





FORM – A

(Pursuant to Clause 31(a) of the Listing Agreement)

1	Name of the Company	Sanghvi Forging and Engineering Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by – <ul style="list-style-type: none">• Managing Director• Chief Financial Officer• Audit Committee Chairman• Auditor of the Company	 Jayantilal B. Sanghvi Managing Director  Vikram B. Sanghvi Chief Financial Officer  Ram S. Kaushal Chairman of Audit Committee For Shah & Bhandari Chartered Accountants  Yogesh Bhandari FRN: 118852W





SANGHVI
FORGING & ENGINEERING LTD.

SCHLAGER
Surface Technology

COMMITTED TO
FUTURE OF INDIA

ANNUAL REPORT
2014-15

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Powerful foundation has been set.
State-of-art technology has been prepared.

Capacity has been quadrupled.
Expertise has been diversified.

And at the core of it all, lies the innate vision – to forge a new era for the Indian industrial fraternity across the nation and the world.

Surging ahead with the philosophy of Make in India, we keep our eyes on the prize – which is bringing about an economic revolution in India by making it a global manufacturing hub. Our years of preparation has paid off, as we stand today at the brink of a new age, with an excellent team, robust structure, sustained gains and an ever burgeoning industry demand driving us ahead.

The elevation in our performance has been and will be consistent because we have our fundamental belief in place:

WE ARE
COMMITTED TO
FUTURE OF INDIA

PROFILE OF SANGHVI FORGING

We have paved the way for heavy forgings future in India.

Being one of the leading manufacturer of steel forgings in India, we recently diversified into heavy forgings products. Our recent capacity expansion from 3,600MT to 18,600MT, makes us among the fastest growing forging companies in India.

Today, we manufacture Forged Flanges, Heavy Forgings and CNC Machined Forged Components among others. Our wide range of products allows us to remain a preferred supplier for all Forging needs, not only in India but across the world.

We quadrupled our capacity to capitalize on opportunities across India and globe. This has allowed us to expand our client profile, which now includes global OEMs. Our state-of-the-art technology complements us to produce products with unmatched quality in shortest time.

Our Vision

To be a pioneer and leading supplier in Forging Industry by providing one-stop solution for forged products and be the preferred product development partner with our customers.

To be focused on high quality through quest for perfection and innovative approach to maintain leadership position in business.

Our Values

We must constantly strive to achieve the highest possible standards in day-to-day work and in the quality of goods we provide.

We must work cohesively with our colleagues across the company and are honest and straight forward to all stakeholders.

We accept personal accountability to meet our business needs, improve our systems and help others improve their effectiveness.

We believe that people work best when there is a foundation of trust.

We have a compelling desire to lead the change and win in the market place.

PRODUCTS PORTFOLIO



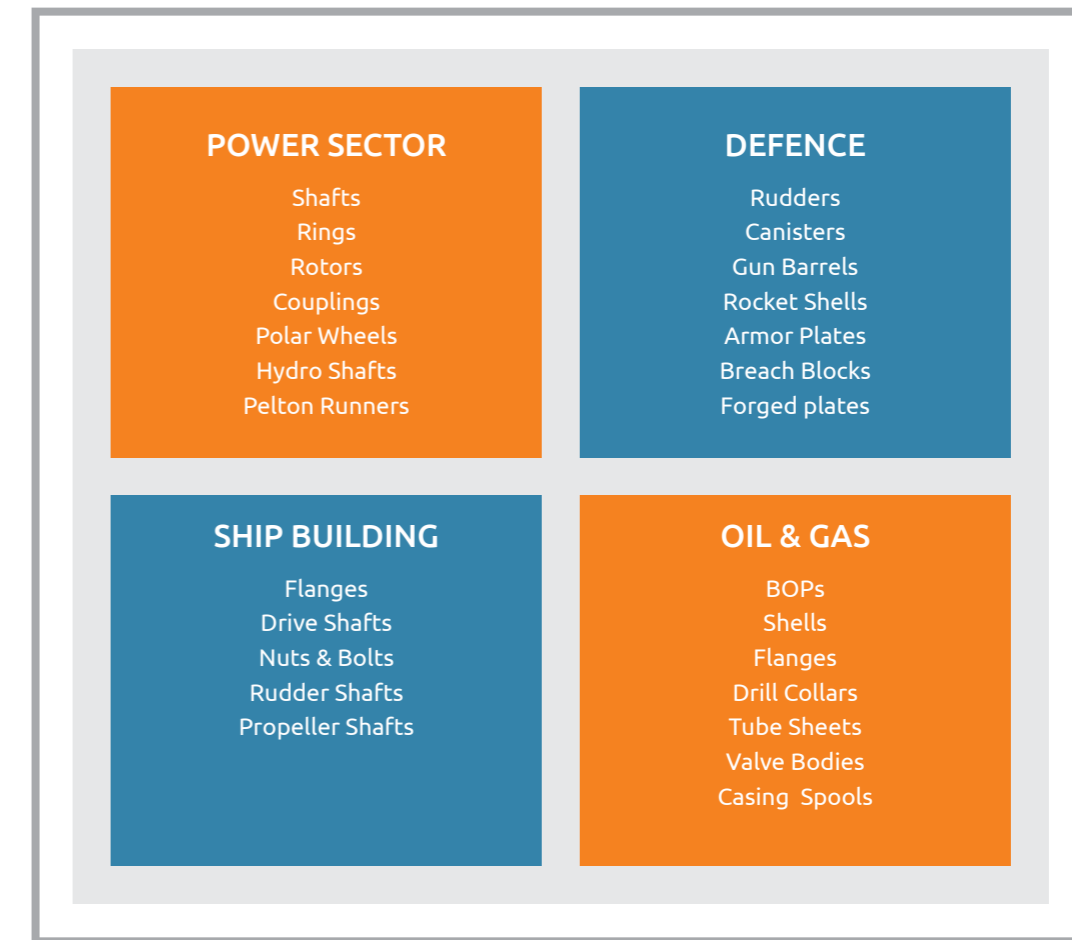
Forged Flanges

Closed Die Forgings

Heavy Forgings

Machined Components

INDUSTRIES & APPLICATION



We produce forgings of all sizes for Petrochemicals, Oil and Gas, Power Generation, Marine and Shipbuilding, and other heavy industrial applications.

Heavy forging include tube forgings, forged bars, shafts and rings.

Other products includes forged flanges, open-die forgings, instruments forgings and other components.

We focus our efforts on quality control backed by Indian and International standards and specifications.

Our marketing efforts stepped up through our participation in national and international exhibitions in different sectors.

Our incremental growth and profitability has given us the momentum to eyeing larger projects in expanding markets.

FROM THE CHAIRMAN'S DESK



WE LOOK FORWARD TO THE 'MAKE IN INDIA' PUSH WITH A GREAT SENSE OF OPTIMISM. WITH THE EASING OF INVESTMENT, INDIA'S HIGH-VALUE INDUSTRIAL SECTORS – DEFENCE, POWER AND PETROCHEMICALS ARE NOW OPEN TO GLOBAL PARTICIPATION.

MR. BABULAL S. SANGHVI
CHAIRMAN

↑ **61.04%**
Y-o-Y increase in net income from operations

↑ **50.25%**
Y-o-Y increase in share of exports from total revenue

↑ **63.30%**
Y-o-Y increase in EBITDA levels

Dear Shareholders,

Last year I had mentioned about global growth gaining momentum and paving the way for expansion of capital goods industry across multiple sectors. The year 2014 did show signs of recovery for several developed economies, especially the US economy, which is expected to register a higher GDP growth in the coming year as well.

In contrast, India witnessed a renewed surge in economy, backed by the new government at the centre. The proposed reforms did bring back the sense of optimism, reigniting hope for sustained economic growth over the coming years. One of exciting reforms expected to usher in manufacturing excellence in the country is 'Make in India'. This will not only reshape the country's consumer-driven economy mindset but also help the entrepreneurial spirit to excel to at newer scales of success.

At the backdrop of the existent volatility, your Company has prepared the foundation

to achieve the next-level of growth. With our completed expansion of capacities in 2013 and enhanced operational efficiencies, we expect to capitalise on the next-wave of growth opportunities. With core sectors expected to be revived with significant investments, it augurs well for us. Our expertise and excellence, transformed now from small forging products to Heavy Forging products gives us the edge to address the expected demands of sectors like Oil & Gas, Power, Marine, Ship Building & Heavy Engineering. With a capacity of 18,600 MTPA, we are confident of meeting the domestic as well global forging demand.

The year 2014-15 was a year which marked the beginning of our turnaround after the significant capex we made in the last three years. With commercialisation of the new capacities and execution of the order book, we reported a positive PBDT during the year. On a standalone basis, total revenue grew by 61.04%, supported by a 50.25% growth in exports. EBITDA margins expanded from 11.39% in 2013-14 to 18.60% in the current year. The low market demand has kept our utilisation levels

low, but we expect the improved and market demand, higher capacity utilisation to translate into a positive bottom line in the near short-term.

During the year we have had some remarkable achievements. We expanded our international operations, emerging as a trusted forging player globally. Our new capacities are backed by state-of-the-art technology, which helped us receive several accreditations from global customers. We await qualification and approvals from several more global customers, which will help us expand our global presence and earn higher revenues in near future.

We look forward to the momentum 'Make in India' with a great sense of optimism. With the easing of investment, India's high-value industrial sectors – defence, construction and railways are now open to global participation. Some of

the big steps taken towards this are:

- Policy in Defence sector liberalised and FDI cap raised from 26% to 49%.
- Portfolio investment in Defence sector permitted up to 24% under the automatic route.
- 100% FDI allowed in Defence sector for modern and state of the art technology on case to case basis.

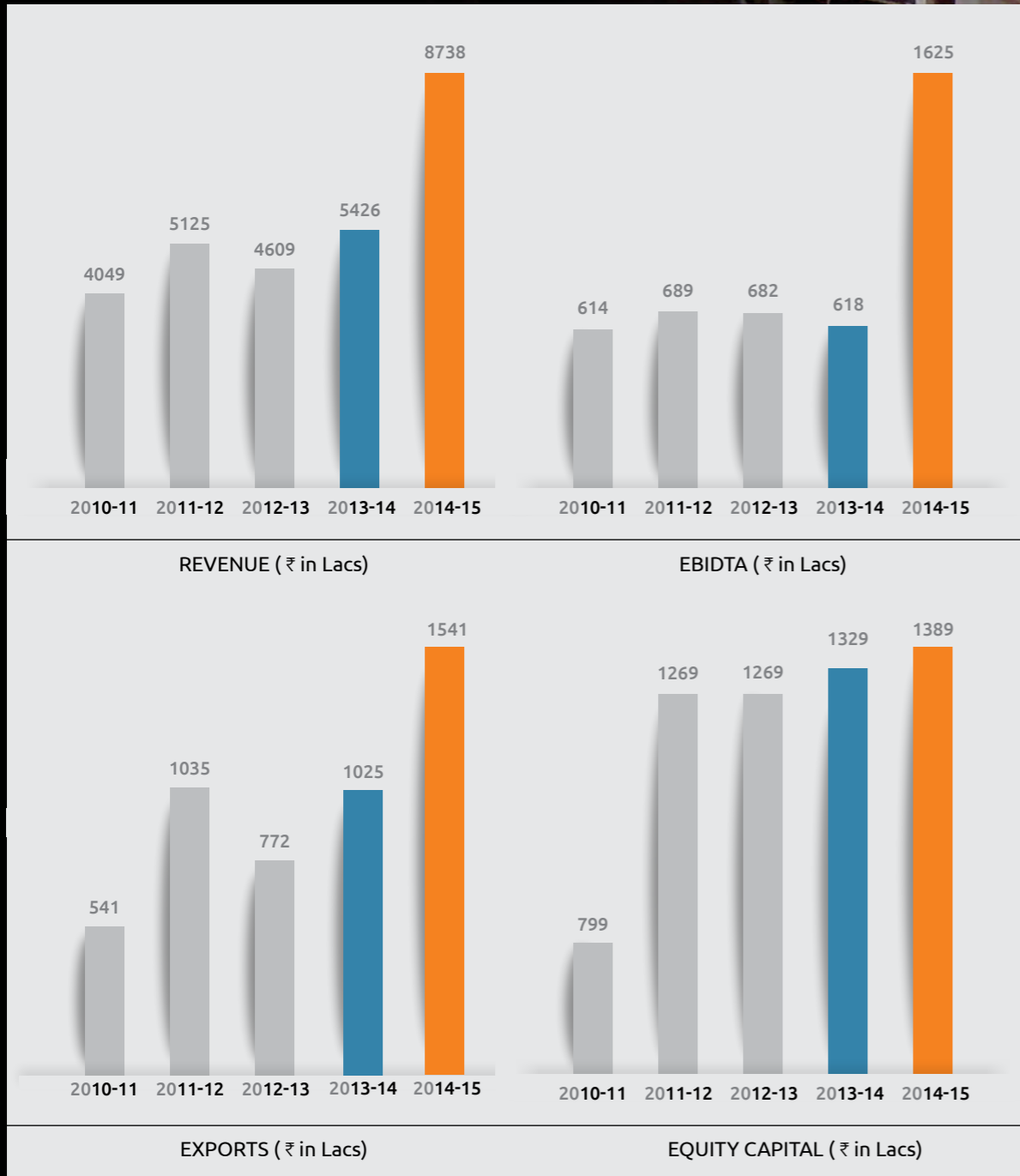
The production of total finished steel (alloy and non-alloy) stood at 91.46 mt in 2014-15, growing at 4.3% over 2013-14.

This change in attitude comes at an opportune time. With slowing domestic market in China and rising wages, the world looks upon India as the next cost-efficient and qualitative manufacturing base. The reforms in defence sector augur well for your company's future, given its strong product capabilities for the defence sector. We welcome this initiative, which will not only help the country's

ailing manufacture sector but also help the country emerge as the largest growing economy in the world.

From a long-term perspective, we will leverage our competitive advantages and utilise our advanced technology to develop new products in response to evolving core sector needs. Looking forward, we envision an immensely rewarding future for our company, driven by our passionate team of managers and employees. On behalf of the entire team at Sanghvi, we thank the investors and shareholders for the continued support. We reiterate our conviction that the very reason for our existence is to create economic, social, and environmental value for our stakeholders—including our employees, our consumers, our shareholders, our bankers and the enterprises and institutions within our society—now and into the future.

FINANCIAL HIGHLIGHTS, 2014-15



OUR JOURNEY

- 1989**
Set-up factory at Vadodara with an installed capacity of 300 MTPA for close die forgings
- 1996**
Obtained first major approval from the Technical Development Committee of India
- 2005**
Enhancement of closed die forging installed capacity upto 1,200 MTPA
- 2006**
Establishment of new open die forging plant with an installed capacity of 2,400 MTPA
- 2008**
Implementation of SAP-Enterprise resource planning
- 2009**
Obtained approval from GE , PDIL and EIL
- 2011**
IPO and listing on BSE and NSE
- 2013**
Commencement of new heavy forging division with the total installed capacity of 18600 MTPA
- 2015**
Commissioned India's largest capacity: Polymer Quenching Tank



OUR CORE COMPETENCIES

SCALE

We are one of the largest open die forging companies in India with a total capacity of 18,600 MTPA

TECHNOLOGY

The Company has invested more than ₹ 150 crore in last five years in state-of-the-art technology, with machineries from Germany and Italy.

MARQUEE CLIENTS

With products of high-quality our client profile includes Siemens, GE, VOITH, HP, BP, BHEL, GNFC, EIL, Essar, Godrej, IFFCO, BHPV, IOCL, MDL, Kirloskar, Reliance, Linde, ISRO, NPCIL and L&T among others.

GLOBAL PRESENCE

We generate around 20% of revenues from exports, reducing our dependence on the Indian geography. Today, we are present in more than 20 countries across the globe.

GREEN ENERGY

We have a captive green power generation of 0.350 MW. This has not only helped us sustain our energy requirements, but also helps us contribute to keeping a clean-green environment.

SECTORS

Our products address Petrochemicals, Power, Defence, Oil & Gas, Wind Mills, Ship Building, Dies & Mold and Machine Building.

MAKE IN INDIA

Our focus on Import substitution for strategic sectors and export of high value forgings made in India.

CERTIFICATIONS AND APPROVALS

Successful in receiving major certifications from reputed clients, this reflects our commitments and expertise in the industry.

MARKET EXPANSION

Expanded market from Oil & Gas and Petrochemical sectors into Power Generation, Defence and Shipping.

Corporate Information

Board of Directors

Shri Babulal S. Sanghvi
(Chairman & Wholetime Director)

Shri Jayanti B. Sanghvi
(Managing Director)

Shri Naresh B. Sanghvi
(Wholetime Director)

Shri Vikram B. Sanghvi
(Wholetime Director & Chief Financial Officer)

Shri Ram S. Kaushal
(Independent Director)

Shri Shantaram Yarlagadda
(Independent Director)

Shri Ram C. Prasad
(Independent Director)

Shri Baba Pai
(Independent Director)

Mrs. Aruna S. Khasgiwala
(Independent Director)

Company Secretary

Shri Sagar Pandya

Statutory Auditor

M/s Shah & Bhandari, Chartered Accountants

Internal Auditor

M/s Jain & Hindocha, Chartered Accountants

Secreterial Auditor

M/s Samdani Shah & Associates

Registered Office

244/6-7, G.I.D.C Industrial Estate,
Waghodia- 391760, Dist : Vadodara
Gujarat, India
Tel: 91-2668-263020/264100
Fax: 91-2668-263411
Email :ho@sanghiviforge.com
Web : www.sanghiviforge.com
CIN : L28910GJ1989PLC012015

Bankers

State Bank of India
Bank of Baroda

Company's R&T Agent

Bigshare Services Private Ltd
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Mumbai-400072

Corporate Office

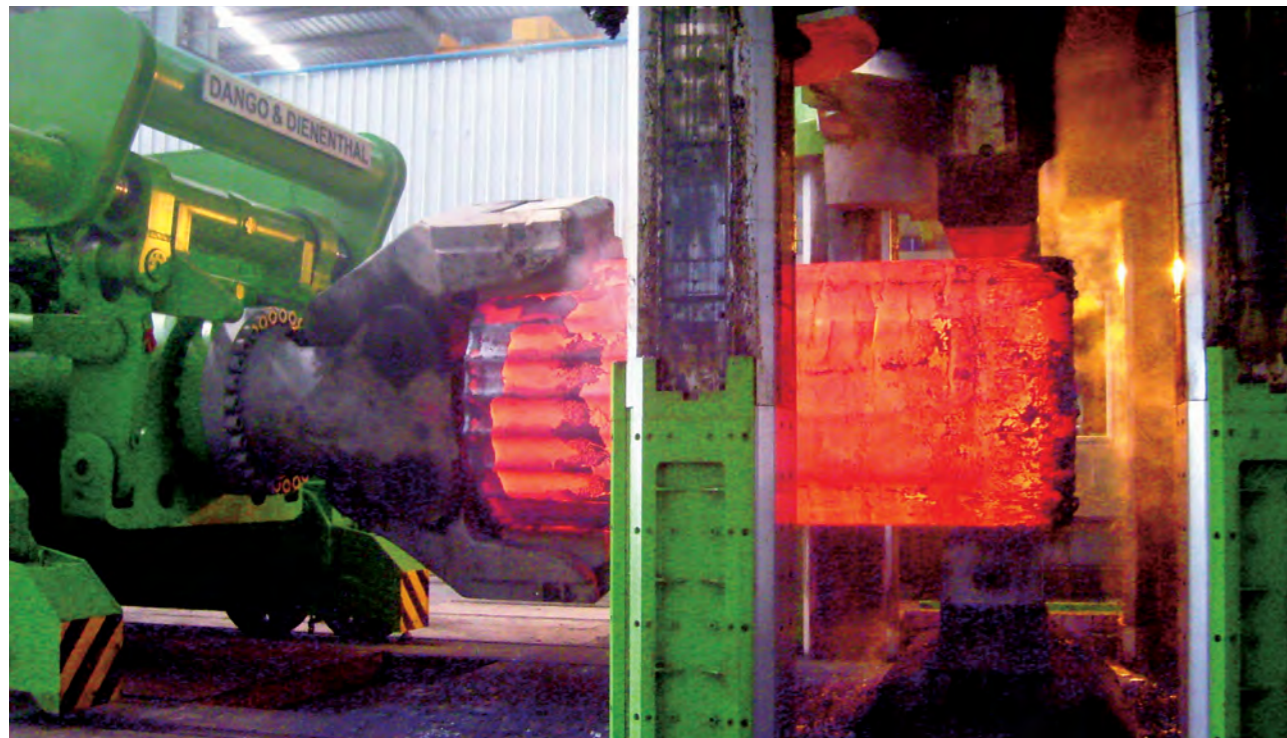
A-8, Parvati Chamber, Opposite Apsara Cinema,
Pratapnagar Road, Vadodara-390004
Gujarat, India
Ph: 0265-2580644/2581658
Fax: 0265-2581126

Works Office

Unit 1: 244/6-7, G.I.D.C. Industrial Estate,
Waghodia, Dist :Vadodara -391760, Gujarat, India

Unit 2: 1401, 1402, 1403, G.I.D.C. Industrial
Estate, Waghodia, Dist : Vadodara -391760,
Gujarat, India

Management Discussion and Analysis Report



Industry Structure and Developments.

Your Company is one of the leading and pioneer players in the forging industry having varied product portfolio with a capacity of 18,600 MTPA to cater in a domestic as well as international markets such as Canada, Germany, France, the Netherlands, Belgium, UK, Australia, Oman, Kuwait, Qatar, UAE, Argentine, Indonesia, Italy, Malaysia and South Korea.

Your Company had successfully completed expansion plan with a clear strategy to create higher return for our stakeholders in forthcoming years.

We have developed various innovative strategies in order to operate efficiently and grab the opportunity knocked by

sector development and change in policy of Government.

Moreover, the Company has also strong reputed clients which includes Nuclear Power Corporation, BHEL, Bharat Dynamics, IOCL, Godrej & Boyce, L&T, Indira Gandhi Centre for Atomic Research and Defence Research Development Organisation and internationally, National Oilwell Varco, General Electric, Voith, Andritz and Samsung Engineering, WEG etc.

Growth in sectors i.e. Oil and Gas, Power, Heavy Engineering, Ship Building, Defence, Aero Space will continue to rise. The demands of our forging products both in domestic and international markets will continue which in turn will aid us operate at high efficient level.

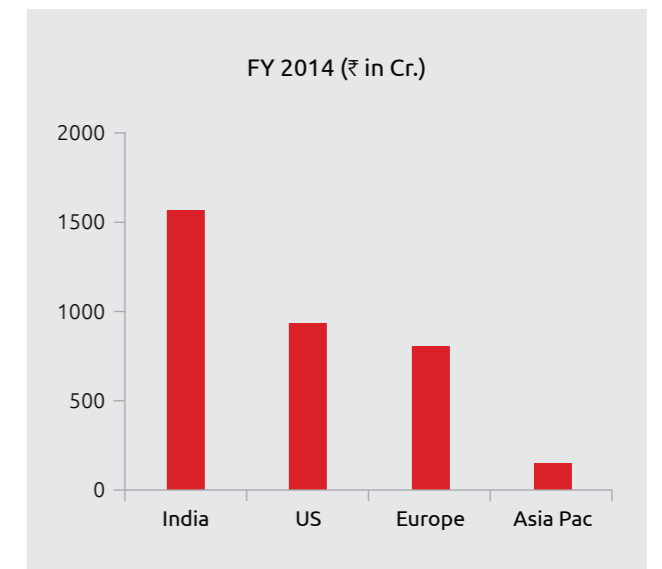
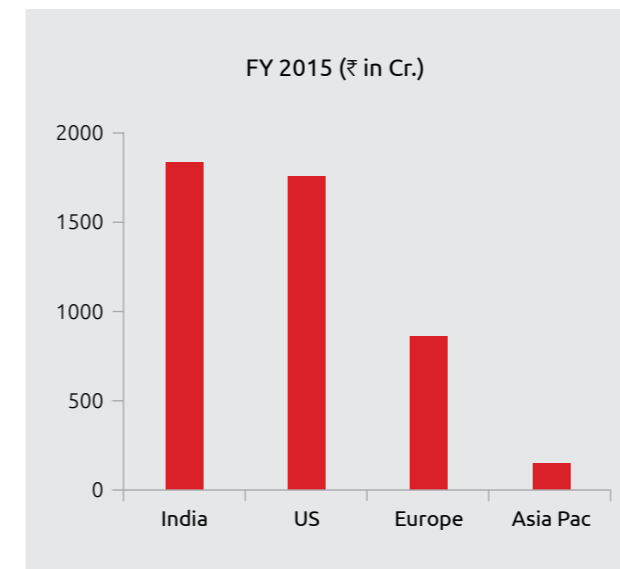
Global Forging Industry

Global Forging industry will grow at a CAGR of 9.73 percent over the period 2014-2018. Many of the low-cost countries in the APAC region and Eastern Europe have emerged as preferred destinations for companies operating in the Global Forging industry.

With the reduction in oil prices globally there will be some

softening in terms of capital expenditure especially in areas where cost of extraction of oil is in much higher than what the current prices are. Furthermore, there is a positive effect to lower oil prices both for the US economy as well as economies such as Indian and many other economies that import fuel and their positive effect will help generate higher demand in forging product.

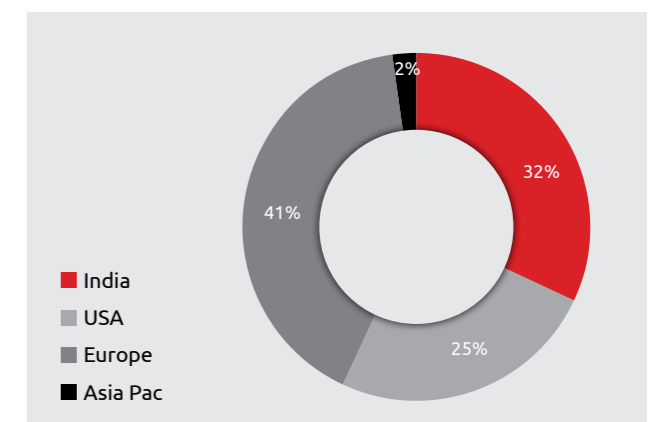
Growth across Geography



Global Forging Growth change %

Markets	%
India	17.8
US	89.7
Europe	7.6
Asia Pac	(7.5)

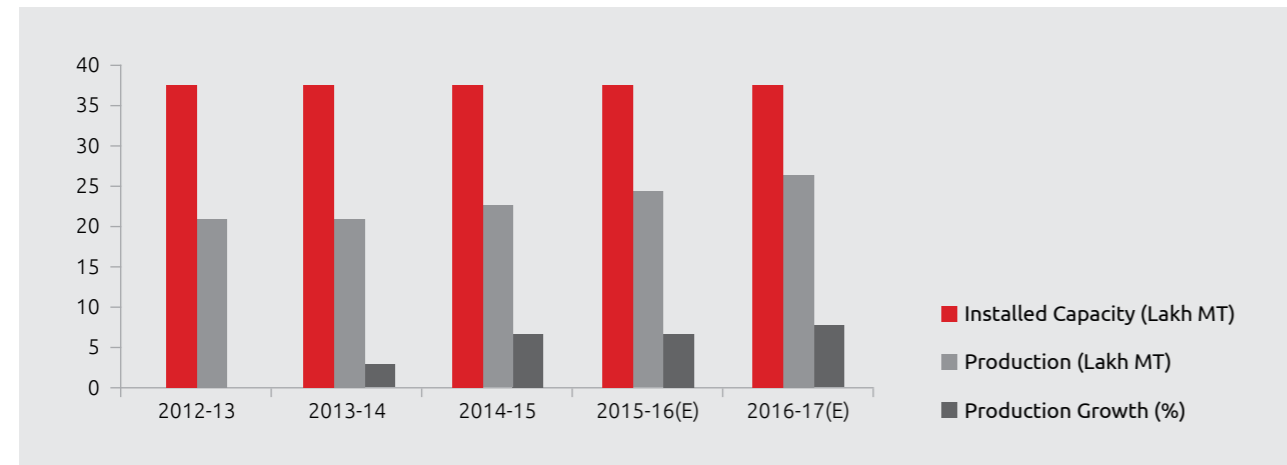
Revenue Break-up % by Geography FY 2015



Indian Forging Sector

Indian forging players mainly cater to the markets of the developed world in Europe, the US and South America. The total turnover of the Indian forging units is approximately ₹ 20,000 crore, and exports account for 25-30 per cent of revenues.

Out of Annual capacity of 3.8 million tonnes, the forging industry has been utilizing only about 2.3 million tonnes. Technological up gradation is imperative to beat competition from cheaper imports in the domestic market and create a niche international market. Hand-holding in the form of an interest subvention or a technology up gradation fund can help the industry achieve a higher growth rate.



Exports

The growth is expected to be encouraged by exports which could be worth USD 20-27 billion by 2015-16. By these estimates a conservative estimate (16-22 per cent) of the production of forgings by 2015-16 would be to the tune of USD 6 billion and above.

Demands drivers

Development in Defence, Oil and Gas, Shipbuilding industry driving forging demand, production is expected to hit 140 MT by the end of 2016, while consumption is expected to grow 6.8% to reach 104 MT by 2017.

Industry concerns

- ▶ Challenges
 - ▶ Impact of rising rupee on export realization.
 - ▶ Inadequate investment in technology up gradation.
 - ▶ Cost competitiveness adversely affected due to constant cost escalation.
 - ▶ Fiscal and Monetary policy of Government.
 - ▶ Compliance with stringent norms.
- ▶ Manufacturing quality

SFEL, which celebrated its 25th Anniversary last year, has taken a leap forward to intelligent manufacturing. We focus on interconnect processes having total production

capacity of 18,600 MTPA in addition to improving quality, which eventually translates into providing their customers with better service.

Sanghvi Forging and Engineering Limited

Our company is leading player in the heavy engineering goods segment and manufactures high-value heavy engineering goods using high and end technology.

Major business Sectors

- ▶ Power
- ▶ Defence
- ▶ Oil & Gas
- ▶ Wind Mill
- ▶ Ship Building
- ▶ Dies & Molds
- ▶ Machine Building

Strategy and Methodology

Our strategy is well on track as we delivered on our goals of consistent, competitive, profitable and responsible growth. We remained focused on strengthening the core of our business through innovation, leading market development and continuous improvement of our executional capabilities.



Our business model starts with our core purpose which is a clear expression of what we believe to be the best long-term way for Sanghvi Forging and Engineering Limited to grow. It is a simple purpose to help us meet changing consumer preferences and the challenges of a volatile, uncertain, complex and ambiguous world.

Make in India

Make in India, has seen an overwhelming response since its launch, just a few months ago. Make in India, which focuses on attracting businesses to invest and manufacture in India, aims to make India a global manufacturing hub, while bringing about an economic transformation in the country.

Increase in Defence production for army, navy, air force, space fields combined with power, oil and petrochemicals sectors are expected to result in increase in demand for our forgings.

Opportunities and Threats

Opportunities

The New Indian Government has a bright outlook for the Forging Industry in terms of growth. One of the reasons for growth in the industry is the liberalisation of the FDI policy in India which will meet the global demands of Forging Products. Your Company intends to follow the New Government policy for forging industry and participate in overall economic growth of the country.

With the increase in GDP (Gross Domestic Product) of Oil & Gas, Power and Steel industries, the demand for our products will continue to rise.

Threats

Input price: The main raw material for the forging industry is steel, while the other major cost heads are energy and consumables. One major challenge that has been impacting the industry is the unstable price of steel and rising price of fuel and power. This has made business unviable as the burden of rising prices cannot be passed on to customers.

Competition: Presence of number of Local Players creates competition in the markets. Competition is intensifying from foreign players who have certain advantages in terms of high spare capacity, technology, workmanship, quality, delivery commitment, low interest cost, etc.

Currency depreciation and Finance Cost: Depreciation in Indian Rupee, pretty sharp and almost sudden, happened in last few months has been hitting like a double whammy and accentuating inflation/cost pressures in business arena.

Combination with higher input costs, interest charges will exert a heavy pressure on margins.

Business Segmental Review

Financial

Despite the challenging environment, we have delivered another year of strong performance with broad-based growth ahead of the market and sustained margin improvement. We remained focused on strengthening the core of our business through innovation, leading market development and continuous improvement of our executional capabilities. Our strategy is well on track as we delivered our goals of consistent, competitive and responsible growth.

Pillars of Future Growth

- ▶ Impact of "Make in India" activities by Government of India.
- ▶ Heavy marketing efforts including participation in National and International exhibition.
- ▶ Visits of large numbers of International buyers for assessing our capabilities for their orders.
- ▶ Quality approvals received from major buyers.
- ▶ Commencing of Polymer Quenching Tank.

Road ahead

India is expected to become the world's second largest producer of crude steel in 2015-16, moving up from the fourth position, as its capacity is projected to increase from 100 million tonne (MT) to about 112.5 MT in 2015-16. "All indicators suggest that India will soon move up to the second position both in production and consumption,"

Divisional Highlights

▶ Financial
FY 2014-15 revenue from Sales increased 61.04% to ₹ 8737.61 Lacs (P.Y. ₹ 5425.53 Lacs), reflecting topline

Approval & Certifications

Approvals		Certifications
Lloyds (LRIS)	IBR	ISO 9001-2008 TUV NORD
BVIS	UHDE	ISO 14001 – 2004 TUV NORD
TUV	EIL	BS OHSAS 18001 : 2007 TUV NORD
SGS	ABS	PED 97/23/EC TUV Rheinland
TOYO	IRS	NABL ISO/IEC 17025:2005
PDIL	DNV	

Risks and Concerns

The Company considers good Corporate Governance as pre-requisite for meeting the needs and aspiration of shareholders and other stakeholders in the Company. As part of the Company's efforts to strengthen Corporate Governance, the Board of Director has formulated Risk Management policy, which puts in place Risk Management structures with a clear definition of roles and responsibilities, as well as risk portfolio involving a

performance during the year. EBITDA increased by 18.60% of ₹ 1625.47 Lacs. Total exports reached ₹1541 Lacs this year, compared to ₹1025 Lacs for the previous year.

▶ Operational

The Company continued with its initiatives to reduce procurement cost and to reduce operational costs. These initiatives helped the Company in the current year to keep the operational costs under control and improve the bottom line.

Outlook

At Sanghvi forging, our commitment to customers is reflected in everything we do. We endeavor to be known as their business partners, effortlessly integrating our offerings into their operations. With the ability to manufacture products for multiple sectors, our customer profile has been growing with each passing year.

In over last two decades, we have established ourselves as a preferred forging manufacturer, not only in India but across the globe. Today, we have presence in more than 14 countries, supplying value added products to various global OEMs.

continues process of Risk identification, risk assessment, control assessment and risk monitoring, review and communication. The Company aims to:

- ▶ Identify, assess and manage existing as well as new risks in a planned and coordinated manner.
- ▶ Increase the effectiveness of the Company's internal and external reporting structure.
- ▶ Develop and foster a "risk" culture within the organisation

that encourages all staff to identify risk and associated opportunities and respond to them with appropriate actions.

Internal Control Systems and their Adequacy.

The Company has appropriate internal control systems and procedures in place with regard to effective utilisation of resources, efficiency in operation, financial reporting and compliance with various rules and regulations.

The implementation of the SAP ECC 6.00 system in 2008 for better control and reliability of the various business and processes was supplemented by extensive audits conducted by the Statutory Auditors.

Key processes including production, planning and accounting are done routinely through the globally benchmarked SAP initiatives. Regular audits are conducted to review the adequacy and effectiveness of the internal controls and suggest improvement, if any, to strengthen the existing system.

Discussion on Financial Performance with Respect to Operational Performance.

Amid optimism and rising business sentiments, your Company reported a top-line growth of 61.04% in revenue over the Previous Year. Revenue from Operations stood at ₹ 8737.61 Lacs compared with ₹ 5425.53 Lacs in Previous Year. Profit after Tax stood ₹ (794.70) Lacs as against ₹(778.47) Lacs in the Previous Year.

These results were achieved in the face of prevailing recessionary conditions, finance cost, competitive environment, balanced by efforts towards cost control and



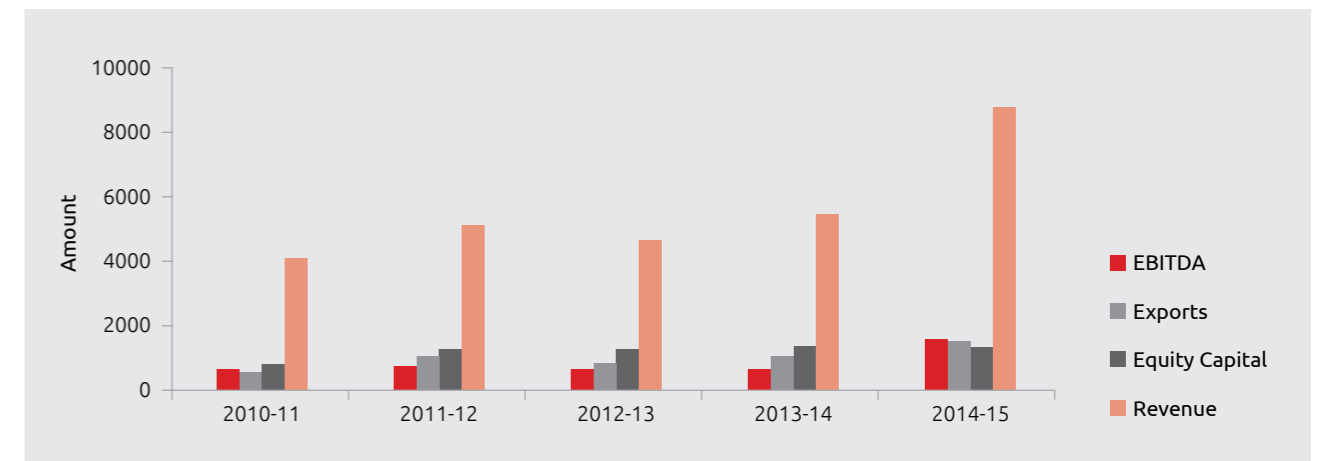
depreciation costs as well. We believe that our businesses are backed by necessary skills and expertise and remain cautiously optimistic that performance and profitability will improve with continuing momentum of operational improvements and the expected upturn in the global and Indian economy and forging markets.

Export continues to drive the growth. It clocked ₹ 1541 Lacs from ₹ 1025 Lacs in the Previous Year. Order book size as on 31 March, 2015 is ₹ 3200 Lacs including domestic as well as exports orders.

Development During the year

Your Company has also received few approvals from Leading Indian Defence & Strategic Sector Organisation in defence sector i.e. ISRO, DRDL, BARC, DMRL, IGCAR, VSCC, NPCIL, MDL etc. and also commissioned India's largest capacity : Polymer Quenching Tank during the year.

Key Financial Indicators (Amt in Lacs)



Operational Excellence:

SFEL is committed to achieving the highest levels of operating efficiencies and effectiveness across all business activities, both customer facing and internal. Efficient planning, superior processes supported by automation and meticulous execution driven by operating discipline forms the bedrock of all operations.

► Sector wise overview

Development in Defence, Oil and Gas, Shipbuilding industry driving forging demand, production is expected to hit 140 Million Ton by the end of 2016, while consumption is expected to grow 6.8% to reach 104 Million Ton by 2017.

India's space program lunched 40 satellites for 19 countries, there is a scope in contribution to realization of operational task in the new areas.

► Strengthening senior management team

Your Company consistently nurtures internal talent and is in the process of expanding the pool of capable people to drive growth.

► Strengthening the Board of Directors

In May 29, 2015, SFEL strengthening its Board of Directors by appointing Mrs. Aruna Khasgiwala as additional Independent Director. She is Retd. professor, former DEAN (2003-2010), former head (2003-2008) faculty of Social Work in the M. S. University of Baroda. She holds degree of M.A. (Social Work) specialization, Medical & Psychiatric Social Work, Delhi University, Ph.d. (Social Work) M.S. University of Baroda, she has over 41 years of experience in teaching and field.

► Subsidiary Company

Your company has formed a wholly owned subsidiary namely Sanghvi Europe B.V. in Netherlands to develop its markets in Netherlands.

Financial Performance

(₹ in lacs)

	2014-2015	2013-2014
Net Sales	8737.61	5425.53
EBITDA	1625.47	617.88
Profit After Tax	-794.70	-778.47
EPS - basic	-5.85	-6.10

Revenue Break-up %

	2014-2015	2013-2014
Domestic	82	81
International	18	19

Revenue Break-up

(₹ in lacs)

	2014-2015	2013-2014
Domestic	7172.02	4356.17
International	1541.21	1025.71


Quality Standard

Your Company focuses on superior quality, shorter lead time and high service level to keep the customer satisfaction high. Besides, its ability to be a one-stop shop for all customer needs, ability to support the customer across the globe and focus on efficiency and cost management help to sustain its position as a world-class forging provider.

Material Developments In Human Resources / Industrial Relations Front, Including Number Of People Employed.

The Company's innovative human resources management strategies supported business in a challenging economic environment. Strategic talent acquisition and performance management are key to ensure diverse and competency-driven workforce.

A working environment where performance is rewarded; employees are respected and opportunities are made available to release their potentials in creating a performance oriented culture. Several HR initiatives have been started to improve employee engagement and organisational performance.

► To enhance employee engagement and to work towards employee satisfaction. In addition, stabilization and revision of various policies and process improved operational excellence.

The Company recruited talented professionals (employee strength 229 as on March 31, 2015) with an emphasis on training and development. Investments were made to upgrade the facilities available to employees. This has resulted in the maintenance of harmonious relations with its employees.

On the behalf of the Board of Directors

Place: Vadodara
Date : May 29, 2015

Babulal S Sanghvi
Chairman

Board's Report

To
The members of
The Company

Your Directors take pleasure in presenting the 27th Annual Report of the Company along with the audited financial statements for the year ended March 31, 2015, for your perusal, consideration and adoption.

FINANCIAL HIGHLIGHTS

The financial performance for the fiscal 2015 is summarised in the following table

(₹ In Lacs)

Particulars	Standalone	
	2014-2015	2013-2014
Income from Operations	8,604.44	5,292.09
Other Operating Income	108.79	89.79
Other Income	24.38	43.65
Total Income	8,737.61	5,425.53
Operating & Administrative Expenses	7,112.27	4,764.00
Operating Profit before Interest, Depreciation and Tax	1,625.34	661.53
Interest and Financial Charges	1,584.94	941.33
Depreciation and Amortisation	835.24	714.51
Profit Before Tax	(794.84)	(994.31)
Tax Expenses	(0.14)	(215.84)
Short Provisions for Taxes	--	--
Profit After Tax	(794.70)	(778.47)

FINANCIAL AND OPERATIONAL PERFORMANCE

Your Company has achieved a turnover of ₹ 8713.23 Lac and a net loss of ₹ 794.70 Lac for the financial year ended March 31, 2015 as against a turnover ₹ 5381.88 Lac and net loss of ₹ 778.47 respectively during the previous year, representing topline growth by 61.91%.

Depreciation and amortization charge was increased from ₹ 714.51 lac to ₹ 835.24 lac during the financial year 2014-15.

Interest charge was increased from ₹ 941.33 lac to ₹ 1584.94 lac during the financial year 2014-15.

Employee benefit expenses have increase from ₹ 376.22

lacto ₹ 501.13 lac, making an increase of 33.21%. It signifies that the Company has boosted its human resources and invested in bringing experienced professionals in the organisation.

The performance of the Company during the fiscal 2014-15 have leading performances that have set the foundation for future growth.

OUTLOOK

The Company has taken a number of steps to sustain its leadership position in the market and has been strengthening its relationships with its customers. In addition it is also making constant efforts to add new customers and widen its customer base.

The combination of additional capacity of our new plant i.e. 15000 MTPA and integration has had a positive impact on the Company's operating margins. Your Company believes to strengthen its topline and margins in the coming years. We have received all approvals from different customers that validate our product quality.

The Company continued its focus on strengthening local manufacturing capabilities. However, it also analyzed the trends in the steel industry and adapted to rapid development occurring in the world of steel. The Company has adopted strategic measures to minimize the adverse macro economic implications.

SHARE CAPITAL

The Company on October 10, 2014 allotted 600,000 Equity Shares of nominal value of ₹ 10/- each at a price of ₹ 37.50/- per equity share, including premium of ₹ 27.50/- per equity share to Promoters of the Company against an option attached to the Warrants to convert each warrant into fully paid up Equity Share, exercised by them with respect to balance 6,00,000 Warrants out of 1,200,000 Warrants allotted to them on May 28, 2013 on preferential basis in accordance with approval of shareholders under Section 81, 81(1A) of the Companies Act, 1956 in the Extraordinary General Meeting held on April 2, 2013.

Further on October 10, 2014 your company allotted 10,00,000 Warrants at a price of ₹45/- including premium of ₹35/- to Promoters of the Company on preferential basis in accordance with approval of shareholders under Section 62(1)(c) of the Companies Act, 2013 in the Extraordinary General Meeting held on August 14, 2014.

WARRANTS

During the year the Company has converted balance 600,000 Warrants out of 1,200,000 Warrants allotted to Promoters into 600,000 Equity Shares under preferential allotment at Board meeting held on October 10, 2014. The Company has obtained In Principal approval for listing of the Shares from National Stock Exchange of India Limited on November 7, 2014 and BSE Limited on November 13, 2014. The Company has also completed necessary formalities from Central Depository Services (India) Limited and National Securities Depository Limited in these regard.

The Board of Directors of your company has its meeting held on July 14, 2014, inter alia has decided to issue 10,00,000 convertible equity warrants of ₹ 45 each which are convertible into one Equity Share of the Company of ₹ 10 each per equity warrants at a price of ₹ 45 per Equity Share (i.e. premium of ₹ 35 per Equity Share) to the promoters and promoter group on preferential allotment basis. Subsequently Extra ordinary General Meeting held on August 14, 2014 for shareholders' approval.

CREDIT RATING

The credit rating of the Company has been revised from CARE BB- to CARE D for its long-term and short-term-bank facilities. The revision in the credit rating arises due to delay and cost overruns in the new project. The Company expects to improve its ratings in the coming year through capacity utilisation with substantial marketing efforts.

INVESTORS' RELATIONS AND GRIEVANCES

All the shareholders'/investors' complaints/grievances received during the financial year have been resolved and there were no investor grievances pending, as on March

31, 2015. A confirmation to this effect has been obtained from the Company's Registrar and Share Transfer Agent and authentication of the same can be verified from the SCORES website at <http://scores.gov.in>. The details regarding investor complaints received and resolved during the year are mentioned in the report on Corporate Governance annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the Company is covered under a separate Annexure to this report as Management's Discussion & Analysis.

REPORT ON CORPORATE GOVERNANCE

A separate Section on Corporate Governance is included in the Annual Report and the Certificate from M/s Samdani Kabra and Associates, Company Secretaries, Vadodara, the Company's Secretarial Auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed thereto.

FIXED DEPOSITS

Your Directors report that the Company has not accepted any deposits during the current financial year.

INSURANCE

Your Directors confirm that all the properties and insurable interests of the Company, including buildings, plant and machinery and stocks have been adequately insured.

DIRECTORS

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from April 01, 2014, Independent Directors are not to be included in the total number of directors of the Company for the purpose of determining the directors liable to retire by rotation. Accordingly, Shri Naresh B. Sanghvi retires at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Dr. Aruna Khasgiwala has appointed as additional director of the Company at Board Meeting held on May 29, 2015 pursuant to Sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013.

AUDITORS

Statutory Auditor

The comments of the Auditors in their report and the notes forming parts of the accounts are self-explanatory and need no comments.

M/s.Shah & Bhandari, Chartered Accountants, the Company's Statutory Auditors who retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Directors recommend the ratification and reappointment of M/s Shah & Bhandari and shall seek the approval of the members.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Company has appointed M/s Jain & Hindocha, Vadodara, Chartered Accountants as Internal Auditors of the Company for the FY 2014-15.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Samdani Shah & Associate, Practicing Company Secretary, Vadodara to undertake the Secretarial Audit of the Company of the Company for the FY 2014-15. The Report of the Secretarial Audit Report is annexed herewith as "Annexure A". There is no qualification in the Secretarial Report submitted by M/s. Samdani Shah & Associates to the Company.

HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

The Company's HR processes such as hiring and on-boarding, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process, and market aligned policies have been seen as benchmark practices in the Industry.

Pursuant to The Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 notified on December 9, 2013, the Company has set up a Committee to look into complaints under the said Act. The Company has not received any complaints relating to sexual harassment at work place from any woman employee during the year.

DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL i.e. ONE LEVEL BELOW THE BOARD INCLUDING ALL HODs

None of the senior management personnel have undertaken financial and commercial transactions with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

Disclosure

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these item during the year under review:

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained during the year for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. The Company has developed a Related Party Transactions policy for purpose of identification and

monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website i.e. http://www.sanghviforge.com/pdf/related_party_transaction.pdf

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

NOS OF MEETING OF THE BOARD

During the year from April 2014 to March 2015, 6 Board Meetings and 4 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statement for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any
- that the accounting policies to the financial statement have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the company on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the annual financial statement on a going concern basis; and

- (e) that the proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively.
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

POLICY ON NOMINATION AND REMUNERATION

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

PARTICULARS OF EMPLOYEE

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure C".

There were no employees coming within the purview of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

LOAN, GUARANTEE OR INVESTMENT

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

COMPANY'S AFFAIRS

Financial Status

Net Income from operations by 61.91% to ₹ 8713.23 Lacs.

Exports increase by 50.25 % to ₹ 1541.00 Lacs

EBITDA increased by 61.10% to 18.40%

Approvals & Certifications

Approvals		Certifications
Lloyds (LRIS)	IBR	ISO 9001-2008 TUV NORD

BVIS	UHDE	ISO 14001 – 2004 TUV NORD
TUV	EIL	BS OHSAS 18001 : 2007 TUV NORD
SGS	ABS	PED 97/23/EC TUV Rheinland
TOYO	DNV	NABL ISO/IEC 17025:2005
PDIL	IRS	

Material Changes and Commitments

Your Directors are of the opinion that there are no material changes and commitments affecting financial position of the Company which have occurred between end of financial year of the Company and the date of this report.

AMOUNT TO CARRY RESERVE

The Board of Directors has not recommended transfer of any amount of profit to reserve.

DIVIDEND

The Directors of your Company express their inability to recommend any dividend for the FY 2014-15 due to the current financial situation of the Company. However your Company is harbouring a positive outlook for the next fiscal with the commencement of commercial production and good returns in terms of revenue and profitability.

CONSERVATION OF ENERGY

The Company has taken several steps towards conserving energy through its 'Sustainability' initiatives, disclosed separately in the Annual Report. The information on Conservation of Energy as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in "Annexure D" of this Annual Report.

SAFETY, HEALTH AND ENVIRONMENT SAFETY

The Company has continuously exercised effective safety, health and environment policies. Water and air pollution control measures are successfully operated and industrial trade effluents are used for gardening. The tree plantation at the factory site is maintained properly and the same shall be duly taken care of at our new plant.

RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. Role and terms of reference of the Committee and Composition of Risk Management Committee are in Corporate Governance Report.

The following table lists some of the key risks which may be faced by the Company.

Key Risk	Impact on the Company	Mitigation Plan
Economic Environment and Market conditions	Economic slowdowns or factors that affect the economic health of our customers' countries and the said industries may increase risk to our revenue growth.	Strategically, we seek to continuously expand the customer base to maximize the potential sales volumes and at the same time securing additional volumes from existing customers on the basis of our record of satisfactory performance in our earlier dealings.
Fluctuations in Foreign Exchange	Substantial risk on account of adverse currency movements in global foreign exchange markets	Implementing hedging strategies for foreign currency exposures, specification of transaction limits, monitoring and controlling such transactions.
Competition	Competition will continue to intensify due to establishment of new capacities, expansion of existing capacities and consolidation of operations across the forging sector.	We are strongly positioned in our designated market commanding a premium for our product
Environmental Risk	Legal exposure in this regard is when polluting materials are discharged into the environment by causing danger to fragile environmental surrounding is a violation.	For control of water pollution the Company has setup a sewage treatment plant at its Heavy Forging plant for the treatment of sewage/ effluent and it is further used for gardening and plantation and the industrial waste water generated from the plants is re-circulated into the process.
Cost Structure	Cost of revenues consists primarily of raw materials including gas, power; etc., The cost of revenues has a very high degree of inflationary certainty.	Controls costs through budgetary mechanism and its review against actual performance with the key objective of aligning them to the financial model.
Compliance Risk	Increasing regulatory requirement may pose compliance related risk to the Company.	Company have dedicated in house team of professionals to mitigate any compliance related risk. All process and check list, to comply with the statutory requirement are well documented and are regularly followed and reviewed to incorporate any changes.
Availability of desired Resources	Non availability of resources with right skill at the right time may pose risk to the Company. Ability of the Company to attract and retain talent is critical.	Focus on career inspiration for high performers and incentivize them with learning, growth and leadership opportunities.

CORPORATE SOCIAL RESPONSIBILITY

The Company, having regard to its size and scope, is generally complied with relevant guidelines on Corporate Social Responsibility (CSR), even though not presently applicable to the Company. The Board has also constituted a committee at their Board Meeting held on May 26, 2014 in accordance with Section 135 of the Companies Act 2013 to mentor and monitor CSR activities.

The call of fulfilling our CSR activities has sincerely been taken by us and we accord as much significance to CSR as any business project and the results are there for everyone to see. Dedicated need-based interventions have been initiated in areas where we operate. Enabling local people by fostering self-reliance is the motive behind our community development efforts.

Therefore, our interventions are structured around promoting education as well as informal education of Tribal Children, generating livelihood, empowering women and overall, social mobility.

Your Company is also constantly making efforts to maintain a greener planet and reduce its carbon footprint as much as possible. Through financial contributions and active participation of employees, your Company provides support to non-profit organisation that address community sustainability. Your Company contributed through donations, rain water harvesting sponsorship and by participating in various activities.

BOARD EVALUATION

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

SUBSIDIARY COMPANY

During the year Company has formed its Wholly Owned Subsidiary Company in Netherlands in the name of "Sanghvi Europe BV".

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures is attached in Form AOC-I in Separate Section of this Annual Report.

COMPOSITION OF AUDIT COMMITTEE

Pursuant to the provision of Section 177 (8) of the Companies Act, 2013, Audit Committee comprises of experts specialised in accounting/financial management. The Chairman of the Audit Committee is a Non-Executive and Independent Director.

Composition of the Committee are as below:

Name	Designation	Category
Shri Ram S Kaushal	Chairman	Non-Executive and Independent
Shri Baba Pai	Member	Non-Executive and Independent
Shri Vikram B Sanghvi	Member	Executive and Non-Independent
Shri Shantaram Yarlagadda	Member	Non-Executive and Independent

VIGIL MECHANISM / WHISTLE BLOWER

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is posted on the website of the Company i.e.http://www.sanghviforge.com/pdf/whisler_blower_policy.pdf

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of programmes for familiarization of Independent Directors and training with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company i.e.http://www.sanghviforge.com/pdf/familiarisation_program.pdf

APPOINTMENT / RESIGNATION OF DIRECTOR OR KMP

During the year FY 2014-15, Mr. Vikram B. Sanghvi, appointed as CFO of the Company by the Board of Directors at meeting held on May 26, 2014 as per Section 203 of Companies Act, 2013.

Mrs. Jyoti V Menghani appointed by the Board of Directors as an Additional Director of the Company in the category of Independent Director with effect from August 13, 2014 in accordance with Section 161 of the Companies Act, 2013 and thereafter at the AGM of the Company held on September 26, 2014 by the members of the Company appointed as Independent Director for a period of five years. Mrs. Jyoti V. Menghani resigned from the post of Independent Director with effect from May 25, 2015 due to personal reason.

Mrs. Aruna S. Khasgiwala appointed by the Board of Directors as an Additional Director of the Company in the category of Independent Director with effect from May 29, 2015 in accordance with Section 161 of the Companies Act, 2013 subject to approval of Members in this Annual General Meeting of the Company.

INTERNAL FINANCIAL CONTROL

The Company has appropriate internal financial control systems and procedures in place with regard to effective utilisation of resources, efficiency in operation, financial reporting and compliance with various rules and regulations.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the wholehearted and continued support assistance and cooperation extended by the shareholders, banks, suppliers, customers, employees, and all concerned towards the Company during the year under review.

On the behalf of the Board of Directors

Place: Vadodara
Date : May 29, 2015

Babulal S Sanghvi
Chairman

Annexure-A to Board's Report

Form MR-3 Secretarial Audit Report

For the Financial Year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9

Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sanghvi Forging and Engineering Limited
244/6&7 GIDC Estate,
Waghodia – 391760
Gujarat, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sanghvi Forging and Engineering Limited (the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;

We have examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited. We have not examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India as these were not notified up to the period of this report.

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

We further report that the Board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were instances of;

1. Allotment of 10,00,000 Warrants at a price of ₹45/- per shares (including premium of ₹ 35/-) as per terms and conditions of Warrants issued on preferential basis to Promoter and Promoter Group.
2. Conversion of 6,00,000 Warrants allotted on 28th May, 2013 to the Promoters into 6,00,000 Equity shares at a price of ₹ 37.50/- each (including premium of ₹ 27.50/-).

Suresh Kumar Kabra
Partner
Samdani Shah & Asso.
Company Secretaries
ACS # 9711 - CP# 9927

Vadodara,
29th May, 2015

Annexure-B to Board's Report

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 as on financial year ended on 31.03.2015
 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
 Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L28910GJ1989PLC012015
ii	Registration Date	16.03.1989
iii	Name of the Company	SANGHVI FORGING AND ENGINEERING LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	244/6 & 7 GIDC ESTATE, WAGHODIA, 391760, DIST: VADODARA. Contact No. :-02668-264100
vi	Whether listed company Yes /No	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PVT. LTD. E/2-3, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA, ANDHERI (E), MUMBAI 400 072. Contact No: 022-28470652

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Forging, Pressing, Stamping and Roll forming of Metal; Powder Metallurgy	3440	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% OF Shares Held	Applicable Section
1	SANGHVI EUROPE B.V. LAGE DIJK 31-F, 5705 BX HELMOND, THE NETHERLANDS.	8712423033771	SUBSIDIARY	100	2 (87)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

	No. of Shares held at the beginning of the year as on 01.04.2014				No. of Shares held at the end of the year as on 31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8,487,182	0	8,487,182	63.85	9,083,726	0	9,083,726	65.39	1.54
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	8,487,182	0	8,487,182	63.85	9,083,726	0	9,083,726	65.39	1.54
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	8,487,182	0	8,487,182	64	9,083,726	0	9,083,726	65.39	1.54
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non Institutions									
a) Bodies corporates									
i) Indian	290102	0	290,102	2.18	282500	0	282500	2.03	(0.15)
ii) Overseas	0	0	-		0	0	0		
b) Individuals							0		
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	2149091	3	2,149,094	16.17	1914022	3	1914025	13.78	(2.39)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	1619114	0	1,619,114	12.18	1867288	0	1867288	13.44	1.26

	No. of Shares held at the beginning of the year as on 01.04.2014				No. of Shares held at the end of the year as on 31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)							0		
i) Clearing Members	24643	0	24,643	0.19	15459	0	15459	0.11	(0.07)
ii) Non Residents Individuals	22151	0	22,151	0.17	29288	0	29288	0.21	0.04
iii) Overseas Body Corporate	0	699981	699,981	5.27	0	699981	699981	5.04	(0.23)
SUB TOTAL (B)(2):	4105101	699984	4805085	36.15	4108557	699984	4808541	34.61	(1.54)
Total Public Shareholding (B)= (B)(1)+(B)(2)	4105101	699984	4805085	36.15	4108557	699984	4808541	34.61	(1.54)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12,592,283	699,984	13,292,267	100.00	13,192,283	699,984	13,892,267	100.00	0

(ii) Share Holding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2014			Shareholding at the end of the year as on 31.03.2015			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Jayantilal Babulal Sanghvi	1444606	10.87	3.39	1675591	12.06	10.98	1.19
2	Naresh Babulal Sanghvi	1316931	9.91	3.34	1556931	11.21	10.13	1.30
3	Babulal Sagarmal Sanghvi	1314283	9.89	3.35	1464283	10.54	9.46	0.65
4	Vikram Babulal Sanghvi	1105682	8.32	0.00	1255682	9.04	7.96	0.72
5	Sanghvi Bharmridevi Babulal	662451	4.98	0.00	662451	4.77	0.00	-0.22
6	Sanghvi Meena Jayantilal	620800	4.67	0.00	623300	4.49	0.00	-0.18
7	Sanghvi Kiran Naresh	576000	4.33	0.00	576000	4.15	0.00	-0.19
8	Sanghvi Sheetal Vikram	277726	2.09	0.00	280526	2.02	0.00	-0.07
9	Sanghvi Babulal Sagarmal (HUF)	262857	1.98	0.00	262857	1.89	0.00	-0.09
10	Mahesh Babulal Sanghvi	253894	1.91	0.00	253894	1.83	0.00	-0.08
11	Sanghvi Naresh Babulal (HUF)	112000	0.84	0.00	112000	0.81	0.00	-0.04
12	Sanghvi Jayantilal Babulal (HUF)	112000	0.84	0.00	112000	0.81	0.00	-0.04
13	Sanghvi Naresh Babulal	90000	0.68	0.00	0	0.00	0.00	-0.68
14	Vikram Babulal Sanghvi (HUF)	83394	0.63	0.00	83394	0.60	0.00	-0.03
15	Jayantilal Babulal Sanghvi	80985	0.61	0.00	0	0.00	0.00	-0.61
16	Naresh Babulal Sanghvi	26000	0.20	0.00	26000	0.19	0.19	-0.01
17	Babitadevi Laxmichand Mehta	24500	0.18	0.00	24930	0.18	0.00	0.00
18	Jitendra Jugalkishor Munot	24032	0.18	0.00	24032	0.17	0.00	-0.01

Sl No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2014			Shareholding at the end of the year as on 31.03.2015			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
19	Anila Jugalkishor Munot	20984	0.16	0.00	20984	0.15	0.00	-0.01
20	Bhamridevi Babulal Sanghvi	20000	0.15	0.00	24183	0.17	0.00	0.02
21	Vikram Laxmichand Mehta	14736	0.11	0.00	17136	0.12	0.00	0.01
22	Piyush Laxmichand Mehta	11100	0.08	0.00	11100	0.08	0.00	0.00
23	Gatiyadevi M Jain	10000	0.08	0.00	3831	0.03	0.00	-0.05
24	Meena Jayantilal Sanghvi	6000	0.05	0.00	6000	0.04	0.00	0.00
25	Lalitkumar M Bhansali	4328	0.03	0.00	4328	0.03	0.00	0.00
26	Mahendra Mafatlal Jain	4300	0.03	0.00	0	0.00	0.00	-0.03
27	Sheetal Vikram Sanghvi	2800	0.02	0.00	0	0.00	0.00	-0.02
28	Meena Jayantilal Sanghvi	2500	0.02	0.00	0	0.00	0.00	-0.02
29	Pukhraj H Bhansali	823	0.01	0.00	823	0.01	0.00	0.00
30	Hiralal Bhansali	772	0.01	0.00	772	0.01	0.00	0.00
31	Lalitkumar M Bhansali	698	0.01	0.00	698	0.01	0.00	0.00
Total		8487182	63.85	10.07	9083726	65.39	38.72	1.54

(iii) Change in Promoters' Shareholding

Sl No.	Name of Promoters	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No of shares	% of total shares of the company
1	Jayantilal Babulal Sanghvi	1444606	10.87	01.04.2014				
				30.06.2014	80985	Inter folio transfer	1525591	11.47
				10.10.2014	150000	Preferential Allotment	1675591	12.06
		1675591	12.06	31.03.2015				
2	Naresh Babulal Sanghvi	1316931	9.91	01.04.2014				
				30.06.2014	90000	Inter folio transfer	1406931	10.58
				10.10.2014	150000	Preferential Allotment	1556931	11.21
		1556931	11.21	31.03.2015				
3	Babulal Sagarmal Sanghvi	1314283	9.89	01.04.2014				
				10.10.2014	150000	Preferential Allotment	1464283	10.54
		1464283	10.54	31.03.2015				
4	Vikram Babulal Sanghvi	1105682	8.32	01.04.2014				
				10.10.2014	150000	Preferential Allotment	1255682	9.04
		1255682	9.04	31.03.2015				

Sl No.	Name of Promoters	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No of shares	% of total shares of the company
5	Sanghvi Bharmidevi Babulal	662451	4.98	01.04.2014	0	No Movement		
		662451	4.77*	31.03.2015			662451	4.77*
6	Sanghvi Meena Jayantilal	620800	4.67	01.04.2014				
				30.01.2015	2500	Inter folio transfer	623300	4.48
7	Sanghvi Kiran Naresh	576000	4.33	01.04.2014	0	No Movement		
		576000	4.15*	31.03.2015			576000	4.15*
8	Sanghvi Sheetal Vikram	277726	2.09	01.04.2014				
				20.02.2015	2800	Inter folio transfer	280526	2.02
9	Sanghvi Babulal Sagarmal (HUF)	262857	1.98	01.04.2014	0	No Movement		
		262857	1.89*	31.03.2015			262857	1.89*
10	Mahesh Babulal Sanghvi	253894	1.91	01.04.2014	0	No Movement		
		253894	1.83*	31.03.2015			253894	1.83*
11	Sanghvi Naresh Babulal (HUF)	112000	0.84	01.04.2014	0	No Movement		
		112000	0.81*	31.03.2015			112000	0.81*
12	Sanghvi Jayantilal Babulal (HUF)	112000	0.84	01.04.2014	0	No Movement		
		112000	0.81*	31.03.2015			112000	0.81*
13	Sanghvi Naresh Babulal	90000	0.68	01.04.2014				
				30.06.2014	-90000	Inter folio transfer	0	0
14	Vikram Babulal Sanghvi (HUF)	83394	0.63	01.04.2014	0	No Movement		
		83394	0.60*	31.03.2015			83394	0.60*
15	Jayantilal Babulal Sanghvi	80985	0.61	01.04.2014				
				30.06.2014	-80985	Inter folio transfer	0	0
16	Naresh Babulal Sanghvi	26000	0.20	01.04.2014	0	No Movement		
		26000	0.19*	31.03.2015			26000	0.19*
17	Babitadevi Laxmichand Mehta	24500	0.18	01.04.2014				
				27.06.2014	430	Market Purchase	24930	0.18
18	Jitendra Jugalkishor Munot	24032	0.18	01.04.2014	0	No Movement		
		24032	0.17*	31.03.2015			24032	0.17*
19	Anila Jugalkishor Munot	20984	0.16	01.04.2014	0	No Movement		
		20984	0.15*	31.03.2015			20984	0.15*
20	Bhamridevi Babulal Sanghvi	20000	0.15	01.04.2014				
				23.07.2014	2683	Market Purchase	22683	0.17
				01.08.2014	1500	Market Purchase	24183	0.18
		24183	0.18	31.03.2015				

Sl No.	Name of Promoters	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No of shares	% of total shares of the company
21	Vikram Laxmichand Mehta	14736	0.11	01.04.2014				
				20.06.2014	1000	Market Purchase	15736	0.11
				23.06.2014	350	Market Purchase	16086	0.12
				26.06.2014	2050	Market Purchase	18136	0.14
				03.12.2014	-1000	Market Sale	17136	0.12
		17136	0.12	31.03.2015				
22	Piyush Laxmichand Mehta	11100	0.08	01.04.2014	0	No Movement		
		11100	0.07*	31.03.2015			11100	0.07*
23	Gatiyadevi M Jain	10000	0.08	01.04.2014				
				11.11.2014	-6169	Market Sale	3831	0.03
		3831	0.03	31.03.2015				
24	Meena Jayantilal Sanghvi	6000	0.05	01.04.2014	0	No Movement		
		6000	0.04*	31.03.2015			6000	0.04*
25	Lalitkumar M Bhansali	4328	0.03	01.04.2014	0	No Movement		
		4328	0.03	31.03.2015			4328	0.03
26	Mahendra Mafatal Jain	4300	0.03	01.04.2014				
				10.11.2014	-4300	Market Sale	0	0
		0	0.00	31.03.2015				
27	Sheetal Vikram Sanghvi	2800	0.02	01.04.2014				
				20.02.2015	-2800	Inter folio transfer	0	0
		0	0.00	31.03.2015				
28	Meena Jayantilal Sanghvi	2500	0.02	01.04.2014				
				30.01.2015	-2500	Inter folio transfer	0	0
		0	0.00	31.03.2015				
29	Pukhraj H Bhansali	823	0.01	01.04.2014	0	No Movement		
		823	0.01	31.03.2015			823	0.01
30	Hiralal Bhansali	772	0.01	01.04.2014	0	No Movement		
		772	0.01	31.03.2015				
31	Lalitkumar M Bhansali	698	0.01	01.04.2014	0	No Movement		
		698	0.01	31.03.2015			698	0.01

* Decrease in the % of total shares of the Company is due to Preferential Allotment

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl No.	For each of the Top 10 Shareholders	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No of shares	% of total shares of the company
1	Dango & Dienenthal GMBH & Co. KG	359029	2.70	01.04.2014	0	No movement		
		359029	2.58 *	31.03.2015			359029	2.58 *
2	Dango & Dienenthal GMBH & Co. KG	340952	2.57	01.04.2014	0	No movement		
		340952	2.45*	31.03.2015			340952	2.45*
3	Sanghvi Tinadevi Mahesh	174669	1.31	01.04.2014				
				30.01.2015	2500	Market Purchase	177169	1.28
4	Sanghvi Pyaridevi Mohanlal	177169	1.28	31.03.2015				
		170798	1.28	01.04.2014	0	No movement		
5	Mahesh B. Sanghvi	170798	1.23*	31.03.2015			170798	1.23*
		100000	0.75	01.04.2014	0	No movement		
6	Vipin Tejpal Parmar	100000	0.72*	31.03.2015			100000	0.72*
		85664	0.64	01.04.2014	0	No movement		
7	Amit Simrathmal Jain	85664	0.62*	31.03.2015			85664	0.62*
		57402	0.43	01.04.2014				
8	Sanket M Shah			15.08.2014	5196.00	Market Purchase	62598.00	0.47
				19.09.2014	-1450.00	Market Sale	61148.00	0.46
9	Mahesh N. Shah			27.02.2015	-5916.00	Market Sale	55232.00	0.40
		55232	0.40	31.03.2015				
10	S Rajeshkumar Jain	49980	0.38	01.04.2014	0	No movement		
		49980	0.36*	31.03.2015			49980	0.36*
11	Trustline Holdings Pvt Ltd	49980	0.38	01.04.2014	0	No movement		
		49980	0.36*	31.03.2015			49980	0.36*
12	Snehal Bhupendra Shah	41799	0.31	01.04.2014				
				07.11.2014	-2299	Market Sale	39500	0.28
13	Nitin Tandon			27.02.2015	-7745	Market Sale	31755	0.23
		31755	0.23	31.03.2015				
14	Sagar Pandya - Company Secretary	25000	0.18	01.04.2014				
				06.06.2014	13807	Market Purchase	38807	
15	Sagar Pandya - Company Secretary			11.07.2014	78	Market Purchase	38885	
				19.09.2014	30000	Market Purchase	68885	0.52
16	Sagar Pandya - Company Secretary			14.11.2014	15000	Market Purchase	83885	0.60
		83885	0.60	31.03.2015				
17	Sagar Pandya - Company Secretary	0	0.00	01.04.2014				
				27.02.2015	59960	Market Purchase	59960.00	0.43
18	Sagar Pandya - Company Secretary			06.03.2015	10040	Market Purchase	70000.00	0.50
		70000	0.50	31.03.2015				
19	Sagar Pandya - Company Secretary	0	0.00	01.04.2014				
				06.03.2015	51000	Market Purchase	51000	0.37
20	Sagar Pandya - Company Secretary	51000	0.37	31.03.2015				

* Decrease in the % of total shares of the Company is due to Preferential Allotment.

(v) Shareholding of Directors & Key Managerial Personnel:

Sl No.	For each of the Top 10 Shareholders	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No of shares	% of total shares of the company
1	Jayantilal Babulal Sanghvi - Managing Director	1444606	10.87	01.04.2014				
				30.06.2014	80985	Inter folio transfer	1525591	11.47
2	Naresh Babulal Sanghvi - Wholetime Director			10.10.2014	150000	Preferential Allotment	1675591	12.06
		1675591	12.06	31.03.2015				
3	Naresh Babulal Sanghvi - Wholetime Director	1316931	9.91	01.04.2014				
				30.06.2014	90000	Inter folio transfer	1406931	10.58
4	Babulal Sagarmal Sanghvi - Wholetime Director			10.10.2014	150000	Preferential Allotment	1556931	11.21
		1556931	11.21	31.03.2015				
5	Vikram Babulal Sanghvi - Wholetime Director & CFO	26000	0.20	01.04.2014	0	No Movement		
		26000	0.19*	31.03.2015			26000	0.19*
6	Ram Chandra Prasad - Independent Director	1314283	9.89	01.04.2014				
				10.10.2014	150000	Preferential Allotment	1464283	10.54
7	Y Shantaram - Independent Director	1464283	10.54	31.03.2015				
		1105682	8.32	01.04.2014				
8	Baba Pai - Independent Director			10.10.2014	150000	Preferential Allotment	1255682	9.04
		1255682	9.04	31.03.2015				
9	Ram Swaroop Kaushal - Independent Director	0	0					
10	Jyoti Vinay Menghani - Independent Director	0	0					
11	Sagar Pandya - Company Secretary	0	0					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4118.19	338.72	-	4456.91
ii) Interest due but not paid	42.95	-	-	42.95
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4161.14	338.72	-	4499.86
Change in Indebtedness during the financial year				
Additions	5970.58	614.85	-	6585.43
Reduction	340.87	373.35	-	714.22
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	9747.90	580.22	-	10328.12
ii) Interest due but not paid	111.48	-	-	111.48
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9859.38	580.22	-	10439.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (₹ in Lacs)

Sl No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Mr. Babulal Sanghvi - WTD	Mr. Jayanti B. Sanghvi - MD	Mr. Naresh B. Sanghvi - WTD	Mr. Vikram B. Sanghvi - WTD & CFO	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	17.94	16.12	16.12	16.12	66.30
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1.89	0.44	0.40	0.40	3.13
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit others (specify)	-	-	-	-	-
5	Others, please specify					
	Provident and other fund	0.62	0.54	0.53	0.53	2.22
	Total (A)	20.45	17.10	17.05	17.05	71.65
	Ceiling as per the Act	21.00	18.00	18.00	18.00	75.00

B. Remuneration to other directors: (₹ in Lacs)

Sl No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. R.S.Kaushal	Mr. Baba Pai	Mr. Y Shantaram	Mr. R.C. Prasad	Mrs. Jyoti Menghani	
1	Independent Directors						
	(a) Fee for attending board committee meetings	0.90	0.90	0.75	0.75	-	3.30
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	0.90	0.90	0.75	0.75	-	3.30
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.90	0.90	0.75	0.75	-	3.30
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act.	-	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD (₹ in Lacs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. Sagar Pandya - Company Secretary	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3.57	3.57
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -as % of profit -others, specify	-	-
5	Others, please specify		
	Provident and other fund	0.10	0.10
	Total	3.67	3.67

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Place: Vadodara

Date: May 29, 2015

On the behalf of the Board of Director

 Babulal S. Sanghvi
Chairman

Annexure-C to Board's Report

Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) rules, 2014.

- i) The ration of remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2014-15. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15 are as under :

Sl No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-2015 (₹ In Lacs)	Ratio of remuneration of each Director/to median remuneration of employee	% increase in Remuneration in the Financial Year
1	Mr. Babulal S. Sanghvi – Wholetime Director	20.45	13 : 1	-
2	Mr. Jayanti B. Sanghvi – Managing Director	17.10	11 : 1	-
3	Mr. Naresh B. Sanghvi - Wholetime Director	17.05	11 : 1	-
4	Mr. Vikram B. Sanghvi - Wholetime Director and CFO	17.05	11 : 1	-
5	Mr. Sagar Pandya – Company Secretary	3.67	-	7%

Note: No other Director other than Wholetime Director and Managing Director received any remuneration other than sitting fees during the financial year 2014-15.

- ii) The median remuneration of employee of the Company during the financial year was ₹1.61 Lacs
- iii) In the financial year, there was an increase of percentage % in the median remuneration of employees. - NA
- iv) There were 229 permanent employees on the rolls of the Company as on March 31, 2015.
- v) Relationship between average increase in remuneration and company performance:
There is no direct relationship with Company performance in view of the loss incurred. Routine increments, cost of living and employee retention are as per policy of the Company.
- vi) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:
The Company reported a loss during the year. Remuneration of Key Managerial Personnel has been detailed in MGT-9 : Extract of Annual Return.
- vii) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in market quotations of the shares of the Company in comparison to the rate at which the Company come out with last public offer :

	Closing market price per share (₹)		Percentage increase	Price earnings ratio		Market capitalisation (₹ In Lacs)	
	March 31, 2014	March 31, 2015		March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015
BSE	18.25	43.10	136%	*	*	2425.84	5987.57
NSE	18.95	45.85	142%	*	*	2518.89	6369.60

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

* PE ratio not computed as EPS is negative.

- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-2015 was 11%.
- ix) The key parameters for the variable component of remuneration availed by the directors and considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per Remuneration Policy for Directors and Senior Management.
- x) The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year: The Wholetime Director, Mr. Babulal Sanghvi is the highest paid Director. No employee received remuneration higher than Mr. Babulal Sanghvi.
- xi) It is hereby affirmed that the remuneration paid during the year ended March – 2015 is as per Remuneration policy of the Company.

Place: Vadodara

Date: May 29, 2015

On the behalf of the Board of Directors

Babulal S. Sanghvi

Chairman

Annexure-D to Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy;

Our Gas fired furnaces (5 Nos.) use heat recovery system from hot outgoing gases by waste heat recovery units installed in all furnaces.

(ii) Steps taken by the company for utilising alternate sources of energy;

We have our own windmill of 3500 KWA capacity installed for generating power thus reducing our demand of conventional power. The Tree plantation at the factory site is maintained properly.

(iii) Capital investment on energy conservation equipments;

We have commissioned India's largest capacity Polymer Quenching Tank using polymer mixed in water in place of using oil, thus eliminating use of oil which can be energy source for other costs.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption;

Commissioned India's largest capacity polymer Quenching Tank to enable us to manufacture Die Steels upto 12 meter.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;

- Developed in house capability to forge single piece steel forgings upto 30 ton weight in the shape of Stepped Shafts, Shells, Rings and Hollow pipes which are imported till now.
- Installed a Biological Reed based sewage effluent treatment unit which does not require any power.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Polymer based Quenching system commissioned in 2015

a	the details of technology imported;	Imported Polymer was used in place of oil for Die Steel manufacturing process.
b	the year of import;	2014-2015
c	whether the technology been fully absorbed;	Yes, as Polymer Quenching Tank is being used on regular basis.
d	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	--

(iv) Expenditure incurred on Research and Development.

- The Company has undertaken no R & D activities

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- Earnings in foreign currency (on receipt basis)

(₹ In Lacs)

Particulars	Amount 2014-15	Amount 2013-14
F.O.B. value of export	1136.75	962.54
TOTAL	1136.75	962.54

- Expenditure in foreign currency (on payment basis)

(₹ In Lacs)

Particulars	Amount 2014-15	Amount 2013-14
CIF value of import	637.90	430.05
Other miscellaneous	222.73	257.07
TOTAL	860.63	687.12

On the behalf of the Board of Directors

Place: Vadodara

Date : May 29, 2015

Babulal S Sanghvi

Chairman

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sr. No.	Particulars	Details
1	Sl. No.	1
2	Name of the subsidiary	Sanghvi Europe B.V.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December 2014
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Currency : EURO Exchange rate : 77.00
5	Share capital	100
6	Reserves & surplus	
7	Total assets	98596
8	Total Liabilities	98496
9	Investments	-
10	Turnover	-
11	Profit before taxation	(954)
12	Provision for taxation	-
13	Profit after taxation	(954)
14	Proposed Dividend	-
15	% of shareholding	100%

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

- Names of subsidiaries which are yet to commence operations : NA
- Names of subsidiaries which have been liquidated or sold during the year. : NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: NA

On the behalf of the Board of Directors

Place: Vadodara
Date : May 29, 2015

Babulal S Sanghvi
Chairman

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2015.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

SFEL's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct and its well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders. This, together with meaningful CSR activities and sustainable development policies followed by the Company has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

GOVERNANCE STRUCTURE

SFEL's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing

about an enabling environment for value creation through sustainable profitable growth.

BOARD OF DIRECTORS : (A) Composition of the Board

- The management of your Company is entrusted to the Managing Director, who is assisted by a core management team and senior executives having rich experience and expertise in their respective fields.
- None of the Directors on the Board is a member of more than 10 committees or a chairman of more than 5 committees (as stipulated in Clause 49 of the Listing Agreement), across all the Indian Public Companies, in which he is a Director. The necessary disclosure regarding the committee position has been made by the Directors.
- The names and categories of the Directors of the Board, their attendance at Board Meetings held during the year and the number of directorships and committee chairmanship/ membership held by them in Indian Public Companies are given herein below. Directorships do not include alternate directorship, directorships of private limited companies, Section 8 companies under Companies Act, 2013 (Section 25 under Companies Act, 1956) and of companies incorporated outside India. For reckoning the maximum number of chairmanships/ memberships, only two committees viz, Audit Committee and Shareholders'/Investors' Grievance Committee of the Board are considered.

Sl. No.	Name of the Directors	Status	No. of directorship in other public limited company	Number of committee positions held in other public limited company		No. of Board Meetings		The last AGM attended : 'Yes' or 'No'
				Member	Chairman	Held	Attended	
1	Shri Babulal S Sanghvi, Chairman	Executive and Non-Independent	Nil	Nil	Nil	6	5	Yes
2	Shri Jayanti B Sanghvi, Managing Director	Executive and Non-Independent	Nil	Nil	Nil	6	6	Yes
3	Shri Naresh B Sanghvi, Wholetime Director	Executive and Non-Independent	Nil	Nil	Nil	6	5	Yes
4	Shri Vikram B Sanghvi, Wholetime Director/CFO	Executive and Non-Independent	Nil	Nil	Nil	6	5	Yes
5	Shri Shantaram Yarlagaadda, Director	Non- Executive and Independent	Nil	Nil	Nil	6	5	Yes
6	Shri Ram C Prasad, Director	Non- Executive and Independent	Nil	Nil	Nil	6	5	Yes
7	Shri Baba Pai, Director	Non- Executive and Independent	Nil	Nil	Nil	6	6	Yes
8	Shri Ram S Kaushal, Director	Non- Executive and Independent	Nil	Nil	Nil	6	6	Yes
9	Ms. Jyoti V. Menghani (Appointed on 13.08.2014)	Non- Executive and Independent	Nil	Nil	Nil	4	0	No

The Company did not have any material pecuniary relationship or transactions with the Independent Non-Executives Directors during the year 2014-15.

There were 6 Board meetings held during the financial year April 1, 2014 to March 31, 2015. These were on May 26, 2014, July 14, 2014, August 13, 2014, October 10, 2014, November 14, 2014 and February 13, 2015.

Details of the Directors being appointed/reappointed at the AGM:

Directors offering themselves for re-election is given below:

In terms of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 effective from April 1, 2014, Independent Directors shall not be counted for

the purpose of determining the directors liable to retire by rotation. Shri Naresh B. Sanghvi accordingly retires at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Shri Naresh B. Sanghvi, aged 37 years, he has more than 16 years of experience in forging industry. He is responsible for all export related activities of our Company and identification of growth potentials in various overseas markets.

Shri Naresh B. Sanghvi holds 15,82,931 (11.39%) Equity Shares of ₹10/- each in the Company. He does not hold any Chairmanship or any Membership in the Company.

Dr. Aruna Khasgiwala, aged 64, she is Retd. professor, former DEAN (2003-2010), former head (2003-2008)

faculty of Social Work in the M. S. University of Baroda. She holds degree of M.A. (Social Work) specialization, Medical & Psychiatric Social Work, Delhi University, Ph.d. (Social Work) M.S. University of Baroda, she has over 41 years of experience in teaching and field. She does not hold any Chairmanship and Membership of the Company or any other Company. Dr. Khasgiwala does not hold any Shares of the Company.

The brief resume of Directors with regard to appointment/re-appointment at 27th Annual General Meeting is annexed to the Notice convening the 27th Annual General Meeting, which forms the integral part of this Annual Report.

Board of Director's Profile

Shri Babulal Sagarmal Sanghvi, aged 63, he has more than 35 years of experience in the forging industry. He is responsible for implementing the overall business strategy of the Company. He holds 14,64,283 (10.54%) Equity Shares of ₹10/- each in the Company. He is the Chairman of the Board of Director. He does not hold any Chairmanship or any Membership in any other Company.

Shri Jayanti Babulal Sanghvi, aged 39, he is a gold medalist from Sardar Patel University in Bachelor of Business Administration. He has over 18 years of experience in manufacturing and retailing of flanges and other forging items and has been instrumental in driving the growth of our business. He leads the domestic marketing, finance and sales functions of the Company. He holds 16,75,591 (12.06%) Equity Shares of ₹10/- each in the Company. He hold Chairmanship in Management Committee, Allotment Committee, Share Transfer Committee and Corporate Social Responsibility Committee of the Company.

Shri Vikram Babulal Sanghvi, aged 32, he is a gold medalist from from Sardar Patel University in Bachelor of Business Administration and has completed his Masters degree in Business Administration from the ICFAI University. He has completed a course of Chartered Financial Analyst from ICFAI University. He has over 10 years of experience in the field of forging industry. He is looking forward towards overall supervision of the factory and production activities of the Company. He holds 12,55,682 (9.04%) Equity Shares of ₹10/- each in the Company. He is Member of Audit Committee and Share Transfer Committee of the Company.

Shri Shantaram Surya Prakasarao Yarlagaadda, aged 75, he holds degree in mathematics and mechanical engineering. He has worked as scientific officer at the Department of

Atomic Energy, Government of India. He has worked in various capacities at the Rajasthan Atomic Power Project, Madras Atomic Power Project, Kakrapar Atomic Power Project, Kaiga Atomic Power Project and Tarapur Atomic Power Project. He finally retired as a Director after 40 years of service in the Department of Atomic Energy Government of India. He is also a member emeritus of the India Nuclear Society. He is member of Audit Committee and Nomination and Remuneration Committee of the Company. He does not hold any Directorship and Membership in any other company. Shri Yarlagaadda does not hold any Shares of the Company.

Dr. Ram Chandra Prasad, aged 66, he holds a doctorate in metallurgical engineering from the Indian Institute of Science, Bangalore. He has worked as assistant professor at the National Institute of Foundry and Forge Technology, Ranchi and as professor at the Indian Institute of Technology, Bombay since 1986. He has honoured with the Distinguish Alumnus Award at BIT Sindri in the year 2002. He was chairman of IIM Mumbai chapter during the period from 1999 and 2000. He is member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He does not hold any Directorship and Membership in any other company. Dr. Prasad does not hold any Shares of the Company.

Dr. Baba Karnire Pai, aged 61, he holds a doctorate in metallurgical engineering from the Indian Institute of Technology Bombay. He was Professor and the Head of Metallurgical and Materials Engineering faculty of Technology and Engineering at MS University Kalabhavan, Vadodara. He is currently Director of Institute of Technology & Management Universe, Vadodara. He is Chairman in Nomination and Remuneration Committee and member of Audit Committee, Stakeholders Relationship Committee, Allotment Committee, Management Committee and Corporate Social Responsibility Committee of the Company. He does not hold any Directorship and Membership in any other company. Dr. Pai does not hold any Shares of the Company.

Shri Ram Swaroop Kaushal, aged 68, he is a banker by profession and holds a Masters degree in Arts. He was previously employed with State bank of India. He has vast years of experience in the Banking sector. He is a certified Associate of the Indian Institute of Bankers. He is presently working as an Advisor (Learning & Development) with SBI Mutual Fund. He is Chairman of Audit Committee and Stakeholders Relationship Committee and Member

of Allotment Committee, Management Committee and Corporate Social Responsibility Committee of the Company. He does not hold any Directorship and Membership in any other company. Shri Kaushal does not hold any Shares of the Company.

Dr. Jyoti Menghani, aged 40, she is Assistant Professor in Mechanical Engineering Department Sardar Vallabhbhai National Institute of Technology (SVNIT) Surat. Dr. Menghani holds degree of B.E. (Metallurgical Engineering), M.E. (Materials Technology) and also Ph.D. (Metallurgical Engineering) she has over 16 years of experience in teaching field. Dr. Menghani is specialization in the field of Metallurgy and Materials Engineering. She does not hold any Chairmanship and Membership of the Company or any other Company. Dr. Jyoti Menghani does not hold any Shares of the Company.

Board Procedure

The annual calendar of meeting is agreed upon at the beginning of each year. Board Meetings are held once in every quarter. In addition to this, Board Meetings are convened to transact special businesses, as and when necessary. The meetings are governed by a detailed agenda. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibilities effectively, are circulated in advance to the Directors. The Board is briefed on all the matters of the Company at its meeting.

The Board has complete access to all the information of the Company.

The following information are provided to the Board as and when occasion arises:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including

appointment or removal of Chief Financial Officer and the Company Secretary.

6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same.

COMMITTEES OF BOARD OF DIRECTORS

The Company has formed an Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Allotment Committee, Management Committee and Risk Management Committee. The details of these committee meetings are mentioned here in below:

Name	Designation	Category	Attendance			
			May 26, 2014	August 13, 2014	November 14, 2014	February 13, 2015
Shri Ram S Kaushal	Chairman	Non-Executive and Independent	Yes	Yes	Yes	Yes
Shri Baba Pai	Member	Non-Executive and Independent	Yes	Yes	Yes	Yes
Shri Vikram B Sanghvi	Member	Executive and Non-Independent	Yes	Yes	Yes	Yes
Shri Shantaram Yarlagadda	Member	Non-Executive and Independent	Yes	Yes	Yes	No

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Wholetime Director and the Statutory Auditors are permanent invitees to the Meetings. The terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Clause 49 III of the Listing Agreement entered into with the Stock Exchange.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The Chairman of the Audit Committee was present at the Annual General Meeting to answer the shareholders queries.

Terms of reference: The terms of reference of the Audit Committee are as under:

a) Power of Audit Committee

1. To investigate any activity within its terms of reference.

A. Audit Committee

Audit Committee comprises of experts specialised in accounting/financial management. The Chairman of the Audit Committee is a Non-Executive and Independent Director. Details of the meetings of the Audit Committee held during the FY 2014-15 are as under:

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

b) The Role of Audit Committee includes

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management
- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. Nomination and Remuneration Committee

Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 has been constituted to recommend the remuneration package of the Managing Director and Wholetime Directors based on the performance and defined criteria.

Role of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Composition of Nomination and Remuneration Committee and its meeting held during financial year 2014-15 are as under:

Name	Designation	Category	Attendance May 26, 2014
Shri Baba Pai	Chairman	Non-Executive and Independent	Yes
Shri Ram C Prasad	Member	Non-Executive and Independent	Yes
Shri Shantaram Yarlagadda	Member	Non-Executive and Independent	Yes

Remuneration to Directors

a. Non-Executive and Independent Directors.

The Non-Executive and Independent Directors do not draw remuneration other than sitting fees. The Company pays the sitting fees to all the Non-Executive Directors at the rate of ₹ 15,000 for attending each Meeting of the Board and ₹ 10,000 for every other Committee meeting attended by him. The sitting fees paid to Non-Executive cum Independent Directors for attending Board and Committee Meetings during the FY 2014-15 is as follows:

Name Directors	Sitting fees (₹ In Lacs)
Shri Ram C Prasad	0.75
Shri Yarlagadda Shantaram	0.75
Shri Ram S Kaushal	0.90
Shri Baba Pai	0.90

b. Executive Directors.

The remuneration payable to the Managing Director, Wholetime Directors as recommended by the Nomination and Remuneration Committee and was approved by the Board of Directors in its Meeting when all the Directors were present. The salary paid during the year to the Managing Director is within the ceiling prescribed by provisions of the Companies Act, 1956/2013.

The following remuneration paid to the Directors during the year ended March 31, 2015.

Name Directors	Designation	Relationship with other Directors (Inter-se relationship)	Salary and perquisites (₹ In Lacs)
Shri Babulal S Sanghvi	Chairman	Relative of Shri Jayanti B Sanghvi, Shri Naresh B Sanghvi and Shri Vikram B Sanghvi	20.45
Shri Jayanti B Sanghvi	Managing Director	Relative of Shri Babulal B Sanghvi, Shri Naresh B Sanghvi and Shri Vikram B Sanghvi	17.10
Shri Naresh B Sanghvi	Wholetime Director	Relative of Shri Babulal S Sanghvi, Shri Jayanti B Sanghvi and Shri Vikram B Sanghvi	17.05
Shri Vikram B Sanghvi	Wholetime Director	Relative of Shri Babulal S. Sanghvi, Shri Jayanti B Sanghvi and Shri Naresh B Sanghvi	17.05

Policy for selection and appointment of Directors and their Remuneration

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director and their remuneration. Particulars of the Policy is accordingly as under:

1. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance

and general management.

- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings.

Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

3. Managing Director/Whole Time Directors - Criteria for selection / appointment

For the purpose of selection of the MD/WTD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent

fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the Managing Director/Whole Time Directors

- i. At the time of appointment or re-appointment, Managing Director/ Whole Time Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director/ Whole Time Directors within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

C. Stakeholders Relationship Committee

The Stakeholders Relationship Committee pursuant to Section 178 of the Companies Act, 2013 and the Listing Agreement been constituted.

The terms of reference of the Committee are:

- ▶ transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- ▶ issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- ▶ issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- ▶ issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- ▶ to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- ▶ to authorize the Company Secretary to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- ▶ monitoring expeditious redressal of investors / stakeholders grievances;

- ▶ all other matters incidental or related to shares, debentures and other securities

Composition of Stakeholders Relationship Committee are as under :

Name	Designation
Shri Ram S Kaushal	Chairman
Shri Ram C Prasad	Member
Shri Baba Pai	Member
Shri Sagar Pandya	Company Secretary

Company Secretary act as Secretary of this Committee.

During the year the Company has not received any complaints from any shareholders.

In addition to the above committees, the Board has constituted the following committees:

D. Corporate Social Responsibility Committee

Composition of Corporate Social Responsibility Committee are as under :

Name	Designation
Shri Jayanti B. Sanghvi	Chairman
Shri Ram S Kaushal	Member
Shri Baba Pai	Member

E. Share Transfer Committee

Composition of Share Transfer Committee are as under :

Name	Designation
Shri Jayanti B. Sanghvi	Chairman
Shri Vikram B. Sanghvi	Member
Shri Sagar Pandya	Member

F. Allotment Committee

Composition of Allotment Committee are as under :

Name	Designation
Shri Jayanti B. Sanghvi	Chairman
Shri Baba Pai	Member
Shri Ram S. Kaushal	Member

G. Management Committee

Composition of Management Committee are as under :

Name	Designation
Shri Jayanti B. Sanghvi	Chairman

Shri Baba Pai	Member
Shri Ram S. Kaushal	Member

H. Risk Management Committee

Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

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

- ▶ Oversight of risk management performed by the executive management
- ▶ Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- ▶ Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- ▶ Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

Composition of Risk Management Committee are as under:

Name	Designation
Shri Jayanti B. Sanghvi	Chairman
Shri Baba Pai	Member
Shri Ram S. Kaushal	Member

INDEPENDENT DIRECTORS' MEETING:

During the year, the Independent Directors met on May 26, 2014, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

CODE OF CONDUCT

i) For prevention of Insider Trading

The Company has a comprehensive Code of Conduct bid down for its employees and Directors for the prevention of insider trading. The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequence of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for adherence to Code for Prevention of Insider Trading.

GENERAL BODY MEETING

The details of the last three AGM/EOGM of the Company:

Year	AGM/EOGM	Location	Date	Time
2013-2014	AGM	244/6, G.I.D.C Ind. Estate, Waghodia-39176	September 26, 2014	5 p.m.
2013-2014	EOGM	NIDRA HOTELS, Opp. Seven Seas Mall, Fatehgunj, Vadodara.	August 14, 2014	5 p.m.
2012-2013	AGM	244/6, G.I.D.C Ind. Estate, Waghodia-39176	September 23, 2013	3 p.m.
2011-2012	AGM	244/6, G.I.D.C Ind. Estate, Waghodia-39176	September 22, 2012	3 p.m.

SPECIAL RESOLUTIONS WERE APPROVED AT THE AGM/EOGM.

AGM/EOGM	Dated	Particulars
AGM	September 26, 2014	Approval of Related Party transaction with Company U/s 188 of the Companies Act, 2013
EOGM	August 14, 2014	Issue and allot 10,00,000 Warrants to the Promoters U/s. 62(1)(c) of the Companies Act, 2013 under Preferential issue.
		Borrowing Powers of Board of Directors U/s. 180 (1) (c) of the Companies Act, 2013
		Creation of security on undertaking of the Company U/s. 180 (1)(a) of the Companies Act, 2013
EOGM	April 2, 2013	Alteration in Article of Association by inserting Article 6(g) for issue, offer and allotment of Warrants with option to convert into Equity Shares.
		Issue and allot 12,00,000 Warrants to the Promoters U/s. 81, 81(1A) of the Companies Act, 1956 under Preferential issue.

POSTAL BALLOT

No Special Resolution was put through postal ballot during the period and there is no item in the notice for the forthcoming Annual General Meeting requiring postal ballot.

ii) For Board of Directors and Employees

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and employees of the Company. The Code of Conduct is posted on the website of the Company, www.sanghiviforge.com. The Board members and employees have affirmed compliance with the 'Code of Conduct' for the year ended March 31, 2015.

WEBSITE

In terms of Clause 54 of the Listing Agreement with Stock Exchange, the basic information about the Company is contained on the Company's website i.e. www.sanghiviforge.com in a separate dedicated section titled Investor Relations and is updated regularly.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

PERFORMANCE EVALUATION

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as

level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. http://www.sanghiviforge.com/pdf/related_party_transaction.pdf

COMMUNICATION

The Company has published in the Newspapers as well display on the website, Quarterly results and Press Release pertaining to the Company.

SHAREHOLDER INFORMATION

A. Annual General Meeting

Day and date of AGM : Tuesday, September 29, 2015

Venue : 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760, Dist. Vadodara

B. Registered office : 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760, Dist. Vadodara

C. Book closure date : September 22, 2015 to September 29, 2015

D. Listing of Equity Shares : 1) National Stock Exchange of India Limited
2) BSE Limited

E. ISIN of NSDL and CDSL : INE263L01013

F. Present Financial Year : April to March

G. Share transfer agent : Bigshare Services Private Ltd.
 E-2/3, Ansa Industrial Estate, Sakivihar Road, Mumbai-400072
 Phone No:+91 22 28470652, Fax: +91 22 28475207 Email: info@bigshareonline.com

Share trans system : The entire share transfer process, physical as well as dematerialized is being handled by the company's Registrar and Transfer Agents. Share Transfer in physical form can be lodged either with the registrars & Transfer Agents or at the registered office of the company. Share Transfer requests received are attended within a fortnight. All requests for dematerialisation/rematerialisation of shares are processed and confirmation is sent to the depositories by the Registrars & Share Transfer Agents of the company generally within 15 days from the date of the receipt thereof.

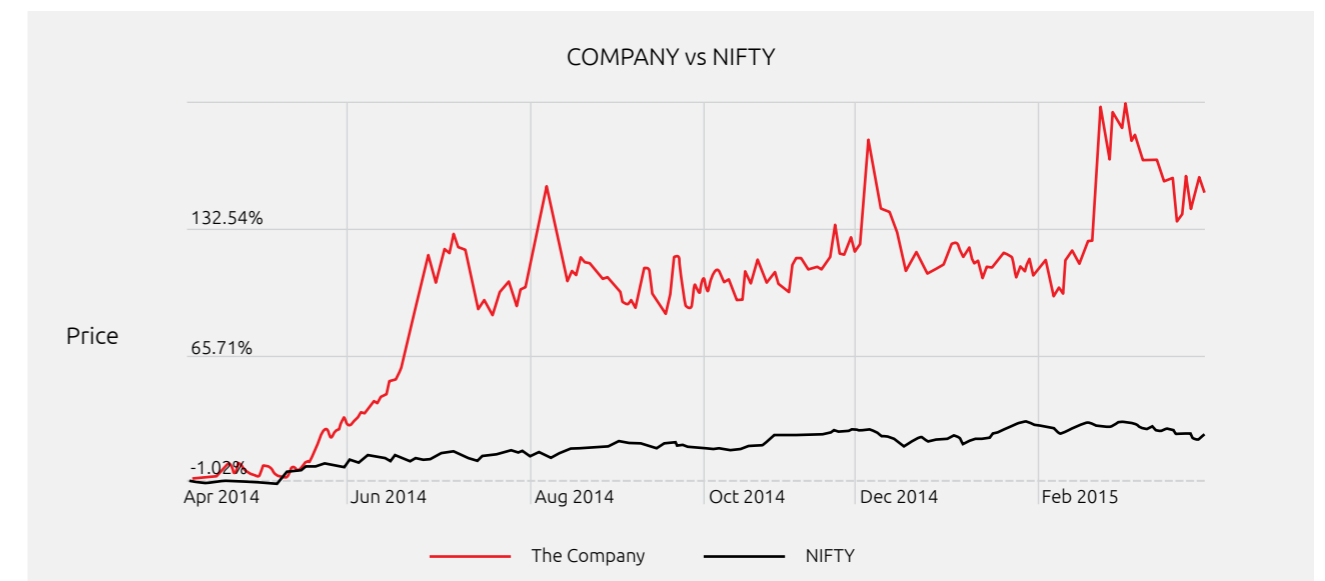
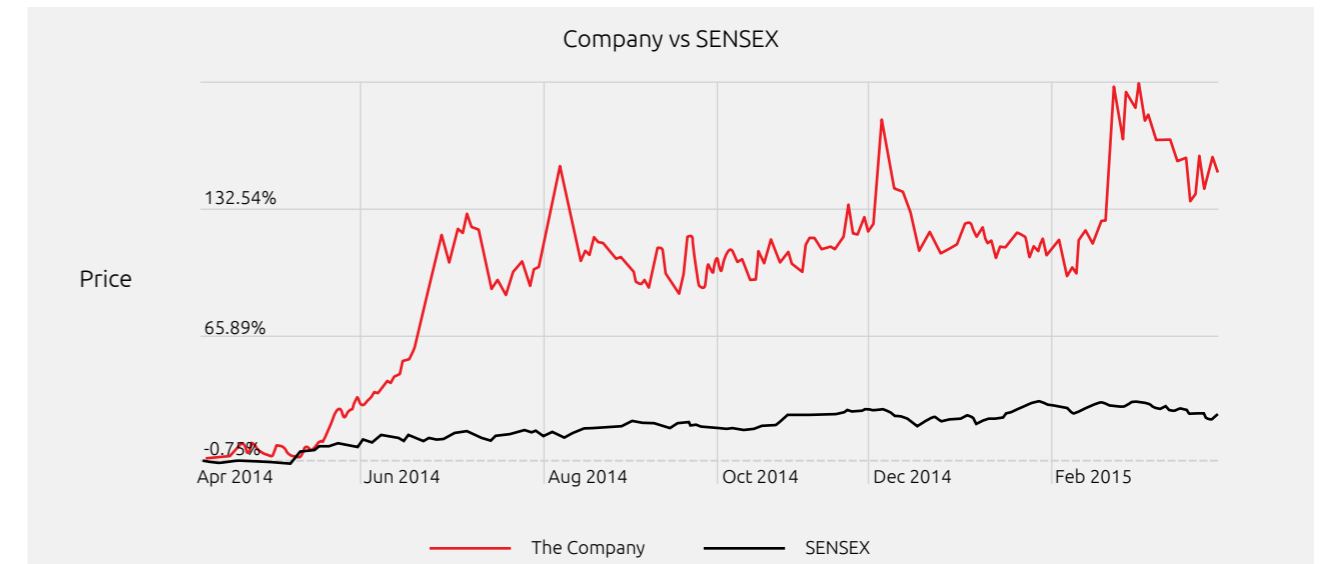
H. Dematerialisation of shares : As on March 31, 2015, 1,31,92,283 shares were in dematerialised form representing 94.96% of total shares.

I. Performance of equity shares during the FY 2014-15

Monthly share price movement during the FY 2014-15 at BSE and NSE

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Close Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)
April-14	20.50	17.80	19.05	20.80	18.10	19.50
May-14	24.65	18.30	24.55	24.65	18.00	23.80
June-14	42.00	22.95	38.30	41.85	22.70	38.85
July-14	44.25	33.00	36.95	44.45	33.10	37.50
August-14	48.40	36.25	37.95	48.35	36.00	37.50
September-14	44.00	33.00	36.50	43.50	33.25	38.25
October-14	42.85	35.05	38.70	40.40	35.00	38.30
November-14	44.95	36.00	41.90	46.00	36.00	41.70
December-14	53.40	35.00	39.35	53.85	36.80	39.25
January-15	41.60	36.90	38.10	45.00	36.50	38.05
February-15	59.00	36.00	53.10	58.50	34.90	52.45
March-15	56.50	43.00	43.10	57.15	43.00	45.85

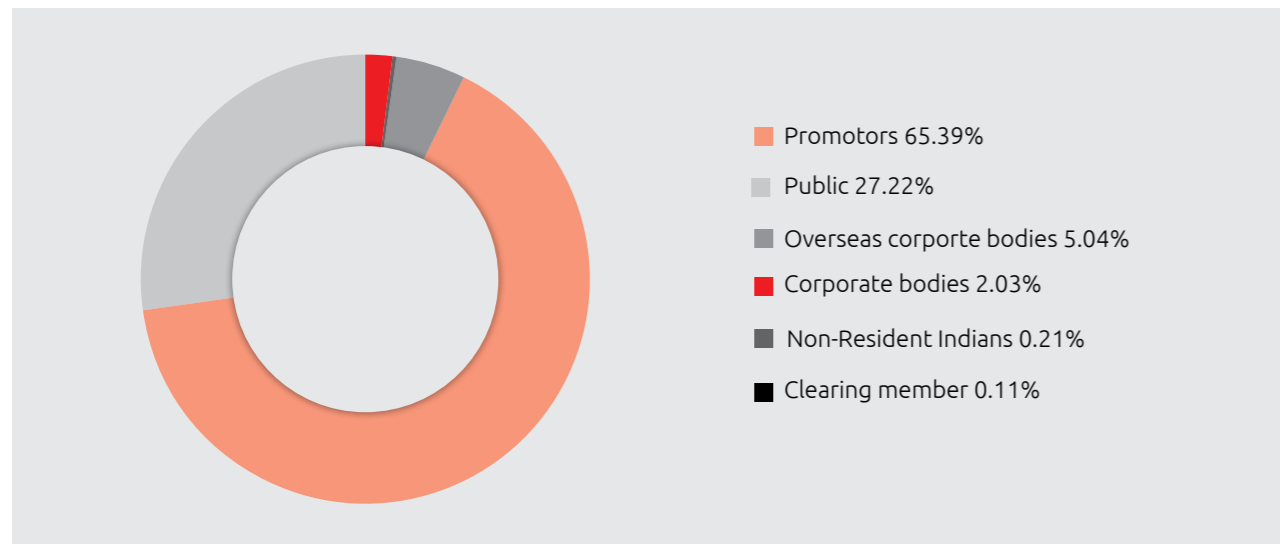
J. Equity Performance



K. Shareholding Pattern as on March 31, 2015

Category	No. of shareholders		No. of shares	
	Total shareholders	% of shareholder	Total shares	%
Clearing member	21	0.44	15,459	0.11
Corporate bodies	154	3.26	2,82,500	2.03
Non-Resident Indians	41	0.87	29,288	0.21
Overseas corporate bodies	2	0.04	6,99,981	5.04
Promoters	26	0.55	90,83,726	65.39
Public	4479	94.84	37,81,313	27.22
Total	4723	100	1,38,92,267	100

L. Shareholding Pattern as on March 31, 2015



M. Distribution of Shareholding as on March 31, 2015

Category	No. of shareholders	%	No. of shares	%	
1	500	3,875	82.07	5,05,667	3.64
501	1000	331	7.00	2,72,327	1.97
1001	2000	201	4.26	3,10,210	2.23
2001	3000	95	2.01	2,35,201	1.69
3001	4000	30	0.63	1,09,038	0.78
4001	5000	38	0.80	1,79,329	1.29
5001	10000	69	1.47	5,21,504	3.75
10001 and above		83	1.76	1,17,58,991	84.65
TOTAL	4,723	100	100	1,38,92,267	100

N. Outstanding Warrants

There are 10,00,000 Warrants outstanding as on March 31, 2015 issued to Promoters on Preferential basis.

O. Plant Location

Plant # 1: 244/6-7, G.I.D.C. Industrial Estate, Waghodia, Dist: Vadodara-391760

Plant # 2: 1401, 1402, 1403, G.I.D.C. Industrial Estate, Waghodia, Dist: Vadodara-391760

P. Website Linkage for Policies

- http://www.sanghviforge.com/pdf/csr_policy.pdf
- http://www.sanghviforge.com/pdf/risk_management.pdf
- <http://www.sanghviforge.com/pdf/codeofconduct1.pdf>
- http://www.sanghviforge.com/pdf/familiarisation_program.pdf
- http://www.sanghviforge.com/pdf/related_party_transaction.pdf
- http://www.sanghviforge.com/pdf/whisler_blower_policy.pdf
- http://www.sanghviforge.com/pdf/board_diversity.pdf
- <http://www.sanghviforge.com/pdf/codeofpractices.pdf>

Q. Address for Correspondence

The shareholders may address their communications/ suggestions/grievance/queries to:

Shri Sagar Pandya

Company Secretary

Sanghvi Forging and Engineering Limited

244/6-7, G.I.D.C. Industrial Estate, Waghodia, Vadodara-391760

Email: cs@sanghviforge.com

Phone: 91-2668-264100 Fax: 91-2668-263411

Declaration on Compliance with the Code of Conduct

I, Babulal S Sanghvi, Chairman of Sanghvi Forging & Engineering Ltd hereby declare that all the Board members and Senior managerial personnel have affirmed for the year ended March 31, 2015 compliance with the code of Conduct laid down for them.

For **Sanghvi Forging and Engineering Limited**

Place: Vadodara

May 29, 2015

Babulal S. Sanghvi

Chairman

CEO and CFO Certification

We Jayanti B Sanghvi, Managing Director and Vikram B Sanghvi, Executive Director and CFO, responsible for the finance function, certify that:

- We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of their knowledge and belief :
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of their knowledge and belief, no transactions entered into by the company during the year ended March 31, 2015 which was fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and the Audit committee:
 - Significant changes in internal control over financial reporting during the year ended March 31, 2015;
 - Significant changes in accounting policies during the year ended March 31, 2015 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Sanghvi Forging and Engineering Limited**

Place: Vadodara

Date: May 29, 2015

Jayanti B Sanghvi

Managing Director

Vikram B Sanghvi

Whole Time Director & CFO

Disclosures

- a. The Company has not entered into any other transaction of a material nature with the Promoters, Directors or the management, their subsidiaries or relatives, among others that may have a potential conflict with the interests of the Company at large.
- b. Disclosures have also been received from the senior managerial personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.
- c. The Company has framed Whistle Blower policy and the Company also affirmed that no personnel have been denied access to the audit committee.
- d. The Company has complied with all mandatory requirement laid down by Clause 49 of the Listing Agreement.
- e. Some of the non-mandatory requirements are as under.
 - (i) Remuneration of Directors
A Nomination and Remuneration committee comprising of all Non-Executive Directors and the details of which are mentioned elsewhere in this Report.
 - (ii) Shareholders Right to Receive Financial Results
The Financial results of the Company for every quarter are extensively published in the news- papers and also put on the Company's website www.sanghviforge.com.

On the behalf of the Board of Directors

Place: Vadodara
May 29, 2015

Babulal S Sanghvi
Chairman

Certificate on Corporate Governance

To the Members of **Sanghvi Forging and Engineering Limited**

We have examined the compliance of the conditions of Corporate Governance by SANGHVI FORGING AND ENGINEERING LIMITED for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statement 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 mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2015, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

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

Suresh Kumar Kabra
Company Secretary
Partner

Samdani Kabra & Asso.
Company Secretaries
ACS/CP NO. 9711/9927

Date : 29.05.2015
Place: Vadodara

Financial Statements

Independent Auditor's Report

To the Members of
SANGHVI FORGING & ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SANGHVI FORGING & ENGINEERING LIMITED which comprise the balance sheet as at 31 March 2015 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 on the standalone financial statements.

Opinion

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

- 1) in the case of the balance sheet, of the state of affairs of the company as at 31 March 2015;
- 2) in the case of the statement of profit and loss, of the Loss for the year ended on that date;
- 3) 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(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, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in section 133 the Act, read with rule 7 of the Companies (Accounts) Rules, 2014
 - e. on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the matter to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note 2.25(1A) of the standalone financial statements.
 - ii. The Company did not have any long term contracts including derivatives contracts for which there were an material foreseeable losses;
 - iii. There is no such amount which is required to be transfer to the Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.

For Shah & Bhandari

Chartered Accountants

FRN: 118852W

Yogesh Bhandari

Partner

M.No.: 046255

Place: Vadodara

Date : 29.05.2015

Annexure to the Auditor's Report

- 1 (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets are physically verified by the management at the year-end, which in our opinion, is reasonable, looking to the size of the company and its nature of business, and no material discrepancies were noticed on such verification.
- 2 (a) As explained to us, Inventories has been physically verified during the year and at the year-end.
- (b) In our opinion the procedures of physical verification of inventory 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 is maintaining proper records of inventory. As informed to us the discrepancies noticed on physical verification of stocks as compared to book records were not Material, however, the same have been properly dealt with in the books of account.
- 3 The company has granted Interest free unsecured loan to a company covered in the register maintained under section 189 of the Act.
 - (a) As information given to us, there is no stipulation of repayment of loan. Accordingly, clause of the Order is not applicable to the company in respect of repayment of the principal amount.
 - (b) Since there is no stipulation of repayment of loan, clause of the Order is not applicable.
4. 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 purchases of inventory, fixed assets and with regard to the sale of goods and service. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. The Company has not accepted any deposits during the year from the public, within the meaning of the provisions of Section 73 & 74 of the Act and rules made there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant to Rules prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima-facie, the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, custom duty, excise duty, wealth tax and other material statutory dues applicable to it. And there are no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty, as at 31.03.2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of income tax, sales tax, customs duty, excise duty, as at 31.03.2015 except Income Tax, Service Tax and Excise Duty dues:

Name of Statue	Nature of Dues	Amount (₹ 000)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	850.20	A.Y. 2008-09	CIT (Appeals)
		282.61	A.Y. 2011-12	
		5000.00	A.Y. 2012-13	
Central Excise Act, 1944	Service Tax	1955.60	F.Y. 2007-08	CESTAT Ahmedabad
			F.Y. 2008-09	
			F.Y. 2010-11 & F.Y. 2011-12	
Central Excise Act, 1944	Service Tax	782.92	F.Y. 2007-08	Asst. Commissioner of Central Excise, Custom & Service Tax Vadodara
			F.Y. 2008-09	
			F.Y. 2009-10	
			F.Y. 2010-11	
			F.Y. 2011-12 & F.Y. 2012-13	
Central Sales Tax Act, 1956	Sales Tax	757.71	F.Y. 2008-09 F.Y. 2009-10	GAT, Tribunal, Ahmedabad
Central Sales Tax Act, 1956	Sales Tax	2031.44	F.Y.2010-11	Asst. CCT (Appeal)

• Out of above ₹1452.81 thousand paid under protest

- (c) According to the information and explanation given to us, there is no such amount which were required to be transferred to the Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
8. The company does not have accumulated losses at the end of the financial year and has not incurred cash loss in the current year. However there is cash losses in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanation given to us by management, the company has defaulted in repayment of its loan and interest to the banks. Estimated unpaid overdue instalments and interest to banks as at March 31, 2015 aggregated to ₹11118 thousand & Interest thereon of ₹1767 thousand since February 2015 (P.Y. ₹9666 thousand and interest thereon of ₹1882 thousand since February 14).
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
12. To the best of our knowledge and belief and according to information and explanation given to us no fraud on or by the company has been noticed or reported during the year under report.

For Shah & Bhandari
Chartered Accountants
FRN: 118852W

Yogesh Bhandari
Partner
M.No.: 046255

Place: Vadodara
Date : 29.05.2015

Balance Sheet As at March 31, 2015

(₹ in '000)

Sr.	Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds :			
(a)	Share Capital	2.1	138,922.67	132,922.67
(b)	Reserves and Surplus	2.2	355,859.09	419,842.75
(c)	Money received against share warrants	2.3	11,250.00	5,625.00
(2)	Non-Current Liabilities:			
(a)	Long-Term Borrowings	2.4	953,775.10	407,185.55
(b)	Deferred Tax Liability (Net)	2.5	-	-
(c)	Other Long Term Liabilities	2.6	-	23,565.15
(3)	Current Liabilities:			
(a)	Short - Term Borrowings	2.7	269,936.66	283,475.22
(b)	Trade Payables	2.8	182,071.29	131,020.24
(c)	Other Current Liabilities	2.9	223,124.40	595,285.33
(d)	Short - Term Provisions	2.10	12,696.16	7,942.00
	Total		2,147,635.37	2,006,863.91
II.	ASSETS			
(1)	Non - Current Assets:			
(a)	Fixed Assets	2.11		
(i)	Tangible Assets		1,502,358.32	1,571,132.07
(ii)	Intangible Assets		3,497.34	4,231.07
(iii)	Capital Work-in-Progress		101,733.89	77,013.42
(b)	Non - Current Investment	2.12	6.75	-
(c)	Long Term Loans and Advances	2.13	16,352.50	7,623.75
(2)	Current Assets:			
(a)	Inventories	2.14	198,067.58	152,778.93
(b)	Trade Receivables	2.15	256,900.82	117,492.69
(c)	Cash and Bank Balances	2.16	24,261.93	20,861.29
(d)	Short - Term Loan and Advances	2.17	44,456.24	55,730.69
	Total		2,147,635.37	2,006,863.91
	Significant Accounting Policies	1		
	See accompanying Notes to the Financial Statements	2.25		

As per our report of even date

For Shah & Bhandari
Chartered Accountants

For and on behalf of the Board of Directors
Yogesh Bhandari
Partner
Membership No - 046255

Babulal S. Sanghvi
Chairman

Jayanti B. Sanghvi
Managing Director

Vadodara, dated 29th May, 2015

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Sagar Pandya
Company Secretary

Statement of Profit and Loss For the year ended March 31, 2015

(₹ in '000)

Sr.	Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
I.	INCOME :			
(a)	Revenue from Operations	2.18	941,751.82	574,892.50
	Less : Excise Duty		(70,429.12)	(36,704.09)
	Net Revenue from Operations		871,322.70	538,188.41
(b)	Other Income	2.19	2,438.06	4,365.05
	Total Revenue		873,760.76	542,553.46
II.	EXPENSES			
(a)	Cost of Material Consumed	2.20	466,853.01	281,027.22
(b)	Changes in Inventory of Finished Goods and Work in Progress	2.21	(38,711.73)	(3,915.52)
(c)	Employee Benefits Expense	2.22	50,113.31	37,622.42
(d)	Finance Costs	2.23	158,493.13	94,132.85
(e)	Depreciation and Amortization Expense	2.11	83,524.49	71,451.34
(f)	Other Expenses	2.24	232,972.72	161,665.77
			953,244.93	641,984.09
III.	Profit/(Loss) Before Tax		(79,484.17)	(99,430.64)
	TAX EXPENSES			
	- Current Tax		-	23.00
	- Deferred Tax		-	(21,845.81)
	- (Excess) / Short Provision for tax relating to prior years		(13.89)	238.69
			(13.89)	(21,584.12)
IV.	Profit/(Loss) For The Year		(79,470.28)	(77,846.52)
	Basic Earning Per Share(Face Value of ₹10 Per Share)		(5.85)	(6.10)
	Diluted Earning Per Share(Face Value of ₹10 Per Share)		(5.34)	(5.23)
	[Refer to Note No. 2.25 (9)]			
	Significant Accounting Policies	1		
	See accompanying Notes to the Financial Statements	2.25		

As per our report of even date

For Shah & Bhandari
Chartered Accountants

For and on behalf of the Board of Directors
Yogesh Bhandari
Partner
Membership No - 046255

Babulal S. Sanghvi
Chairman

Jayanti B. Sanghvi
Managing Director

Vadodara, dated 29th May, 2015

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Sagar Pandya
Company Secretary

Cash Flow Statement For the year ended March 31, 2015

(₹ in '000)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash Flow From Operating Activities:		
Net Profit Before Tax and Extra ordinary Items	(79,484.17)	(99,430.64)
Adjustment for:		
Depreciation /Amortization /Impairment	83,524.49	71,451.34
Interest Expense / Finance Cost	119,368.35	68,663.82
Interest Income	(2,010.07)	(3,112.53)
Loss/ (Profit) on sale of Fixed Assets	(7.66)	243.39
Operating Profit Before Working Capital Changes	121,390.94	37,815.39
Adjustment for (increase)/decrease in Operating assets:		
Inventories	(45,288.64)	(5,457.03)
Trade Receivables	(139,408.13)	(11,880.26)
Short Term Loan & Advances	11,274.44	4,007.32
Long Term Loan & Advances	(8,728.75)	14,464.76
	(182,151.08)	1,134.79
Adjustment for (increase)/decrease in Operating liabilities:		
Trade Payable	51,051.05	92,631.24
Non-Current Liabilities	(23,565.15)	(344,166.70)
Other Current Liabilities	(372,160.93)	319,944.00
Short Term Provisions	4,754.16	6,820.34
	(339,920.87)	75,228.88
Cash Generated From Operation	(400,681.01)	114,179.05
Income Tax Expense	(13.89)	261.69
Net Cash Generated From Operating Activities	(400,667.13)	113,917.36
B. Cash Flow From Investing Activities		
Acquisition of Fixed Assets	(63,288.21)	(191,945.20)
Sales / Devaluation of Assets	23,514.55	-
Proceed from Sale of Fixed Assets	30.48	346.36
Change in Bank Margin Money / FD Originally Matured in more than three months	(3,104.59)	6,724.97
Interest Received	2,010.07	3,112.53
Net Cash Used in Investing Activities	(40,837.70)	(181,761.34)

Cash Flow Statement For the year ended March 31, 2015

(₹ in '000)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
C. Cash Flow From Financing Activities		
Increase in Share Capital	6,000.00	6,000.00
Security Premium	22,125.00	22,125.00
Non - Current Investment	(6.75)	0.00
Long Term Loan from Bank	546,589.54	156,254.22
(Repayments)/ Short Term Borrowing from Bank	(13,538.56)	(47,173.46)
Finance Cost (Interest & Bank Charges)	(119,368.35)	(68,663.82)
Net Cash used in Financing Activities	441,800.89	68,541.94
Net Increase / (Decrease) in Cash and Bank Balance (A+B+C)	296.06	697.96
Opening Balance of Cash & Cash Equivalent	1,051.93	353.97
Closing Balance Cash & Cash Equivalent #	1,347.99	1,051.93
# Comprises of,		
Cash on Hand	727.61	983.15
Balance with Bank -Current Accounts	620.38	68.78
	1,347.99	1,051.93

As per our report of even date

For Shah & Bhandari
Chartered Accountants

Yogesh Bhandari
Partner
Membership No - 046255

Vadodara, dated 29th May, 2015

For and on behalf of the Board of Directors

Babulal S. Sanghvi
Chairman

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Jayanti B. Sanghvi
Managing Director

Sagar Pandya
Company Secretary

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

Corporate Information:

Sanghvi Forging & Engineering Limited (SFEL) is an ISO 9001:2008 Certified Indian Company engaged in the manufacturer of open and closed die forging products for the oil & gas, defence, ship building, power & other sectors. It also exports products to various foreign countries over the last two decades.

The Company has set up additional 15000 MTPA Heavy Forging Division in recent years (with single piece forging up to 40 MT) to manufacture proof machined products viz. stepped shafts, bars & hollows, blocks, flanged shafts, gear blanks, shells, tube sheets, forging items etc at GIDC Industrial Estate at plot no. 1401, 1402 & 1403, Waghodia Dist: Vadodara.

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS

I. Basis for preparation of financial accounting

The financial statement of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

These Financial statements are prepared under historical cost conventions on accrual.

II. Use of Estimates

The presentation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the year. Difference between the actual result and estimates are recognised in the period in which reason are known / materialized.

III. Fixed Assets and Depreciation /Amortization

A. Tangible Assets

Tangible Fixed Assets are stated at historical cost including borrowing costs ,expenditure directly attributable to the acquisition of the asset and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets less accumulated depreciation there on and impairment losses if any. Leasehold land having lease of 99 years or more are treated as free hold land only and other leases are amortized over the period of lease.

Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

B. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

C. Capital Work in Progress

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work in progress.

Depreciation:

The depreciation during the year has been provided on straight line basis as per Schedule II of the Companies act 2013 since the acquisition of respective fixed assets. In earlier years depreciation was provided as per the Schedule XIV of Companies Act 1956. The depreciation on fixed assets is provided on the straight line method considering the useful life and residual value of respective fixed asset.

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

The useful life of assets as adopted by the company as per Old Schedule XIV and New Schedule II of the Companies Act is listed as under:

Perticulars	Previous Useful Life	Revised Useful Life
Leasehold Land	20	20
Building (Factory)	30	30
Building (Residential)	20	60
Building (Fences, Wells, etc)	30	5
Road	30	5 to 10
Plant and Machinery	20	15
Plant and Machinery (Heavy Forging Process Machinery)	20	20 to 25*
Electrically Operated Vehicles	20	8
Electrical Installations	20	10
Laboratory Equipment	20	10
Windmill	20	22
Computers, Server & Networking Device	6	3
Furniture	15	10
Office equipment	20	5
Vehicles - Four Wheeler	10	8
Vehicles - Two Wheeler	10	10

* Based on an internal technical evaluation made by the company and on past experience , estimated useful life of Plant and machinery listed above best represent the period over which the management expects to use these assets . However the useful lives for these asset is different from that prescribed in schedule II of the Act.

IV. Inventories

Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost or net realizable value using the First in First out (FIFO) basis.

V. Revenue Recognition

Sales of products and services are recognised when risk and rewards of ownership at of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of Excise Duty but excluding sales tax / Value Added Tax and export incentives. Export incentives are accounted on accrual basis. Revenue from job charges is recognised completion of job work. Interest incomes are recognised on time proportion basis.

VI. Cash flow statement

Cash flows are reported using the indirect method whereby profit before tax is adjusted for the effects of the transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; financing and investing activities of the company are segregated.

VII. Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on straight line basis over the lease period.

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

VIII. Foreign Currency Transactions, Foreign Operations and Forward Contracts and Derivatives

- (a) Transactions denominated in foreign currencies are recorded at the rate prevailing on date of transaction
- (b) In respect of monetary items denominated in foreign currency at the year-end are translated at the year-end rates.
- (c) Any income or expenses on account of exchange differences either on settlement or on transactions are recognised in the Profit and Loss Account.
- (d) Exchange difference relating to long term foreign currency monetary item to the extent they are used for financing the acquisition of fixed assets are adjusted from the cost of such fixed assets.
- (e) Financial statements of foreign operations are treated as integral operations and translated for Assets and liabilities at rates prevailing at the end of the year and Net revenues at the average rate for the year.
- (f) Exchange differences arising on such translation are recognised as income or expense of the period in which they arise.
- (g) Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 The Effects of Changes in Foreign Exchange Rates. Exchange differences arising on such contracts are recognised in the period in which they arise.

IX. Taxes on Income

Provision for taxation comprises of Current Tax and Deferred Tax. Current tax provision has been made after considering reliefs and deduction available under Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance sheet date.

Minimum Alternate Tax (MAT) Credit: MAT credit is recognised, as an Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

X. Employee Benefits

- (a) The Company's contribution in respect of provident fund is charged to Profit and Loss Account each year on accrual basis.
- (b) Short term compensated absences are provided based on past experience.

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

- (c) With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy. Gratuity liability as determined on actuarial basis by the independent valuer. Actuarial gain/loss is charged to Profit and Loss Account.

XI. Borrowing Costs

- (a) Borrowing Cost attributable to acquisition and construction of qualifying assets are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use.
- (b) Other borrowing cost is charged to Profit and Loss Account.

XII. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised only when there is a present obligation as a result of past events and when reliable estimates of the amount of the obligation can be made. Contingent liability is disclosed for:-

- (a) Possible Obligations which will be confirmed only by future events not wholly within the control of the company or
- (b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or reliable estimates of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

XIII. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

XIV. Application of Securities Premium Account

Share issue expenses are charged first against available balance in Securities Premium Account.

XV. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard – 20- 'Earning per Share' prescribed by the Companies (Accounting Standard) Rules 2006. Basic Earning per Share is computed by dividing the net profit or loss for the year by the weighted average number of Equity Share outstanding during the year. Diluted earning per share is computed by dividing the net profit or loss for the year by the weighted number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity share.

XVI. Investments

Current Investments are carried to lower of cost and Market Value. Non Current(Long Term) investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

Notes forming part of Balance Sheet As at March 31, 2015

2.1 | SHARE CAPITAL

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Authorised :		
	20,000,000 No. of Equity Shares Of ₹10 each	200,000.00	200,000.00
(b)	Issued , Subscribed & Paid up Share Capital :		
	1,38,92,267 No. of Equity Shares of ₹10 Each (P.Y. 1,32,92,267 No. of Equity Shares of ₹10 Each)	138,922.67	132,922.67
	Total	138,922.67	132,922.67

(a) **Right to vote , dividend and restriction attached to each class of issued capital to be disclosed.**

All the Shareholders whose name is entered in the Registered of Members of the Company shall enjoy the same voting rights and be subject to the same liabilities as all other shareholder of the same class.

(b) **Reconciliation of shares outstanding at the beginning and at the end of the year.**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	(₹ in 000)	Nos.	(₹ in 000)
Equity Shares				
At the beginning of the year	13,292,267.00	132,922.67	12,692,267.00	126,922.67
Issued during the year				
(a) Preferential Issue by conversion of warrant	600,000.00	6,000.00	600,000.00	6,000.00
Outstanding at the end of the year	13,892,267.00	138,922.67	13,292,267.00	132,922.67

(c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the company (Equity Shares of ₹10 each fully paid)**

Sr.	Name of the Shareholders	As at March 31, 2015		As at March 31, 2014	
		Number of shares	% holding	Number of shares	% holding
1	Shri Jayanti B. Sanghvi	1,675,591	12.06	1,525,591	11.48
2	Shri Babulal S. Sanghvi	1,464,283	10.54	1,314,283	9.89
3	Shri Naresh B. Sanghvi	1,582,931	11.39	1,432,931	10.78
4	Shri Vikram B. Sanghvi	1,255,682	9.04	1,105,682	8.32
5	M/s. Dango & Dienenthal GMBH & Co. Kg	699,981	5.04	699,981	5.27
6	Smt Bhamridevi B. Sanghvi	686,634	4.94	682,451	5.13
	Total	7,365,102	53.02	6,760,919	50.86

(d) **Details of aggregate number and class of shares allotted other than cash during the period of five years immediately preceding the reporting date**

Particulars/Nos.	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Bonus Issue	NIL	NIL	NIL	2,869,159	NIL
Conversion of Unsecured Loan	NIL	NIL	NIL	NIL	850,000

Notes forming part of Balance Sheet As at March 31, 2015

2.2 | RESERVES & SURPLUS

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	General Reserve	3,987.14	3,987.14
	(At Commencement & At End)		
(b)	Securities Premium		
	Opening Balance	353,467.97	336,967.97
	Add : Premium of Shares Issued during the year	16,500.00	16,500.00
	Closing Balance	369,967.97	353,467.97
(c)	Profit & Loss Account		
	Opening Balance	62,387.64	140,234.16
	Less : Transitional Adjustmnet on Depreciation	1,013.38	-
	Add : Profit/(Loss) for the Year	(79,470.28)	(77,846.52)
	Closing Balance	(18,096.02)	62,387.64
	Total	355,859.09	419,842.75

2.3 | MONEY RECEIVED AGAINST SHARE WARRANT

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Share Warrant Application Money	11,250.00	5,625.00
	(FY 2014-15:25% application money received against 10,00,000 warrants allotted to promoters under preferential allotment to be converted in to Equity Shares @ ₹45 per share (including premium of ₹35 per share), as per SEBI(ICDR) Regulations, on or before April, 2016)		
	(FY 2013-14 :25% application money received against 6,00,000 warrants allotted to promoters under preferential allotment to be converted in to Equity Shares @ ₹37.50 per share (including premium of ₹27.50 per share), as per SEBI(ICDR) Regulations, on or before November, 2014)		
	Total	11,250.00	5,625.00

Notes forming part of Balance Sheet As at March 31, 2015

2.4 | LONG TERM BORROWINGS

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Secured Loans		
(i)	Term Loan from Banks	895,753.37	373,313.82
	- Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land.		
	- Personal Guarantees of Directors including pledge of their shares		
	[Refer Note 2.25(14)]		
(b)	Unsecured Loans		
(i)	Loans & Advances from Related Parties	55,021.73	26,871.73
(ii)	From Inter Corporate Deposits	3,000.00	7,000.00
	[Refer Note 2.25(15)]		
	Total	953,775.10	407,185.55

2.5 | DEFERRED TAX LIABILITY (Net)

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Deferred Tax Liability :		
	On account of timing difference of		
	- Depreciation	0.00	21,845.81
(b)	Deferred Tax Assets :		
	On account of timing difference of		
	- Unabsorbed Depreciation	-	(21,845.81)
	- On account of Expenses Allowable on Payment Basis	0.00	0.00
	(In view of absence of virtual certainty of Profit in Future years, Deferred tax asset is not recognized)		
	Total	-	-

2.6 | OTHER LONG TERM LIABILITIES

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Payable - For Capital Goods	-	23,565.15
	Total	-	23,565.15

Notes forming part of Balance Sheet As at March 31, 2015

2.7 | SHORT TERM BORROWINGS

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Secured Loans		
(i)	Working Capital Loan from Banks		
	(Against Hypothecation of Entire Current Assets - Stock of Raw Material, Work-in-Progress, Finished Goods, Stores & Spares, Trade Receivable, etc.)	269,936.66	283,475.22
	(Rate of Interest is 12.5% to 13.5%).		
	Total	269,936.66	283,475.22

2.8 | TRADE PAYABLES

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Trade Payable - For Goods & Services	181,987.76	124,958.12
(b)	Trade Payable - For Micro, Small & Medium Enterprises	83.53	6,062.12
	Total	182,071.29	131,020.24

2.9 | OTHER CURRENT LIABILITIES

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Current Maturity of long term Loan	90,185.00	42,800.000
	- Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land.		
	- Personal Guarantees of Directors including pledge of their shares		
	[Terms of Loan : Refer Notes 2.25 (14)]		
(b)	Advance from Customers	22,972.57	4,196.71
(c)	Duties & Taxes Payable	1,507.31	1,721.88
(d)	Payable - For Capital Goods	108,189.37	546,422.15
(e)	Other Outstanding Liabilities	270.15	144.59
	Total	223,124.40	595,285.33

2.10 | SHORT TERM PROVISIONS

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	For Taxation (Net Of Advance Tax)	0.00	23.00
(b)	For Employee Benefit Expenses	1,092.50	755.22
(c)	For Expenses	11,603.66	7,163.79
	Total	12,696.16	7,942.00

Notes forming part of Balance Sheet As at March 31, 2015

2.11 | FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.2014	As at 31.03.2015	For the year	Adjustment*	As at 31.03.2015	As at 31.03.2014
Tangible Assets:						
Free hold land #	24,093.00	25,393.00	0.00	0.00	0.00	24,093.00
P.Y.	23,908.54	24,093.00	0.00	0.00	0.00	23,908.54
Leasehold land*	300.00	300.00	14.28	0.00	114.31	199.97
P.Y.	300.00	300.00	15.00	0.00	100.03	214.97
Buildings-Factory	269,143.00	275,958.95	10,536.45	0.00	25,418.76	254,260.69
P.Y.	245,696.30	269,143.00	8,297.99	0.00	14,882.31	239,111.98
Buildings-Residential	311.77	311.77	3.66	0.00	103.14	212.28
P.Y.	311.77	311.77	15.59	0.00	99.48	227.87
Plant and Machinery	1,293,216.54	1,298,103.01	59,505.42	224.21	152,214.36	1,200,731.81
P.Y.	1,142,054.41	1,293,216.54	55,959.40	0.00	92,484.73	1,105,398.71
Electrical Installation	84,899.42	85,575.45	8,793.83	191.92	14,612.21	79,272.97
P.Y.	74,435.37	84,899.42	3,910.64	0.00	5,626.45	79,272.97
Office Equipment	2,670.50	2,917.61	792.95	343.31	1,466.60	1,451.01
P.Y.	1,837.53	2,670.50	127.61	0.00	330.34	2,340.16
Computers	5,411.83	5,986.34	1,142.94	213.48	4,123.66	1,862.68
P.Y.	4,849.64	5,411.83	754.84	0.00	2,774.43	2,817.84
Furniture and Fixtures	2,963.63	3,204.13	490.34	40.46	1,472.11	1,732.02
P.Y.	2,675.67	2,963.63	178.77	0.00	941.31	2,022.32
Vehicles	8,371.23	8,371.23	1,228.25	0.00	4,238.01	4,133.22
P.Y.	8,621.23	8,371.23	816.80	0.00	3,009.76	5,361.47
Total Tangible Asset	1,691,380.92	1,706,121.49	82,508.13	1,013.38	203,763.16	1,502,358.32
P.Y.	1,504,690.45	1,691,380.92	70,076.64	0.00	120,248.85	1,454,271.55
Intangible Assets:						
Software & Licenses	9,096.97	9,379.60	1,016.35	0.00	5,882.26	3,497.34
P.Y.	7,267.88	9,096.97	1,374.70	0.00	4,865.91	4,231.07
Total Intangible Asset	9,096.97	9,379.60	1,016.35	0.00	5,882.26	3,497.34
P.Y.	7,267.88	9,096.97	1,374.70	0.00	4,865.91	4,231.07
Total Asset	1,700,477.90	1,715,501.09	83,524.49	1,013.38	209,645.43	1,505,855.66
Previous Year's	1,511,958.33	1,700,477.90	71,451.35	0.00	125,114.76	1,458,048.23
Capital Work-in-Progress		836.40				101,733.88
P.Y.						77,013.42
Total Fixed Assets						1,607,589.54
P.Y.						1,652,376.56

*Note:

- 99 year lease hold land treated as a Freehold land.
- Leasehold Land amortized over lease period i.e. 20 years.
- Foreign Exchange (Gain) / Loss capitalized as per paragraph 46A of AS-11 ("The effect of Change in Foreign Exchange Rate") grouped under Plant & Equipments (₹235.15) Lacs (Previous Year ₹1243.01 Lacs).
- Pursuant to the Companies Act, 2013 ("the Act"), the Companies had, during the year, revised depreciation policy and rates on certain fixed assets as per the useful life specified in Schedule II of the Act or that as re-assessed by the Company. Due to this based on transitional provision as per note 7(b) of the Schedule II, an amount of ₹10.13 lacs was adjusted to opening balance of retained earnings. Had continued to use the earlier policy and estimates, the loss for the current year would have been lower by ₹46.32 Lac.

Notes forming part of Balance Sheet As at March 31, 2015

2.12 | NON-CURRENT INVESTMENT

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
	Investment in Subsidiary (Unquoted Investment)		
	In shares of Sanghvi Europe B V	6.75	-
	(Having 100 Shares of FV of 1 Euro fully paid)		
	Total	6.75	-

2.13 | LONG TERM LOANS & ADVANCES

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
	(Unsecured Considered Good)		
(a)	Security Deposits	1,513.21	1,394.46
(b)	Loan to Subsidiary	84.73	-
(c)	Balance with Revenue Authorities	12,956.10	5,995.30
(d)	Other Loans & Advances #	1,798.46	233.99
	# Includes primarily Interest Receivable, Gratuity Payable (Dr. Bal) etc.)		
	Total	16,352.50	7,623.75

2.14 | INVENTORIES

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Raw Material	65,038.18	58,606.00
(b)	Work-in-Progress	114,136.76	80,089.67
(c)	Stores & Spares Parts	6,985.98	6,686.69
(d)	Packing Material	359.74	514.30
(e)	Scrap	11,546.92	6,882.27
	Total	198,067.58	152,778.93

2.15 | TRADE RECEIVABLE (Unsecured considered good)

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment	27,639.79	9,665.58
(b)	Trade receivables outstanding for a period less than six months from the date they are due for payment	229,261.03	107,827.11
	Total	256,900.82	117,492.69

Notes forming part of Balance Sheet As at March 31, 2015

2.16 | CASH & BANK BALANCE

		(₹ in '000)	
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Cash & Cash Equivalent		
(a)	Cash on Hand	727.61	983.15
(b)	Balance with Banks :		
	In Current Accounts	620.38	68.78
	Other Bank Balance		
(a)	Other Balance with Bank - Margin Money / in FD	22,913.94	19,809.36
	(Balance with banks to the extent held as Margin Money having maturity less than 12 month)		
	Total	24,261.93	20,861.29

2.17 | SHORT TERM LOAN & ADVANCE

		(₹ in '000)	
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Unsecured Considered Good		
(a)	Balance with Revenue Authorities	37,421.88	44,091.12
(b)	Pre - Paid Expense	4,422.24	4,469.22
(c)	Advance to Suppliers	1,725.35	4,060.20
(d)	Accrued Interest on Deposits	886.77	3,110.15
	Total	44,456.24	55,730.69

Notes forming part of Statement of Profit and Loss As at March 31, 2015

2.18 | REVENUE FROM OPERATIONS

		(₹ in '000)	
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Sale of Flanges, Fittings, Forged Bars & Scrap		
(i)	Finished Goods		
	Sales - Domestic	688,978.78	403,022.63
	Sales - Export	154,120.96	102,570.62
	Total	843,099.74	505,593.25
(ii)	Manufacturing Scrap	87,772.97	60,320.12
		930,872.71	565,913.37
(b)	Other Operating Revenues		
	Duty Draw Back & Other Export Incentive	1,518.62	1,356.32
	Other Operating Revenues	9,360.49	7,622.80
		10,879.11	8,979.12
	Gross Revenue From Operations	941,751.82	574,892.50
	Less : Excise Duty	(70,429.12)	(36,704.09)
	Net Revenue From Operations	871,322.70	538,188.41

2.19 | OTHER INCOME

		(₹ in '000)	
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Interest From Bank & Other	2,010.07	3,112.53
	Exchange Fluctuation gain/(loss)(Net)	-	1,234.84
	Misc. Income	427.99	17.68
	Total	2,438.06	4,365.05

2.20 | COST OF MATERIAL CONSUMED

		(₹ in '000)	
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Steel Consumed		
	Opening Balance	58,606.00	60,896.17
	Add : Purchase	473,285.19	278,737.05
		531,891.18	339,633.22
	Less : Closing Stock	65,038.18	58,606.00
	Raw Material Consumed	466,853.01	281,027.22

Notes forming part of Statement of Profit and Loss As at March 31, 2015

2.20 | COST OF MATERIAL CONSUMED (Contd...)

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
INFORMATION RELATING TO CONSUMPTION OF MATERIAL			
Consumption of Imported & Indigenous Materials			
	Imported Items	15,776.71	19,549.52
		3.38%	6.96%
	Indigenous Items	451,076.29	261,477.70
		96.62%	93.04%
	Total	466,853.01	281,027.22

2.21 | CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(Increase) / Decrease in			
Closing Stock			
	- Work - in - Progress	114,136.76	80,089.67
	- Scrap	11,546.92	6,882.27
		125,683.67	86,971.94
Opening Stock			
	- Work - in - Progress	80,089.67	81,074.39
	- Scrap	6,882.27	1,982.03
		86,971.94	83,056.43
	(Increase) / Decrease in Stock	(38,711.73)	(3,915.52)

2.22 | EMPLOYEES BENEFIT EXPENSE

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Salary & Wages & Bonus	46,167.14	34,761.40
	Contribution to Provident & Other Funds	2,154.56	1,465.61
	Staff Welfare Expense	1,791.61	1,395.41
	Total	50,113.31	37,622.42

2.23 | FINANCE COST

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Interest Expense	119,368.35	68,663.82
	Bank Charges	39,124.78	25,469.03
	Total	158,493.13	94,132.85

Notes forming part of Statement of Profit and Loss As at March 31, 2015

2.24 | OTHER EXPENSES

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a) Manufacturing Expense :			
	Power Consumed	30,784.71	24,482.28
	Fuel Consumed	59,445.39	38,493.36
	Stores Consumed	28,916.86	17,903.06
	Job Work / Processing Charges	18,683.90	8,134.92
	Wages-Direct Labour Contract	8,341.02	7,086.72
	Repairs and Maintenance - Buildings	648.93	220.14
	Repairs and Maintenance - Plant & Machinery	3,586.40	4,220.05
	Total (a)	150,407.21	100,540.52
(b) Administrative & Other Expense :			
	Audit Fees	305.30	230.00
	Director Sitting Fees	330.00	230.00
	Exchange Fluctuation gain/(loss)(Net)	1,144.37	-
	Insurance Expense	752.95	2,333.67
	Professional Fees	9,970.33	11,614.81
	Rates & Taxes	12,704.45	8,730.31
	Rent Expense	727.63	1,029.36
	Repairs and maintenance - Others	2,515.71	2,413.34
	Loss on sale of fixed assets	-	246.15
	Donations and Contributions	30.00	45.00
	Miscellaneous Expense	54,084.75	34,252.60
	Total (b)	82,565.51	61,125.25
	Total (a+b)	232,972.72	161,665.77

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Contingent Liabilities

A. Disputed Liabilities

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
- Income Tax on Accounts of Disallowance	6,132.80	2,061.15
- Penalty on Account of Disallowances of Expenses	503.64	571.00
- Service Tax on Account of Cenvat Credit	2,738.52	1,856.16
- Central Sales Tax Demand on Account of 'C' Form	2,789.15	1,902.23

Impact of pending litigation

Future cash flows in respect of the above, if any, is determinable only on receipt of judgments/decisions pending with relevant authorities. The company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operation or cashflow.

B. Guarantee Given By Bankers on Behalf of Company

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
- Bank Guarantee	49,415.59	58,302.53

2. Estimated Amount of Contracts-Capital Accounts

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for, net of advances	23,500.00	65,278.00

3. Remuneration to Auditors

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
As Auditors	250.00	175.00
Taxation & Other Matters	55.30	55.00
Total	305.30	230.00

4. C.I.F. value of Imports

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Goods	24,785.42	37,315.32
Raw Material	39,004.26	5,690.14

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

5. (a) Expenditure in Foreign Currency

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Commission on Export Sales	817.22	2,412.66
Finance Cost	17,115.43	13,249.96
Exhibitions & Sales Promotion	1,213.49	1,979.69
Professional Fees	445.88	4,234.12
Export Expense	1,346.20	1,389.82
Foreign Travel Expenses	1,334.96	2,440.33

(b) Earnings in Foreign Currency

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
F.O.B. value of exports	113,674.64	96,254.05

6. Exchange difference Gain/(Loss) on account of fluctuations in foreign currency rates

(₹ in '000)

1. Relating to Exports during the year as part of Sales ₹1958.41 (P.Y. ₹2455.92)
2. Recognised in Profit and Loss Account

Particulars	As at March 31, 2015	As at March 31, 2014
On settlement / revaluation of current assets	2,360.64	155.35
On settlement / revaluation of current liabilities	(3,430.41)	(878.92)

7. Details of amount Capitalised during the year to Fixed Assets

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest & Other Finance Charges	1,961.51	0.00
Other Preliminary & Preoperative Expenses	0.00	524.26
Foreign Exchange (Gain) / Loss (Net)	(22,113.78)	124,301.12
Total	(20,152.27)	124,825.38

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

8. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2015. The disclosure pursuant to the said Act is as under (₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Principal Amount due to suppliers under MSMED Act, 2006,	835.34	6,062.12
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	378.05	20,568.30
Interest accrued and due to suppliers under MSMED Act, on the above amount	135.98	288.01
Interest paid to suppliers under MSMED Act (Section 16)	291.36	351.98
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	7.59	10.94

9. Computation of Earnings per Share (EPS)

(₹ in '000 except shares)

Particulars	As at March 31, 2015	As at March 31, 2014
Profit used as Numerator for calculating Earnings per Share	(79,470.28)	(77,846.52)
Weighted Average Number of Share used in computing BasicEPS	13576651	12759664
Number of Share used in computing Diluted EPS	14892267	13892267
Nominal Value per Share (In ₹)	10	10
Basic Earnings per Share (In ₹)	(5.85)	(6.10)
Diluted Earnings per Share (In ₹)	(5.34)	(5.60)

10. Related Party Details

(a) Related Party Disclosure

Key Management Personnel

Mr. Babulal S. Sanghvi
Mr. Jayanti B. Sanghvi
Mr. Naresh B. Sanghvi
Mr. Vikram B. Sanghvi

Relative of Key Management Personnel

Smt. Bhamridevi B. Sanghvi
Smt. Meena J. Sanghvi
Smt. Kiran N. Sanghvi
Smt. Sheetal V. Sanghvi
Mr. Mahesh B Sanghvi

Enterprises under Significant Influence of Key Management Personnel or their Relatives

Babulal Sanghvi (HUF)
Jayanti Sanghvi (HUF)
Naresh Sanghvi (HUF)
Vikram Sanghvi (HUF)
Gautam Stainless Pvt. Ltd.
Sanghvi Europe B V

Subsidiary Company

Sanghvi Europe B V

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(b) Related Party Transaction

(₹ in '000)

Particulars	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		Total	
	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014
Purchase of Goods/DEPB	-	-	-	-	-	-	-	338.06	-	338.06
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	-	338.06	-	338.06
Receiving of Services	-	-	-	-	-	-	347.97	840.63	347.97	840.63
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	347.97	840.63	347.97	840.63
Sale of Goods	15,405.90	-	-	-	-	-	1,189.10	677.65	16,595.00	677.65
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	1,189.10	677.65	1,189.10	677.65
Sanghvi Europe B.V.	15,405.90	-	-	-	-	-	-	-	15,405.90	-
Loans - Given	84.73	-	-	-	-	-	-	-	84.73	-
Sanghvi Europe B.V.	84.73	-	-	-	-	-	-	-	84.73	-
Loans - Repaid / Converted	-	-	20,385.00	28,127.00	2,550.00	-	4,750.00	4,850.00	27,685.00	32,977.00
Babulal S. Sanghvi	-	-	5,218.75	7,031.25	-	-	-	-	5,218.75	7,031.25
Jayanti B. Sanghvi	-	-	4,718.75	7,031.25	-	-	-	-	4,718.75	7,031.25
Naresh B. Sanghvi	-	-	4,853.75	7,031.25	-	-	-	-	4,853.75	7,031.25
Vikram B. Sanghvi	-	-	5,593.75	7,033.25	-	-	-	-	5,593.75	7,033.25
Meena J. Sanghvi	-	-	-	-	750.00	-	-	-	750.00	-
Kiran N. Sanghvi	-	-	-	-	150.00	-	-	-	150.00	-
Sheetal V. Sanghvi	-	-	-	-	1,650.00	-	-	-	1,650.00	-
Babulal Sanghvi (HUF)	-	-	-	-	-	-	400.00	500.00	400.00	500.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	4,350.00	4,350.00	4,350.00	4,350.00
Loans - Received / Taken	-	-	43,125.00	20,803.00	4,450.00	2,550.00	8,260.00	6,150.00	55,835.00	29,503.00
Jayanti B. Sanghvi	-	-	16,350.00	2,000.00	-	-	-	-	16,350.00	2,000.00
Babulal Sanghvi	-	-	5,850.00	3,400.00	-	-	-	-	5,850.00	3,400.00
Naresh B. Sanghvi	-	-	9,500.00	7,500.00	-	-	-	-	9,500.00	7,500.00
Vikram B. Sanghvi	-	-	11,425.00	7,903.00	-	-	-	-	11,425.00	7,903.00
Meena J. Sanghvi	-	-	-	-	3,500.00	1,350.00	-	-	3,500.00	1,350.00
Kiran N. Sanghvi	-	-	-	-	500.00	1,000.00	-	-	500.00	1,000.00
Sheetal V. Sanghvi	-	-	-	-	450.00	200.00	-	-	450.00	200.00
Babulal Sanghvi (HUF)	-	-	-	-	-	-	-	900.00	-	900.00
Jayanti Sanghvi (HUF)	-	-	-	-	-	-	955.00	650.00	955.00	650.00
Naresh Sanghvi (HUF)	-	-	-	-	-	-	2,165.00	-	2,165.00	-
Vikram Sanghvi (HUF)	-	-	-	-	-	-	790.00	250.00	790.00	250.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	4,350.00	4,350.00	4,350.00	4,350.00
Investment	6.75	-	-	-	-	-	-	-	6.75	-
Sanghvi Europe B.V.	6.75	-	-	-	-	-	-	-	6.75	-
Interest Expenses	-	-	-	-	-	-	-	-	-	-
Rental Paid	-	-	36.00	36.00	180.00	180.00	-	-	216.00	216.00
BhamriDevi B. Sanghvi	-	-	-	-	180.00	180.00	-	-	180.00	180.00
Jayanti B. Sanghvi	-	-	36.00	36.00	-	-	-	-	36.00	36.00
Director's Remuneration	-	-	7,045.77	7,163.64	-	-	-	-	7,045.77	7,163.64

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(b) Related Party Transaction

(₹ in '000)

Particulars	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		Total	
	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014
Balance Outstanding - (Receivables)/Payables (Net)										
Loans & Advances	84.73	-	36,794.21	14,054.21	8,477.12	6,577.12	9,477.44	5,967.44	54,833.49	26,598.76
Babulal S. Sanghvi	-	-	1,164.60	533.35	-	-	-	-	1,164.60	533.35
Jayanti B. Sanghvi	-	-	13,339.82	1,708.57	-	-	-	-	13,339.82	1,708.57
Naresh B. Sanghvi	-	-	10,638.59	5,992.34	-	-	-	-	10,638.59	5,992.34
Vikram B. Sanghvi	-	-	11,651.20	5,819.95	-	-	-	-	11,651.20	5,819.95
BhamriDevi B. Sanghvi	-	-	-	-	2,122.30	2,122.30	-	-	2,122.30	2,122.30
Meena J Sanghvi	-	-	-	-	4,163.94	1,413.94	-	-	4,163.94	1,413.94
Kiran N Sanghvi	-	-	-	-	1,374.74	1,024.74	-	-	1,374.74	1,024.74
Sheetal V Sanghvi	-	-	-	-	816.14	2,016.14	-	-	816.14	2,016.14
Babulal Sanghvi (HUF)	-	-	-	-	-	-	-	400.00	-	400.00
Jayanti Sanghvi (HUF)	-	-	-	-	-	-	3,477.51	2,522.51	3,477.51	2,522.51
Naresh Sanghvi (HUF)	-	-	-	-	-	-	3,446.77	1,281.77	3,446.77	1,281.77
Vikram Sanghvi (HUF)	-	-	-	-	-	-	2,553.16	1,763.16	2,553.16	1,763.16
Sanghvi Europe B.V.	84.73	-	-	-	-	-	-	-	84.73	-
Trade Payable / Receivable	15,127.83	-	-	-	-	-	789.78	327.36	15,917.61	327.36
Gautam Stainless Pvt. Ltd. (Service Vendor)	-	-	-	-	-	-	112.59	327.36	112.59	327.36
Gautam Stainless Pvt. Ltd. (Customer)	-	-	-	-	-	-	677.19	-	677.19	-
Sanghvi Europe B.V. (Customer)	15,127.83	-	-	-	-	-	-	-	15,127.83	-
Investments	6.75	-	-	-	-	-	-	-	6.75	-
Sanghvi Europe B.V.	6.75	-	-	-	-	-	-	-	6.75	-

Personal Guarantee Given to Bank against Working capital & Term loan outstanding Amount.

11. Contributions are made to Recognised Provident Fund/ Government Provident Fund which covers all employees. While both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹1925.80 Thousands (Previous Year ₹1343.55 Thousands)

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Contribution to Provident Fund	1,925.80	1,343.55

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

Category of Plan Assets: The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India

(₹ in '000)

In respect of gratuity (funded):	As at March 31, 2015	As at March 31, 2014
Reconciliation of liability recognised in the Balance Sheet		
Present value of commitments (as per Actuarial Valuation)	838.56	556.07
Fair value of plan assets	(999.88)	(632.27)
Net (liability) / asset in the Balance sheet	(161.32)	(76.20)
Movement in net liability recognised in the Balance sheet		
Net liability as at the beginning of the year	76.20	159.78
Net expense recognised in the Profit and Loss account	(221.76)	(91.16)
Contribution during the year	306.88	7.58
Net (liability) / asset in the Balance sheet	161.32	76.20
Expense recognised in the Profit and Loss account		
Current Service cost	302.91	186.65
Interest cost	43.93	39.13
Expected return on plan assets	(68.75)	(51.47)
Actuarial (gains)/ losses	(56.33)	(83.15)
Expense charged to the Profit and Loss account	221.76	91.16
Return on plan assets		
Expected return on plan assets	68.75	51.47
Actuarial gains/ (losses)	(8.01)	1.04
Actual return on plan assets	60.74	50.43
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	556.07	434.78
Current service cost	302.90	186.65
Interest cost	43.93	39.13
Paid benefits	(0.00)	(20.30)
Actuarial (gains)/ losses	(64.34)	(84.19)
Commitments as at the year end	838.56	556.07
Reconciliation of plan assets		
Plan assets as at the beginning of the year	632.27	594.56
Expected return on plan assets	68.74	51.47
Contributions during the year	306.88	7.58
Paid benefits	0.00	(20.30)
Actuarial gains/ (losses)	(8.01)	(1.04)
Plan assets as at the year end	999.88	632.27

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense

Discount rate	7.90%	9.00%
Expected return on plan Assets	8.75%	8.75%
Expected rate of salary increase	8.00%	8.00%

12. The Company has entered into lease agreements for certain properties including director's accommodation which are cancellable at the option of the Company or as per agreed terms. The total rent charged to the Statement of Profit and Loss for the year towards such leases amount to 907.63 thousands (P.Y. 896.58 thousands).

13. Segment disclosures:

(a) Business Segment:

The company has only one reportable business segment of Forging & Fitting as the primary reportable Business segment for disclosure. The business segments are business of Forging & Fitting and wind energy business.

(b) Geographical Segment:

The company has exported during the year and it does require disclosure as a separate reportable segment of Domestic Sales and Export Sale

Particulars	(₹ in '000)		
	Domestic	Export	Total
Segment Revenue (Net) For the Year ended March 31,2015	706,322.63	154,120.96	860,443.59
Segment Revenue (Net) For the Year ended March 31,2014	426,638.66	102,570.62	529,209.28

Notes Annexed to and forming part of the Financial Statements

As at March 31, 2015

2.25 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

14. Terms and Conditions of Loans From Bank:- [Refer Notes 2.3 (a)(i)]

(₹ in '000)

Sr.	Particulars	Rate of Interest	Repayment Terms
i	Term Loan I - INR	3.00 % above BR i.e 13.25% p.a.	84 structured monthly installment from August 2015
ii	WCTL- INR	3.00 % above BR i.e 13.25% p.a	84 structured monthly installment from August 2015
iii.	Term Loan – ECB / USD	324 bps over LIBOR	26 quarterly installments from August 2012.(Default in Installment and interest as on 31/03/2015 amounting to ₹10177 (P.Y. ₹8066) and ₹1429 (P.Y. ₹1746) respectively)
iv.	Term Loan II - INR	3.00 % above BR i.e 13.25% p.a.	26 quarterly installments from August 2012. (Default in Installment and interest as on 31/03/2015 amounting to ₹941 (P.Y. ₹1600) and ₹338 (P.Y. ₹136) respectively)

15. Terms and Conditions of Unsecured Loan: Interest free loan.

16. Previous financial year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

As per our report of even date attached

For Shah & Bhandari
Chartered Accountants

Yogesh Bhandari
Partner
Membership No - 046255

Vadodara, dated 29th May, 2015

For and on behalf of the Board of Directors

Babulal S. Sanghvi
Chairman

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Jayanti B. Sanghvi
Managing Director

Sagar Pandya
Company Secretary

Independent Auditor's Report

To the Members of
SANGHVI FORGING & ENGINEERING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SANGHVI FORGING & ENGINEERING LIMITED ("the company") and its subsidiary (the company and its subsidiary constitute "the group") comprising of the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Other matter

The consolidated financial statements include financial statements of subsidiary, whose financial statements reflect total assets (Net) of ₹245.19 in ('000) as at 31st March 2015, total revenue (net) of ₹237.64 in ('000) and net cash flows amounting to ₹4.46 in ('000) for the year ended as considered in the consolidated financial statements. Financial statements of the subsidiary have not been audited by us. These financial statements are unaudited and have been furnished to us by management and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statement is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the company, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further, As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors of the company as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the matter to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The group has disclosed the impact of pending litigations on its financial position in Note 2.24 of the consolidated financial statements.
 - ii. The group did not have any long term contracts including derivatives contracts for which there were an material foreseeable losses;
 - iii. There is no such amount which is required to be transfer to the Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

For Shah & Bhandari
Chartered Accountants
FRN: 118852W

Yogesh Bhandari
Partner
M.No.: 046255

Place: Vadodara
Date : 29.05.2015

Annexure to the Auditor's Report

- 1 (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets are physically verified by the management at the year-end, which in our opinion, is reasonable, looking to the size of the company and its nature of business, and no material discrepancies were noticed on such verification.
- 2 (a) As explained to us, Inventories has been physically verified during the year and at the year-end.
- (b) In our opinion the procedures of physical verification of inventory 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 is maintaining proper records of inventory. As informed to us the discrepancies noticed on physical verification of stocks as compared to book records were not Material, however, the same have been properly dealt with in the books of account.
- 3 The company has granted Interest free unsecured loan to a company covered in the register maintained under section 189 of the Act.
 - (a) As information given to us, there is no stipulation of repayment of loan. Accordingly, clause of the Order is not applicable to the company in respect of repayment of the principal amount.
 - (b) Since there is no stipulation of repayment of loan, clause of the Order is not applicable.
4. 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 purchases of inventory, fixed assets and with regard to the sale of goods and service. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. The Company has not accepted any deposits during the year from the public, within the meaning of the provisions of Section 73 & 74 of the Act and rules made there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant to Rules prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima-facie, the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, custom duty, excise duty, wealth tax and other material statutory dues applicable to it. And there are no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty, as at 31.03.2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of income tax, sales tax, customs duty, excise duty, as at 31.03.2015 except Income Tax, Service Tax and Excise Duty dues:

Name of Statute	Nature of Dues	Amount (₹ 000)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	850.20	A.Y. 2008-09	CIT (Appeals)
		282.61	A.Y. 2011-12	
		5000.00	A.Y. 2012-13	
Central Excise Act, 1944	Service Tax	1955.60	F.Y. 2007-08	CESTAT Ahmedabad
			F.Y. 2008-09	
			F.Y. 2010-11 & F.Y. 2011-12	
Central Excise Act, 1944	Service Tax	782.92	F.Y. 2007-08	Asst. Commissioner of Central Excise, Custom & Service Tax Vadodara
			F.Y. 2008-09	
			F.Y. 2009-10	
			F.Y. 2010-11	
			F.Y. 2011-12 & F.Y. 2012-13	
Central Sales Tax Act, 1956	Sales Tax	757.71	F.Y. 2008-09 F.Y. 2009-10	GAT, Tribunal, Ahmedabad
Central Sales Tax Act, 1956	Sales Tax	2031.44	F.Y.2010-11	Asst. CCT (Appeal)

• Out of above ₹1452.81 thousand paid under protest

- (c) According to the information and explanation given to us, there is no such amount which were required to be transferred to the Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
8. The company does not have accumulated losses at the end of the financial year and has not incurred cash loss in the current year. However there is cash losses in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanation given to us by management, the company has defaulted in repayment of its loan and interest to the banks. Estimated unpaid overdue instalments and interest to banks as at March 31, 2015 aggregated to ₹11118 thousand & Interest thereon of ₹1767 thousand since February 2015 (P.Y. ₹9666 thousand and interest thereon of ₹1882 thousand since February 14).
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
12. To the best of our knowledge and belief and according to information and explanation given to us no fraud on or by the company has been noticed or reported during the year under report.

For Shah & Bhandari
Chartered Accountants
FRN: 118852W

Yogesh Bhandari
Partner
M.No.: 046255

Place: Vadodara
Date : 29.05.2015

Consolidated Balance Sheet As at March 31, 2015

(₹ in '000)

Sr.	Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds :			
(a)	Share Capital	2.1	138,922.67	132,922.67
(b)	Reserves and Surplus	2.2	353,904.45	419,842.75
(c)	Money received against share warrants	2.3	11,250.00	5,625.00
(2)	Non-Current Liabilities:			
(a)	Long-Term Borrowings	2.4	953,775.10	407,185.55
(b)	Deferred Tax Liability (Net)	2.5	-	-
(c)	Other Long Term Liabilities	2.6	114.30	23,565.15
(3)	Current Liabilities:			
(a)	Short - Term Borrowings	2.7	269,936.66	283,475.22
(b)	Trade Payables	2.8	182,071.29	131,020.24
(c)	Other Current Liabilities	2.9	223,124.40	595,285.33
(d)	Short - Term Provisions	2.10	12,918.14	7,942.00
	Total		2,146,017.01	2,006,863.91
II.	ASSETS			
(1)	Non - Current Assets:			
(a)	Fixed Assets	2.11		
(i)	Tangible Assets		1,502,358.32	1,571,132.07
(ii)	Intangible Assets		3,497.34	4,231.07
(iii)	Capital Work-in-Progress		101,733.89	77,013.42
(b)	Long Term Loans and Advances	2.12	16,267.77	7,623.75
(2)	Current Assets:			
(a)	Inventories	2.13	208,774.96	152,778.93
(b)	Trade Receivables	2.14	244,662.10	117,492.69
(c)	Cash and Bank Balances	2.15	24,266.39	20,861.29
(d)	Short - Term Loan and Advances	2.16	44,456.24	55,730.69
	Total		2,146,017.01	2,006,863.91
	Significant Accounting Policies	1		
	See accompanying Notes to the Financial Statements	2.24		

As per our report of even date

For Shah & Bhandari
Chartered Accountants

Yogesh Bhandari
Partner
Membership No - 046255

Vadodara, dated 29th May, 2015

For and on behalf of the Board of Directors

Babulal S. Sanghvi
Chairman

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Jayanti B. Sanghvi
Managing Director

Sagar Pandya
Company Secretary

Consolidated Statement of Profit and Loss For the year ended March 31, 2015

(₹ in '000)

Sr.	Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
I.	INCOME :			
(a)	Revenue from Operations	2.17	943,321.82	574,892.50
	Less : Excise Duty		(70,429.12)	(36,704.09)
	Net Revenue from Operations		872,892.70	538,188.41
(b)	Other Income	2.18	2,438.06	4,365.05
	Total Revenue		875,330.76	542,553.46
II.	EXPENSES			
(a)	Cost of Material Consumed	2.19	470,162.08	281,027.22
(b)	Changes in Inventory of Finished Goods and Work in Progress	2.20	(38,711.74)	(3,915.52)
(c)	Employee Benefits Expense	2.21	50,113.32	37,622.42
(d)	Finance Costs	2.22	158,502.13	94,132.85
(e)	Depreciation and Amortization Expense	2.11	83,524.49	71,451.34
(f)	Other Expenses	2.23	233,179.28	161,665.77
			956,769.56	641,984.09
III.	Profit/(Loss) Before Tax		(81,438.80)	(99,430.64)
	TAX EXPENSES			
	- Current Tax		-	23.00
	- Deferred Tax		-	(21,845.81)
	- (Excess) / Short Provision for tax relating to prior years		(13.89)	238.69
			(13.89)	(21,584.12)
IV.	Profit/(Loss) For The Year		(81,424.91)	(77,846.52)
	Basic Earning Per Share(Face Value of ₹10 Per Share)		(6.00)	(6.10)
	Diluted Earning Per Share(Face Value of ₹10 Per Share)		(5.47)	(5.23)
	[Refer to Note No. 2.24 (9)]			
	Significant Accounting Policies	1		
	See accompanying Notes to the Financial Statements	2.24		

As per our report of even date

For Shah & Bhandari
Chartered Accountants

Yogesh Bhandari
Partner
Membership No - 046255

Vadodara, dated 29th May, 2015

For and on behalf of the Board of Directors

Babulal S. Sanghvi
Chairman

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Jayanti B. Sanghvi
Managing Director

Sagar Pandya
Company Secretary

Consolidated Cash Flow Statement For the year ended March 31, 2015 (₹ in '000)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash Flow From Operating Activities:		
Net Profit Before Tax and Extra ordinary Items	(81,438.80)	(99,430.64)
Adjustment for:		
Depreciation /Amortization /Impairment	83,524.49	71,451.34
Interest Expense / Finance Cost	119,368.35	68,663.82
Interest Income	(2,010.07)	(3,112.53)
Loss/ (Profit) on sale of Fixed Assets	(7.66)	243.39
Operating Profit Before Working Capital Changes	119,436.31	37,815.39
Adjustment for (increase)/decrease in Operating assets:		
Inventories	(55,996.02)	(5,457.03)
Trade Receivables	(127,169.41)	(11,880.26)
Short Term Loan & Advances	11,274.44	4,007.32
Long Term Loan & Advances	(8,644.03)	14,464.76
	(180,535.02)	1,134.79
Adjustment for (increase)/decrease in Operating liabilities:		
Trade Payable	51,051.05	92,631.24
Non-Current Liabilities	(23,450.86)	(344,166.70)
Other Current Liabilities	(372,160.93)	319,944.00
Short Term Provisions	4,976.14	6,820.34
	(339,584.60)	75,228.88
Cash Generated From Operation	(400,683.31)	114,179.05
Income Tax Expense	(13.89)	261.69
Net Cash Generated From Operating Activities	(400,669.42)	113,917.36
B. Cash Flow From Investing Activities		
Acquisition of Fixed Assets	(63,288.21)	(191,945.20)
Sales / Devaluation of Assets	23,514.55	-
Proceed from Sale of Fixed Assets	30.48	346.36
Change in Bank Margin Money / FD Originally Matured in more than three months	(3,104.59)	6,724.97
Interest Received	2,010.07	3,112.53
Net Cash Used in Investing Activities	(40,837.70)	(181,761.34)

Consolidated Cash Flow Statement For the year ended March 31, 2015 (₹ in '000)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
C. Cash Flow From Financing Activities		
Increase in Share Capital	6,000.00	6,000.00
Security Premium	22,125.00	22,125.00
Long Term Loan from Bank	546,589.55	156,254.22
(Repayments)/ Short Term Borrowing from Bank	(13,538.56)	(47,173.46)
Finance Cost (Interest & Bank Charges)	(119,368.35)	(68,663.82)
Net Cash used in Financing Activities	441,807.64	68,541.94
Net Increase /(Decrease)in Cash and Bank Balance (A+B+C)	300.52	697.96
Opening Balance of Cash & Cash Equivalent	1,051.93	353.97
Closing Balance Cash & Cash Equivalent #	1,352.45	1,051.93
# Comprises of,		
Cash on Hand	727.61	983.15
Balance with Bank -Current Accounts	624.84	68.78
	1,352.45	1,051.93

As per our report of even date

For Shah & Bhandari
Chartered Accountants

Yogesh Bhandari
Partner
Membership No - 046255

Vadodara, dated 29th May, 2015

For and on behalf of the Board of Directors

Babulal S. Sanghvi
Chairman

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Jayanti B. Sanghvi
Managing Director

Sagar Pandya
Company Secretary

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

Corporate Information:

Sanghvi Forging & Engineering Limited (SFEL) is an ISO 9001:2008 Certified Indian Company engaged in the manufacturer of open and closed die forging products for the oil & gas, defence, ship building, power & other sectors. It also exports products to various foreign countries over the last two decades.

The group has set up additional 15000 MTPA Heavy Forging Division in recent years (with single piece forging up to 40 MT) to manufacture proof machined products viz. stepped shafts, bars & hollows, blocks, flanged shafts, gear blanks, shells, tube sheets, forging items etc at GIDC Industrial Estate at plot no. 1401, 1402 & 1403, Waghodia Dist: Vadodara.

Sanghvi Europe B.V. is based in Netherland, a wholly owned subsidiary of SFEL is engaged in dealing of Wholesale Steel & Stainless Steel semi-finished products.

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS

I. Basis for preparation of financial accounting

The consolidated financial statements of the group and its subsidiaries have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

These Financial statements are prepared under historical cost conventions on accrual.

II. Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

III. Principal of Consolidation

The consolidated financial statements of the group for the year ended March 31, 2015 are prepared in accordance with generally accepted accounting principles applicable in India, and the Accounting Standard 21 (AS-21) on 'Consolidation of Financial Statements', notified by Companies (Accounting Standards) Rules, 2006, (as amended) ("Accounting Standards") by and to the extent possible in the same format as that adopted by the group for its separate financial statements.

The financial statements of the group have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

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, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Company's unconsolidated financial statements. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The subsidiary company considered in consolidated financial statements is as follows:

Name of the subsidiary	Ownership Percentage as at 31/3/15	Country of incorporation	Consolidated as
Sanghvi Europe B.V.	100%	Netherland	Subsidiary

IV. Fixed Assets and Depreciation /Amortization

A. Tangible Assets

Tangible Fixed Assets are stated at historical cost including borrowing costs, expenditure directly attributable to the acquisition of the asset and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets less accumulated depreciation there on and impairment losses if any. Leasehold land having lease of 99 years or more are treated as free hold land only and other leases are amortized over the period of lease.

Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

B. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

C. Capital Work in Progress

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work in progress.

Depreciation:

The depreciation during the year has been provided on straight line basis as per Schedule II of the Companies act 2013 since the acquisition of respective fixed assets. In earlier years depreciation was provided as per the Schedule XIV of Companies Act 1956. The depreciation on fixed assets is provided on the straight line method considering the useful life and residual value of respective fixed asset.

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

The useful life of assets as adopted by the group as per Old Schedule XIV and New Schedule II of the Companies Act is listed as under:

Perticulars	Previous Useful Life	Revised Useful Life
Leasehold Land	20	20
Building (Factory)	30	30
Building (Residential)	20	60
Building (Fences, Wells, etc)	30	5
Road	30	5 to 10
Plant and Machinery	20	15
Plant and Machinery (Heavy Forging Process Machinery)	20	20 to 25*
Electrically Operated Vehicles	20	8
Electrical Installations	20	10
Laboratory Equipment	20	10
Windmill	20	22
Computers, Server & Networking Device	6	3
Furniture	15	10
Office equipment	20	5
Vehicles - Four Wheeler	10	8
Vehicles - Two Wheeler	10	10

*Based on an internal technical evaluation made by the group and on past experience, estimated useful life of Plant and machinery listed above best represent the period over which the management expects to use these assets. However the useful lives for these asset is different from that prescribed in schedule II of the Act.

V. Inventories

Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost or net realizable value using the First in First out (FIFO) basis.

VI. Revenue Recognition

Sales of products and services are recognised when risk and rewards of ownership at of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of Excise Duty but excluding sales tax / Value Added Tax and export incentives. Export incentives are accounted on accrual basis. Revenue from job charges is recognised completion of job work. Interest incomes are recognised on time proportion basis.

VII. Cash flow statement

Cash flows are reported using the indirect method whereby profit before tax is adjusted for the effects of the transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; financing and investing activities of the group are segregated.

VIII. Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on straight line basis over the lease period.

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

IX. Foreign Currency Transactions, Foreign Operations and Forward contracts and derivatives

- Transactions denominated in foreign currencies are recorded at the rate prevailing on date of transaction
- In respect of monetary items denominated in foreign currency at the year-end are translated at the year-end rates.
- Any income or expenses on account of exchange differences either on settlement or on transactions are recognised in the Profit and Loss Account.
- Exchange difference relating to long term foreign currency monetary item to the extent they are used for financing the acquisition of fixed assets are adjusted from the cost of such fixed assets.
- Financial statements of foreign operations are treated as integral operations and translated for Assets and liabilities at rates prevailing at the end of the year and net revenues at the average rate for the year.
- Exchange differences arising on such translation are recognised as income or expense of the period in which they arise.
- Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 The Effects of Changes in Foreign Exchange Rates. Exchange differences arising on such contracts are recognised in the period in which they arise.

X. Taxes on Income

Provision for taxation comprises of Current Tax and Deferred Tax. Current tax provision has been made after considering reliefs and deduction available under Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance sheet date.

Minimum Alternate Tax (MAT) Credit: MAT credit is recognised, as an Asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified year. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

XI. Employee Benefits

- The Company's contribution in respect of provident fund is charged to Profit and Loss Account each year on accrual basis.
- Short term compensated absences are provided based on past experience.
- With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under LIC's

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

1 | SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS (Contd...)

Group Gratuity policy. Gratuity liability as determined on actuarial basis by the independent valuer. Actuarial gain/loss is charged to Profit and Loss Account.

XII. Borrowing Costs

- (a) Borrowing Cost attributable to acquisition and construction of qualifying assets are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use.
- (b) Other borrowing cost is charged to Profit and Loss Account.

XIII. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised only when there is a present obligation as a result of past events and when reliable estimates of the amount of the obligation can be made. Contingent liability is disclosed for:-

- (a) Possible Obligations which will be confirmed only by future events not wholly within the control of the group or
- (b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or reliable estimates of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

XIV. Impairment of Assets

The group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, The group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

XV. Application of Securities Premium Account

Share issue expenses are charged first against available balance in Securities Premium Account.

XVI. Earning Per Share

The group reports basic and diluted earnings per share in accordance with the Accounting Standard – 20-‘Earning per Share’ prescribed by the Companies (Accounting Standard) Rules 2006. Basic Earnings per Share is computed by dividing the net profit or loss for the year by the weighted average number of Equity Share outstanding during the year. Diluted earning per share is computed by dividing the net profit or loss for the year by the weighted number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity share.

XVII. Investments

Current Investments are carried to lower of cost and Market Value. Non-Current (Long Term) investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

Notes forming part of Consolidated Balance Sheet

As at March 31, 2015

2.1 | SHARE CAPITAL

		(₹ in '000)	
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Authorised :		
	20,000,000 No. of Equity Shares Of ₹10 each	200,000.00	200,000.00
(b)	Issued , Subscribed & Paid up Share Capital :		
	1,38,92,267 No. of Equity Shares of ₹10 Each (P.Y. 1,32,92,267 No. of Equity Shares of ₹10 Each)	138,922.67	132,922.67
	Total	138,922.67	132,922.67

(a) Right to vote , dividend and restriction attached to each class of issued capital to be disclosed.

All the Shareholders whose name is entered in the Registered of Members of the Company shall enjoy the same voting rights and be subject to the same liabilities as all other shareholder of the same class.

(b) Reconciliation of shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	(₹ in 000)	Nos.	(₹ in 000)
Equity Shares				
At the beginning of the year	13,292,267.00	132,922.67	12,692,267.00	126,922.67
Issued during the year				
(a) Preferential Issue by conversion of warrant	600,000.00	6,000.00	600,000.00	6,000.00
Outstanding at the end of the year	13,892,267.00	138,922.67	13,292,267.00	132,922.67

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company (Equity Shares of ₹10 each fully paid)

Sr.	Name of the Shareholders	As at March 31, 2015		As at March 31, 2014	
		Number of shares	% holding	Number of shares	% holding
1	Shri Jayanti B. Sanghvi	1,675,591	12.06	1,525,591	11.48
2	Shri Babulal S. Sanghvi	1,464,283	10.54	1,314,283	9.89
3	Shri Naresh B. Sanghvi	1,582,931	11.39	1,432,931	10.78
4	Shri Vikram B. Sanghvi	1,255,682	9.04	1,105,682	8.32
5	M/s. Dango & Diententhal GMBH & Co. Kg	699,981	5.04	699,981	5.27
6	Smt Bhamridevi B. Sanghvi	686,634	4.94	682,451	5.13
	Total	7,365,102	53.02	6,760,919	50.86

(d) Details of aggregate number and class of shares allotted other than cash during the period of five years immediately preceding the reporting date

Particulars/Nos.	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Bonus Issue	NIL	NIL	NIL	2,869,159	NIL
Conversion of Unsecured Loan	NIL	NIL	NIL	NIL	850,000

Notes forming part of Consolidated Balance Sheet As at March 31, 2015

2.2 RESERVES & SURPLUS

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	General Reserve (At Commencement & At End)	3,987.14	3,987.14
(b)	Securities Premium Opening Balance	353,467.97	336,967.97
	Add : Premium of Shares Issued during the year	16,500.00	16,500.00
	Closing Balance	369,967.97	353,467.97
(c)	Profit & Loss Account Opening Balance	62,387.64	140,234.16
	Less : Transitional Adjustmnet on Depreciation	1,013.38	-
	Add : Profit/(Loss) for the Year	(81,424.93)	(77,846.52)
	Closing Balance	(20,050.66)	62,387.64
	Total	353,904.45	419,842.75

2.3 MONEY RECIEVED AGAINST SHARE WARRANTS

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Share Warrant Application Money (FY 2014-15 :25% application money received against 10,00,000 warrants allotted to promoters under preferential allotment to be converted in to Equity Shares @ ₹ 45 per share (including premium of ₹35 per share), as per SEBI(ICDR) Regulations, on or before April, 2016)	11,250.00	5,625.00
	(FY 2013-14 :25% application money received against 6,00,000 warrants allotted to promoters under preferential allotment to be converted in to Equity Shares @ ₹37.50 per share (including premium of ₹27.50 per share), as per SEBI(ICDR) Regulations, on or before November, 2014)		
	Total	11,250.00	5,625.00

Notes forming part of Consolidated Balance Sheet As at March 31, 2015

2.4 LONG TERM BORROWINGS

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Secured Loans		
(i)	Term Loan from Banks -Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land. -Personal Guarantees of Directors including pledge of their shares [Refer Note 2.24(14)]	895,753.37	373,313.82
(b)	Unsecured Loans		
(i)	Loans & Advances from Related Parties	55,021.73	26,871.73
(ii)	From Inter Corporate Deposits [Refer Note 2.24(15)]	3,000.00	7,000.00
	Total	953,775.10	407,185.55

2.5 DEFERRED TAX LIABILITY (Net)

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Deferred Tax Liability : On account of timing difference of - Depreciation	0.00	21,845.81
(b)	Deferred Tax Assets : On account of timing difference of - Unabsorbed Depreciation - On account of Expenses Allowable on Payment Basis (In view of absence of virtual certainty of Profit in Future years, Deferred tax asset is not recognized)	-	(21,845.81)
	Total	-	-

2.6 OTHER LONG TERM LIABILITIES

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Payable - For Capital Goods	-	23,565.15
(b)	Other Outstanding Liabilities	114.30	-
	Total	114.30	23,565.15

Notes forming part of Consolidated Balance Sheet As at March 31, 2015

2.12 | LONG TERM LOANS & ADVANCES

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	(Unsecured Considered Good)		
(a)	Security Deposits	1,513.21	1,394.46
(b)	Balance with Revenue Authorities	12,956.10	5,995.30
(c)	Other Loans & Advances #	1,798.46	233.99
	# Includes primarily Interest Receivable, Gratuity Payable (Dr. Bal) etc.)		
	Total	16,267.77	7,623.75

2.13 | INVENTORIES

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Finished Goods	10,707.38	-
(b)	Raw Material	65,038.18	58,606.00
(c)	Work-in-Progress	114,136.76	80,089.67
(d)	Stores & Spares Parts	6,985.98	6,686.69
(e)	Packing Material	359.74	514.30
(f)	Scrap	11,546.92	6,882.27
	Total	208,774.96	152,778.93

2.14 | TRADE RECEIVABLE (Unsecured considered good)

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment	27,639.79	9,665.58
(b)	Trade receivables outstanding for a period less than six months from the date they are due for payment	217,022.31	107,827.11
	Total	244,662.10	117,492.69

Notes forming part of Consolidated Balance Sheet As at March 31, 2015

2.15 | CASH & BANK BALANCE

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Cash & Cash Equivalent		
(a)	Cash on Hand	727.61	983.15
(b)	Balance with Banks :		
	In Current Accounts	624.84	68.78
	Other Bank Balance		
(a)	Other Balance with Bank - Margin Money / in FD	22,913.94	19,809.36
	(Balance with banks to the extent held as Margin Money having maturity less than 12 month)		
	Total	24,266.39	20,861.29

2.16 | SHORT TERM LOAN & ADVANCE

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Unsecured Considered Good		
(a)	Balance with Revenue Authorities	37,421.88	44,091.12
(b)	Pre - Paid Expense	4,422.24	4,469.22
(c)	Advance to Suppliers	1,725.35	4,060.20
(d)	Accrued Interest on Deposits	886.77	3,110.15
	Total	44,456.24	55,730.69

Notes forming part of Consolidated Statement of Profit and Loss

As at March 31, 2015

2.17 | REVENUE FROM OPERATIONS

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Sale of Flanges, Fittings, Forged Bars & Scrap		
(i)	Finished Goods		
	Sales - Domestic	690,548.78	403,022.63
	Sales - Export	154,120.96	102,570.62
	Total	844,669.74	505,593.25
(ii)	Manufacturing Scrap	87,772.97	60,320.12
		932,442.71	565,913.37
(b)	Other Operating Revenues		
	Duty Draw Back & Other Export Incentive	1,518.62	1,356.32
	Other Operating Revenues	9,360.49	7,622.80
		10,879.11	8,979.12
	Gross Revenue From Operations	943,321.82	574,892.50
	Less : Excise Duty	(70,429.12)	(36,704.09)
	Net Revenue From Operations	872,892.70	538,188.41

2.18 | OTHER INCOME

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Interest From Bank & Other	2,010.07	3,112.53
	Exchange Fluctuation gain/(loss)(Net)	-	1,234.84
	Misc. Income	427.99	17.68
	Total	2,438.06	4,365.05

2.19 | COST OF MATERIAL CONSUMED

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Steel Consumed		
	Opening Balance	58,606.00	60,896.17
	Add : Purchase	476,594.26	278,737.05
		535,200.26	339,633.22
	Less : Closing Stock	65,038.18	58,606.00
	Raw Material Consumed	470,162.08	281,027.22

Notes forming part of Consolidated Statement of Profit and Loss

As at March 31, 2015

2.19 | COST OF MATERIAL CONSUMED (Contd...)

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	INFORMATION RELATING TO CONSUMPTION OF MATERIAL		
	Consumption of Imported & Indigenous Materials		
	Imported Items	15,776.71	19,549.52
		3.38%	6.96%
	Indigenous Items	454,385.37	261,477.70
		96.62%	93.04%
	Total	470,162.08	281,027.22

2.20 | CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	(Increase) / Decrease in		
	Closing Stock		
	- Work - in - Progress	114,136.76	80,089.67
	- Scrap	11,546.92	6,882.27
		125,683.68	86,971.94
	Opening Stock		
	- Work - in - Progress	80,089.67	81,074.39
	- Scrap	6,882.27	1,982.03
		86,971.94	83,056.42
	(Increase) / Decrease in Stock	(38,711.74)	(3,915.52)

2.21 | EMPLOYEES BENEFIT EXPENSE

(₹ in '000)			
Sr.	Particulars	As at March 31, 2015	As at March 31, 2014
	Salary & Wages & Bonus	46,167.14	34,761.40
	Contribution to Provident & Other Funds	2,154.56	1465.61
	Staff Welfare Expense	1,791.62	1395.41
	Total	50,113.32	37,622.42

Notes forming part of Consolidated Statement of Profit and Loss

As at March 31, 2015

2.22 | FINANCE COST

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
	Interest Expense	119,368.35	68,663.82
	Bank Charges	39,133.78	25,469.03
	Total	158,502.13	94,132.85

2.23 | OTHER EXPENSES

Sr.	Particulars	(₹ in '000)	
		As at March 31, 2015	As at March 31, 2014
(a)	Manufacturing Expense :		
	Power Consumed	30,784.71	24,482.28
	Fuel Consumed	59,445.39	38,493.36
	Stores Consumed	28,916.86	17,903.06
	Job Work / Processing Charges	18,683.90	8,134.92
	Wages-Direct Labour Contract	8,341.02	7,086.72
	Repairs and Maintenance - Buildings	648.93	220.14
	Repairs and Maintenance - Plant & Machinery	3,586.40	4,220.05
	Total (a)	150,407.21	100,540.52
(b)	Administrative & Other Expense :		
	Audit Fees	305.30	230.00
	Director Sitting Fees	330.00	230.00
	Exchange Fluctuation gain/(loss)(Net)	1,144.37	-
	Insurance Expense	752.95	2,333.67
	Professional Fees	9,970.33	11,614.81
	Rates & Taxes	12,704.45	8,730.31
	Rent Expense	866.03	1,029.36
	Repairs and maintenance - Others	2,515.71	2,413.34
	Loss on sale of fixed assets	-	246.15
	Donations and Contributions	30.00	45.00
	Miscellaneous Expense	54,152.92	34,252.60
	Total (b)	82,772.07	61,125.25
	Total (a+b)	233,179.28	161,665.77

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Contingent Liabilities

Particulars	(₹ in '000)	
	As at March 31, 2015	As at March 31, 2014
Guarantee Given By Bankers on Behalf of Company		
- Bank Guarantee	49,415.59	58,302.53
Disputed Liabilities		
-Income Tax on Accounts of Disallowance	6,132.80	2061.15
-Penalty on Account of Disallowances of Expenses	503.64	571.00
-Service Tax on Account of Cenvat Credit	2,738.52	1,856.16
-Central Sales Tax Demand on Account of 'C' Form	2,789.15	1,902.23

2. Estimated Amount of Contracts-Capital Accounts

Particulars	(₹ in '000)	
	As at March 31, 2015	As at March 31, 2014
Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for, net of advances	23,500.00	65,278.00

3. Remuneration to Auditors

Particulars	(₹ in '000)	
	As at March 31, 2015	As at March 31, 2014
As Auditors	250.00	175.00
Taxation & Other Matters	55.30	55.00
Total	305.30	230.00

4. C.I.F. value of Imports

Particulars	(₹ in '000)	
	As at March 31, 2015	As at March 31, 2014
Capital Goods	24,785.42	37,315.32
Raw Material	39,004.26	5,690.14

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

5. (a) Expenditure in Foreign Currency

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Commission on Export Sales	817.22	2,412.66
Finance Cost	17,115.43	13,249.96
Exhibitions & Sales Promotion	1,213.49	1,979.69
Professional Fees	445.88	4,234.12
Export Expense	1,346.20	1,389.82
Foreign Travel Expenses	1,334.96	2,440.33

(b) Earnings in Foreign Currency

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
F.O.B. value of exports	113,674.64	96,254.05

6. Exchange difference Gain/(Loss) on account of fluctuations in foreign currency rates

(₹ in '000)

- Relating to Exports during the year as part of Sales ₹1958.41 (P.Y. ₹2455.92)
- Recognised in Profit and Loss Account

Particulars	As at March 31, 2015	As at March 31, 2014
On settlement / revaluation of current assets	2,360.64	155.35
On settlement / revaluation of current liabilities	(3,430.41)	(878.92)

7. Details of amount Capitalised during the year to Fixed Assets

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest & Other Finance Charges	1,961.51	0.00
Other Preliminary & Preoperative Expenses	0.00	524.26
Foreign Exchange (Gain) / Loss (Net)	(22,113.78)	124,301.12
Total	(20,152.27)	124,825.38

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

8. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2015. The disclosure pursuant to the said Act is as under

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Principal Amount due to suppliers under MSMED Act, 2006,	835.34	6,062.12
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	378.05	20,568.30
Interest accrued and due to suppliers under MSMED Act, on the above amount	135.98	288.01
Interest paid to suppliers under MSMED Act (Section 16)	291.36	351.98
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	7.59	10.94

9. Computation of Earnings per Share (EPS)

(₹ in '000 except shares)

Particulars	As at March 31, 2015	As at March 31, 2014
Profit used as Numerator for calculating Earnings per Share	(81,438.80)	(77,846.52)
Weighted Average Number of Share used in computing Basic EPS	13,576,651	12,759,664
Number of Share used in computing Diluted EPS	14,892,267	13,892,267
Nominal Value per Share (In ₹)	10	10
Basic Earnings per Share (In ₹)	(6.00)	(6.10)
Diluted Earnings per Share (In ₹)	(5.47)	(5.60)

10. Related Party Details

(a) Related Party Disclosure

Key Management Personnel

 Mr. Babulal S. Sanghvi
 Mr. Jayanti B. Sanghvi
 Mr. Naresh B. Sanghvi
 Mr. Vikram B. Sanghvi

Relative of Key Management Personnel

 Smt. Bhamridevi B. Sanghvi
 Smt. Meena J. Sanghvi
 Smt. Kiran N. Sanghvi
 Smt. Sheetal V. Sanghvi
 Mr. Mahesh B Sanghvi

Enterprises under Significant Influence of Key Management Personnel or their Relatives

 Babulal Sanghvi (HUF)
 Jayanti Sanghvi (HUF)
 Naresh Sanghvi (HUF)
 Vikram Sanghvi (HUF)
 Gautam Stainless Pvt. Ltd.

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(b) Related Party Transaction

(₹ in '000)

Particulars	Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		Total	
	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014
Purchase of Goods/DEPB	-	-	-	-	-	338.06	-	338.06
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	338.06	-	338.06
Receiving of Services	-	-	-	-	347.97	840.63	347.97	840.63
Gautam Stainless Pvt. Ltd.	-	-	-	-	347.97	840.63	347.97	840.63
Sale of Goods	-	-	-	-	1,189.10	677.65	1,189.10	677.65
Gautam Stainless Pvt. Ltd.	-	-	-	-	1,189.10	677.65	1,189.10	677.65
Loans - Repaid / Converted	20,385.00	28,127.00	2,550.00	-	4,750.00	4,850.00	27,685.00	32,977.00
Babulal S. Sanghvi	5,218.75	7,031.25	-	-	-	-	5,218.75	7,031.25
Jayanti B. Sanghvi	4,718.75	7,031.25	-	-	-	-	4,718.75	7,031.25
Naresh B. Sanghvi	4,853.75	7,031.25	-	-	-	-	4,853.75	7,031.25
Vikram B. Sanghvi	5,593.75	7,033.25	-	-	-	-	5,593.75	7,033.25
Meena J. Sanghvi	-	-	750.00	-	-	-	750.00	-
Kiran N. Sanghvi	-	-	150.00	-	-	-	150.00	-
Sheetal V. Sanghvi	-	-	1,650.00	-	-	-	1,650.00	-
Babulal Sanghvi (HUF)	-	-	-	-	400.00	500.00	400.00	500.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	4,350.00	4,350.00	4,350.00	4,350.00
Loans - Received / Taken	43,125.00	20,803.00	4,450.00	2,550.00	8,260.00	6,150.00	55,835.00	29,503.00
Jayanti B. Sanghvi	16,350.00	2,000.00	-	-	-	-	16,350.00	2,000.00
Babulal Sanghvi	5,850.00	3,400.00	-	-	-	-	5,850.00	3,400.00
Naresh B. Sanghvi	9,500.00	7,500.00	-	-	-	-	9,500.00	7,500.00
Vikram B. Sanghvi	11,425.00	7,903.00	-	-	-	-	11,425.00	7,903.00
Meena J. Sanghvi	-	-	3,500.00	1,350.00	-	-	3,500.00	1,350.00
Kiran N. Sanghvi	-	-	500.00	1,000.00	-	-	500.00	1,000.00
Sheetal V. Sanghvi	-	-	450.00	200.00	-	-	450.00	200.00
Babulal Sanghvi (HUF)	-	-	-	-	-	900.00	-	900.00
Jayanti Sanghvi (HUF)	-	-	-	-	955.00	650.00	955.00	650.00
Naresh Sanghvi (HUF)	-	-	-	-	2,165.00	-	2,165.00	-
Vikram Sanghvi (HUF)	-	-	-	-	790.00	250.00	790.00	250.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	4,350.00	4,350.00	4,350.00	4,350.00
Interest Expenses	-	-	-	-	-	-	-	-
Rental Paid	36.00	36.00	180.00	180.00	-	-	216.00	216.00
BhamriDevi B. Sanghvi	-	-	180.00	180.00	-	-	180.00	180.00
Jayanti B. Sanghvi	36.00	36.00	-	-	-	-	36.00	36.00
Director's Remuneration	7,045.77	7,163.64	-	-	-	-	7,045.77	7,163.64

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(b) Related Party Transaction

(₹ in '000)

Particulars	Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		Total	
	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014	March, 31 2015	March, 31 2014
Balance Outstanding - (Receivables)/Payables (Net)								
Loans & Advances	36,794.21	14,054.21	8,477.12	6,577.12	9,477.44	5,967.44	54,748.76	26,598.76
Babulal S. Sanghvi	1,164.60	533.35	-	-	-	-	1,164.60	533.35
Jayanti B. Sanghvi	13,339.82	1,708.57	-	-	-	-	13,339.82	1,708.57
Naresh B. Sanghvi	10,638.59	5,992.34	-	-	-	-	10,638.59	5,992.34
Vikram B. Sanghvi	11,651.20	5,819.95	-	-	-	-	11,651.20	5,819.95
BhamriDevi B. Sanghvi	-	-	2,122.30	2,122.30	-	-	2,122.30	2,122.30
Meena J Sanghvi	-	-	4,163.94	1,413.94	-	-	4,163.94	1,413.94
Kiran N Sanghvi	-	-	1,374.74	1,024.74	-	-	1,374.74	1,024.74
Sheetal V Sanghvi	-	-	816.14	2,016.14	-	-	816.14	2,016.14
Babulal Sanghvi (HUF)	-	-	-	-	-	400.00	-	400.00
Jayanti Sanghvi (HUF)	-	-	-	-	3,477.51	2,522.51	3,477.51	2,522.51
Naresh Sanghvi (HUF)	-	-	-	-	3,446.77	1,281.77	3,446.77	1,281.77
Vikram Sanghvi (HUF)	-	-	-	-	2,553.16	1,763.16	2,553.16	1,763.16
Trade Payable / Receivable	-	-	-	-	789.78	327.36	789.78	327.36
Gautam Stainless Pvt. Ltd. (Service Vendor)	-	-	-	-	112.59	327.36	112.59	327.36
Gautam Stainless Pvt. Ltd. (Customer)	-	-	-	-	677.19	-	677.19	-

Personal Guarantee Given to Bank against Working capital & Term loan outstanding Amount.

11. Contributions are made to Recognised Provident Fund/ Government Provident Fund which covers all employees. While both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹1925.80 Thousands (Previous Year ₹1343.55 Thousands)

(₹ in '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Contribution to Provident Fund	1,925.80	1,343.55

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

Category of Plan Assets: The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India

(₹ in '000)

In respect of gratuity (funded):	As at March 31, 2015	As at March 31, 2014
Reconciliation of liability recognised in the Balance Sheet		
Present value of commitments (as per Actuarial Valuation)	838.56	556.07
Fair value of plan assets	(999.88)	(632.27)
Net (liability) / asset in the Balance sheet	(161.32)	(76.20)
Movement in net liability recognised in the Balance sheet		
Net liability as at the beginning of the year	76.20	159.78
Net expense recognised in the Profit and Loss account	(221.76)	(91.16)
Contribution during the year	306.88	7.58
Net (liability) / asset in the Balance sheet	161.32	76.20
Expense recognised in the Profit and Loss account		
Current Service cost	302.91	186.65
Interest cost	43.93	39.13
Expected return on plan assets	(68.75)	(51.47)
Actuarial (gains)/ losses	(56.33)	(83.15)
Expense charged to the Profit and Loss account	221.76	91.16
Return on plan assets		
Expected return on plan assets	68.75	51.47
Actuarial gains/ (losses)	(8.01)	1.04
Actual return on plan assets	60.74	50.43
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	556.07	434.78
Current service cost	302.90	186.65
Interest cost	43.93	39.13
Paid benefits	(0.00)	(20.30)
Actuarial (gains)/ losses	(64.34)	(84.19)
Commitments as at the year end	838.56	556.07
Reconciliation of plan assets		
Plan assets as at the beginning of the year	632.27	594.56
Expected return on plan assets	68.74	51.47
Contributions during the year	306.88	7.58
Paid benefits	0.00	(20.30)
Actuarial gains/ (losses)	(8.01)	(1.04)
Plan assets as at the year end	999.88	632.27

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense

Discount rate	7.90%	9.00%
Expected return on plan Assets	8.75%	8.75%
Expected rate of salary increase	8.00%	8.00%

12. The group has entered into lease agreements for certain properties including director's accommodation which are cancellable at the option of the Company or as per agreed terms. The total rent charged to the Statement of Profit and Loss for the year towards such leases amount to 907.63 thousands (P.Y. 896.58 thousands).

13. Segment disclosures:

(a) Business Segment:

The group has only one reportable business segment of Forging & Fitting as the primary reportable Business segment for disclosure. The business segments are business of Forging & Fitting and wind energy business.

(b) Geographical Segment:

The group has exported during the year and it does require disclosure as a separate reportable segment of Domestic Sales and Export Sale

(₹ in '000)

Particulars	Domestic	Export	Total
Segment Revenue (Net) For the Year ended March 31,2015	707,892.63	154,120.96	862,013.59
Segment Revenue (Net) For the Year ended March 31,2014	426,638.66	102,570.62	529,209.28

14. Terms and Conditions of Loans From Bank:- [Refer Notes 2.4 (a)(i)]

(₹ in '000)

Sr.	Particulars	Rate of Interest	Repayment Terms
i	Term Loan I - INR	3.00 % above BR i.e 13.25% p.a.	84 structured monthly installment from August 2015
ii	WCTL- INR	3.00 % above BR i.e 13.25% p.a	84 structured monthly installment from August 2015
iii.	Term Loan – ECB / USD	324 bps over LIBOR	26 quarterly installments from August 2012. (Default in Installment and interest as on 31/03/2015 amounting to ₹10177 (P.Y. ₹8066) and ₹1429 (P.Y. ₹1746) respectively)
iv.	Term Loan II - INR	3.00 % above BR i.e 13.25% p.a.	26 quarterly installments from August 2012. (Default in Installment and interest as on 31/03/2015 amounting to ₹941 (P.Y. ₹1600) and ₹338 (P.Y. ₹136) respectively)

15. Terms and Conditions of Unsecured Loan: Interest free loan.

16. Previous financial year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

Notes Annexed to and forming part of the Consolidated Financial Statements

As at March 31, 2015

2.24 | NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

17. The subsidiary company is incorporated in Netherland on 27th of May 2014. The financial of the subsidiary end on 31st December and the financial statements of the said subsidiary are not mandatorily required to be audited under Dutch law; hence un-audited financials are only consolidated. The said accounts are certified by management and relied upon by the auditors.

18. Disclosure in terms of Schedule III of Companies Act, 2013

(₹ in '000)

Particulars	Net Assets(i.e Total assets minus total liabilities)		Share in profit/(loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount
1.Parent				
SANGHVI FORGING AND ENGINEERING LIMITED	100.39	506,032.00	97.60	(79,469.00)
2. Subsidiary (Foreign)				
SANGHVI EUROPE B.V.	0.05	245.19	(0.29)	237.64
Add/(Less)Inter- company Eliminations	(0.44)	(2,200.07)	2.69	(2,193.56)
Total	100%	504,077.12	100%	(81,424.92)

As per our report of even date attached

For Shah & Bhandari
Chartered Accountants

Yogesh Bhandari
Partner
Membership No - 046255

Vadodara, dated 29th May, 2015

For and on behalf of the Board of Directors

Babulal S. Sanghvi
Chairman

Vikram B. Sanghvi
Whole Time Director & Chief Financial Officer

Jayanti B. Sanghvi
Managing Director

Sagar Pandya
Company Secretary



SANGHVI
FORGING & ENGINEERING LTD.



CIN : L28910GJ1989PLC012015

Head Office: A-8, Parvati Chamber, Opp. Apsara Cinema, Pratapnagar Road, Vadodara 390004

Ph: 0265-2580644/2581658 Fax: 0265-2581126

Registered Office: 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760 Dist. Vadodara,

Ph:02668-264100 Fax: 02668-263411

Email :cs@sanghviforge.com Web : www.sanghviforge.com

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the Members of the SANGHVI FORGING AND ENGINEERING LIMITED will be held at the Registered Office of the Company at 244/6-7, GIDC Industrial Estate, Waghodia, Dist. Vadodara 391 760 at 5:00 p.m. on Tuesday, September 29, 2015 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of Directors and the Auditors Report thereon.
2. To appoint a Director in place of Shri Naresh Babulal Sanghvi (DIN: 00291869), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify appoint of the Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, M/s Shah & Bhandari, Chartered Accountants, (Registration No. 118852W), Vadodara, earlier appointed at Annual General Meeting held on September 26, 2014 until the conclusion of the Twenty-Ninth Annual General Meeting, be and is hereby ratified and the board of directors of the company be and is hereby authorized to fix their remuneration plus service tax, out of pocket and travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee”

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification the following Resolutions

4. To re-appoint Shri Jayantilal Babulal Sanghvi (DIN: 00291657) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 subject to the approval of the Central Government, if necessary, and such approvals, permission and sanctions, as may be required, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Jayantilal Babulal Sanghvi(DIN: 00291657) as Managing Director of the Company, for a period of 5 (five) years with effect from April 19, 2015, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Jayantilal Babulal Sanghvi, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To re-appoint Shri Babulal Sagarmal Sanghvi (DIN: 00291745) as a Whole-time Director designated as Executive Chairman and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 subject to the approval of the Central Government, if necessary, and such approvals, permission and sanctions, as may be required, and the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Babulal Sagarmal Sanghvi(DIN: 00291745) as a Whole-time Director, designated as Executive Chairman of the Company, for a period of 5 (five) years with effect from April 19, 2015 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board " which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem it and as may be acceptable to Shri Babulal Sagarmal Sanghvi, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To re-appoint Shri Naresh Babulal Sanghvi (DIN: 00291869) as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 subject to the approval of the Central Government, if necessary, and such approvals, permission and sanctions, as may be required, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Naresh Babulal Sanghvi (DIN: 00291869) as a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (five) years with effect from April 19, 2015 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board " which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem it and as may be acceptable to Shri Naresh Babulal Sanghvi, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To re-appoint Shri Vikram Babulal Sanghvi (DIN: 00291940) as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, subject to the approval of the Central Government, if necessary, and such approvals, permission and sanctions, as may be required, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Vikram Babulal Sanghvi (DIN: 00291940) as a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (five) years with effect from April 19, 2015 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board " which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem it and as may be acceptable to Shri Vikram Babulal Sanghvi, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To pass the following resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Aruna S. Khasgiwala (holding DIN: 07197210), whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her

candidature for the office of Director, be and is hereby appointed an Independent Director of the Company to hold office until the conclusion of the fifth consecutive years.”

By Order of the Board of Directors
For Sanghvi Forging & Engineering Ltd.

S/d

Sagar Pandya

Company Secretary

Email :cs@sanghiviforge.com

Ph:02668-264100

Fax: 02668-263411

Website: www.sanghiviforge.com

Vadodara

Date: August 12, 2015

Registered Office: 244/6-7, G.I.D.C. Industrial Estate,
Waghodia-391760 Dist. Vadodara, Gujarat.

CIN: L28910GJ1989PLC012015

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the “Meeting”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a proxy should, however, be deposited at the Company’s Registered Office at 244/6 & 7, GIDC Industrial Estate, Waghodia, Dist. Vadodara 391 760 (Gujarat) not less than 48 hours before the commencement of the aforesaid meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 22, 2015 to Tuesday, September 29, 2015 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
5. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.
6. Members holding shares in physical form are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses. Members holding shares in demat form are requested to notify their respective Depository Participant of any change in their addresses.
7. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
8. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Physical copy of the Annual Report for Financial Year 2014-15 is being sent to all the members whose address are registered with the Company/Depository Participants(s) for communication purposes.
12. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for the F.Y. 2014-15. will also be available on the Company's website www.sanghiviforge.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Waghodia, Vadodara for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@sanghiviforge.com.
13. Voting through e-voting
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the General Meeting by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

Instructions for e-voting:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "SANGHVI FORGING AND ENGINEERING LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SANGHVI FORGING AND ENGINEERING LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
14. The remote e-voting period begins on September 26, 2015 (9:00 a.m.) and ends on September 28, 2015 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
1. Shri S. Samdani, Practicing Company Secretary failing him Shri Suresh kumar Kabra, Practicing Company Secretary, failing him Ms. Hirali Shah Practicing Company Secretary, of Samdani Shah & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the general meeting unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 2. The Results shall be declared at the GM of the Company or thereafter. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to the NSE and BSE.
 3. The facility for voting, either through electronic voting system or ballot or polling paper shall be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 4. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the Annual General Meeting of the Company.
17. EXPLANATORY STATEMENT in respect of Special Business pursuant to Section 102 of the Companies Act, 2013 ('the Act'):

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4 to 7

The Board of Directors of the Company (the 'Board'), at its meeting held on May 29, 2015 has, subject to the approval of members, re-appointed Shri, Jayantilal Babulal Sanghvi as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expired on April 19, 2015, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

Further, the Board at its meeting held on May 29, 2015 has, subject to the approval of members, re-appointed Shri Babulal Sagarmal Sanghvi as Whole-time Director, designated as Executive Chairman, Shri Naresh Babulal Sanghvi as a Whole-time Director, designated as Executive Director, Shri Vikram Babulal Sanghvi as a Whole-time Director, designated as Executive Director for a period of 5 (five) years from the expiry of his present term, which will expire on April 19, 2015, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Shri Jayantilal Babulal Sanghvi as Managing Director, Shri Babulal Sagarmal Sanghvi as Whole-time Director, designated as Executive Chairman, Shri Naresh Babulal Sanghvi as Whole-time Director, designated as Executive Director and Shri Vikram Babulal Sanghvi as Whole-time Director, designated as Executive Director in terms of the applicable provisions of the Act.

Shri Jayantilal Babulal Sanghvi, Shri Babulal Sagarmal Sanghvi, Shri Naresh Babulal Sanghvi and Shri Vikram Babulal Sanghvi are interested in the resolutions set out at items 4 to 7 and their relatives may be deemed to be interested in the resolutions set out at item nos. 4 to 7 of the Notice to the extent of their shareholding interest, if any, in the company.

None of the other directors or key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolutions.

Particulars of the terms of re-appointment of and remuneration payable to Executives are as under:

(A) SALARY, PERQUISITES AND ALLOWANCES PER ANNUM:

Name	Salary	Perquisites & Allowances
Shri Jayantilal Babulal Sanghvi	Rs.24,00,000/-	As actual
Shri Babulal Sagarmal Sanghvi	Rs.27,00,000/-	As actual
Shri Naresh Babulal Sanghvi	Rs.24,00,000/-	As actual
Shri Vikram Babulal Sanghvi	Rs.24,00,000/-	As actual

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

(B) REIMBURSEMENT OF EXPENSES:

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(C) Statement under Section II of part II of the Companies Act, 2013

GENERAL INFORMATION:

1. Nature of industry : Manufacturing and Processing of Forging products.
2. Date or expected date of commencement of commercial production : N.A. as the Company is existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

4. Financial performance based on given indicators

(Rs. In Lacs)

Particulars	2012-13	2013-14	2014-15
Total Income	4,609.22	5,425.53	8,737.61
Total Expenditure (Incl. Finance Cost, Depreciation and Tax)	4,472.59	6,203.99	9,532.31
Profit/(Loss) After tax	136.63	(778.46)	(794.70)
Earnings Per Share (Basic)	1.08	(6.10)	(5.85)

5. Foreign investments or collaborators, if any : N.A.

(E) INFORMATION ABOUT THE APPOINTEE:

Particulars	Shri Jayantilal Babulal Sanghvi	Shri Babulal Sagarmal Sanghvi	Shri Naresh Babulal Sanghvi	Shri Vikram Babulal Sanghvi
1. Background details:	He is Managing Director of our Company. He is a gold medalist from Sardar Patel University in Bachelor of Business Administration.	He is Wholetime Director designated as Executive Chairman. He has been a Director of our Company since April 10, 1989.	He is Wholetime Director designated as Executive Director. He is an under-graduate. He has more than 16 years of experience in forging industry.	He is Wholetime Director designated as Executive Director as well as CFO of our Company. He is a gold medalist from Sardar Patel University in Bachelor of Business Administration and has completed his Master's degree in Business Administration from the ICFAI University. He has completed a course of Chartered Financial Analyst from ICFAI University.
2. Past remuneration:				(Rs. In Lacs)
2014-15	Rs.17.10	Rs.20.45	Rs.17.05	Rs.17.05
2013-14	Rs.17.46	Rs.20.46	Rs.17.46	Rs.17.46
2012-13	Rs.17.25	Rs.20.94	Rs.17.25	Rs.17.25
3. Job profile and his suitability	He has over 18 years of experience in manufacturing and retailing of flanges and other forging items and has been instrumental in driving the growth of our business. He leads the domestic marketing, finance and sales functions of our Company.	He has more than 35 years of experience in the forging industry. He is responsible for implementing the overall business strategy of our Company.	He has more than 17 years of experience. He is responsible for all export related activities of our Company and identification of growth potentials in various overseas markets.	He has over 10 years of experience in the field of forging industry. He is responsible for overall supervision of the factory and production activities of our Company.
4. Remuneration proposed	Rs.24.00	Rs.27.00	Rs.24.00	Rs.24.00
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The Remuneration offered to above all Executive Directors is at par with the Industry norms considering the nature of the Industry, size of the Company, profile and position of the persons.			

6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	He is a Promoter. He is son of Shri Babulal S. Sanghvi and brother of Shri Naresh B. Sanghvi and Shri Vikram B. Sanghvi.	He is a Promoter. He is father of Shri Jayanti B. Sanghvi, Shri Naresh B. Sanghvi and Shri Vikram B. Sanghvi.	He is a Promoter. He is son of Shri Babulal S. Sanghvi and brother of Shri Jayanti B. Sanghvi and Shri Vikram B. Sanghvi.	He is a Promoter. He is son of Shri Babulal S. Sanghvi and brother of Shri Jayanti B. Sanghvi and Shri Naresh B. Sanghvi.
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(F) OTHER INFORMATION

1. Reasons of loss or inadequate profits:

Our business is mainly with Oil & Gas sectors, last year crude price reduced from US\$ 110 to US\$ 50 due to which we have not received targeted orders from the said sectors. Now as there is revival of crude price to US\$ 60, we expect improvement in the economy and thus we would be able to meet our targets in current financial year. Further, depreciation on plant and machinery and financial costs are also effect on financial scenario of the Company.

2. Steps taken or proposed to be taken for improvement :

Last year we have commissioned India's largest Polymer Quenching Tank to meet our future requirements. 'Make-In-India' campaign in the areas of Infrastructure, Power and Defence Sectors will provide various products for indigenization. We have received product approvals from all major Industrial sectors and we ensure to utilize our maximum production capacity in upcoming years.

3. Expected increase in productivity and profits in measurable terms:

We have quoted inquiry about Rs. 1200 Crores and expecting order bookings in very short period of time. We are confident of surpassing the estimated turnover for the current year and we have sufficient orders on hand for execution.

Item No. 8

Dr. Aruna S. Khasgiwala (holding DIN: 07197210) is retired Head, Professor as well as former Dean in faculty of Social Work at The M.S. University of Baroda, Dr. Khasgiwala holds degree of M.A. (Social Work) specialization Medical & Psychiatric Social Work, Delhi University Ph.d. (Social Work) M.S. University of Baroda she has over 41 years of experience in teaching field. Dr. Khasgiwala is associated with many NGO's, Govt. organisations as advisor. His special areas of interest are Human Behavior and Relations, Health and Family Dyamic etc.

Dr. Khasgiwaladoes not held any shares in the Company, either by herself or for any other person on a beneficial basis. Dr. Khasgiwala appointed by the Board of Directors as an Additional Director of the Company with effect from May 29, 2015 in accordance with Section 161 of the Companies Act, 2013 and the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company.

As required under Section 160 of the Companies Act, 2013, the Company has received notice from a member proposing Dr. Khasgiwala as a candidate for the office of Director of the Company. Your Board is of the opinion that Dr. Khasgiwala fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Dr. Khasgiwala as an Independent Director setting out the terms and conditions would be available for inspection.

Except Dr. Khasgiwala, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the Resolution. The Board of Directors recommends the resolution for approval of the members.

By Order of the Board of Directors
For Sanghvi Forging & Engineering Ltd.

S/d

Sagar Pandya

Company Secretary

Vadodara

Date: August 12, 2015

Registered Office: 244/6-7, G.I.D.C. Industrial Estate,
Waghodia-391760 Dist. Vadodara, Gujarat.
CIN: L28910GJ1989PLC012015

Email :cs@sanghiviforge.com
Ph:02668-264100
Fax: 02668-263411
Website: www.sanghiviforge.com



SANGHVI
FORGING & ENGINEERING LTD.

Head Office: A-8, Parvati Chamber, Opp. Apsara Cinema, Pratapnagar Road, Vadodara 390004
Ph: 0265-2580644/2581658, Fax: 0265-2581126

Registered Office: 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760 Dist. Vadodara,
Ph:02668-263020/264100, Fax: 02668-263411

Email :cs@sanghiviforge.com, Website : www.sanghiviforge.com
CIN : L28910GJ1989PLC012015

ATTENDANCE SLIP

Annual General Meeting on Tuesday, September 29, 2015 at 5:00 p.m.

I /We hereby record my presence at the Annual General Meeting of the Company at Registered Office of the Company situated at 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760 Dist. Vadodara, Gujarat

Folio No./ DP ID & Client ID No. _____ No. of Shares _____

Name of Member _____ Signature _____

Name of Proxy holder _____ Signature _____

Important Note

Members/Proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.



SANGHVI
FORGING & ENGINEERING LTD.

MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered address	
E-mail Id	
Folio No/Client Id& DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name : _____

Address: _____

E-mail Id : _____ Signature: _____, or failing him

2. Name : _____

Address: _____

E-mail Id : _____ Signature: _____, or failing him

3. Name : _____

Address: _____

E-mail Id : _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Tuesday, September 29, 2015 at 5:00 p.m. at the Registered Office of the Company situated at 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760 Dist. Vadodara, Gujarat and any adjournment thereof in respect of such resolutions as are indicated below:

Attention Members!

Arrangements have been made for transport to and from the registered office of the Company so as to make it convenient for the Members to attend the 27th Annual General Meeting schedule to be held on Tuesday, September 29, 2015 at 5:00 p.m.

- Pick-up time will be 4:00 p.m. on Tuesday, September 29, 2015 and Route for Pick-up Location will be starts from Pandya Bridge to Fatehgunj Circle to Airport Circle to Sardar Estate to Waghodia Crossing to Registered office of the Company.
- In case Member wish to avail this facility, they are requested to register their availability and above mentioned pick-up locations by calling on ph no. 02668-264226 and e-mail at cs@sanghiviforge.com during 10:00 a.m. to 5:00 p.m. before September 28, 2015.
- Your Cooperation in this regard is highly solicited as this will help to ensure that the Company is able to effectively service from pick-up locations.
- Members are requested to arrive at the pick-up location well in advance so that they can reach at the Registered office of the Company prior to the meeting.
- Company Pick-up Vehicle available in the name of the Company **"SANGHVI FORGING AND ENGINEERING LIMITED"** to enable the Members to easily identify them.
- The return transport from the registered office of the Company shall follow the same route.
- Please be informed that no reimbursement shall be made for any expenses incurred to attending the meeting.

Resolution No.	Description
1	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2015 including audited Balance Sheet as at 31 March, 2015 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.
2	Appointment of a Director in place of Shri Naresh Babulal Sanghvi (DIN: 00291869), who retires by rotation and being eligible, offers himself for reappointment.
3	Ratification of the appointment of M/s Shah & Bhandari, Chartered Accountants, (Registration No. 118852W), Vadodara be Auditors of the Company and to fix their remuneration.
4	Re-appoint Shri Jayantilal Babulal Sanghvi (DIN: 00291657) as Managing Director.
5	Re-appoint Shri Babulal Sagarmal Sanghvi (DIN: 00291745) as Whole-time Director designated as Executive Chairman.
6	Re-appoint Shri Naresh Babulal Sanghvi (DIN: 00291869) as a Whole-time Director designated as Executive Director.
7	Re-appoint Shri Vikram Babulal Sanghvi (DIN: 00291940) as a Whole-time Director designated as Executive Director.
8	Appointment of Dr. Aruna Khasgiwala (DIN : 07197210) as Independent Director of the Company.

Affix a
Revenue
Stamp of ₹1/-

Signed this _____ day of _____ 2015

Signature of shareholder _____ Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes please refer notice of the Annual General Meeting.



Head Office: A-8, Parvati Chamber, Opp. Apsara Cinema, Pratapnagar Road, Vadodara 390004
Ph: 0265-2580644/2581658, Fax: 0265-2581126

Registered Office: 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760 Dist. Vadodara,
Ph:02668-263020/264100, Fax: 02668-263411

Email :cs@sanghiviforge.com, Website : www.sanghiviforge.com
CIN : L28910GJ1989PLC012015

Form No. MGT- 12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies
(Management and Administration Rules, 2014)]

BALLOT PAPER

Sr. No.	Particulars	Details
1.	Name of the first Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding share in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Description	No. of Equity Shares held by me	Assent to the Resolution (YES)	Dissent from the Resolution (NO)
1	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2015 including audited Balance Sheet as at 31 March, 2015 and the Statement of Profit& Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2	Appointment of aDirector in place of Shri Naresh Babulal Sanghvi (DIN: 00291869), who retires by rotation and being eligible, offers himself for reappointment.			
3	Ratification of the appointment of M/s Shah & Bhandari, Chartered Accountants, (Registration No. 118852W), Vadodara be Auditors of the Company and to fix their remuneration.			
4	Re-appoint Shri Jayantilal Babulal Sanghvi (DIN: 00291657) as Managing Director.			
5	Re-appoint Shri Babulal Sagarmal Sanghvi (DIN: 00291745) as Whole-time Director designated as Executive Chairman.			
6	Re-appoint Shri Naresh Babulal Sanghvi (DIN: 00291869) as a Whole-time Director designated as Executive Director.			
7	Re-appoint Shri Vikram Babulal Sanghvi (DIN: 00291940) as a Whole-time Director designated as Executive Director.			
8	Appointment of Dr. Aruna Khasgiwala (DIN: 07197210) as Independent Directorof the Company.			

Place:

Date: (Signature of the Shareholder)

Route map of AGM

