bank Fixed Deposits more than 12 months and Interest receivable thereon.

15. Current Investments:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	(Valued at Cost unless otherwise stated) Investment in Bonds Investment in Mutual Fund (Unquoted)	1012.47 17657.88	2815.24 11210.59
	Total	18670.35	14025.83

16. Inventories:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	(As taken, valued & certified by the Management) (At lower of cost or Net Realisable Value)		
1	Raw Materials	8672.17	4368.11
2	Raw Materials-in-transit	912.77	194.87
3	Work in Process	8418.63	9064.20
4	Finished Goods	16637.38	11637.27
5	Stores & Spares	5190.98	4400.01
6	Stores & Spares in-transit	466.21	444.41
	Total	40298.14	30108.87



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)

17. Trade Receivables:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
	Unsecured, considered Good:		
	Outstanding for more than six months	1279.26	1701.64
	Others	32727.91	35470.92
	Total	34007.17	37172.56

18. Cash & Bank balances:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Cash & Cash Equivalent		
	(a) Balance with Scheduled Banks	18157.61	12579.26
	(b) In Cash Credit Account Debit Balance	516.87	-
	(c) Cash on Hand	6.42	9.58
	(d) Others		
	- In Fixed Deposits	8935.20	1475.34
	Sub Total (A)	27616.10	14064.18
2	Other Bank Balances		
	(a) Fixed Deposits with Bank		
	- Less than 12 months	289.58	892.93
	- More than 12 months	152.34	46.91
	(b) Earmarked Balances with Banks (Unpaid Dividend)	7.88	7.06
		449.80	946.90
	Less : Bank Fixed Deposits for more than 12 months transferred to Non Current Assets	152.34	46.91
	Sub Total (B)	297.46	899.99
	Total [A + B]	27913.56	14964.17

19. Short Terms Loans and Advances:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Unsecured, considered Good:		
	Others		
	Advance Recoverable in cash or in kind or for value to be received.	1737.87	1645.15
	Sundry Deposits and Advances	971.35	660.12
	Security Deposit*	3924.02	-
	Advance Income Tax (Net of Provision)	0.38	-
	Income Tax Refund Due	3.14	-
	Balance With Statutory / Government authorities	12985.46	9760.02
	Loans and Advances to Staff	240.70	518.34
	Total	19862.92	12583.63

* Security Deposit of US \$ 7228544.64 placed in the District Court of Nashville, Tennessee U.S.A. to stay the execution of judgment awarded in Patent matter.

20. Other Current Assets:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1	Interest Accrued on Investments	80.62	12.22
2	Advance Premium on Forward Contracts	-	324.00
	Total	80.62	336.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
21. Revenue from Operations:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Revenue from Operations		
	Sale of Products		
	A. Sales in India	61355.02	55691.85
	B. Sales Outside India	116036.49	85781.31
		177391.51	141473.16
2	Other Operating Revenue		
	Exports Incentives	6308.26	6413.90
	Total	183699.77	147887.06

22. Other Income:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Interest #	334.25	263.36
2	Dividend from Mutual Funds (Current Investment)	1027.66	725.30
3	Dividend from subsidiary (Trade Investment)	18.28	9.14
4	Profit on Sale of Assets	6.89	19.79
5	Other Non Operating Income		
	- Profit on Sale of Mutual Fund Units	308.93	-
	- Insurance Claim received	36.45	11.27
	- Sales Tax Refund	15.80	-
	- Miscellaneous Receipts	215.74	217.65
	- Service Tax Draw back Income	88.87	-
	- Sundry balances written back	79.07	80.80
	Total	2131.94	1327.31

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

23. Cost of Materials Consumed:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
	Opening Stock	4562.98	5948.11
	Add : Purchases	73621.31	56615.63
	= Sub Total	78184.29	62563.74
	Less: Closing Stock	9591.13	4562.98
	Total	68593.16	58000.76

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

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Opening Stock : Work in Process	9064.20	6770.15
	Opening Stock : Finished Goods	12877.12	9508.37
	Less :		
2	Closing Stock : Work in Process	8418.63	9064.20
	Closing Stock : Finished Goods	16685.95	10972.34
	Total	(3163.26)	(3758.02)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
25. Employee Benefits Expense:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Salaries, Wages and Bonus	7239.10	5829.25
2	Contribution to Provident Fund / ESIC / Gratuity	610.65	430.94
3	Staff Welfare Expenses	239.59	228.33
	Total	8089.34	6488.52

26. Finance Costs:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Interest Expense ;		
	- For Short Term Borrowings	214.10	158.13
	- For Term Loan	63.52	96.76
	- Applicable net loss on foreign currency transactions and translation	243.88	165.53
	- For Others	28.12	0.18
2	Other Borrowing Costs	0.23	18.58
	Total	549.85	439.18

27. Depreciation & Amortised Cost:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Depreciation	3449.57	2945.60
	Less : Amount Transferred to Revaluation Reserve	1.17	1.17
	Total	3448.40	2944.43

28. Other Expenses:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Manufacturing Expenses		
	Consumption of Stores		
	Opening Stock	4844.44	2647.83
	Add : Purchases	22672.64	17231.79
	= Sub Total	27517.08	19879.62
	Less : Closing Stock	5608.78	4844.44
	= Stores Consumed	21908.30	15035.18
	Power and Fuel	17569.27	14900.11
	Labour Charges	4761.48	3959.35
	Freight Inward, Octroi, Coolies and Cartages	1261.32	1651.62
	Repairs and Maintenance		
	- To Buildings	158.27	131.98
	- To Plant and Machineries	602.81	498.16
	- To Other Assets	172.14	130.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
28. Other Expenses (Contd...):

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
2	Selling and Distribution Expenses		
	Freight Outward, Coolies and Cartages	7932.72	5192.29
	Warehouse Expenses	674.72	-
	Commission Expenses	1559.11	1250.42
	Traveling Expenses		
	- For Directors	17.72	87.89
	- For Staff and Guests	1224.64	952.60
	Sales Promotion / Gift Expenses	98.38	268.79
	Advertisement Expenses	18.45	11.84
	Product Warranty Expenses	419.12	113.55
	Late Delivery Charges	114.10	17.15
	Bad Debts	358.49	109.26
	Central Excise Duty and CVD	28.17	22.76
	Sales Tax	57.06	0.51
	Other Selling & Distribution Expenses	-	38.73
3	Administrative Expenses		
	Insurance Premiums	219.76	179.33
	Rent	181.19	158.18
	Rates and Taxes	50.72	37.44
	Service Charges	26.91	412.13
	Directors' Sitting Fees	5.10	4.70
	Payment to Auditor		
	- As Auditor		
	Statutory Audit Fees	57.98	55.85
	Tax Audit Fees	1.50	1.00
	- For Other Services	6.85	6.60
	Legal and Professional Consultancy Fees	1942.62	1244.71
	Bank Commission Charges	331.45	377.61
	Printing and Stationery	43.07	71.01
	Postage, Telephones, Courier, Internet & E-mail	251.76	228.95
	Computer Expenses	21.99	13.16
	Vehicle Repairs and Maintenance	118.60	91.35
	Conveyance	134.24	114.88
	Security Expenses	275.03	202.13
	Subscription and Membership Fees	17.02	7.81
	Entertainment Expenses	12.18	11.24
	Donations	3.04	97.98
	Seminar Expenses	16.02	4.17
	License Fees	3.99	4.28
	Inspection Charges	17.36	18.77
	Water Charges	34.75	24.72
	Office Expenses	48.11	37.93
	Electricity Expenses	6.16	10.68
	Service Tax	32.20	11.66
	Garden Expenses	16.83	10.73
	Festival Celebration Expenses	18.72	10.96
	Factory GVMM / GIDC Administrative Charges	14.47	16.57
	Plantation (under CSR) Expenses	14.28	8.87
	Loss on Sale of Assets	11.90	17.57
	Loss on Exchange Rate Fluctuations	7484.30	5494.25
	Change in fair Value of Investments	78.98	115.67
	General / Miscellaneous Expenses	152.68	130.38
	Total	70588.03	53605.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd...)
29. Current Tax:

Sr. No.	Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
1	Current Tax	7888.60	6961.40
2	(Excess)/Short Provision for earlier years	(9.39)	1.07
	Total	7879.21	6962.47

30. Earnings Per Share:

Sr. No	Particulars	Year ended 31st March, 2013	Year ended 31st March 2012
1	Net Profit attributable to the Equity Shareholders (₹ Lacs) A	21081.96	18045.86
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	22.35	19.13

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

Information about Secondary Geographical Segments:

Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
Revenue by Geographical Segment		
India	52786.32	50483.05
Outside India	116036.49	86097.00
Addition to Fixed Assets and Intangible Assets		
India	5579.69	10133.22
Outside India	25.60	57.81
Carrying amount of Fixed Assets (Net)		
India	40621.84	37160.35
Outside India	252.20	254.95

- 1) **Geographical Segments considered for disclosures are as follows:**
- Sales within India include Sales to Customers located within India.
 - Sales outside India include Sales to Customers located outside India.

2) **Revenue comprises:**

Particulars	Year ended 31st March, 2013 ₹ Lacs	Year ended 31st March, 2012 ₹ Lacs
Revenue from operations	175131.07	141666.64
Other income	2131.94	1327.31

32. In case of Vega Industries (Middle East) F.Z.E., U.A.E., the revenue and expenses 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".

33. *Related party disclosures under Accounting Standard 18:*

(a) Relatives of Key Management Personnel:	(b) Key Management Personnel:
1 Mrs. Giraben K. Shah	1 Mr. Bhadresh K.Shah
2 Mrs. Gita B. Shah	2 Mr. Yashwant M.Patel
3 AB Tradelink Ltd.	3 Dr. S. Srikumar
4 Powertec Engineering Pvt.Ltd.	4 Mr. Pradip R. Shah
	5 Mr. Paryank R. Shah
	6 Mr. Jules Spede
	7 Mr. R.A. Gilani
	8 Mr. Vinod Narayan
	9 Mr.V V R Mohana Rao
	10 Mr. Yashraj

Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2013:

Sr. No	Nature of Transaction	Relatives of Key Management Personnel ₹ Lacs	Key Management Personnel ₹ Lacs
1	Rent, Rates & Taxes	1.62	-
2	Legal and Professional Consultancy Fees	30.75	-
3	Commission	42.92	-
4	Salary and Bonus Expenses	1.94	-
5	Professional Charges	-	3.00
6	Repairs & Maintenance of Equipments	11.84	-
7	Directors' Remuneration and perquisites	-	140.95
	Balance outstanding at the year end (Receivable)	-	-
	Balance outstanding at the year end (Payable)	5.71	-



AIA ENGINEERING LIMITED - CONSOLIDATED

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

Sr.No.	Description	Related Parties	₹ Lacs
1	Rent, Rates & Taxes	Mrs. Giraben K. Shah	1.62
2	Legal and Professional Consultancy Fees	Powertec Engineering Pvt .Ltd.	30.75
3	Commission	AB Tradelink Ltd.	42.92
4	Salary and Bonus Expenses	Mrs. Gita B. Shah	1.94
5	Professional Charges	Mr. Pradip R. Shah	3.00
6	Repair & Maintenances of Equipments	Powertec Engineering Pvt.Ltd.	11.84
7	Directors' Remuneration and perquisites	Mr. Bhadresh K.Shah	78.05
		Mr. Paryank R. Shah	55.37

34. Contingent Liabilities not provided for in Accounts:

Sr. No.	Particulars	As at 31st March, 2013 ₹ Lacs	As at 31st March, 2012 ₹ Lacs
1.	Contingent Liabilities		
	a. Claims against the Company not acknowledged as debts		
	i) Central Excise & Service Tax	1759.29	1860.25
	ii) Income Tax	1.22	2506.15
	iii) Sales Tax / Central Sales Tax	48.21	68.50
	iv) Interest payable to Financial Institute	7.60	7.60
	v) Award of Damages in Patent matter by District Court of Nashville, Tennessee U.S.A. (US\$ 7228544.64), which is disputed by the Company	3924.02	-
	b. Guarantees		
	i) Bank Guarantees Outstanding	6855.77	6848.23
	ii) Corporate Guarantees Outstanding to Customers	991.61	1141.45
	iii) Guarantees given by the Company on behalf of Subsidiaries	2612.15	-
	iv) Corporate Guarantees given by the Company to banks on behalf of Subsidiaries	1837.49	1526.10
	v) Letter of Credit	2182.39	963.60
2.	Commitments		
	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	2638.96	1195.11
	Total	22858.71	16116.99

35. Derivative Instruments:
a) Derivatives outstanding as at the balance sheet date:

Currency	Exposure to Buy / Sell	No. of contracts	As at 31st March, 2013	
			₹ Lacs	Foreign currency
US Dollar (AIA)	Sell	NIL	NIL	NIL
(Previous year)(AIA)	Sell	(5)	(19459.69)	(38250000)

The notional marked to market loss on these unexpired contracts as on 31-3-2013 amounting to ₹ NIL (Previous Year ₹ 829.86 Lacs) has not been considered in the Financial Statements.

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

	As at 31st March, 2013	As at 31st March, 2012
Payables against import of goods and services		
(₹ Lacs)	903.95	666.51
US Dollar	1602718	1044559
Euro	12833	199086
GBP	30307	NIL
Advance payment to suppliers and for Expenses		
(₹ Lacs)	1016.54	882.32
US Dollar	1406153	313189
Switzerland Francs	300	8207
Euro	364093	1044549
GBP	NIL	11455

36. Operating Lease Agreements:

Vega Industries Ltd. (U.S.A.) and Vega Industries Ltd. (U.K.) 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, 2015.

At March 31, 2013 the future minimum rental payments under non-cancelable operating lease consist of the following:

Year Ending March 31	₹ Lacs
2014	33.44
2015	25.72
2016	0.73

Total rent expenses as on 31st March, 2013 and on 31st March, 2012 was ₹ 54.72 Lacs and ₹ 28.74 Lacs respectively.

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

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

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

As per our report of even date attached.

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

ANAND SHARMA
Partner
Membership No. 129033
Place : AHMEDABAD
Date : 30th May, 2013

For and on behalf of the Board of Directors,

(RAJENDRA S.SHAH)
Chairman

(BHADRESH K.SHAH)
Managing Director

(YASHWANT M.PATEL)
Whole-time Director

(S .N.JETHELIYA)
Company Secretary

Place : AHMEDABAD
Date : 30th May, 2013



AIA ENGINEERING LIMITED - CONSOLIDATED

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

₹ Lacs

Sr. No.	Name of Subsidiary Company	Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1.	Welcast Steels Limited, Bangalore	India	INR	63.84	2781.97	5918.48	3072.67	0.01	24155.35	427.67	144.76	282.91	31.91
2.	DCPL Foundries Ltd, Trichy	India	INR	100.00	(767.56)	2743.17	3410.73	-	4946.23	(166.63)	(0.67)	(165.96)	-
3	Vega Industries (Middle East) F.Z.E., Ahman, UAE	U.A.E.	US Dollar	149.39	30154.78	43313.55	12982.34	1752.00	114298.15	4620.03	-	4620.03	-
4.	Vega Industries Limited, U.K.	U.K.	Pound	6.88	2364.65	10810.87	8437.97	-	27062.72	574.66	138.16	436.50	-
5.	Vega Industries Limited, U.S.A.	U.S.A.	US Dollar	24.01	541.78	4699.85	4130.92	-	12168.53	123.27	39.28	93.98	-
6.	Vega Steel Industries (RSA) Pty Ltd., South Africa	RSA	RAND	0.01	(230.58)	9869.88	10100.45	-	21025.54	(495.30)	-	(495.30)	-
7.	Wuxi Weigejia Trade Co. Ltd., China	China	CNY	27.05	(33.16)	1010.51	876.11	-	1683.93	(4.67)	-	(4.67)	-

Place : Ahmedabad
Date : 30th May, 2013

(RAJENDRA S. SHAH)
Chairman

(BHADRESH K. SHAH)
Managing Director

(YASHWANT M. PATEL)
Whole-time Director

(S. N. JETHELIYA)
Company Secretary

NOTICE

Notice is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the members of **AIA ENGINEERING LIMITED** will be held on Monday, the 12th August, 2013 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 Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Sanjay S. Majmudar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Yashwant M. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification (s) or re-enactment(s) thereof, for the time being in force, the Company hereby approves the re-appointment of Mr.Yashwant M. Patel as a Whole-time Director of the Company for a period of 3 years with effect from 1st April, 2014 on a consolidated remuneration of ₹ 60,000 per month."

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration as may be agreed to by the Board of directors and Mr.Yashwant M. Patel, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

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

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

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the shareholders of the Company be and is hereby accorded for the re-appointment of Powertec Engineering Pvt. Ltd., (hereinafter referred to as "Powertec") 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 as Retainer and Service Provider on the terms and conditions set out in the Agreements to be entered into between the Company and Powertec in terms of the drafts laid on the table initialed by the Chairman for the purposes of identification for a period of 3 years with effect from 1st April, 2014 to 31st March, 2017."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental thereto including to agree to such modifications / amendments or other terms and conditions as may be imposed by the Central Government or any other statutory authority in this regard and acceptable to the company and Powertec and the decision taken by the Board shall be final and binding on all the members and other interested parties."

By Order of the Board of Directors,

Place : Ahmedabad
Date : 30th May, 2013
Registered Office:
115, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad – 382 410

(S. N. Jetheliya)
Company Secretary


NOTES:

1. The Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect to the Item No. 6 & 7 above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
3. The instrument of proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 3rd August, 2013 to 12th August, 2013 (both days inclusive).
5. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
6. Payment of Dividend:
 - (a) The Bank account particulars of the members holding shares in physical form will be printed on the dividend warrants. Hence the members are advised to intimate changes, if any in their registered address along with Pin Code and submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 5th August, 2013 directly to the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Pvt. Ltd., C/13, Pannalal Silk Mills Compound, Kantilal Maganlal Ind. Estate, L.B.S. Marg, Bhandup (West), MUMBAI – 400 078 or at its Branch Office at 303, 3rd Floor, Shopper's Plaza – V, Near 5 Government Society, Opp. Municipal Market, C. G. Road, Navrangpura, Ahmedabad – 380009.
 - (b) Members holding shares in demat form are advised to inform the changes, if any, in particulars of their bank account to their respective Depository Participants.
 - (c) Ministry of Corporate Affairs vide Circular No. 17/95/2011 CL-V dated 21.02.2011 has taken a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form.

In view of the above, we propose to send documents, such as the Notice of the Annual General Meeting, Annual Report, Half-yearly communications etc. henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time.

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 on the respective dates mentioned against Financial year.

Kindly note that after such dates, the members will loose their rights to claim such dividends.

Sr. No.	Financial Year	Due date of Transfer to IEPF
1.	2005-06	04.10.2013
2.	2006-07	07.09.2014
3.	2007-08	23.09.2015
4.	2008-09 – Interim Dividend	19.11.2015
5.	2008-09 – Final Dividend	30.10.2016
6.	2009-10 – Interim Dividend	15.02.2017
7.	2009-10 – Final Dividend	19.08.2017
8.	2010-11	19.08.2018
9.	2011-12	20.08.2019

7. Re-appointment of Directors:

Mr. Sanjay S. Majmudar, Director and Mr. Yashwant M. Patel, Whole-time Director of the Company will retire by rotation at the ensuing 23rd Annual General Meeting and being eligible, have offered themselves for re-appointment.

Pursuant to the requirements under the Listing Agreement with the Stock Exchanges relating to Corporate Governance, a statement containing brief resumes of the above Directors together with the details of shares held by them, if any, is attached 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, 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 173 (2) OF THE COMPANIES ACT, 1956:

ITEM NO. 6:

The Board of Directors at its meeting held on 30th May, 2011 appointed Mr. Yashwant M. Patel as Whole-time Director for a period of three years from 1st April, 2011 to 31st March, 2014. Shareholders in their meeting held on 12th August, 2011 approved the appointment of Mr. Yashwant M. Patel as Whole-time Director.

The Board members proposes the re-appointment of Mr. Yashwant M. Patel as Whole-time Director for a further period of three years effective from 1st April, 2014 to 31st March, 2017. Mr. Yashwant M. Patel is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956. Further, the Board of Directors proposes to appoint Mr. Yashwant M. Patel as Whole-time Director on a consolidated remuneration of ₹ 60,000 per month subject to the approval of members.

Your Directors feel that Mr. Yashwant M. Patel, if re-appointed, as a Whole-time Director of the Company will be beneficial for the Company and therefore recommends his re-appointment to the members.

This may be treated as an Abstract of Terms of Contract for the appointment of the Whole-time Director under the provisions of Sec. 302 (2) of the Companies Act, 1956.

None of the Directors except Mr. Yashwant M. Patel, who is a director, is in any way concerned or interested in the said resolution.

Your Directors recommend the above Special Resolution for your approval to comply with the provisions of Schedule XIII to the Companies Act, 1956.

ITEM NO. 7:

The Company is having a Retainership Agreement as well as Service Agreement with Powertec Engineering Pvt. Ltd. (hereinafter referred to as "Powertec") a Company, in which a Director of the Company Dr. S. Srikumar is a Director for a period of three years from 1st April, 2011 to 31st March, 2014. The Central Government, Ministry of Corporate Affairs vide its letter No. SRNo. B18840140 dated 29th March, 2012 approved the proposal in respect of Powertec Engineering Pvt. Ltd. to continue to hold an office or place of profit in the Company for the period of 3 years with effect from 1st April, 2011 to 31st March, 2014 on the conditions, limitation or restriction as mentioned in the said letter.

Your Directors feel that so far the business experience of the Company is very good with Powertec. Powertec has totally proved that it can full fill the trust reposed by the Company in it. The company has got very good business during the period of the Agreement. With regard to Service Agreement also the experience is quite satisfactory.

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 further re-enter the Agreements with Powertec for a further period of three years effective from 1st April, 2014 to 31st March, 2017 subject to the approval of the Central Government, Ministry of Corporate Affairs.

Pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956 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 Shareholders by way of a Special Resolution and approval of the Central Government are required.

The Agreements to be entered into between the Company and Powertec will be for 3 years with effect from 1st April, 2014 and the drafts of the same shall be placed on the table duly initialed by the Chairman for the purpose of identification at the time of Annual General Meeting.

The copies of the above Agreements to be entered into are available for inspection during the business hours (between 9.30 a.m. to 1.00 p.m.) on any working day at the Registered Office of the Company upto the date of the said Annual General Meeting.

None of the Directors except Dr. S. Srikumar who is a director and shareholder of Powertec, is in any way concerned or interested in the said resolution.

Your Directors recommend the above Special Resolution for your approval.

By Order of the Board of Directors,

Place : Ahmedabad
Date : 30th May, 2013
Registered Office:
115, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad – 382 410

(S. N. Jetheliya)
Company Secretary

**ANNEXURE TO THE NOTICE**

Disclosure pursuant to Clause 49 of Listing Agreement with regard to the Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting (Refer Item No.3 & 4) of the Notice

Name	Mr. Sanjay S. Majmudar	Mr. Yashwant M. Patel
Date of Birth / Age	20.03.1963 / 51 Years	05.10.1943 / 70 Years
Re-Appointed / Appointment on	07.05.2007	12.11.2010
Qualifications	B.Com, FCA & ACS	B. Sc. (Chemistry)
Expertise in specific functional areas	He is a Practicing Chartered Accountant. 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.	He possesses rich and varied experience in Production, Administration and Accounts.
Directorships held in other Public Companies	<ul style="list-style-type: none"> - Welcast Steels Ltd. - Aarvee Denims & Exports Ltd. - Dishman Chemicals and Pharmaceuticals Ltd. - M & B Industries Ltd. - Acme Industries Ltd. 	NIL
Membership/ Chairmanships of Committees across other Public Companies	Chairmanship - 1 Membership - 3	NIL
No. of Equity Shares held in the Company.	15120	NIL

AIA ENGINEERING LIMITED

Regd. Office : 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 410

ATTENDANCE SLIP

Twenty Third Annual General Meeting to be held on Monday, the 12th August, 2013 at 10.00 A.M. at H. T. Parekh Convention Center, Ahmedabad Management Association, “ATIRA CAMPUS”, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.

Folio No.: _____ DPID No _____ Client ID No _____

Name of Shareholder (s) _____

I /We certify that I am / we are Member (s) / Proxy of the Member (s) of the Company holding _____ Shares.

Signature of Member (s) / Proxy

- A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
- Name of the Proxy in Block Letters: _____
(in case a Proxy attends the meeting)

AIA ENGINEERING LIMITED

Regd. Office : 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 410

PROXY FORM

I /We _____ of _____ being a Member /Members

of AIA Engineering Limited hereby appoint Mr. _____ of

_____ or failing him Mr. _____ of

_____ as my /our proxy to attend and vote for my / our behalf at the **Twenty Third Annual General Meeting** to be held on Monday, the 12th August, 2013 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 witness where of

I /We have signed on this _____ day of _____ 2013.

Folio No. : _____ DPID No. _____

Client ID No. : _____ No. of Shares _____

 Affix
Re 1
revenue
stamp

A Member intending to appoint a Proxy should complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the commencement of the meeting.



Tree plantation project at the Air Force Base in Chiloda, Gandhinagar:



Green Belt developed by using Recycled domestic wastewater



AIA ENGINEERING LTD.

Registered Office : 115, GVMM Estate, Odhav Road, Ahmedabad - 382410

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

E-mail : snj@aiaengineering.com


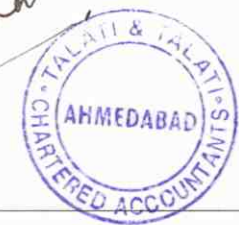

Website : www.aiaengineering.com



AIA Engineering Ltd.

TO WHOMSOEVER IT MAY CONCERN

FORM - 'A'

1.	Name of the Company:	AIA Engineering Limited
2.	Annual Financial Statements for the year ended:	31 st March 2013
3.	Type of Audit Observations:	Un-qualified
4.	Frequency of Observations:	N.A.
5.	Signed by:	
	Mr. Bhadresh K. Shah – Managing Director	
	Mr. Kunal D. Shah – Executive Director (Finance)	
	Mr. Anand Sharma – Partner Talati & Talati, Chartered Accountants	 
	Mr. Rajendra S. Shah – Chairman Audit Committee	

An ISO 9001 Certified Company

Regd. Office : 115, G.V.M.M. Estate, Odhav Road, Ahmedabad - 382410. Gujarat, India.
Tel. : +91 79 22901078 | Fax : 91 79 22901077 | www.aiaengineering.com