



**THE YASH BIRLA GROUP**

# **Birla Precision Technologies Limited**

**27<sup>th</sup> Annual Report  
2013 - 14**



**ISO 9001 : 2008 &  
ISO 14001 : 2004  
CERTIFIED**



**BIRLA PRECISION TECHNOLOGIES LIMITED****Registered Office:**

B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133 (M.S.) Tel. No.: (0240) 2554300, Fax No.: (0240) 2554302

Visit us at: [www.birlaprecision.in](http://www.birlaprecision.in) Email id: [info@birlaprecision.com](mailto:info@birlaprecision.com)

Corporate Identity Number (CIN): L29220MH1986PLC041214

Scrip Code (BSE): 522105

**BOARD OF DIRECTORS**

- : Shri M.S. Arora - Managing Director
- : Shri M.S. Adige - Director
- : Shri Augustine Kurias - Director
- : Smt. Avanti Birla - Director
- : Shri Shailesh Sheth - Director (Resigned w.e.f 17th October, 2013)

**COMPANY SECRETARY**

- : Ms. Rupa Khanna

**AUDITORS**

- : M/s. Thakur, Vaidyanath Aiyar & Co.  
Chartered Accountants  
11-B Vatsa House, (RPI House),  
Janmabhoomi Marg, Fort, Mumbai - 400001

**BANKERS**

- : ICICI Bank Limited
- : Bank of Maharashtra
- : Bank of Baroda
- : Oriental Bank of Commerce
- : HDFC Bank Limited

**REGISTERED OFFICE**

- : B-15/4, M.I.D.C., Waluj,  
Aurangabad – 431 133 (M.S.)

**PLANT LOCATIONS**

- : Tool Holder / Precision Component Division:
  - ❖ B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133
- : Tool Division:
  - ❖ B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431 133
  - ❖ 62/63, M.I.D.C., Satpur, Nashik – 422 007
- : Foundry Division:
  - ❖ B-15/3/2, M.I.D.C., Waluj, Aurangabad – 431 133

**REGISTRAR & SHARE  
TRANSFER AGENTS**

- : M/s. Karvy Computershare Private Limited  
17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 (A.P.)

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**27<sup>th</sup> Annual General Meeting**

at 11.30 a.m.

at Registered Office of the Company at  
B-15/4, M.I.D.C., Waluj,  
Aurangabad - 431 133 (M.S.)

## **NOTICE OF THE 27<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE 27<sup>TH</sup> ANNUAL GENERAL MEETING OF BIRLA PRECISION TECHNOLOGIES LIMITED will be held on Saturday 27<sup>th</sup> day of September, 2014 at 11.30 a.m., at the Registered Office of the Company at B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Avanti Birla (DIN 00167903), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rule made there under, M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, (Registration no. 000038N) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses”.

### **SPECIAL BUSINESS:**

4. **TO APPOINT MR. AUGUSTINE KURIAS (DIN 00168563) AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013) Mr. Augustine Kurias (DIN 00168563) Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing this candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term upto the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017”.

5. **TO APPOINT MR. MOHANDAS SHENOY ADIGE (DIN 00280925) AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 ) Mr. Mohandas Shenoy Adige (DIN 00280925) Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing this candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term upto the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017”.

6. **TO RE-APPOINT MR. MAHENDER SINGH ARORA (DIN 01697062) AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the approval of the Members be and are hereby



accorded for the re-appointment of Mr. Mahender Singh Arora (DIN 01697062) as Managing Director and Chief Executive Officer of the Company for a period of three years with effect from 30<sup>th</sup> July, 2014, including remuneration, on the terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include "Remuneration committee" of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration in accordance with the limits specified in Schedule V and other applicable provisions of the Companies Act, 2013, or any amendments thereto and as may be agreed to between the Board and Mr. Mahender Singh Arora from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, and take all such steps as may be necessary, proper or expedient for giving effect to this resolution".

**7. WAIVER OF RECOVERY OF EXCESS REMUNERATION:**

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

**"RESOLVED THAT** subject to the approval of the Central Government, approval be and is hereby accorded for waiver of recovery of excess remuneration of an amount ₹ 53.54 lacs paid to Mr. M. S. Arora, Managing Director of the Company for the financial year 2013-14".

**8. AUTHORITY FOR BORROWING POWER UPTO ₹ 100 CRORES**

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

**"RESOLVED THAT** in supersession of all earlier resolutions to the effect and pursuant to provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to borrow, from time to time, any sum or sums of monies, on such terms and conditions as the Board may deem fit, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount of monies so borrowed by the Board shall not at any time exceed the limit of ₹100 Crores (Rupees One Hundred Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such steps as may be necessary, desirable or expedient for giving effect to this resolution".

**9. TO APPROVE CREATION OF CHARGE/SECURITY OVER THE ASSETS/UNDERTAKING OF THE COMPANY IN RESPECT OF BORROWING:**

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

**"RESOLVED THAT** in supersession of all earlier resolutions to the effect, the consent of the Company be and is hereby accorded under Section 180(1)(a) and any other applicable provisions of Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof, for the time being in force) to the Board of Directors of Company (hereinafter referred to as "the Board") to Mortgage and/or hypothecate and/or charges created only on such conditions as they may deem fit, all or part of the movable and/or immovable property of the Company where so ever situated, both present and future, and/or the whole or any part of the undertaking(s) of the Company in such manner as the Board may direct in certain events in favour of Lender(s)/Agents(s)/Trustee(s)/Financial Institutions/Bank(s) and other investing agencies to secure Rupee/Foreign Currency Loans, bonds, securities or other debt instruments of an equivalent aggregate not exceeding ₹100 Crores (Rupees One Hundred Crores Only) together with interest at the agreed rates and compound/additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other money payable by the Company to the Lender(s)/Agent(s)/ Trustee(s)/ Financial Institutions/ Banks/ other investing agencies under the arrangements entered into/ to be entered by the Company in respect of said loans, bonds, securities or other instruments.



**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such steps as may be necessary, desirable or expedient for giving effect to this resolution”.

By Order of Board of Director

Place: Mumbai  
Date: 14<sup>th</sup> August, 2014

**Rupa Khanna**  
Company Secretary

**NOTES:**

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members / Proxies are requested to bring their attendance slips duly filled in along with their copies of the Annual Report to the Meeting for attending the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote at the Meeting.
5. In terms of the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange(s) where shares of the Company are listed, the Register of Members and Share Transfer Books will remain closed from 24<sup>th</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
6. Pursuant to the provisions of the Companies Act, 1956 dividend declared at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2007, 18<sup>th</sup> September, 2008 and 30<sup>th</sup> September, 2009 if not claimed within seven years of such declaration respectively will be transferred to Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the aforesaid years are advised to send requests for issuance of duplicate dividend warrants (in case they have not received the Dividend Warrants) and / or revalidation of unencashed Dividend Warrants still held by them, to the Registrars and Transfer Agents of the Company under the heading “Dividend Revalidation”. It may also be noted that once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof.
7. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the details of the Dividend paid by the Company to the Investor Education and Protection Fund (IEPF), if they remain unclaimed by the shareholders is given below:

| Date of Declaration of Dividend  | Dividend for the year | Due Date of Transfer             |
|----------------------------------|-----------------------|----------------------------------|
| 27 <sup>th</sup> September, 2007 | 2006-07               | 25 <sup>th</sup> September, 2014 |

8. 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. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned below quoting their folio number(s).

M/s. Karvy Computershares Private Limited  
17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500081 (A.P)

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 M/s. Karvy Computershares Private Limited
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.



11. Electronic copy of the Notice and Annual Report for the financial year 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 is being sent in the permitted mode.

12. Voting through electronic means.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice, to members holding shares as on 22<sup>nd</sup> August, 2014 being cut off date (i.e. record date) fixed for determining voting rights of member, entitled to participate in the e-voting process, through the e-voting platform provided by Karvy Computershare Private limited. ("Karvy").

- a) The e-voting period commences on 21<sup>st</sup> September, 2014 (9.00 AM IST) and ends on 23<sup>rd</sup> September, 2014 (6.00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> August, 2014, may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further the Members who have casted their vote electronically shall not vote by way of poll, if held at the meeting.
- b) The Board of Directors has appointed Mr. Amit S Kochar, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner

The instructions for e-voting are as under:

- I. A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/ Depository Participants (s)]:
  - i. Launch internet browser by typing the URL: <http://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password mentioned below). Your Folio No. / DP ID- Client Id will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Birla Precision Technologies Limited.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut off Date under "**FOR/AGAINST**" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "**FOR**" or "**AGAINST**" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate / Institutional members (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy of Board Resolutions in pdf format to the scrutinizer at email [amitkochar\\_100@yahoo.co.in](mailto:amitkochar_100@yahoo.co.in).
- B. In case a Member receives physical copy of the Notice of AGM [ for members whose email IDs are not registered with the Company/ Depository Participants (s)].
- i. Launch internet browser by typing the URL: <http://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e User Id and password mentioned in the e-voting form)
  - iii. Please follow all steps from Sl. No. (iii ) to Sl. No. (xii) above, to cast vote.
2. In case of any queries relating to e-voting please visit Help & FAQ section of <http://evoting.karvy.com> or contact Karvy Computershare Private Limited on 18003454001 (toll free).
  3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  4. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes and make Scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  5. The Results shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
  6. The results declared along with the Scrutinizer's report shall be placed on the Company's Website: [www.birlaprecision.in](http://www.birlaprecision.in) and on the website of the service provider (<http://evoting.karvy.com>) within two days of passing of the resolutions and shall also be communicated to BSE Limited.
13. Members are requested to:-
- a. bring their copies of the Annual Report at the time of attending the Annual General Meeting.
  - b. complete the attendance slip and deliver the same at the entrance of the meeting hall.
  - c. send their questions at least 10 days in advance before the Annual General Meeting about any further information on accounts or other related topics in the Annual Report so as to enable the Company to answer their question satisfactorily.
14. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. Karvy Computershare Private Limited -Registrar and Transfer Agents of the Company.

**By Order of the Board of Directors**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2014

**Rupa Khanna**  
Company Secretary

**Registered Office:**

B-15/4, M.I.D.C., Waluj,  
Aurangabad – 431 133  
CIN: L29220MH1986PLC041214  
Website: [www.birlaprecision.in](http://www.birlaprecision.in)  
Email Id: [info@birlaprecision.com](mailto:info@birlaprecision.com)





## ANNEXURE TO NOTICE

Explanatory statement pursuant to section 102 of the Companies Act, 2013 (the Act), sets out all material facts relating to the business mentioned at item No. 4 to 9 of the accompanying Notice:

### Item No. 4

Mr. Augustine Kurias is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30<sup>th</sup> July, 2009.

Mr. Augustine Kurias is a Chairman of the Audit Committee and Shareholders/Investors Grievance Committee and a member of Remuneration Committee.

Mr. Augustine Kurias period of office as a Director is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Augustine Kurias being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years up to the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017. A notice under Section 160 of the Companies Act, 2013 has been received from a member proposing Mr. Augustine Kurias as a candidate for the office of Director of the Company.

Mr. Augustine Kurias is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of Companies Act, 2013.

In the opinion of the Board, Mr. Augustine Kurias fulfills the conditions specified in the Companies Act, 2013 and Rules made there under and clause 49 of the Listing Agreement for his appointment as an Independent Director of the company and is independent of the management.

Mr. Augustine Kurias is a M.A. (Eco), Certified Accountant of Indian Institution of Bankers academic qualification. He has almost decade of experience in the finance sector. He has worked as a part of the Top Management with various companies over a span of 16 years in the capacity of Managing Director, Director, CEO and Advisor prior to joining of Companies. He retired as a Senior Executive from the Reserve Bank of India with wide Experience in Banking Supervision Departments with in Reserve Bank of India. He was also Director in Public Sector Banks and Financial institution, subsequently he was enrolled as of panel of Consultant in the World Bank an UNO's Food and Agriculture Organisation.

Except Mr. Augustine Kurias being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

### Item No. 5

Mr. Mohandas Shenoy Adige is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 2<sup>nd</sup> May, 2008.

Mr. Mohandas Shenoy Adige is a Chairman of the Remuneration Committee and a member of Audit Committee and Shareholders/Investors Grievance Committee.

Mr. Mohandas Shenoy Adige period of office as a Director is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Mohandas Shenoy Adige being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 3 (three) consecutive years up to the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017. A notice under Section 160 of the Companies Act, 2013 has been received from a member proposing Mr. Mohandas Shenoy Adige as a candidate for the office of Director of the Company.

Mr. Mohandas Shenoy Adige is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of Companies Act, 2013.

In the opinion of the Board, Mr. Mohandas Shenoy Adige fulfills the conditions specified in the Companies Act, 2013 and Rules made there under and clause 49 of the Listing Agreement for his appointment as an Independent Director of the company and is independent of the management.

Mr. Mohandas Shenoy Adige is a B.Sc (Metallurgical Engineering), from BHU, underwent M. Met Course in Iron and Steel Technologies from Sheffield University, U.K. Diploma holder in Operational & Financial Management from JBIMS, Mumbai University. Besides being in General Management as CEO of Companies for over 20 years, he has Cross Functional experience in Manufacturing Industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of

Regional Council of Confederation of Indian Industry (CII), All India Management Association, Bombay Management Association (BMA), and a past member of Indian Institute of India Foundrymen, Indian Institute of Metals and Indian Institute of Materials Management.

Except Mr. Mohandas Shenoy Adige being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

#### **Item No. 6**

Mr. Mahender Singh Arora, aged 52 years is a qualified BE (Mechanical) from REC, Bhopal. He has more than two decades of experience in the field of Operations, Marketing, Export and General Management. Prior to joining the Company, he was the Chief Operating Officer of Man Industries Limited. He has also held various senior level positions in Welspun Gujarat Stahl Rohren Limited, PSL Limited and Voltas Limited. The Company has benefited from his rich and varied experience and continues to do so.

The Board of Directors of the Company (the 'Board'), at its meeting held on 27<sup>th</sup> May, 2014, has approved the re-appointment of Mr. Mahender Singh Arora as Managing Director for a period of 3 years from 30<sup>th</sup> July, 2014. Subject to the approval of members in general meeting. It is proposed to seek the members approval for re-appointment and remuneration payable to Mr. Mahender Singh Arora as Managing Director and Chief Executive Officer on the following terms and conditions.

#### **I. SALARY/ PERQUISITES/BENEFITS/ALLOWANCE**

1. Shri M. S. Arora shall be entitled to a salary, perquisites, allowances & benefits not exceeding ₹ 75,00,000/- per annum.
2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imbursement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, benefits & allowances as per the policy / rules of the Company that may be in force. Allowances and perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.
3. Shri M.S. Arora shall also be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, Encashment of Leave at the end of his tenure as Managing Director, as per the policies/ rules of the Company and the same shall not be included for the purposes of computation of perquisites.

#### **II. COMMISSION**

Shri M.S. Arora shall be entitled to commission over and above the remuneration paid to him at the rate not exceeding 5% (five percent) of the Net Profit of the Company calculated under Sections 198 of the Companies Act 2013.

#### **Item No. 7**

During the financial year 2013-14, Mr. M.S. Arora, Managing Director, was entitled to remuneration as (i) salary, perquisites, allowances not exceeding ₹ 75 lacs per annum (ii) Commission @ 5% (five percent) of the Net Profit of the Company. Accordingly he was paid total remuneration of ₹ 101.54 lacs per annum. As per schedule XIII of the Companies Act, 1956 Mr. M.S. Arora was entitled for remuneration of ₹ 48 Lacs per annum. As a result, excess remuneration paid/provided to Mr. M. S. Arora during the financial year 2013-14 was ₹ 53.54 lacs, and hence requires approval of the shareholders and also the approval of Central Government for waiver of recovery of excess remuneration paid. As the application to Central Government would be made after approval by members, the company would apply for the above under section 197(1) of the Companies Act, 2013.

None of the Directors except Mr. M.S. Arora, are concerned or interested in the said resolution.

The Board recommends the resolution as mentioned in Item no. 7 of the notice.

#### **Item No. 8**

Section 180(1)(c) of the Companies Act, 2013, stipulates that Board of Directors of the Company cannot, except with the consent of the members in General Meeting, borrow moneys, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of paid up capital and free reserves of the company i.e. to say, reserves not set apart for any specific purpose.

The consent of the shareholders is therefore sought in accordance with the provisions of Section 180 (1)(c) of the Companies Act, 2013 to enable the Directors of the Company to borrow money to the extent of ₹ 100 Crores (Rupees One Hundred Crores Only).

The proposed offers are in the interest of the Company and your Directors recommend the resolutions at item No. 8 of the accompanying notice for approval of the members as a Special Resolution.

None of the Directors, Managers, and Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolutions set out at item No. 8 of the notice.

**Item No 9**

The proposed borrowings of the Company may, if necessary, be secured by way of Charge/Mortgage/Hypothecation on the Company's assets in favour of the lenders. As the documents to be executed between the proposed lenders and the Company may contain power to take over the management of the company in certain events, it is necessary to pass a resolution under Section 180(1)(a) of Companies Act, 2013 for creation of charge/Mortgage/Hypothecation for an amount not exceeding the borrowing limit of ₹100 Crores (Rupees One Hundred Crores Only).

The proposed offers are in the interest of the Company and your Directors recommend the resolutions at item No. 9 of the accompanying notice for approval of the members as a Special Resolution.

None of the Directors, Managers, and Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolutions set out at item No. 9 of the notice

**Details of Directors Seeking Appointment/Re-appointment at the 27<sup>th</sup> Annual General Meeting of the Company.  
(In pursuance of Clause 49 of the Listing Agreement)**

|   |   |   |  |
|---|---|---|--|
| Name of Director  | Mrs. Avanti Birla<br>(DIN:00167903)                               | Mr. Augustine Kurias<br>(DIN:00168563)                              | Mr. Mohandas Shenoy Adige<br>(DIN: 00280925)   |
| Date of Birth   | 2 <sup>nd</sup> January, 1967                                     | 28 <sup>th</sup> August, 1932                                       | 7 <sup>th</sup> November, 1944   |
| Date of Appointment   | 30 <sup>th</sup> May, 2012  | 30 <sup>th</sup> July, 2009   | 2 <sup>nd</sup> May, 2008  |
| Qualifications  | M.A   | M.A. (Eco), Certified Accountants of Indian Institution of Bankers. | B.Sc (Metallurgical Engineering), from BHU, underwent M.Met course in Iron and Steel Technologies from Sheffield University, U.K. Diploma holder in Operations & Financial Management from JBIMS Mumbai University                               |
| List of other Indian Public Limited Companies in which Directorship held  | 1. Birla Viking Travels Limited<br>2. Khopoli Investments Limited | Nil   | 1. Nagpur Power and Industries Limited<br>2. Artefact Projects Limited<br>3. Birla Shloka Edutech Limited<br>4. Melstar Information Technologies Limited<br>5. Birla Energy Infra Limited<br>6. Focor Steels Limited<br>7. Birla Edutech Limited |
| Memberships/Chairmanships of Committees of other Public Companies (includes only Audit Committees and Shareholders/ Investors' Grievance Committee) | Nil   | Nil   | 7 membership in Committees (1 as chairman)   |
| Number of shares held in the company  | 44  | Nil   | Nil  |

None of the Directors, Managers, and Key Managerial Personnel or their relatives in any way concerned or interested, financially or otherwise in this resolutions set out at item No.2, 4 & 5 of the notice

By Order of the Board of Director  
**For Birla Precision Technologies Limited**

Place: Mumbai  
Date: 14<sup>th</sup> August 2014

**Rupa Khanna**  
Company Secretary

## **DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

To the Members,

Your Directors are pleased to present the Twenty Seventh Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2014.

### **FINANCIAL RESULTS:**

(₹ in Lakhs)

| <b>Particulars</b>                         | <b>2013-14</b>  | <b>2012-13</b>  |
|--|-----------------|-----------------|
| Net sales including other operating Income | <b>16236.30</b> | <b>17323.86</b> |
| Profit before Interest and Tax             | 1254.48         | 1768.08         |
| Less: Interest & Financial Charges         | 791.37          | 846.57          |
| <b>Profit before taxation</b>              | <b>463.11</b>   | <b>921.51</b>   |
| Less: Provision for taxation               | 178.64          | (99.69)         |
| <b>Net profit after taxation</b>           | <b>284.47</b>   | <b>1021.20</b>  |
| <b>Profit for the year</b>                 | <b>284.47</b>   | <b>1021.20</b>  |

### **PERFORMANCE REVIEW**

The Sales and Other Income of the Company for the financial year 2013-14 stood at ₹ 16236.30 Lakhs as against last year's ₹ 17323.86 Lakhs. The Profit before tax is reduced to ₹ 463.11 Lakhs as against ₹ 921.51 Lakhs of last year. Profit after tax stood at ₹ 284.47 Lakhs as against ₹ 1021.20 Lakhs of last year.

### **DIVIDEND**

Your Directors have not recommended dividend for the financial year ended 31st March, 2014 considering the fund requirement for future business expansion.

### **SUBSIDIARY COMPANY**

Your Company does not have any Subsidiary Company.

### **PUBLIC DEPOSIT**

Your Company has not accepted any fixed deposit from the public. As such, no amount of principal or interest is outstanding as on the Balance Sheet date.

### **DIRECTORS**

- Shri. Shailesh Sheth, Director, resigned from the Board of Directors w.e.f. 17<sup>th</sup> October, 2013. The Board places on record its appreciation for the valuable services rendered by him during his tenure as a Director of the Company.
- Smt. Avanti Birla, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri. Augustine Kurias and Shri. Mohandas Shenoy Adige as Independent Directors for the terms given in the Notice of the 27th Annual General Meeting. Details of the proposal for the appointment of above Independent Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 27th Annual General Meeting.
- The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.



## DIRECTORS RESPONSIBILITY STATEMENT

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statement for the period under review. Pursuant to Section 217(2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the Directors hereby confirm that:

- I) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- II) Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- III) Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge and ability;
- IV) The annual accounts have been prepared on a “going concern basis”.

## STATUTORY AUDITORS

M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai the Statutory Auditors of the Company retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness for re-appointment. The Directors recommend their re-appointment to the members at the forthcoming Annual General Meeting.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Company has taken effective steps at every stage to reduce energy consumption and conserve energy in all phases of operation. Your Company has been continuously upgrading facilities in order to minimize power consumption, maximizing on power factors at its manufacturing locations.

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure 'A'.

## PARTICULARS OF EMPLOYEES

During the year under review, there was no employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT & CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

## LISTING COMPLIANCE

The company being listed on the Bombay Stock Exchange is complying with all the requirements of the Listing Agreements.

1. The company has received the trading approval from Bombay Stock Exchange on 9<sup>th</sup> April, 2014 for trading of 2,06,23,760 equity shares of ₹ 2/- each issued pursuant to the scheme of Amalgamation between Birla Accucast Limited (BAL) and Birla Machining & Tooling Limited (BMTL) with the Company.
2. The company has informed BSE about the withdrawal of 26,32,588 warrants to Promoters on preferential basis which was approved by the members at the 26<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2013.
3. It was also informed by the company to BSE that, the Company, being the guarantor for Zenith Birla (India) Limited, has received the possession notice under Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) from State Bank of India Mumbai Branch, by which they have taken symbolic possession of the property situated at (i) District Nasik and (ii) One of the property out of three situated at Aurangabad.

## **OTHER MATTER**

The Company has one Cutting Tool Division at MIDC, Nashik Maharashtra. This Division was merged with the Company during the financial year 2009-10. Earlier it was a division of Zenith Birla (India) Limited, as Indian Tool Manufacturers Division, erstwhile Indian Tool Manufacturers Ltd.

MIDC had allotted three plots to this Division bearing Plot No 61, 62 & 63 in Satpur MIDC, Distt. Nashik. The single Lease Deed was executed between MIDC and the Division in March 1973 measuring 28419 sq. meters. There was only single possession letter issued by MIDC dated 20th October 1970 for all the above three plots together for an aggregate area 28419 sq. meters. The Division has been using all three plots and constructed buildings for its cutting tool operations on area admeasuring 4358.29 sq. Meters which is 15.34 % of total area of three plots. This construction is on plot no.62 & 63 as MIDC road separates Plot no.61 and hence it was used for non-production activities. The Division has given Undertaking to MIDC in 2011 that it will construct a building within 2 years of approval of Construction plan. But MIDC has not issued any directions in this respect.

The Division had received a Possession Notice on 6th & 29th July 2004 vide RCS No 333/2004 for Non utilization of Plot No 61. But, it has obtained temporary stay order from civil court in 2004.

The temporary "Stay Order" given by Civil Court against this notice was not confirmed & the Hon'ble Court has passed order against the Division in 2013. It has filed an appeal no. 173/2013 in the Hon'ble District Judge Nashik, Maharashtra against the order passed by Civil Court, Nashik.

## **HUMAN RESOURCE & INDUSTRIAL RELATIONS**

During the year under consideration the two Divisions of the Company mainly Cutting Tool Division, Nashik and Machining & Tool Holder Division, Aurangabad have successfully executed workmen agreement for Next three Years and Casting Division agreement is under negotiation .

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations.

## **INSURANCE**

All properties and insurable interests of the Company including Building and Plant & Machinery have been adequately insured.

## **ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank all Investors, Clients, Vendors, Banks, Regulatory and Government Authorities and Stock Exchange for their continued support. The Directors also wish to place on record their appreciation for the contribution made by business partners / associates at all levels.

For and on behalf of Board of Directors

Place: Mumbai  
Date: 14<sup>th</sup> August, 2014

**M.S. Arora**  
Managing Director

**A.P. Kurias**  
Director





## ANNEXURE 'A' TO DIRECTORS' REPORT

(Information under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March, 2014).

### A. CONSERVATION OF ENERGY:

#### a) Energy conservation measures taken.

The Company has taken following measures for energy conservation at the factories, namely:

- 1) Grinding section air conditioner in Tool Division in Aurangabad converted to Air Cooled System resulting in saving of water and power by 25%.
- 2) Tree plantation done in extended premises of Tool Division and workers colony.
- b) Further R & D work is being carried on for reduction of time cycle of the Process.
- c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The above measures have resulted in energy saving and consequent decrease in the cost of production.

- d) Details regarding Total Energy Consumption and Energy Consumption per unit of production is not applicable to any units of the Company.

### B. TECHNOLOGY ABSORPTION: Research & Development.

#### 1. Specific Areas in which R& D carried out by the Company:

Development of new types of jelly filled Hydraulic chucks, ER Sealed collets, ER Tap collets, spacers in precision components was undertaken during the year.

#### 2. Benefit derived as a result of the above R&D:

Meet market demand of new generation tooling, which are import substitute items and export products to overseas countries.

#### 3. Future Plan of action:

Future development of products such as various types of Hydraulic Reduction Sleeves, ER small bore collets of different sizes, Tap adaptors on ER collets, Oil filled Hydraulic Chucks is being taken up.

#### 4. Expenditure on R&D:

- a) Capital )
- b) Recurring ) Not Quantified.
- c) Total )
- d) Total R&D Expenditure as a Percentage of total turnover )

#### 5. Technology Absorption, Adaptation and innovation: Process of Technology transfer continued in the areas mentioned above.

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

#### 1. Activities relating to export, initiatives taken to increase exports:

Company exports AT3 Class Tool Holders, collets and precision components to U.S.A., Europe & Asia Pacific Countries.

#### 2. Total foreign exchange used and earned:

|                               | 2013-14<br>(₹ in Lakhs) | 2012-13<br>(₹ in Lakhs) |
|-------------------------------|-------------------------|-------------------------|
| Total Foreign Exchange Used   | 129.62                  | 951.93                  |
| Total Foreign Exchange Earned | 2184.81                 | 2256.00                 |

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Global economic environment continues to deteriorate in the second half of 2013 with concerns over fiscal sustainability in Europe & US Market. Overall global economy grew sluggish last year. Hardening credit constraints and risk aversion have transferred financial sector difficulties to the real economy for developing countries in general, with higher funding costs, sharply weakened capital flows. Global economic conditions still showing some uncertainty as to how markets will evolve over the medium term.

### **INDIAN ECONOMY**

2012-13 was a difficult year for the Indian industry. Unfortunately, 2013-14 (FY 2014) also continued to be poor in the backdrop of sub-5% real GDP growth for the second year in succession which has been the worst economic performance of this country in a long time. The slowdown is partly caused by structural problems (major infrastructural projects facing delays due to the lack of political stability, slowdown of inflow of foreign capital, delay in taking decision on coal and gas issues, mining and the telecom sectors), tighter macroeconomic policies, slow growth in the core OECD (Organization for Economic Co-operation & Development) countries.

### **INDUSTRY STRUCTURE & OPPORTUNITIES**

Your Company is engaged in the business of manufacturing of wide range of HSS Cutting Tools like Jobber, Taper Shank Twist Drill, Taps, Reamers. Tool holder and Collet (like AT3 Class tool holders, HSK tooling, Expanding Mandrels) & Shell Molded Castings and Shells Molded Machined Casting. These products are mainly used by automobile and engineering sectors.

The future of Cutting Tools, Castings and Tool Holder industry largely depends on the growth of commercial automobile and general engineering sector. As India is emerging as one of the key auto and engineering centers in the world, the demand for Cutting Tools and Tool Holders is expected to increase.

### **THREATS / RISKS & CONCERNS**

The major risks and concerns attributed to the performance of the Company are:

1. Increase in raw material costs, change in tax structure, change in government policies, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the Company.
2. Profitability may be affected on account of competition from existing manufacturers of the Company's products. Increase of competition in unorganized sector is also a cause of concern.
3. The Company is exposed to risks from market fluctuation of foreign exchange.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Your Company has identified two business segments in line with accounting segments on segment reporting. These are **Tools and Precision Components** and **Casting and Machining**. The segment wise performance in detail is given in the notes to the accounts.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has placed considerable emphasis and efforts on internal control systems. The internal control system ensures optimum use of the resources and its protection. The Company has an internal audit system, which carries out independent periodic reviews. The prime objective of such audit is to evaluate the functioning and quality of internal controls and provide assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational and financial matters and includes a follow-up review of corrective actions agreed for implementation.

The adequacy of the internal control system as well as the internal audit report is reviewed by the audit committee of the Board of Directors. The adequacy of the internal control system has also been reported by the statutory auditors of the Company in their report as required under the Manufacturing & Other Companies (Auditors Report) Order, 2003.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

Your Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment, in consonance with its strong belief that the real strength of its organization lies in its employees. In addition to this, formal training is also conducted from time to time in acquiring domain knowledge and imbibing the corporate quality culture.

None of the Senior Management Personnel have any material, financial and/or commercial transaction, where they have personal interest that may have potential conflict with the interest of the Company at large.

**FINANCIAL HIGHLIGHTS**

The Sales and Other Income of the Company for the financial year 2013-14 stood at ₹ 16236.30 Lakhs as against ₹ 17323.86 Lakhs of last year. Profit after tax stood at ₹ 284.47 Lakhs as against ₹ 1021.20 Lakhs of last year.

**Cautionary Statement**

*Statements in this report on Management's Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. However actual results may differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.*

## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company remains committed to good Corporate Governance by attainment of the highest levels of transparency, accountability and integrity to all its Shareholders, Customers, Employees, the Government and other Business Associates.

Its core values are based on integrity, emphasis on product quality and transparency in its dealings with all the stakeholders. Your Company's policies are targeted to ensure that high standard of ethical conduct is met throughout the Organization.

The Company complies with the requirements regarding Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchange where its shares are listed.

### II. BOARD OF DIRECTORS

- a) The Company's Board of Directors comprises of Four (4) Directors, out of which One (1) is Executive Director, one (1) is Non-Executive Non Independent, Two (2) are Independent Directors.

The Company is in compliance with Clause 49 of the Listing Agreement pertaining to the Composition of the Board.

The Board Composition is as under:

| Name of Director           | Category                        |
|----------------------------|---------------------------------|
| Shri M.S. Arora            | Managing Director               |
| Shri Mohandas Shenoy Adige | Non-Executive, Independent      |
| Shri Augustine Kurias      | Non-Executive, Independent      |
| Smt. Avanti Birla          | Non-Executive, Non -Independent |

Notes:

1. Shri Shailesh Sheth ceased to be Director w.e.f. 17<sup>th</sup> October, 2013
2. None of the other Directors are related to each other.

b) **Board procedure and Access to information**

The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions.

The Board of Directors of the Company reviews all information provided periodically for discussion and consideration at its meetings in terms of Clause 49 of the Listing Agreement. Functional heads are usually invited to remain present during the meeting to apprise all the Directors about the developments in the Company.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held as and when necessary. The meetings of the Board are generally scheduled to be held at the Company's Corporate office at Dalamal House, 1<sup>st</sup> Floor, Nariman Point, Mumbai – 400 021.

- c) Six Board meetings were held during the period 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 on the dates mentioned below:

- |                                     |                                    |                                     |
|-------------------------------------|------------------------------------|-------------------------------------|
| (1) 27 <sup>th</sup> May, 2013      | (2) 14 <sup>th</sup> August, 2013  | (3) 17 <sup>th</sup> October, 2013  |
| (4) 14 <sup>th</sup> November, 2013 | (5) 04 <sup>th</sup> January, 2014 | (6) 11 <sup>th</sup> February, 2014 |

- d) The following table gives attendance and composition of Board of Directors of the Company:

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director. The necessary disclosures regarding the Committees have been made by the Directors.



| Name of the Director       | No. of Board Meetings Attended | Attendance at the last AGM | No. of Directorship in other Public Ltd. Companies \$ | No. of Membership of other Board Committees * |
|----------------------------|--------------------------------|----------------------------|---|---|
| Shri M.S. Arora            | 6                              | Yes                        | 0   | 0   |
| Shri Shailesh Sheth #      | 1                              | No                         | 2   | 2   |
| Shri Mohandas Shenoy Adige | 5                              | No                         | 7   | 7 (1 as Chairman)                             |
| Shri Augustine Kurias      | 5                              | Yes                        | 0   | 0   |
| Smt. Avanti Birla          | 3                              | No                         | 2   | 0   |

# Ceased to be Director w.e.f. 17<sup>th</sup> October, 2013

\* Includes only Audit Committee and Shareholder Grievance Committee of Public Limited Companies.

\$ Excludes Foreign Companies, Private Companies and Alternate Directorships

**Brief notes on the background and the functional expertise of the Director proposed for re-appointment and for regularization are furnished below, along with details of Companies in which they are Directors and the Board Committee of which they are member:**

- I. **Smt. Avanti Birla** aged 47 years is a M.A. by qualification. She is involved in various businesses of the group and takes care of Business development and Corporate Communications activities.

Details of her other directorship in Public Companies and Committee Membership are as under:

| Sr. No. | Name of the Company          | Committee Memberships |
|---------|------------------------------|-----------------------|
| 1.      | Birla Viking Travels Limited | --                    |
| 2.      | Khopoli Investments Limited  | --                    |

### III BOARD COMMITTEES

#### Audit Committee

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange, read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

#### **Composition of the Audit Committee:**

|                            |   |          |
|----------------------------|---|----------|
| Shri Augustine Kurias      | - | Chairman |
| Shri Shailesh Sheth*       | - | Member   |
| Shri Mohandas Shenoy Adige | - | Member   |
| Smt Avanti Birla#          | - | Member   |

\* Ceased to be member w.e.f. 17<sup>th</sup> October, 2013

# Appointed as a member w.e.f. 17<sup>th</sup> October, 2013

The Company Secretary acts as the secretary to the Committee.

During the year under review, four meetings of the Audit Committee were held on the dates mentioned below:

(1) 27<sup>th</sup> May, 2013      (2) 14<sup>th</sup> August, 2013      (3) 14<sup>th</sup> November, 2013      (4) 11<sup>th</sup> February, 2014

The attendances of the members at the Audit Committee Meetings held during the financial year 2013-14 are as below:

| <b>Name of Director</b>        | <b>Number of Meetings held</b> | <b>Number of Meetings Attended</b> |
|--------------------------------|--------------------------------|------------------------------------|
| Shri Augustine Kurias          | 4                              | 4                                  |
| Shri Shailesh Sheth*           | 4                              | 1                                  |
| Shri Mohandas Shenoy Adige     | 4                              | 3                                  |
| Smt. Avanti Birla <sup>#</sup> | 4                              | 0                                  |

\* Ceased to be member w.e.f. 17<sup>th</sup> October, 2013

<sup>#</sup> Appointed as a member w.e.f. 17<sup>th</sup> October, 2013

Joint President, General Manager - F&A, Internal Auditor and the Statutory Auditors are invitees to the meeting.

### **Remuneration Committee**

#### **Composition of remuneration committee:**

|                            |   |          |
|----------------------------|---|----------|
| Shri Mohandas Shenoy Adige | - | Chairman |
| Shri Augustine Kurias *    | - | Member   |
| Smt Avanti Birla*          | - | Member   |

\* Appointed as a member w.e.f. 27<sup>th</sup> May, 2013

The board terms of reference of Remuneration Committee are to determine and recommend to the Board, compensation payable to Directors and Managerial Personnel.

Non-Executive Directors were paid sitting fees @ ₹ 7000/- per meeting for attending the meetings of the Board of Directors and ₹ 3000/- for attending the Committee meetings up to 11<sup>th</sup> February, 2014. Now the sitting fees of Non-Executive Directors have been revised by the Board from ₹ 7000/- to ₹ 20,000/- per board meeting and from ₹ 3000/- to ₹ 10,000/- per committee meeting the above revision of fees permitted under the Companies Act, 2013

During the year under review, two meetings were held on the dates mentioned below:

(1) 14<sup>th</sup> August, 2013 (2) 11<sup>th</sup> February, 2014

The attendances of the members at the Remuneration Committee Meetings held during the financial year 2013-14 are as below:

| <b>Name of Director</b>    | <b>Number of Meetings held</b> | <b>Number of Meetings Attended</b> |
|----------------------------|--------------------------------|------------------------------------|
| Shri Augustine Kurias      | 2                              | 2                                  |
| Shri Mohandas Shenoy Adige | 2                              | 1                                  |
| Smt. Avanti Birla          | 2                              | 1                                  |

Details of sitting fees paid to Non-Executive Directors for attending the meetings of Board and its committees during the financial year under review are as under:

| <b>Name of member</b>      | <b>Sitting Fees (Amt. in ₹)</b> |
|----------------------------|---------------------------------|
| Shri Shailesh Sheth        | 10,000/-                        |
| Shri Mohandas Shenoy Adige | 44,000/-                        |
| Shri Augustine Kurias      | 47,000/-                        |
| Smt. Avanti Birla          | 21,000/-                        |

#### **Managing Director:**

(₹ in Lakhs)

| <b>Name</b>     | <b>Salary</b> | <b>Perquisites and Allowances</b> | <b>Commission</b> |
|-----------------|---------------|-----------------------------------|-------------------|
| Shri M.S. Arora | 75.00         | Nil                               | 26.54             |



**Shareholders'/ Investors Grievance Committee:**

Composition of Shareholders/Investors Grievance Committee:

- Shri Augustine Kurias - Chairman  
 Shri M. S. Arora - Member  
 Shri Mohandas Shenoy Adige\* - Member

\* Appointed as member w.e.f. 27<sup>th</sup> May, 2013

The Company Secretary acts as the secretary to the Committee.

During the year under review, four meetings of the Shareholders'/Investor Grievance Committee were held on the dates mentioned below:

- (1) 27<sup>th</sup> May, 2013                      (2) 14<sup>th</sup> August, 2013                      (3) 14<sup>th</sup> November, 2013                      (4) 11<sup>th</sup> February, 2014

The Company received 110 complaints during the financial year 2013-14 and all the complaints were redressed. There were no outstanding complaints as on 31<sup>st</sup> March, 2014.

**IV GENERAL BODY MEETINGS**

The details of the last 3 Annual General Meetings held:

| Date                             | Venue  | Time       |
|----------------------------------|--|------------|
| 30 <sup>th</sup> September, 2011 | At registered Office : B-15/4, M.I.D.C. Waluj, Aurangabad- 431 133 | 3.00 p.m   |
| 26 <sup>th</sup> September, 2012 | At registered Office : B-15/4, M.I.D.C. Waluj, Aurangabad- 431 133 | 3.30 p.m   |
| 27 <sup>th</sup> September, 2013 | At registered Office : B-15/4, M.I.D.C. Waluj, Aurangabad- 431 133 | 11.30 a.m. |

Details of Special resolutions passed in last three Annual General Meetings:

**AGM dated 27<sup>th</sup> September, 2013**

1. Waiver of recovery of excess remuneration
2. Issue of warrants of the Company to the Promoter and Promoter Group on preferential Basis

**AGM dated 26<sup>th</sup> September, 2012**

1. Revision in the terms of Appointment of Shri M.S. Arora, Managing Director of the Company

**AGM dated 30<sup>th</sup> September, 2011**

1. Revision in the terms of Appointment of Shri M.S. Arora, Managing Director of the Company
2. Raising of Funds through further issue of Securities

**Postal Ballot**

During the financial year 2013-14, three special resolutions under section 372A of the Companies Act, 1956 were passed through the Postal Ballot dated 4<sup>th</sup> January, 2014

1. Corporate guarantee amounting to ₹ 250.30 crores, executed in favour of consortium of banks led by State Bank of India, Industrial Finance Branch, Mumbai, for securing working capital facility sanctioned to Zenith Birla (India) Limited.
2. Corporate guarantee amounting to ₹ 22.00 crores executed by the company in favor of State Bank of India Industrial Finance Branch Mumbai, for availing the facility by Zenith Birla (India) Limited for "Interchangeability from LC to FBWC Limit".
3. Security provided by the company amounting to ₹ 15.32 crores to consortium of banks led by State Bank of India, Industrial Finance Branch, Mumbai, for securing working capital facility sanctioned to Zenith Birla (India) Limited.

The Shareholders approved the said Special Resolutions with the requisite majority. The voting details of the above Postal Ballot are as follows:

| Particulars                       | Resolution 1<br>Corporate Guarantee<br>amounting to<br>₹ 250.30 Crores | Resolution 2<br>Corporate Guarantee<br>amounting to<br>₹ 22.00 Crores | Resolution 3<br>Security provided by the<br>company amounting to<br>₹ 15.32 Crores |
|-----------------------------------|--|---|--|
| Votes in favour of the Resolution | 99.07%   | 99.06%  | 99.07%   |
| Votes against the Resolution      | 0.93%  | 0.94%   | 0.93%  |

The aforementioned voting under the Postal Ballot was conducted by M/s. Ragini Chokshi & Co. Practicing Company Secretary, as Scrutinizer as per the procedure laid down in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

No Special Resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting.

#### **V. SUBSIDIARY COMPANY**

The Company does not have any subsidiary company.

#### **VI. CODE OF CONDUCT**

The Company has laid down a code of conduct for all board members and senior management personnel of the Company.

The code of conduct is available on the website of the Company i.e. [www.birlaprecision.in](http://www.birlaprecision.in). The declaration of Managing Director is given below:

| <b>To the Shareholders of Birla Precision Technologies Limited</b>   |                                 |
|--|---------------------------------|
| Sub: Compliance with Code of Conduct   |                                 |
| I hereby declare that all the board members and senior management personnel have affirmed with the Code of Conduct as adopted by the Board of Directors. |                                 |
| Mumbai,<br>May 27, 2014  | M.S. Arora<br>Managing Director |

- VII.** The Board of Directors has received the certificate issued by the Managing Director and the General Manager-F&A, in their capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company as envisaged in Clause 49 (V) of the Listing Agreement.

#### **VIII. DISCLOSURES**

##### **a) Related party Transactions:**

During the year, the Company has not entered into any transaction of material nature with the promoters, directors, their relatives or management, which is in conflict with the interests of the Company at large.

The transactions with the related parties of routine nature have been reported in the notes to the accounts in the financial statements in the annual report as per Accounting Standard 18 (AS 18) issued by the Institute of Chartered Accountants of India.

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

##### **b) Compliances by the Company**

The Company has complied with all the requirements of the Stock Exchange(s) or Securities and Exchange Board of India on matters related to capital markets, as applicable from time to time.

- c) There are no penalties imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to capital markets during last 3 years in this regard.

- d) The Company has placed before the Audit Committee the statement of utilization of funds raised through public issues/preferential issue on quarterly/ annual basis.



- e) The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and Company (Accounting Standards) Rules, 2006. The Company has not adopted a treatment different from that prescribed in any Accounting Standard, in the preparation of financial statements.
- f) The Managing Director and Chief Financial Officer of the Company have certified to the Board on financial and other matters in accordance with Clause 49(V) of the Listing Agreement for the financial year ended March 31, 2014.
- g) Presently the Company does not have a Whistle Blower Policy. However all employees of the Company are free to approach any Management Member for any Grievance.
- h) The Board of Directors of the Company evaluates and assesses the major risks and the risk minimization procedures and the implementation of the same.
- i) The Company has complied with applicable mandatory requirements in terms of Clause 49 of the Listing Agreement. The non-mandatory requirement such as the constitution of Remuneration / Compensation Committee, have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

## IX. MEANS OF COMMUNICATION

|                   |   |
|-------------------|---|
| Financial Results | Quarterly and Annual Results are published in newspapers viz Lokmat Times (English) and Gavkari (Marathi) – Aurangabad Edition in the format prescribed by the BSE where the shares of the Company are listed. The results are also posted on the Company's Website: <a href="http://www.birlaprecision.in">www.birlaprecision.in</a> |
| Website           | The Company's website viz. <a href="http://www.birlaprecision.in">www.birlaprecision.in</a> provides information about its business. The Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience.   |
| Annual Report     | Annual Report is circulated to all the members in the required time frame.  |

## X. GENERAL SHAREHOLDER INFORMATION

### Date, time and venue of the Annual General Meeting:

Saturday, 27<sup>th</sup> September, 2014 at 11.30 a.m. at the Registered Office at B-15/4, M.I.D.C., Waluj, Aurangabad- 431 133(M.S.)

### Financial calendar (tentative)

|                        |  |
|------------------------|--|
| First Quarter results  | 14 <sup>th</sup> August, 2014 (actual)       |
| Second Quarter results | On or before 15 <sup>th</sup> November, 2014 |
| Third Quarter results  | On or before 15 <sup>th</sup> February, 2015 |
| Audited Results        | On or before 31 <sup>st</sup> May, 2015      |

### Dates of book closure

The register of members will be closed from 24<sup>th</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive)

### Listing on Stock Exchange

The shares of the Company are listed on the Bombay Stock Exchange Limited. The Company has paid the Annual Listing fee to Bombay Stock Exchange Limited for the financial year 2014-15.

### Stock code

Bombay Stock Exchange Limited – 522105

### Plant Locations:

Tool Holder Division:

1. B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133

Tool Divisions:

1. B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431 133

2. 62/63, M.I.D.C., Satpur, Nashik – 422 007

Foundry Division:

1. Plot No. B-15/3/2, M.I.D.C. Area, Waluj, Aurangabad – 431 133

### Registrar and Share Transfer Agents

Work related to both physical / demat Shares is handled by M/s. Karvy Computershare Private Limited at its address given below:-

M/s. Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad -500 081

Tel: 040-23420815 to 820, Fax No.: 040-23420814, E-mail : [ussingh@karvy.com](mailto:ussingh@karvy.com)

Contract Person: Shri U. S. Singh

Investor's correspondence may be addressed to above address.

Investors Grievance ID – [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

### Share transfer system

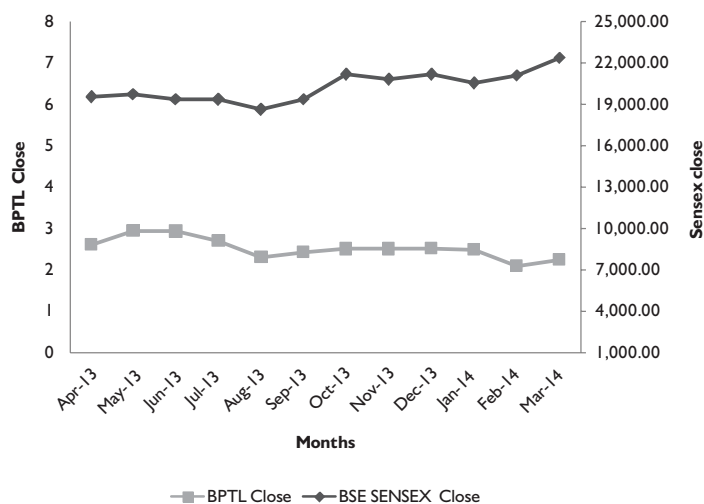
The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Holders'/ Investor Grievance Committee. Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are complete in all respects.

### Stock Market price data for the financial year 2013-14

Monthly high and low of market prices of the Company's equity shares traded at the Bombay Stock Exchange Limited during the financial year 2013-14 along with the BSE SENSEX:

| Month           | Birla Precision Technologies Limited |      |       | BSE SENSEX |           |           |
|-----------------|--------------------------------------|------|-------|------------|-----------|-----------|
|                 | High                                 | Low  | Close | High       | Low       | Close     |
| April, 2013     | 3.14                                 | 2.25 | 2.60  | 19,622.68  | 18,144.22 | 19,504.18 |
| May, 2013       | 3.17                                 | 2.16 | 2.94  | 20,443.62  | 19,451.26 | 19,760.30 |
| June, 2013      | 3.30                                 | 2.51 | 2.92  | 19,860.19  | 18,467.16 | 19,395.81 |
| July, 2013      | 3.29                                 | 2.61 | 2.70  | 20351.06   | 19,126.82 | 19,345.70 |
| August, 2013    | 3.10                                 | 2.02 | 2.30  | 19,569.20  | 17,448.71 | 18,619.72 |
| September, 2013 | 3.10                                 | 2.22 | 2.42  | 20,739.69  | 18,166.17 | 19,379.77 |
| October, 2013   | 3.10                                 | 2.01 | 2.50  | 21,205.44  | 19,264.72 | 21,164.52 |
| November, 2013  | 2.80                                 | 2.25 | 2.50  | 21,321.53  | 20,137.67 | 20,791.93 |
| December, 2013  | 2.78                                 | 2.00 | 2.52  | 21,483.74  | 20,568.70 | 21,170.68 |
| January, 2014   | 3.00                                 | 2.19 | 2.48  | 21,409.66  | 20,343.78 | 20,513.85 |
| February, 2014  | 2.70                                 | 1.91 | 2.08  | 21,140.51  | 19,963.12 | 21,120.12 |
| March, 2014     | 2.43                                 | 2.00 | 2.25  | 22,467.21  | 20,920.98 | 22,386.27 |

Performance of Company's Equity Shares in comparison to BSE Sensex on the basis of closing price:



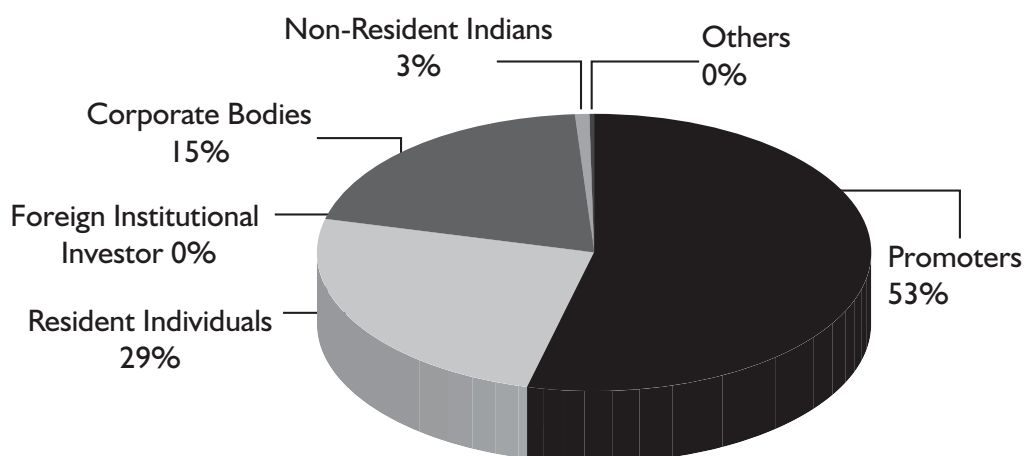
**Distribution of shareholding**

Class-wise distribution of Equity Shares as on March 31, 2014

| No of Shares    | No.of Shareolders | Shareholding % | No.of Shares held | Shareholding % |
|-----------------|-------------------|----------------|-------------------|----------------|
| 1 - 500         | 64522             | 95.56          | 3076401           | 5.84           |
| 501 - 1000      | 1469              | 2.18           | 1111530           | 2.11           |
| 1001 - 2000     | 695               | 1.03           | 1039275           | 1.97           |
| 2001 - 3000     | 222               | 0.33           | 562395            | 1.07           |
| 3001 - 4000     | 129               | 0.19           | 463644            | 0.88           |
| 4001 - 5000     | 97                | 0.14           | 461997            | 0.88           |
| 5001 - 10000    | 178               | 0.26           | 1331575           | 2.53           |
| 10001 and above | 206               | 0.31           | 44604939          | 84.72          |
| <b>TOTAL:</b>   | <b>67518</b>      | <b>100.00</b>  | <b>52651756</b>   | <b>100.00</b>  |

**Shareholding pattern as on March 31, 2014**

| Sr. No. | Category                       | No. of Shares      | Percentage    |
|---------|--------------------------------|--------------------|---------------|
| 1.      | Promoters                      | 2,76,97,985        | 52.61         |
| 2.      | Resident Individuals           | 1,54,73,036        | 29.39         |
| 3.      | Foreign Institutional Investor | 2,400              | 0.00          |
| 4.      | Corporate Bodies               | 79,86,373          | 15.17         |
| 5.      | Non-Resident Indians           | 14,18,153          | 2.69          |
| 6.      | Others                         | 73,809             | 0.14          |
|         | <b>Total</b>                   | <b>5,26,51,756</b> | <b>100.00</b> |

**Dematerialization of shareholding**

The Company's shares are admitted into both the depositories viz National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the ISIN allotted for the equity shares of the Company is INE 372E01025. As on 31st March, 2014, total 3,89,21,449 shares representing 73.92% of the Company's shares are held in demat form in the depositories.

## COMPLIANCE CERTIFICATE

**Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement on the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2014.**

We, M.S. Arora – Managing Director and Suresh Karkare – General Manager (F&A), in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that:-

- a) We have reviewed the Financial Statements and Cash Flow Statement for the financial year ended on 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Statutory Auditors, Internal Auditors and Audit Committee:
  - I. significant changes in internal control over financial reporting during the year;
  - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. instances of significant fraud of which they 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.

For **Birla Precision Technologies Limited**

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

**M.S. Arora**  
Managing Director

**Suresh Karkare**  
General Manager (F&A)

To  
The Members of  
Birla Precision Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Birla Precision Technologies Limited, for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai.

The compliance of conditions of corporate governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 generally complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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 had conducted the affairs of the Company.

For **Ragini Chokshi & Co.**  
Practicing Company Secretary

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

**Ragini Chokshi**  
FCS No. 2390  
CP No. 1436





## INDEPENDENT AUDITOR'S REPORT

To the Members of

**BIRLA PRECISION TECHNOLOGIES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **BIRLA PRECISION TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of matter

Without qualifying our opinion, we draw attention to Note 31 of the financial statements regarding the payment/provision of remuneration to the Managing Director which is in excess by ₹ 53.54 lakhs over the maximum remuneration payable as per the provisions of the Companies Act, 1956, due to inadequacy of profits.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.;
  - c) The Balance Sheet, 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, Statement of Profit and Loss, and Cash Flow Statement comply with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For THAKUR, VAIDYANATH AIYAR & CO.**  
Chartered Accountants  
Firm Reg. No. 000038N

**C V Parameswar**  
Partner  
Mem. No. 11541

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

#### **ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

##### **REFERRED TO IN PARAGRAPH I UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS "OF OUR REPORT OF EVEN DATE.**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management during the year under a programme of verification laid down and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.  
(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) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. As informed to us no material discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loans to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 553 lacs and year-end balance was ₹ 553 lacs.  
(b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.  
(c) In respect of the aforesaid loans, the principal amount and interest are payable on demand and there is no repayment schedule stipulated.  
(d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amount does not arise.  
(e) The Company has not taken any loan from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently the requirements of clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits under the provisions of section 58A and 58AA of the Act or any other relevant provisions of the Act and the rules framed there under.
7. The Company has an Internal Audit system. In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.



8. We have broadly reviewed the cost records maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, undisputed dues, including provident fund, Employees State Insurance Dues, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other material statutory dues have generally been regularly deposited, by the company during the year with appropriate authorities. According to the information and explanation given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanation given to us, there are no dues of sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise duty and Cess which have not been deposited on account of any dispute other than the following:

| Name of Statute             | Nature of the dues | Amount<br>(₹ in lacs) | Period to which<br>amount relates | Forum where dispute is pending       |
|-----------------------------|--------------------|-----------------------|-----------------------------------|--------------------------------------|
| Central Sales Tax Act, 1956 | Central Sales tax  | 15.89                 | 2004-05                           | Sales Tax Appellate Tribunal, Mumbai |
| Bombay Sales Tax Act, 1959  | Sales Tax          | 2.84<br>2.73          | 2005-06<br>2006-07                | Sales Tax Appellate Tribunal, Mumbai |
| Income Tax Act, 1961        | Income Tax         | 6.77                  | 1994-95                           | Deputy Commissioner of Income Tax    |

10. The Company has no accumulated losses as at March 31, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. There were no debentures issued during the year or outstanding at the beginning of the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xiii) of the Companies (Auditor's report) Order, 2003 is not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. The Company has given a corporate guarantee for a loan taken by an Associate Company from banks. The terms and condition of the guarantee are not prejudicial to the interest of the company.
16. In our opinion the term loans have been applied for the purpose for which they were raised.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long-term investment during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year, and does not have any debenture outstanding as at the year end.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

**For THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants  
Firm Reg. No. 000038N

**C V Parameswar**  
Partner  
Mem. No. 11541

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lakhs)

|                                | Note | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--------------------------------|------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                           |                           |
| <b>Shareholders' Funds</b>     |      |                           |                           |
| Share Capital                  | 2    | 1,053.04                  | 1,053.04                  |
| Reserves and Surplus           | 3    | 12,054.33                 | 11,769.86                 |
|                                |      | <u>13,107.37</u>          | <u>12,822.90</u>          |
| <b>Non-Current Liabilities</b> |      |                           |                           |
| Long Term Borrowings           | 4    | 539.85                    | 733.36                    |
| Deferred Tax Liabilities (Net) | 5    | 115.38                    | 259.13                    |
| Long Term Provisions           | 6    | 122.58                    | 146.37                    |
|                                |      | <u>777.81</u>             | <u>1,138.86</u>           |
| <b>Current Liabilities</b>     |      |                           |                           |
| Short Term Borrowings          | 7    | 2,657.47                  | 3,824.01                  |
| Trade Payables                 | 8    | 2,136.88                  | 2,891.94                  |
| Other Current Liabilities      | 9    | 1,517.19                  | 1,806.52                  |
| Short Term Provisions          | 10   | 863.98                    | 1,002.55                  |
|                                |      | <u>7,175.52</u>           | <u>9,525.02</u>           |
| <b>TOTAL</b>                   |      | <u><b>21,060.70</b></u>   | <u><b>23,486.78</b></u>   |
| <b>ASSETS</b>                  |      |                           |                           |
| <b>Non-Current Assets</b>      |      |                           |                           |
| <b>Fixed Assets</b>            |      |                           |                           |
| Tangible Assets                | 11   | 4,602.26                  | 5,422.83                  |
| Intangible Assets              | 11   | 9.98                      | 13.48                     |
| Capital Work-in-Progress       | 11   | 5.90                      | 4.90                      |
| Long Term Loans and Advances   | 12   | 674.09                    | 674.11                    |
|                                |      | <u>5,292.23</u>           | <u>6,115.32</u>           |
| <b>Current Assets</b>          |      |                           |                           |
| Inventories                    | 13   | 2,958.18                  | 3,922.05                  |
| Trade Receivables              | 14   | 7,200.38                  | 6,459.49                  |
| Cash and Cash Equivalents      | 15   | 730.01                    | 914.52                    |
| Short Term Loans and Advances  | 16   | 3,761.79                  | 5,300.88                  |
| Other Current Assets           | 17   | 1,118.11                  | 774.52                    |
|                                |      | <u>15,768.47</u>          | <u>17,371.46</u>          |
| <b>TOTAL</b>                   |      | <u><b>21,060.70</b></u>   | <u><b>23,486.78</b></u>   |

Significant Accounting Policies and Notes to Accounts  
form an integral part of the Financial Statements

1 to 41

As per our attached report of even date

**For THAKUR,VAIDYANATH AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 000038N

**C. V. Parameswar**  
Partner  
Membership No. 11541

Place: Mumbai  
Date : 27<sup>th</sup> May, 2014

For and on behalf of Board of Directors

**M. S. Arora**  
Managing Director

**M. S. Adige**  
Director

**A. P. Kurias**  
Director

**Rupa Khanna**  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ in lakhs)

|  | Note | For the year ended<br>31st March 2014 | For the year ended<br>31st March, 2013 |
|--|------|---------------------------------------|--|
| <b>INCOME:</b>   |      |                                       |  |
| Revenue from Operations  | 18   | 15,502.38                             | 16,714.23                              |
| Other Income   | 19   | 733.92                                | 609.63                                 |
| <b>Total Revenue</b>   |      | <b>16,236.30</b>                      | <b>17,323.86</b>                       |
| <b>EXPENDITURE:</b>  |      |                                       |  |
| Cost of Raw Materials and Components Consumed                                    | 20   | 5,454.43                              | 6,639.17                               |
| Purchases of Stock-in-Trade  | 21   | 184.04                                | 189.53                                 |
| Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade | 22   | 305.39                                | (499.88)                               |
| Employee Benefit Expense   | 23   | 3,014.74                              | 3,153.03                               |
| Finance Cost   | 24   | 791.37                                | 846.57                                 |
| Depreciation and Amortisation Expenses   | 25   | 867.46                                | 863.30                                 |
| Other Expenses   | 26   | 5,155.76                              | 5,210.63                               |
| <b>Total Expenses</b>  |      | <b>15,773.19</b>                      | <b>16,402.35</b>                       |
| <b>Profit Before Tax</b>   |      | <b>463.11</b>                         | <b>921.51</b>                          |
| <b>Tax Expense:</b>  |      |                                       |  |
| Current Tax  |      | 320.00                                | 420.00                                 |
| Deferred Tax   |      | (143.75)                              | (43.37)                                |
| Provision for earlier period   |      | 2.39                                  | (476.32)                               |
|  |      | <b>178.64</b>                         | <b>(99.69)</b>                         |
| <b>Profit for the year</b>   |      | <b>284.47</b>                         | <b>1,021.20</b>                        |
| <b>Earnings per equity share of face value of ₹ 2 each</b>                       |      |                                       |  |
| Basic EPS (₹)  | 27   | 0.54                                  | 1.94                                   |
| Diluted EPS (₹)  |      | 0.54                                  | 1.94                                   |

**Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements**

I to 41

As per our attached report of even date

**For THAKUR,VAIDYANATH AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 000038N

**C. V. Parameswar**  
Partner  
Membership No. 11541

Place: Mumbai  
Date : 27<sup>th</sup> May, 2014

**For and on behalf of Board of Directors**

**M. S. Arora**  
Managing Director

**M. S. Adige**  
Director

**A. P. Kurias**  
Director

**Rupa Khanna**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**  
(Pursuant to Clause 32 of the Listing Agreement)

(₹ in Lakhs)

| Sr. No.   | Particulars   | 2013-14           |                 | 2012-13    |                   |
|-----------|---|-------------------|-----------------|------------|-------------------|
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>             |                   |                 |            |                   |
|           | Net profit before taxation and prior period adjustments |                   | <b>463.11</b>   |            | <b>921.51</b>     |
|           | Adjustments for:  |                   |                 |            |                   |
|           | Depreciation and Amortization                           | <b>867.46</b>     |                 | 863.30     |                   |
|           | (Profit)/Loss on sale of Fixed Assets                   | <b>0.11</b>       |                 | 11.19      |                   |
|           | Miscellaneous Income                                    | -                 |                 | (0.34)     |                   |
|           | Excess Depreciation written back                        | <b>(66.07)</b>    |                 | -          |                   |
|           | Decapitalisation of Fixed Assets                        | <b>79.82</b>      |                 | -          |                   |
|           | Provision for Doubtful Debts                            | <b>53.32</b>      |                 | 13.71      |                   |
|           | Provision for Gratuity and Leave Salary                 | <b>167.01</b>     |                 | 129.35     |                   |
|           | Bad Debts Written off                                   | -                 |                 | 2.96       |                   |
|           | Sundry Balances written back                            | <b>(132.34)</b>   |                 | (113.84)   |                   |
|           | Provision no longer required Written Back               | <b>(30.04)</b>    |                 | (5.74)     |                   |
|           | Exchange difference on translation (Net)                | <b>122.04</b>     |                 | 83.96      |                   |
|           | Finance Costs   | <b>791.37</b>     |                 | 846.57     |                   |
|           | Interest Income Received                                | <b>(425.38)</b>   |                 | (395.37)   |                   |
|           | Sub-total   |                   | <b>1,427.30</b> |            | <b>1,435.75</b>   |
|           | <b>Operating Profit Before Working Capital Changes</b>  |                   | <b>1,890.41</b> |            | <b>2,357.26</b>   |
|           | <b>Adjustments for changes in working capital :</b>     |                   |                 |            |                   |
|           | Inventories   | <b>963.88</b>     |                 | 74.55      |                   |
|           | Trade and Other Receivables                             | <b>(777.14)</b>   |                 | (1,873.07) |                   |
|           | Loans and Advances and Other Assets                     | <b>1,571.53</b>   |                 | 514.76     |                   |
|           | Trade Payables and Other Liabilities                    | <b>(1,169.37)</b> |                 | 442.71     |                   |
|           | Direct Taxes Paid (Net of Refund)                       | <b>(392.14)</b>   |                 | (470.66)   |                   |
|           | Sub-total   |                   | <b>196.76</b>   |            | <b>(1,311.71)</b> |
|           | <b>Net Cash Flow From Operating Activities..... (A)</b> |                   | <b>2,087.17</b> |            | <b>1,045.55</b>   |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>             |                   |                 |            |                   |
|           | Addition to Fixed Assets (Including CWIP)               | <b>(58.46)</b>    |                 | (714.70)   |                   |
|           | Sale of Fixed Assets                                    | <b>0.21</b>       |                 | 17.09      |                   |
|           | Interest Received                                       | <b>72.54</b>      |                 | 74.25      |                   |
|           | Sub-total   |                   | <b>14.29</b>    |            | <b>(623.36)</b>   |
|           | <b>Net Cash used for Investing Activities..... (B)</b>  |                   | <b>14.29</b>    |            | <b>(623.36)</b>   |





| Sr. No.   | Particulars  | 2013-14    |            | 2012-13  |            |
|-----------|--|------------|------------|----------|------------|
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>  |            |            |          |            |
|           | Proceeds from Long Term Borrowings   | -          |            | 40.66    |            |
|           | Repayment of Long Term Borrowings  | (235.15)   |            | (555.21) |            |
|           | Short Term Borrowings (Net)  | (1,259.39) |            | 149.03   |            |
|           | Interest Paid  | (791.44)   |            | (866.57) |            |
|           | Sub-total  |            | (2,285.98) |          | (1,232.09) |
|           | <b>Net Cash used for Financing Activities.....(C)</b>  |            | (2,285.98) |          | (1,232.09) |
|           | <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                                |            | (184.52)   |          | (809.90)   |
|           | <b>Cash and Cash Equivalents as at 01.04.2013</b>  | 674.12     |            | 959.36   |            |
|           | <b>Add: (Increase) / Decrease in Fixed Deposit accounts kept as margin money with banks</b>          | 23.18      |            | 524.37   |            |
|           | <b>Add: Decrease in Dividend accounts with bank</b>  | -          |            | 0.29     |            |
|           |  | 697.30     |            | 1,484.02 |            |
|           | <b>Cash and Cash Equivalents as at 31.03.2014</b>  | 512.78     |            | 674.12   |            |
|           |  |            | 512.78     |          | 674.12     |
|           | <b>Reconciliation of Cash and Bank Balances given in Note No. 15 of Balance Sheet is as follows:</b> |            |            |          |            |
|           | Cash and Bank Balances   |            | 730.01     |          | 914.52     |
|           | Less:  |            |            |          |            |
|           | Balance in Fixed Deposit accounts with banks having a maturity period of more than three months      |            | 159.93     |          | 99.96      |
|           | Balance in Fixed Deposit accounts kept as margin money with banks                                    |            | 54.02      |          | 137.16     |
|           | Balance with Dividend accounts with banks  |            | 3.28       |          | 3.28       |
|           | <b>Cash and Cash Equivalents as at 31.03.2014</b>  |            | 512.78     |          | 674.12     |

As per our attached report of even date

**For THAKUR,VAIDYANATH AIYAR & CO.**  
**Chartered Accountants**  
**Firm Registration No. 000038N**

**C. V. Parameswar**  
**Partner**  
**Membership No. 11541**

**Place: Mumbai**  
**Date : 27<sup>th</sup> May, 2014**

For and on behalf of Board of Directors

**M. S. Arora**  
**Managing Director**

**M. S. Adige**  
**Director**

**A. P. Kurias**  
**Director**

**Rupa Khanna**  
**Company Secretary**

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### I. Significant accounting policies

#### (A) Basis of preparation of financial statements:

The financial statements have been prepared on accrual basis under historical cost convention and in compliance in all material aspects with the applicable Accounting Principles in India, the applicable Accounting Standards notified under Section 211 (3C) and/or Section 133 of the Companies Act, 2013 as notified on 12<sup>th</sup> September, 2013 by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956 (to the relevant applicable), Companies Act, 2013 (to the extent notified).

#### (B) Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

#### (C) Revenue recognition:

- Revenue from the sale of goods is recognized upon the passage of title to the customers, which generally coincides with delivery. Sales are inclusive of excise duty and net of adjustments for discounts and sales tax.
- Export sales are accounted based on the dates of Bill of Lading.
- Interest Income is accrued on time proportion basis over the period of loan / deposit / investment.

#### (D) Fixed Assets and Depreciation / Amortization:

- Fixed assets are stated at cost, net of modvat / cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing cost till commencement of commercial production, net charges of foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.
- Leasehold Land is amortized over the period of lease.
- Computer Software and Technical Know-How are amortized over a period of 3 years from the date of acquisition.
- Depreciation

##### I. Precision Components Division:

- Depreciation on fixed assets acquired prior to 01.04.2003 is provided on 'Straight Line Method' at the rates prescribed in Schedule XIV to the Companies Act, 1956 proportionately for the period for which the assets were in use.
- Depreciation on additions to fixed assets on or after 01.04.2003 is provided on 'Straight Line Method' at the rates worked out on the basis of useful life estimated by the management which is as follows:

| Particulars   | Useful Life                   |
|---|-------------------------------|
| Plant and Machinery (except Shop Tooling Fixtures and Second Hand Machines) | 10 Years                      |
| Second Hand Plant and Machinery   | 3 Years                       |
| Shop Tooling Fixtures   | 2 Years                       |
| Vehicles  | 10 Years                      |
| Furniture, Fixture and Office Equipments                                    | 5 Years                       |
| Data Processing Equipments  | 5 Years                       |
| Others  | Schedule XIV Useful Life Rate |

- Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

##### II. Tools and Casting and Machining Division:

The Company provides depreciation on all its assets on the Straight Line Method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

#### (E) Capital Work in Progress:

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

#### (F) Impairment of Fixed Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(G) Valuation of Inventory:**

- (a) Raw Materials and components, semi-finished goods, finished goods, stores and spares, goods for trade are valued at cost or net realizable value whichever is lower. Finished goods at factory premises and branches are valued inclusive of excise duty. Cost formula used is weighted average cost. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.
- (b) Goods / Materials in Transit are valued at cost to date.
- (c) Scrap is valued at its estimated realizable value.
- (d) Adequate provisions are made for obsolete inventory based on technical estimates made by the Company.

**(H) Foreign Currency Transactions:**

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

**(I) Employee Benefits:**

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

**Post employment benefits:**

- (i) Defined contribution plans: Company's contribution to the provident fund scheme is recognized during the year in which the related service is rendered.
- (ii) Defined benefit plans: The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains or losses on such valuation are recognized immediately in the statement of profit and loss. The fair value of the plan assets of the fund / trust administered by the Company, is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on a net basis.
- (iii) Long Term compensated absences are provided on the basis of an actuarial valuation.

**(J) Research and Development Costs:**

Revenue expenditure, including overheads on research and development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure, which results in the creation of capital assets, is capitalized and depreciation is provided on such assets as applicable.

**(K) Investments:**

Current investments are carried at lower of cost or quoted / fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

**(L) Borrowing Cost:**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(M) Taxation:**

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The deferred tax asset and/or deferred tax liability is calculated by applying substantively enacted rate as at balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized if and only if there is virtual certainty backed by convincing evidence of its realization. At each balance sheet date, carrying amount of deferred tax assets is reviewed to reassure realization.

**(N) Share Issue Expenses:**

Issue expenses are adjusted against the Share Premium.

**(O) Government Grants:**

Capital grants for project capital subsidy are credited to capital reserves.

**(P) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 2. SHARE CAPITAL

(₹ in Lakhs)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| <b>Authorised Share Capital</b>                                       |                           |                           |
| 60,00,00,000 Equity Shares of ₹ 2/- each                              | <b>12,000.00</b>          | 12,000.00                 |
|   | <b>12,000.00</b>          | 12,000.00                 |
| <b>Issued, Subscribed and Fully Paid-up:</b>                          |                           |                           |
| 5,26,51,756 Equity Shares of ₹ 2/- each fully paid up                 | <b>1,053.04</b>           | 1,053.04                  |
| (Previous year 5,26,51,756 Equity Shares of ₹ 2/- each fully paid up) |                           |                           |
| <b>TOTAL</b>  | <b>1,053.04</b>           | 1,053.04                  |

**2.1** 3,66,51,756 Equity Shares issued, subscribed and fully paid up share capital were allotted in the last five years pursuant to the scheme of merger and amalgamation without payment being received in cash (3,66,51,756).

**2.2** The reconciliation of the number of shares outstanding is set out below:

| Equity Shares                             | As at<br>31st March 2014 |                 | As at<br>31st March, 2013 |          |
|---|--------------------------|-----------------|---------------------------|----------|
|   | No. of Shares            | Amount          | No. of Shares             | Amount   |
| At the beginning of the year              | <b>52,651,756</b>        | <b>1,053.04</b> | 32,027,996                | 640.56   |
| Issued during the year                    | -                        | -               | 20,623,760                | 412.48   |
| <b>Outstanding at the end of the year</b> | <b>52,651,756</b>        | <b>1,053.04</b> | 52,651,756                | 1,053.04 |

The Company has only one class of equity shares having a par value of ₹ 2/- Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.3 The details of Shareholders holding more than 5% shares:**

|   | As at<br>31st March 2014 |              | As at<br>31st March, 2013 |        |
|---|--------------------------|--------------|---------------------------|--------|
|   | No. of Shares            | % held       | No. of Shares             | % held |
| <b>Equity shares of ₹ 2/- each fully paid</b>           |                          |              |                           |        |
| Shearson Investment and Trading Company Private Limited | <b>10,519,289</b>        | <b>19.98</b> | 11,569,290                | 21.97  |
| Nirved Traders Private Limited                          | <b>6,468,329</b>         | <b>12.29</b> | 6,388,329                 | 12.13  |
| Vedant Consultancy Private Limited                      | <b>4,607,663</b>         | <b>8.75</b>  | 4,607,663                 | 8.75   |

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



### 3. RESERVES AND SURPLUS

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| <b>Capital Reserve</b>   |                           |                           |
| Capital Investment Subsidy                                     | 15.02                     | 15.02                     |
| State Investment Subsidy                                       | 35.00                     | 35.00                     |
|  | 50.02                     | 50.02                     |
| <b>Securities Premium Reserve</b>                              |                           |                           |
| As per Last Balance Sheet                                      | 2,308.74                  | 2,308.74                  |
|  | 2,308.74                  | 2,308.74                  |
| <b>General Reserve</b>   |                           |                           |
| As per last Balance Sheet                                      | 2,963.31                  | 2,963.31                  |
|  | 2,963.31                  | 2,963.31                  |
| <b>Surplus / (deficit) in the statement of profit and loss</b> |                           |                           |
| As per last Balance Sheet                                      | 6,447.79                  | 5,426.59                  |
| Add: Profit for the year                                       | 284.47                    | 1,021.20                  |
|  | 6,732.26                  | 6,447.79                  |
| <b>TOTAL</b>   | <b>12,054.33</b>          | <b>11,769.86</b>          |

### 4. LONG TERM BORROWINGS

(₹ in Lakhs)

|  | As at<br>31st March 2014 |               | As at<br>31st March, 2013 |               |
|--|--------------------------|---------------|---------------------------|---------------|
|  | Non Current              | Current       | Non Current               | Current       |
| <b>Secured</b>   |                          |               |                           |               |
| Rupee Term Loan from bank (Refer note (a) below)         | 0.52                     | 158.11        | 158.64                    | 158.11        |
| Car Loan from banks (Refer note (b) , (c) and (d) below) | 19.15                    | 8.88          | 28.04                     | 57.46         |
|  | 19.67                    | 166.99        | 186.68                    | 215.57        |
| <b>Unsecured</b>   |                          |               |                           |               |
| Sales Tax Deferred Payment Loan (Refer note (e) below)   | 520.18                   | 23.02         | 546.68                    | 16.10         |
|  | 520.18                   | 23.02         | 546.68                    | 16.10         |
| <b>TOTAL</b>   | <b>539.85</b>            | <b>190.01</b> | <b>733.36</b>             | <b>231.67</b> |

#### Security and Salient Terms:

- (a) Rupee Term Loan of ₹ 158.63 Lakhs (Previous Year ₹ 316.75 Lakhs) first charge by way of hypothecation of company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, ranking pari-passu with existing bankers. Exclusive First charge by way of hypothecation of all Plant and Machinery and other movable fixed assets of the company to be funded of the term loan from the bank.
- Interest rate is linked to Banks' Prime Lending Rate / Base Rate plus margin is repayable in twenty quarterly installments starting from June 2010 and ending in March, 2015.
- (b) The Car Loan of ₹ Nil (Previous Year ₹ 22.31 Lakhs) is secured by hypothecation of the car.
- Interest is payable @ 12.15% p.a. and is repayable in sixty monthly installments starting from March, 2009 and ending in February 2014.

- (c) The Car Loan of ₹ 24.71 Lakhs (Previous Year ₹ 57.94 Lakhs) is secured by hypothecation of the car.  
Interest is payable @ 8.74% & 10.50% p.a. and is repayable in thirty six and sixty monthly installments respectively starting from March, 2011 and July 2012 and ending in February 2014 and June 2017.
- (d) The Car Loan of ₹ 3.33 Lakhs (Previous Year ₹ 5.25 Lakhs) is secured by hypothecation of the car.  
Interest is payable @ 11.58% p.a. and is repayable in thirty six monthly installments starting from September 2012 and ending in August 2015.
- (e) Sales Tax deferred payment loan of ₹ 82.85 Lakhs (Previous Year ₹ 11.23 Lakhs) is interest free and payable in thirteen yearly installments starting from May 2003 and ending in May 2015.  
Sales Tax deferred payment loan of ₹ 460.35 Lakhs (Previous Year ₹ 551.55 Lakhs) is interest free and installments schedule is not yet received from the department.

**5. DEFERRED TAX LIABILITIES (Net)**

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| <b>Deferred Tax Liability</b>                |                           |                           |
| Related to fixed assets etc.                 | <b>405.58</b>             | 541.24                    |
| <b>Deferred Tax Assets</b>                   |                           |                           |
| Disallowances under the Income Tax Act, 1961 | <b>290.20</b>             | 282.11                    |
| <b>TOTAL</b>                                 | <b>115.38</b>             | 259.13                    |

**6. LONG TERM PROVISIONS**

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| <b>Provision for Employee Benefits</b> |                           |                           |
| Gratuity                               | <b>36.46</b>              | 35.77                     |
| Leave benefits                         | <b>86.12</b>              | 110.60                    |
| <b>TOTAL</b>                           | <b>122.58</b>             | 146.37                    |

**7. SHORT TERM BORROWINGS**

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| <b>Secured</b>                                       |                           |                           |
| <b>Working Capital Loans From Banks</b>              |                           |                           |
| Foreign Currency Loan (Refer note (a) and (d) below) | <b>1,575.52</b>           | 1,711.08                  |
| Rupee Loan (Refer note (b),(c) and (d) below)        | <b>952.73</b>             | 1,253.62                  |
|  | <b>2,528.25</b>           | 2,964.70                  |
| <b>Unsecured</b>                                     |                           |                           |
| From Bodies Corporates                               | <b>119.22</b>             | 733.31                    |
| From Others  | <b>10.00</b>              | 126.00                    |
|  | <b>129.22</b>             | 859.31                    |
| <b>TOTAL</b>   | <b>2,657.47</b>           | 3,824.01                  |

**Security and Salient Terms:**

- (a) Foreign currency loan of ₹ 1575.52 Lakhs (Previous Year ₹ 1711.08 Lakhs) first charge by way of hypothecation of company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, ranking pari-passu with existing bankers. Exclusive First charge by way of hypothecation of all Plant and Machinery and other movable fixed assets of the company to be funded from the term loan from the Bank.
- (b) Rupee loan of ₹ 112.72 Lakhs (Previous Year ₹ Nil) first charge by way of hypothecation of company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, ranking pari-passu with existing bankers. Exclusive First charge by way of hypothecation of all Plant and Machinery and other movable fixed assets of the company to be funded from the term loan from the Bank.
- (c) Rupee loans of ₹ 840.02 Lakhs (Previous Year ₹ 1253.62 Lakhs) first charge by way of hypothecation of company's entire current assets on pari passu basis with other working capital bankers and second pari passu charge over the entire fixed assets of the Company to be shared with other working capital bankers.
- (d) The rates of interest for foreign currency loan ranges from 4% p.a. to 7% p.a. and 12% p.a. to 19% p.a. for rupee loans.

**8. TRADE PAYABLES**

(₹ in Lakhs)

|                                     | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|-------------------------------------|---------------------------|---------------------------|
| Micro, Small and Medium Enterprises | 32.61                     | 294.59                    |
| Others                              | 2,104.27                  | 2,597.35                  |
| <b>TOTAL</b>                        | <b>2,136.88</b>           | <b>2,891.94</b>           |

Disclosures relating to amounts payable as at the year end together with interest paid/payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosure are give below:

| Particulars  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| Principal amount due and remaining unpaid                                | 32.61                     | -                         |
| Interest due on above and the unpaid interest                            | 2.93                      | -                         |
| Interest paid  | -                         | -                         |
| Payment made beyond the appointed day during the year                    | -                         | -                         |
| Interest due and payable for the period of delay                         | -                         | -                         |
| Interest accrued and remaining unpaid                                    | -                         | -                         |
| Amount of further interest remaining due and payable in succeeding years | -                         | -                         |

**9. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| Current maturities of long term debt (Refer Note No. 4) | 190.01                    | 231.67                    |
| Interest accrued but not due on borrowings              | 0.08                      | 0.16                      |
| Unpaid Dividend #                                       | 3.28                      | 3.27                      |
| Advances from Customers                                 | 310.82                    | 535.77                    |
| Payable to employees                                    | 192.10                    | 254.11                    |
| Statutory Liabilities                                   | 194.08                    | 207.29                    |
| Security Deposit from dealers / others                  | 3.71                      | 27.28                     |
| Provision for expenses                                  | 623.11                    | 546.97                    |
| <b>TOTAL</b>  | <b>1,517.19</b>           | <b>1,806.52</b>           |

# This figure includes Unpaid Dividend of ₹ 0.91 Lakhs for the year 2005-06 due and outstanding to be credited to Investor Education and Protection Fund. The same has been transferred on 29th April, 2014.



**10. SHORT TERM PROVISIONS**

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| <b>Provision for employee benefits</b>     |                           |                           |
| Gratuity (Refer Note No. 32)               | <b>373.84</b>             | 317.62                    |
| Leave benefits                             | <b>21.84</b>              | 32.72                     |
|  | <b>395.68</b>             | 350.34                    |
| <b>Other provisions</b>                    |                           |                           |
| Income tax (Net of advance payment of tax) | <b>466.93</b>             | 651.24                    |
| Wealth tax                                 | <b>1.37</b>               | 0.97                      |
|  | <b>468.30</b>             | 652.21                    |
| <b>TOTAL</b>                               | <b>863.98</b>             | 1,002.55                  |

**11. FIXED ASSETS**

(₹ in Lakhs)

| Description                         | Gross Block         |              |                             |                     | Depreciation / Amortisation |               |                             |                    | Net Block           |                     |
|-------------------------------------|---------------------|--------------|-----------------------------|---------------------|-----------------------------|---------------|-----------------------------|--------------------|---------------------|---------------------|
|                                     | As at<br>01-04-2013 | Additions    | Deductions /<br>Adjustments | As at<br>31-03-2014 | Upto<br>31-03-2013          | For the year  | Deductions /<br>Adjustments | Upto<br>31-03-2014 | As at<br>31-03-2014 | As at<br>31-03-2013 |
| <b>TANGIBLE ASSETS :</b>            |                     |              |                             |                     |                             |               |                             |                    |                     |                     |
| Leasehold Land                      | 357.90              | -            | -                           | 357.90              | 49.43                       | 5.65          | -                           | 55.08              | 302.82              | 308.47              |
| Buildings                           | 1,707.37            | -            | -                           | 1,707.37            | 421.02                      | 54.99         | -                           | 476.01             | 1,231.36            | 1,286.35            |
| Plant & Machinery                   | 8,525.83            | 45.76        | 79.82                       | 8,491.77            | 5,041.15                    | 743.89        | 60.24                       | 5,724.80           | 2,766.97            | 3,484.68            |
| Furniture, Fixtures                 | 137.59              | 0.48         | -                           | 138.07              | 99.01                       | 7.38          | 0.76                        | 105.63             | 32.44               | 38.58               |
| Office Equipments                   | 151.61              | 11.22        | 1.44                        | 161.39              | 104.78                      | 12.58         | 6.01                        | 111.35             | 50.04               | 46.83               |
| Vehicles                            | 445.42              | -            | -                           | 445.42              | 187.50                      | 39.45         | 0.16                        | 226.79             | 218.63              | 257.92              |
|                                     | <b>11,325.72</b>    | <b>57.46</b> | <b>81.26</b>                | <b>11,301.92</b>    | <b>5,902.89</b>             | <b>863.94</b> | <b>67.17</b>                | <b>6,699.66</b>    | <b>4,602.26</b>     | <b>5,422.83</b>     |
| <b>INTANGIBLE ASSETS</b>            |                     |              |                             |                     |                             |               |                             |                    |                     |                     |
| Technical Knowhow Fee               | 50.39               | -            | -                           | 50.39               | 50.39                       | -             | -                           | 50.39              | -                   | -                   |
| Software                            | 104.24              | -            | -                           | 104.24              | 90.76                       | 3.52          | 0.02                        | 94.26              | 9.98                | 13.48               |
|                                     | <b>154.63</b>       | <b>-</b>     | <b>-</b>                    | <b>154.63</b>       | <b>141.15</b>               | <b>3.52</b>   | <b>0.02</b>                 | <b>144.65</b>      | <b>9.98</b>         | <b>13.48</b>        |
| <b>Total</b>                        | <b>11,480.35</b>    | <b>57.46</b> | <b>81.26</b>                | <b>11,456.55</b>    | <b>6,044.04</b>             | <b>867.46</b> | <b>67.19</b>                | <b>6,844.31</b>    | <b>4,612.24</b>     | <b>5,436.31</b>     |
| Previous Year                       | 10,666.19           | 1,083.09     | 268.93                      | 11,480.35           | 5,418.51                    | 863.30        | 237.77                      | 6,044.04           | 5,436.31            |                     |
| Capital Work-in-Progress            |                     |              |                             |                     |                             |               |                             |                    | 5.90                | 4.90                |
| Intangible Assets under Development |                     |              |                             |                     |                             |               |                             |                    | -                   | -                   |

**Note:**

Gross block deductions/adjustments include decapitalisation of assets ₹ 79.82 Lakhs and depreciation/amortisation adjustments include ₹ 10.10 Lakhs depreciation on decapitalisation of assets and excess depreciation for earlier years ₹ 55.97 Lakhs written back.

**12. LONG TERM LOANS AND ADVANCES**

(₹ in Lakhs)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| <b>Unsecured considered good unless otherwise stated</b>                  |                           |                           |
| Capital advances  | <b>632.48</b>             | 527.46                    |
| Loans to employees  | <b>0.98</b>               | 1.11                      |
| Loan to others  | <b>17.00</b>              | 20.00                     |
| Advance income-tax and tax deducted at source (Net of provisions for tax) | <b>21.46</b>              | 12.60                     |
| Advance fringe benefit tax (Net of provisions for tax)                    | <b>2.17</b>               | 2.17                      |
| MAT Credit Entitlement  | <b>-</b>                  | 110.77                    |
| <b>TOTAL</b>  | <b>674.09</b>             | 674.11                    |

**13. INVENTORIES**

(₹ in Lakhs)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| Raw Materials and Components                | 685.92                    | 1,361.32                  |
| Semi-Finished Goods                         | 833.18                    | 1,040.54                  |
| Finished Goods                              | 1,054.26                  | 1,136.40                  |
| Stock-in Trade                              | 44.55                     | 60.44                     |
| Stores, Cutting Tools and Packing Materials | 340.27                    | 323.35                    |
| <b>TOTAL</b>                                | <b>2,958.18</b>           | <b>3,922.05</b>           |

**14. TRADE RECEIVABLES**

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| <b>Unsecured</b>   |                           |                           |
| Outstanding for a period exceeding six months from the date they are due for payment |                           |                           |
| Considered good  | 3,752.59                  | 1,406.13                  |
| Considered doubtful  | 136.43                    | 83.11                     |
| Less: Provision for doubtful debts   | (136.43)                  | (83.11)                   |
|  | <b>3,752.59</b>           | <b>1,406.13</b>           |
| <b>Others considered good</b>  | <b>3,447.79</b>           | <b>5,053.36</b>           |
| <b>TOTAL</b>   | <b>7,200.38</b>           | <b>6,459.49</b>           |

**15. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| <b>Cash and Cash Equivalents:</b>   |                           |                           |
| <b>Balances with Banks in:</b>  |                           |                           |
| i. Current accounts   | 421.87                    | 600.04                    |
| ii. Fixed Deposits  | 120.72                    | 99.96                     |
| Cash on hand (Includes cheques on hand ₹ 79.19 Lakhs (Previous Year ₹ 68.75 Lakhs)) | 90.92                     | 74.08                     |
| <b>Other Bank Balances:</b>   |                           |                           |
| Unpaid dividend   | 3.28                      | 3.28                      |
| In Margin Money Accounts  | 93.22                     | 137.16                    |
| <b>TOTAL</b>  | <b>730.01</b>             | <b>914.52</b>             |

# 16. SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

|  | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|--|---------------------------|---------------------------|
| Unsecured considered good unless otherwise stated        |                           |                           |
| Security deposit   | 165.97                    | 131.97                    |
| Loans and advances to related parties (Refer Note No.34) | 2,192.43                  | 2,817.25                  |
| Prepaid expenses   | 22.24                     | 126.03                    |
| Balances with statutory/government authorities           | 28.70                     | 44.00                     |
| Cenvat Credit and export incentive receivable            | 392.57                    | 654.22                    |
| Less: Provision for doubtful receivable                  | (116.57)                  | (137.73)                  |
|  | 276.00                    | 516.49                    |
| Maharashtra Value Added Tax Credit                       | 307.06                    | 527.00                    |
| Others #   | 807.32                    | 1,194.06                  |
| Less: Provision for doubtful receivable                  | (37.93)                   | (55.92)                   |
|  | 769.39                    | 1,138.14                  |
| <b>TOTAL</b>   | <b>3,761.79</b>           | <b>5,300.88</b>           |

# Includes loan to employee, advance to suppliers, advance to others, etc.

# 17. OTHER CURRENT ASSETS

(₹ in Lakhs)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| Interest accrued on fixed deposits and others | 1,100.81                  | 747.98                    |
| Pattern under development                     | 17.30                     | 26.54                     |
| <b>TOTAL</b>                                  | <b>1,118.11</b>           | <b>774.52</b>             |

# 18. REVENUE FROM OPERATIONS

(₹ in Lakhs)

|  | For the year<br>ended<br>31st March, 2014 | For the year<br>ended<br>31st March, 2013 |
|--|---|---|
| Sale of Products                       | 16,528.06                                 | 17,844.80                                 |
| Sale of Services                       | 20.15                                     | 9.75                                      |
| Other operating revenue                | 194.32                                    | 353.40                                    |
| <b>Revenue from operations</b>         | <b>16,742.53</b>                          | <b>18,207.95</b>                          |
| Less: Excise duty                      | 1,240.15                                  | 1,493.72                                  |
| <b>TOTAL</b>                           | <b>15,502.38</b>                          | <b>16,714.23</b>                          |
| <b>PARTICULARS OF SALE OF PRODUCTS</b> |   |   |
| Machine Tool Accessories               | 1,555.65                                  | 1,411.36                                  |
| Precision Components                   | 952.57                                    | 333.35                                    |
| Cutting Tools                          | 8,431.80                                  | 10,053.00                                 |
| Castings                               | 5,277.30                                  | 5,730.53                                  |
| Others                                 | 310.74                                    | 316.56                                    |
| <b>TOTAL</b>                           | <b>16,528.06</b>                          | <b>17,844.80</b>                          |

**19. OTHER INCOME**

(₹ in Lakhs)

|  | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|--|--|--|
| <b>Interest:</b>   |  |  |
| From Bank deposits   | 18.64                                  | 30.03                                  |
| From Others  | 406.74                                 | 365.34                                 |
|  | <u>425.38</u>                          | <u>395.37</u>                          |
| Exchange rate difference (Net)   | 56.48                                  | 48.99                                  |
| Sundry balances written back (Net)   | 132.34                                 | 113.84                                 |
| Miscellaneous Income   | 23.61                                  | 43.62                                  |
| Excess depreciation written back   | 66.07                                  | -                                      |
| Profit on sale of fixed assets   | -                                      | 2.07                                   |
| Provision no longer required written back ₹ 30.04<br>(Previous year ₹ 15.39 less bad debts written off ₹ 9.65) | 30.04                                  | 5.74                                   |
|  | <u>308.54</u>                          | <u>214.26</u>                          |
| <b>TOTAL</b>   | <u>733.92</u>                          | <u>609.63</u>                          |

**20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED**

(₹ in Lakhs)

|  | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|--|--|--|
| Inventory at the beginning of the year               | 1,361.32                               | 1,830.05                               |
| Add : Purchases                                      | 4,779.03                               | 6,170.44                               |
|  | <u>6,140.35</u>                        | <u>8,000.49</u>                        |
| Less : Inventory at the end of the year              | 685.92                                 | 1,361.32                               |
| <b>Cost of Raw Materials and Components Consumed</b> | <u>5,454.43</u>                        | <u>6,639.17</u>                        |

**20.1 PARTICULARS OF RAW MATERIALS AND COMPONENTS CONSUMED**

(₹ in Lakhs)

| Particulars                | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|----------------------------|--|--|
| Alloy Steels               | 328.58                                 | 320.22                                 |
| Sub-Assembly Components    | 155.69                                 | 171.85                                 |
| HSS Steels                 | 1,933.29                               | 3,022.11                               |
| Alloys / Ferro / ORM Scrap | 3,036.87                               | 3,124.99                               |
| <b>TOTAL</b>               | <u>5,454.43</u>                        | <u>6,639.17</u>                        |

**20.2 INVENTORY OF RAW MATERIALS AND COMPONENTS**

(₹ in Lakhs)

| Particulars                | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|----------------------------|---------------------------|---------------------------|
| Alloy Steels               | 101.45                    | 80.32                     |
| Sub-Assembly Components    | 91.25                     | 74.76                     |
| HSS Steels                 | 308.71                    | 1,009.25                  |
| Alloys / Ferro / ORM Scrap | 184.51                    | 196.99                    |
| <b>TOTAL</b>               | <u>685.92</u>             | <u>1,361.32</u>           |

**21. PURCHASES OF STOCK-IN-TRADE**

(₹ in Lakhs)

|              | <b>For the year ended<br/>31st March, 2014</b> | <b>For the year ended<br/>31st March, 2013</b> |
|--------------|--|--|
| Files        | 184.04   | 189.53   |
| <b>TOTAL</b> | <b>184.04</b>                                  | <b>189.53</b>                                  |

**22. CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE**

(₹ in Lakhs)

|   | <b>For the year ended<br/>31st March, 2014</b> | <b>For the year ended<br/>31st March, 2013</b> |
|---|--|--|
| <b>Inventories at the end of the year</b>       |  |  |
| Finished Goods                                  | 1,054.26                                       | 1,136.40                                       |
| Semi-Finished Goods                             | 833.18   | 1,040.54                                       |
| Stock-in-Trade                                  | 44.55  | 60.44  |
|   | <b>1,931.99</b>                                | <b>2,237.38</b>                                |
| <b>Inventories at the beginning of the year</b> |  |  |
| Finished Goods                                  | 1,136.40                                       | 727.27   |
| Semi-Finished Goods                             | 1,040.54                                       | 925.21   |
| Stock-in-Trade                                  | 60.44  | 85.02  |
|   | <b>2,237.38</b>                                | <b>1,737.50</b>                                |
| <b>Change in Inventories</b>                    |  |  |
| Finished Goods                                  | 82.14  | (409.13)                                       |
| Semi-Finished Goods                             | 207.36   | (115.33)                                       |
| Stock-in-Trade                                  | 15.89  | 24.58  |
| <b>TOTAL</b>                                    | <b>305.39</b>                                  | <b>(499.88)</b>                                |

**PARTICULARS OF INVENTORIES**

(₹ in Lakhs)

|                            | <b>As at<br/>31st March, 2014</b> | <b>As at<br/>31st March, 2013</b> |
|----------------------------|-----------------------------------|-----------------------------------|
| <b>Finished Goods</b>      |                                   |                                   |
| Machine Tool Accessories   | 84.84                             | 95.57                             |
| Precision Components       | 1.55                              | 4.07                              |
| Cutting Tools              | 967.87                            | 1,036.76                          |
| <b>TOTAL</b>               | <b>1,054.26</b>                   | <b>1,136.40</b>                   |
| <b>Semi-Finished Goods</b> |                                   |                                   |
| Machine Tool Accessories   | 27.61                             | 7.97                              |
| Precision Components       | 24.04                             | 41.77                             |
| Cutting Tools              | 399.13                            | 653.45                            |
| Castings                   | 382.40                            | 337.35                            |
| <b>TOTAL</b>               | <b>833.18</b>                     | <b>1,040.54</b>                   |
| <b>Stock-in-Trade</b>      |                                   |                                   |
| Files                      | 44.55                             | 60.44                             |
| <b>TOTAL</b>               | <b>44.55</b>                      | <b>60.44</b>                      |

**23. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

|   | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|---|--|--|
| Salaries, Wages and Bonus                 | 2,440.54                               | 2,624.73                               |
| Contribution to Provident and Other Funds | 334.88                                 | 278.47                                 |
| Staff Welfare Expenses                    | 239.32                                 | 249.83                                 |
| <b>TOTAL</b>                              | <b>3,014.74</b>                        | <b>3,153.03</b>                        |

**24. FINANCE COST**

(₹ in Lakhs)

|  | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|--|--|--|
| Interest Expenses:                                     |  |  |
| Fixed Loan   | 68.02                                  | 120.60                                 |
| Other  | 300.83                                 | 327.16                                 |
| Bank charges   | 269.30                                 | 295.17                                 |
| Loss on foreign currency transactions and translations | 153.22                                 | 103.64                                 |
| <b>TOTAL</b>   | <b>791.37</b>                          | <b>846.57</b>                          |

**25. DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

|                                   | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|-----------------------------------|--|--|
| Depreciation on Tangible Assets   | 863.94                                 | 844.34                                 |
| Amortisation of Intangible Assets | 3.52                                   | 18.96                                  |
| <b>TOTAL</b>                      | <b>867.46</b>                          | <b>863.30</b>                          |

**26. OTHER EXPENSES**

(₹ in lakhs)

|  | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|--|--|--|
| <b>Manufacturing Expenses:</b>                         |  |  |
| Stores, cutting tools and packing materials consumed   | 1,246.28                               | 1,205.69                               |
| Sub-contracting expenses                               | 960.79                                 | 697.79                                 |
| Increase / (decrease) of excise duty on finished goods | (23.75)                                | 82.97                                  |
| Power, fuel and water                                  | 922.09                                 | 1,069.66                               |
| Repairs and maintenance:                               |  |  |
| Buildings  | 21.97                                  | 32.86                                  |
| Plant and machinery                                    | 88.37                                  | 131.95                                 |
|  | <b>3,215.75</b>                        | <b>3,220.92</b>                        |

|  |                 |                 |
|--|-----------------|-----------------|
| <b>Administrative, Selling and Other Expenses:</b> |                 |                 |
| Rent   | 17.35           | 16.19           |
| Rates and taxes                                    | 8.57            | 7.27            |
| Postage and telephone                              | 69.57           | 46.83           |
| Printing and stationery                            | 28.78           | 60.75           |
| Insurance  | 17.72           | 18.73           |
| Travelling and conveyance                          | 107.45          | 117.26          |
| Foreign travelling expenses                        | 31.63           | 27.77           |
| Vehicle expenses                                   | 42.28           | 35.37           |
| Advertisement , publicity etc.                     | 2.64            | 154.01          |
| Sales promotion and other selling expenses         | 591.03          | 507.81          |
| Sales commission                                   | 4.99            | 24.23           |
| Freight on sales                                   | 230.97          | 225.38          |
| Training and welfare expenses                      | 38.87           | 42.55           |
| Directors' sitting fees                            | 1.22            | 1.48            |
| Auditors' remuneration (excluding service tax):    |                 |                 |
| Audit fee  | 9.00            | 12.00           |
| For certification                                  | 3.00            | 3.70            |
| Reimbursement of expenses                          | 0.37            | -               |
| Provision for Doubtful Debts                       | 53.32           | 13.71           |
| Bad debts written off                              | -               | 2.96            |
| Legal and professional fees                        | 331.65          | 406.73          |
| Security services                                  | 33.21           | 26.66           |
| Software maintenance expenses                      | 3.47            | 3.34            |
| Merger expenses                                    | -               | 0.56            |
| Loss on sale of Fixed Assets                       | 0.11            | 13.26           |
| Exchange rate variation loss (net)                 | -               | 7.13            |
| Miscellaneous expenses                             | 312.81          | 214.03          |
|  | <b>1,940.01</b> | <b>1,989.71</b> |
| <b>TOTAL</b>                                       | <b>5,155.76</b> | <b>5,210.63</b> |

**27. Computation of profit for earnings per share:**

(₹ in Lakhs)

| Particulars  | 31st March, 2014 | 31st March, 2013 |
|--|------------------|------------------|
| <b>Net Profit / (Loss) after tax attributable to Equity Shareholders (A)</b>     | <b>284.47</b>    | <b>1021.20</b>   |
| No. of Equity Shares outstanding during the year for calculating Basic EPS (B)   | <b>52651756</b>  | <b>52651756</b>  |
| No. of Equity Shares outstanding during the year for calculating Diluted EPS (C) | <b>52651756</b>  | <b>52651756</b>  |
| Nominal Value of Equity Shares (₹)   | <b>2/-</b>       | <b>2/-</b>       |
| Basic EPS (₹) (A / B)  | <b>0.54</b>      | <b>1.94</b>      |
| Diluted EPS (₹) (A / C)  | <b>0.54</b>      | <b>1.94</b>      |





## 28. Valuation of Finished Goods and Semi finished Goods at Tool Division:

Till the previous year ended 31st March 2012 the cost of finished goods and goods under process at the Tool Division of the Company was being determined using the retail method, whereby the cost was computed by reducing from the sales value of inventory the global gross margins.

As this method was not in accordance with Accounting standard -2 (AS-2) the Company had during the previous year ended 31st March 2013 reworked the value of finished goods and goods under process at the Tool Division in accordance with the AS-2.

Consequently due to reworking the impact on closing inventory of finished goods was ₹ 1,67,52,525/- (Opening stock of finished goods was ₹ -1,28,57,536/-) and goods under process was ₹ 1,66,65,346/- (Opening goods under process was ₹ 1,27,64,176/-). The net impact on statement of profit and loss of the previous year ended 31st March 2013 was ₹ 87,179/- loss.

The inventory valuation is now in compliance with the requirement of AS-2."

## 29. Contingent liabilities:

(a) Estimated amount of contracts remaining to be executed (net of advances), not provided for: (₹ in Lakhs)

| Particulars                 | 31st March, 2014 | 31st March, 2013 |
|-----------------------------|------------------|------------------|
| <b>Capital Commitments:</b> |                  |                  |
| Tangible Assets             | 326.18           | 405.06           |
| Intangible Assets           | 0.00             | 0.00             |

(b) Contingent liabilities not provided for in respect of: (₹ in Lakhs)

| Particulars   | 31st March, 2014 | 31st March, 2013 |
|---|------------------|------------------|
| (i) Amount of duty saved under EPCG Scheme against export obligations | 481.14           | 481.14           |
| (ii) Sales Tax Demands in Appeals                                     | 27.36            | 76.94            |
| (iii) Entry Tax Demands in Appeals                                    | 0.00             | 110.54           |
| (iv) Income Tax Demands in Appeals                                    | 99.76            | 99.76            |
| (v) Excise and Service Tax Demands in Appeals                         | 45.80            | 45.80            |
| (vi) Claim on account of PF not acknowledged as debts                 | 4.01             | 4.01             |
| (vii) Bank Guarantees / Letters of Credit                             | 656.81           | 698.62           |
| (viii) Corporate Guarantee to Banks for a loan taken Group Company    | 25,030.00        | 25,030.00        |
| (ix) Claims against Company not acknowledged as debts                 | 30.61            | 30.61            |

(c) The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of the proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.

## 30. (a) Utilization of proceeds of public/ right issue as on 31st March, 2014 is as under: (₹ in Lakhs)

| Description   | Total Estimated Cost | Deployed upto 31st March, 2014 | Deployed upto 31st March, 2013 |
|---|----------------------|--------------------------------|--------------------------------|
| I) Aurangabad Project:  |                      |                                |                                |
| Building  | 120.00               | 102.95                         | 102.95                         |
| Plant, Machinery and Electrical   | 1365.50              | 420.25                         | 420.25                         |
| Miscellaneous Fixed Assets  | 329.36               | -                              | -                              |
| Contingencies   | 185.00               | -                              | -                              |
| Pre Operative Expenses  | 80.00                | -                              | -                              |
| II) Margin money for Working capital requirement for Aurangabad Project   | 50.00                | -                              | -                              |
| <b>Sub-total</b>  | <b>2129.86</b>       | <b>523.20</b>                  | <b>523.20</b>                  |
| III) Margin money for Working capital requirement for Conversion of unsecured loan into equity raised by Company for setting up the Gandhidham Project from Nirved Traders Private Limited Promoter Company | 470.14               | 470.14                         | 470.14                         |
| IV) To meet expenses of issue   | 300.00               | 276.42                         | 276.42                         |
| <b>Total</b>  | <b>2900.00</b>       | <b>1269.76</b>                 | <b>1269.76</b>                 |

As per the Prospectus, the funds which were proposed to be deployed in the Aurangabad Project upto the period ended 30th September, 2008 was envisaged at ₹ 2129.86 Lakhs. However, the actual amount spent towards the above is ₹ 523.20 Lakhs.

The above mentioned status of utilisation of funds raised by BMTL in its Right cum Follow on Issue in 2007 has been revised / adjusted by ₹ 427.20 Lakhs paid to BAL due to the SoA approved by Honorable High Court of Bombay for amalgamation of BAL and BMTL (Transferor companies) with the Company.

As per SoA the pending project and related obligations of the transferor companies shall be implemented by the Company.

In view of delay in implementation of the Aurangabad project, the balance amount of ₹ 1595.20 Lakhs has been utilized for funding the company's Working Capital requirements and for Inter Corporate Deposits given to group companies and others. The utilization of the said funds is not in line with the Prospectus.

- 30. (b)** The Company has incurred capital expenditure aggregating to ₹ 523.20 Lakhs for the acquisition and construction of Plant and Machinery, Electrical Equipment and Building structure for installation of machining facilities. There has been delay in the implementation of the machining project, accordingly the advances, made to the suppliers, have not been entirely appropriated towards the supplies. No provision for impairment is considered necessary by the management at this stage.
- 31.** The remuneration as approved by the Remuneration Committee / Board/ Shareholders paid/ provided to the Managing Director during the year has been considered as the minimum remuneration, resulting in excess of such remuneration over maximum remuneration stipulated under Schedule XIII of the Companies Act, 1956 amounting to ₹ 53.54 lacs (Previous year ₹ 55.23 lacs) due to inadequacy of profits during the year. The Company intends applying to the Central Government in this regard.

**32. Employee Benefits:**

**(A) Defined Contribution Plans:**

The Company has recognized the following amounts in statement of profit and loss for the year: (₹ in Lakhs)

| Particulars  | 31st March, 2014 | 31st March, 2013 |
|--|------------------|------------------|
| Contribution to Employees Provident Fund and Other Funds | 334.88           | 278.47           |
| <b>Total</b>   | <b>334.88</b>    | <b>278.47</b>    |

**(B) Defined Benefit Plans :**

**I. (a) Contribution to Gratuity:**

Provision for Gratuity has been made in the accounts based on an actuarial valuation carried out at the close of the year. The Company has funding arrangement with Birla Sun Life and Life Insurance Corporation of India, except for Tools Division, in which case it is held under Indian Tool Employee Gratuity Fund, and the liability is discharged to the employees in the year of retirement/cessation of employment.

Details under AS-15, to the extent applicable is furnished below: (₹ in Lakhs)

| Particulars   | 31st March, 2014 | 31st March, 2013 |
|---|------------------|------------------|
| <b>i) Reconciliation of defined benefit obligation (DBO) :</b>    |                  |                  |
| DBO at the beginning of the year                                  | 561.81           | 533.21           |
| Current Service Cost  | 56.85            | 50.51            |
| Interest Cost   | 41.28            | 42.36            |
| Actuarial Loss / (Gain)   | 59.27            | 11.78            |
| Benefits paid   | (99.38)          | (76.05)          |
| DBO at end of the year  | 619.83           | 561.81           |
| <b>ii) Net cost for the year ended :</b>                          |                  |                  |
| Current Service Cost  | 56.85            | 50.51            |
| Interest Cost   | 41.28            | 42.36            |
| Expected Return on Plan Assets                                    | (17.78)          | (12.00)          |
| Actuarial Loss / (Gain)   | 62.81            | 16.63            |
| Net Cost  | 143.16           | 97.50            |
| <b>iii) Fair Value of Plan Assets</b>                             | 209.53           | 208.42           |
| <b>iv) Assumptions used in accounting for the gratuity plan :</b> |                  |                  |
| Discount rate (%)   | 8.50% to 9.20%   | 8.05% to 8.50%   |
| Salary escalation rate (%)  | 3.00% to 7.00%   | 3.00% to 7.00%   |



**I. (b) Other disclosures :**

| Particulars   | 31st March,<br>2014 | 31st March,<br>2013 | 31st March,<br>2012 | 31st March,<br>2011 | 31st March,<br>2010 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Present Value of Defined Benefit Obligation             | 619.83              | 561.81              | 533.21              | 474.90              | 450.14              |
| Fair Value of Plan Assets                               | 209.53              | 208.42              | 110.10              | 101.21              | 84.02               |
| (Deficit) / Surplus of the plan                         | 410.30              | 353.39              | 423.11              | 373.69              | 366.12              |
| Experience adjustment on plan liabilities loss / (gain) | *                   | *                   | *                   | *                   | *                   |
| Experience adjustment on fair value of plan adjustments | *                   | *                   | *                   | *                   | *                   |

\* The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (revised) on "Employee Benefits" of previous financial years are not available in the valuation report for the financial year 2009-10, 2010-11 2011-12 and 2012-13 hence not furnished.

**II. Leave Encashment:**

The leave encashment provision for the year ended 31st March, 2014, based on actuarial valuation carried out using projected unit credit method amounting to ₹ 28.72 Lakhs (Previous Year ₹ 41.85 Lakhs) has been recognized in statement of profit and loss.

**33. Segment Reporting:**

(a) Business Segments:

(₹ in Lakhs)

| Particulars   | 2013-14         | 2012-13         |
|---|-----------------|-----------------|
| <b>Segment Revenue</b>  |                 |                 |
| a) Tools and Precision Components   | 11435.76        | 12421.64        |
| b) Casting and Machining  | 5306.77         | 5786.31         |
| <b>Total</b>  | <b>16742.53</b> | <b>18207.95</b> |
| <b>Less: Excise Duty</b>  | 1240.15         | 1493.72         |
| <b>Net Sales Income from Operation</b>  | 15502.38        | 16714.23        |
| <b>Segment Results Profit(+)/(Loss)(-)</b><br><b>(before Interest and Tax) from segment</b> |                 |                 |
| a) Tools and Precision Components   | 1542.75         | 1867.39         |
| b) Casting and Machining  | (288.27)        | (99.31)         |
| <b>Total</b>  | <b>1254.48</b>  | <b>1768.08</b>  |
| <b>Less: Interest and Finance Charges</b>   | 791.37          | 846.57          |
| <b>Profit before Tax</b>  | <b>463.11</b>   | <b>921.51</b>   |
| <b>Less: Provision for Taxation</b>   |                 |                 |
| Current Tax   | 320.00          | 420.00          |
| Deferred Tax  | (143.75)        | (43.37)         |
| Provision of Earlier Period   | 2.39            | (476.32)        |
| <b>Profit after Tax</b>   | <b>284.47</b>   | <b>1021.20</b>  |
| <b>Segment Assets</b>   |                 |                 |
| a) Tools and Precision Components   | 18586.11        | 20085.69        |
| b) Casting and Machining  | 2474.59         | 3401.09         |
| <b>Total</b>  | <b>21060.70</b> | <b>23486.78</b> |
| <b>Segment Liabilities</b>  |                 |                 |
| a) Tools and Precision Components   | 5743.64         | 7361.17         |
| b) Casting and Machining  | 1431.88         | 2163.85         |
| <b>Total</b>  | <b>7175.52</b>  | <b>9525.02</b>  |

| Particulars                       | 2013-14       | 2012-13        |
|-----------------------------------|---------------|----------------|
| <b>Capital Expenditure</b>        |               |                |
| a) Tools and Precision Components | 37.12         | 683.75         |
| b) Casting and Machining          | 20.34         | 399.34         |
| <b>Total</b>                      | <b>57.46</b>  | <b>1083.09</b> |
| <b>Depreciation</b>               |               |                |
| a) Tools and Precision Components | 590.89        | 605.07         |
| b) Casting and Machining          | 276.57        | 258.23         |
| <b>Total</b>                      | <b>867.46</b> | <b>863.30</b>  |
| <b>Non Cash Expenditure</b>       |               |                |
| a) Tools and Precision Components | -             | -              |
| b) Casting and Machining          | -             | -              |
| <b>Total</b>                      | <b>-</b>      | <b>-</b>       |

From the pervious year, based on technical review, the Company has identified two reporting segments namely:

1. Tools and Precision Components
2. Casting and Machining, as reporting segments under AS-17.

**(b) Secondary Segment - (Geographical):**

(₹ in Lakhs)

| Particulars     | India      | USA       | Rest of the World | Total      |
|-----------------|------------|-----------|-------------------|------------|
| Segment Revenue | 13309.88   | 914.71    | 1277.79           | 15502.38   |
|                 | (14496.47) | (1078.67) | (1139.09)         | (16714.23) |

(Figures in brackets indicates 31st March, 2013 figures)

**34. Related party disclosures:**

**(A) Name of related parties and nature of relationships:**

**a) Key Management personnel**

1. Shri Yashovardhan Birla (Non-executive Chairman) Resigned w.e.f. 27th May, 2013
2. Shri M.S. Arora (Managing Director)

**b) Enterprises owned or significantly influenced by Key Management personnel or their relatives:**

|   |  |
|---|--|
| 1. Ashok Birla Apollo Hospital Private Limited  | 21. Birla Research and Lifesciences Limited                  |
| 2. Asian Distributors Private Limited           | 22. Birla Retail & Distributors Private Limited              |
| 3. Birla Aircon Infrastructure Private Limited  | 23. Birla Shloka Edutech Limited                             |
| 4. Birla Art Lifestyle Private Limited          | 24. Birla Surya Limited                                      |
| 5. Birla Bombay Private Limited                 | 25. Birla Terrajoule Private Limited                         |
| 6. Birla Capital and Financial Services Limited | 26. Birla Transasia Carpets Limited                          |
| 7. Birla Concepts (India) Limited               | 27. Birla Urja Limited                                       |
| 8. Birla Cotsyn (India) Limited                 | 28. Birla Viking Travels Limited                             |
| 9. Birla Edutech Limited                        | 29. Birla Wellness and Healthcare Private Limited            |
| 10. Birla Electricals Limited                   | 30. Godavari Corporation Private Limited                     |
| 11. Birla Energy Infra Limited                  | 31. Khopoli Investments Limited                              |
| 12. Birla Global Corporate Private Limited      | 32. Lakshmi Properties Limited                               |
| 13. Birla Industries Group Charity Trust        | 33. Melstar Information Technologies Limited                 |
| 14. Birla Infrastructure Limited                | 34. Nirved Traders Private Limited                           |
| 15. Birla Integrated Textile park Limited       | 35. Shearson Investments and Trading Company Private Limited |
| 16. Birla International Private Limited         | 36. Vedant Consultancy Private Limited                       |
| 17. Birla Kerala Vaidyashala Private Limited    | 37. Vijay Puranjay Minerals Private Limited                  |
| 18. Birla Lifestyle Private Limited             | 38. Zenith Birla (India) Limited                             |
| 19. Birla Pacific Medspa Limited                | 39. Zenith Dyeintermediates Limited                          |
| 20. Birla Power Solutions Limited               |  |

**Note: Related party relationship is as identified by the Company and relied upon by the Auditors.**



**(B) Transactions during the year ended 31st March, 2014 and balances with related parties :**

(₹ in Lakhs)

| Name of related party                                    | Description and Nature of transactions | Total Amount of the Transactions during the Current year (Previous Year) | Amount if any Outstanding as on 31.03.2014 DEBIT Balance Current Year (Previous Year) | Amount if any Outstanding as on 31.03.2014 CREDIT Balance Current Year (Previous Year) |
|--|--|--|---|--|
| Birla Global Corporate Private Limited                   | Loan / Advance Given                   | -  | 310.69  | -  |
|  |  | (173.47)   | (352.60)  | -  |
|  | Services                               | 28.09  | 44.42   | -  |
|  |  | (157.99)   | -   | (20.20)  |
|  | Interest Income (Net)                  | 25.51  | 25.51   | -  |
|  |  | (-)  | (-)   | (-)  |
| Shearson Investments and Trading Company Private Limited | Reimbursement of Expenses              | -  | -   | -  |
|  |  | (7.68)   | (-)   | (0.09)   |
|  | Interest Income (Net)                  | 10.05  | 10.05   | -  |
|  |  | (-)  | (-)   | (-)  |
|  | Loan/Advance Given                     | -  | 65.00   | -  |
|  |  | (475.00)   | (475.00)  | (-)  |
| Zenith Birla (India) Limited                             | Loan Taken                             | -  | -   | -  |
|  |  | (-)  | (-)   | (410.00)   |
|  | Reimbursement of Expenses              | 0.16   | -   | -  |
|  |  | (4.61)   | (-)   | (2.42)   |
|  | Services                               | 23.03  | 55.75   | -  |
|  |  | (112.31)   | (-)   | (35.30)  |
|  | Purchase of Goods                      | 5.87   | 0.06  | -  |
|  |  | (713.41)   | (-)   | (60.87)  |
|  | Sale of Goods                          | 3.31   | 3.93  | -  |
|  |  | (5.03)   | (1.22)  | (-)  |
|  | Loan Repayment                         | -  | -   | -  |
|  |  | (320.72)   | (-)   | (-)  |
|  | Advance Received                       | 3.00   | -   | -  |
|  |  | (-)  | (-)   | (-)  |
|  | Interest Income                        | 157.10   | 464.56  | -  |
|  |  | (152.04)   | (307.45)  | (-)  |
|  | Interest Expenses                      | -  | -   | -  |
|  |  | (6.00)   | (-)   | (-)  |
| Birla Viking Travels Limited                             | Interest Repayment                     | -  | -   | -  |
|  |  | (11.41)  | (-)   | (-)  |
|  | Advance Repaid                         | -  | 904.60  | -  |
|  |  | (831.34)   | (1,016.34)  | (-)  |
| Birla Viking Travels Limited                             | Services                               | -  | -   | -  |
|  |  | (24.51)  | (6.74)  | (-)  |

| Name of related party                | Description and Nature of transactions | Total Amount of the Transactions during the Current year (Previous Year) | Amount if any Outstanding as on 31.03.2014 DEBIT Balance Current Year (Previous Year) | Amount if any Outstanding as on 31.03.2014 CREDIT Balance Current Year (Previous Year) |
|--------------------------------------|--|--|---|--|
| Birla International Private Limited  | Purchase of Goods                      | -  | -   | -  |
|                                      |  | (28.92)  | (-)   | (25.36)  |
|                                      | Sales of Goods                         | 749.48   | 3,306.88  | -  |
|                                      |  | (3,012.56)   | (2,950.71)  | (-)  |
|                                      | Reimbursement of Expenses              | 30.95  | -   | -  |
|                                      |  | (103.25)   | (-)   | (-)  |
| Birla Power Solutions Limited        | Loan / Advance Given                   | -  | 0.07  | -  |
|                                      |  | (-)  | (10.07)   | (-)  |
|                                      | Interest Income                        | -  | 10.54   | -  |
|                                      |  | (-)  | (0.10)  | (-)  |
|                                      | Sale of Goods                          | -  | -   | -  |
|                                      |  | (7.80)   | (0.31)  | (-)  |
|                                      | Loan Taken                             | -  | -   | 87.31  |
|                                      |  | (-)  | (-)   | (-)  |
|                                      | Loan Repaid                            | -  | -   | -  |
|                                      |  | (82.69)  | (-)   | (97.31)  |
| Birla Industries Group Charity Trust | Rent Expenses                          | 0.48   | -   | 0.16   |
|                                      |  | (0.44)   | (-)   | (0.24)   |
| Godavari Corporation Private Limited | Reimbursement of Expenses              | 4.11   | -   | 4.11   |
|                                      |  | (2.79)   | (-)   | (-)  |
|                                      | Loan / Advance Given                   | -  | 553.00  | -  |
|                                      |  | (-)  | (553.00)  | (-)  |
|                                      | Interest Income                        | 85.72  | 252.17  | -  |
|                                      |  | (82.95)  | (172.45)  | (-)  |
| Birla Bombay Private Limited         | Reimbursement of Expenses              | -  | -   | 0.10   |
|                                      |  | (-)  | (-)   | (-)  |
| Asian Distributors Private Limited   | Loan / Advance Given                   | 50.00  | 50.00   | -  |
|                                      |  | (-)  | (-)   | (-)  |
| Shri Yashovardhan Birla              | Director Sitting Fees                  | -  | -   | -  |
|                                      |  | (0.14)   | (-)   | (-)  |
| Birla Cotsyn (India) Limited         | Advance Given                          | 5.00   | 5.00  | -  |
|                                      |  | (-)  | (-)   | (-)  |



| Name of related party                       | Description and Nature of transactions | Total Amount of the Transactions during the Current year (Previous Year) | Amount if any Outstanding as on 31.03.2014 DEBIT Balance Current Year (Previous Year) | Amount if any Outstanding as on 31.03.2014 CREDIT Balance Current Year (Previous Year) |
|---|--|--|---|--|
| Nirved Traders Private Limited              | Services                               | -  | -   | -  |
|   |  | (23.73)  | (-)   | (15.38)  |
|   | Loan Taken                             | -  | -   | -  |
|   |  | (-)  | (-)   | (188.66)   |
|   | Loan Repaid                            | 60.00  | -   | -  |
|   |  | (-)  | (-)   | (-)  |
|   | Loan Recovered                         | 71.00  | 355.34  | -  |
|   |  | (105.00)   | (555.00)  | (-)  |
|   | Interest Expenses                      | 51.28  | 106.42  | -  |
|   |  | (60.58)  | (61.20)   | (-)  |
|   | Rent                                   | 23.73  | -   | 24.31  |
|   |  | (2.47)   | (-)   | (-)  |
| Birla Retail & Distributors Private Limited | Sales of Goods                         | 34.71  | 126.22  | -  |
|   |  | (126.81)   | (126.81)  | (-)  |
|   | Purchase of Goods                      | 14.13  | -   | -  |
|   |  | (-)  | (-)   | (-)  |
| Birla Infrastructure Limited                | Services                               | 11.24  | -   | 0.11   |
|   |  | (-)  | (-)   | (-)  |
| Shri M.S. Arora                             | Managerial Remuneration                | 101.54   | -   | 19.00  |
|   |  | (102.61)   | (-)   | (19.08)  |

(Figures in brackets indicate 31st March, 2013 figures)

**35. Value of imported and indigenous Raw materials, components and stores and spare parts consumed and percentage of each to the total consumption:**

(₹ in Lakhs)

| Particulars                          | 31st March, 2014 |             | 31st March, 2013 |             |
|--------------------------------------|------------------|-------------|------------------|-------------|
|                                      |                  | %           |                  | %           |
| <b>Raw materials and Components:</b> |                  |             |                  |             |
| - Imported                           | 367.32           | 7%          | 853.47           | 13%         |
| - Indigenous                         | 5087.11          | 93%         | 5785.70          | 87%         |
|                                      | <b>5454.43</b>   | <b>100%</b> | <b>6639.17</b>   | <b>100%</b> |
| <b>Stores and Spare parts:</b>       |                  |             |                  |             |
| - Imported                           | 44.38            | 4%          | 26.40            | 2%          |
| - Indigenous                         | 1201.90          | 96%         | 1179.29          | 98%         |
|                                      | <b>1246.28</b>   | <b>100%</b> | <b>1205.69</b>   | <b>100%</b> |



**36. CIF value of imports:**

(₹ in Lakhs)

| Particulars                  | 31st March, 2014 | 31st March, 2013 |
|------------------------------|------------------|------------------|
| Capital goods                | 3.92             | 86.57            |
| Raw Materials and Components | 63.52            | 783.67           |
| Stores and Spare parts       | 35.15            | 29.44            |
| <b>Total</b>                 | <b>102.59</b>    | <b>899.68</b>    |

**37. Expenditure in foreign currency:**

(₹ in Lakhs)

| Particulars                                 | 31st March, 2014 | 31st March, 2013 |
|---|------------------|------------------|
| (i) Foreign traveling expenses              | 20.48            | 34.65            |
| (ii) Repairs to Plant and Machinery         | 0.00             | 0.38             |
| (iii) Sales Commission                      | 6.55             | 2.93             |
| (iv) Sub-contracting expenses               | 0.00             | 0.64             |
| (v) Exchange rate variation surcharge       | 0.00             | 0.00             |
| (vi) Interest on Foreign Currency Term Loan | 0.00             | 13.65            |
| <b>Total</b>                                | <b>27.03</b>     | <b>52.25</b>     |

**38. Earnings in foreign currency:**

(₹ in Lakhs)

| Particulars                                    | 31st March, 2014 | 31st March, 2013 |
|--|------------------|------------------|
| F.O.B. value of exports of manufacturing goods | 2184.81          | 2256.00          |

**39. Remittance in foreign currencies on account of dividend:**

| Particulars  | 31st March, 2014 | 31st March, 2013 |
|--|------------------|------------------|
| i) No. of Non-resident Shareholders (including NRIs) | 254              | 246              |
| ii) Shares held by them                              | 1,418,153        | 339,707          |
| iii) Amount remitted                                 | NIL              | NIL              |

**40. Other income includes ₹ 66.07 lakhs being excess depreciation of earlier year written back.**

**41. Corresponding previous year figure have been regrouped/recost and reclassified wherever necessary to make them comparable.**

**For and on behalf of Board of Directors**

**For THAKUR,VAIDYANATH AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 000038N

**M. S. Arora**  
Managing Director

**C. V. Parameswar**  
Partner  
Membership No. 11541

**M. S. Adige**  
Director

**A. P. Kurias**  
Director

**Place: Mumbai**  
**Date : 27th May, 2014**

**Rupa Khanna**  
Company Secretary



Registered Office: B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133 (M.S.)

Dear Shareholder,

**Re: Green Initiative in Corporate Governance**

We wish to inform you that the Ministry of Corporate Affairs, New Delhi ("MCA") (vide its Circulars dated April 21, 2011 and April 29, 2011) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards greener environment. Also you will be able to receive the Communication promptly and without loss in transit.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communications / documents including the Notice calling the General Meeting/ Notice of Postal Ballot, Audited Financial Statements, Directors' Report, Auditors' Report etc. via electronic mode **on the Email ID registered by shareholders with their Depository Participant (DP).**

**Shareholders holding shares in demat mode and who have not yet registered their Email ID** are requested to kindly register/update their e-mail ID with their concerned Depository Participant, on which they desire to receive all future communications/ documents as specified above. **In case of change in your Email Address in future**, please update same with your DP.

Please note that the email address indicated in your respective DP accounts periodically downloaded from the depositories viz. NSDL/ CDSL will be deemed to be your registered email address.

**Shareholders holding shares in physical mode** are requested to register their email address with the Company by sending a written request signed by the First Shareholder mentioning your folio no. to the Registrar & Share Transfer Agents – Karvy Computershare Private Limited.

Please note that, upon receipt of a requisition from you, the Company shall send all these documents on the address registered with the Company free of cost.

Please note that the Annual Report of your Company along with all future notice/ communication/ documents will be displayed on the Company's website [www.birlaprecision.in](http://www.birlaprecision.in)

*It is clarified that shareholders holding shares in physical form and have not registered their email address with the Registrar/ Company and those Demat Shareholders who have not registered email ID with their DP, will continue to receive physical copies of these documents.*

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.

**Thanking You,**

**Yours faithfully,**

**For Birla Precision Technologies Limited**

**Sd/-**

**M.S.Arora**  
**Managing Director**

## E-COMMUNICATION REGISTRATION FORM

To,  
M/s. Karvy Computershares Private Limited  
17-24, Vittalrao Nagar, Madhapur  
Hyderabad – 500 081 (A.P.)

Dear Sir/Madam,

**Re : Green Initiative in Corporate Governance**

**UNIT: Birla Precision Technologies Limited**

I agree to receive all communication from the company in electronic mode. Please register my email id in your records for sending communication through e-mail.

Folio no. : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

PAN : \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of Joint Holder(S) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

Email ID : \_\_\_\_\_

Date : \_\_\_\_\_

Signature of the first holder \_\_\_\_\_

### Important Notes:

- 1) On registration, all the communication will be sent to the email ID registered in the Folio/DP IP & Client ID.
- 2) The form is also available on the website of the company [www.birlaprecision.in](http://www.birlaprecision.in)
- 3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email id given above is changed by you by sending another communication in writing, the company will continue to send the notices/ documents to you on the above mentioned e-mail ID.



## ATTENDANCE SLIP

### BIRLA PRECISION TECHNOLOGIES LIMITED

Registered Office : B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 (M.S.), India

CIN: L29220MH1986PLC041214; Website: www.birlaprecision.in; Email: info@birlaprecision.com; Phone: (0240) 2554300

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

Joint Shareholders may obtain additional slips at the entrance.

|  |
|--|
| Regd. Folio No. / Client ID No. ....   |
| Name of the Member / Authorised Representative / Proxy .....<br>(in Block Letters) ..... |
| No. of Share(s) held .....   |

I hereby record my/our presence at the **27<sup>th</sup> ANNUAL GENERAL MEETING** held on Saturday 27<sup>th</sup> day of September, 2014 at 11.30 a.m., at B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133.

Signature of the Member / Authorised Representative / Proxy .....



(TEAR HERE)



## PROXY FORM



### BIRLA PRECISION TECHNOLOGIES LIMITED

Registered Office : B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 (M.S.), India

CIN: L29220MH1986PLC041214; Website: www.birlaprecision.in; Email: info@birlaprecision.com; Phone: (0240) 2554300

(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 \_\_\_\_\_ Equity Shares of Birla Precision Technologies Limited, hereby appoint

- Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her
- Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her
- Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Seventh Annual General Meeting of the Company, will be held on Saturday the **27<sup>th</sup> day of September 2014 at 11.30 A.M.** at B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated overleaf.

| Resolution No. | Resolutions   | Optional |         |
|----------------|---|----------|---------|
|                |   | For      | Against |
| 1.             | Adoption of Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Report of Directors and the Auditors. |          |         |
| 2.             | Appointment of Director in place of Smt. Avanti Birla (DIN 00167903), who retires by rotation, and being eligible, offers herself for re-appointment                                  |          |         |
| 3.             | Appointment of M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountant as Statutory Auditors of the Company   |          |         |
| 4.             | Appointment of Shri Augustine Kurias as Independent Director  |          |         |
| 5.             | Appointment of Shri Mohandas Shenoy Adige as Independent Director   |          |         |
| 6.             | Re-appointment of Shri Mahender Singh Arora as Managing Director and Chief Executive Officer  |          |         |
| 7.             | Waiver of recovery of excess remuneration   |          |         |
| 8.             | Authority for borrowing power upto ₹ 100 Crores   |          |         |
| 9.             | To approve creation of Charge/ Security over the Assets/ Undertaking of the Company in respect of borrowing   |          |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Affix. Re.  
I/- Revenue  
Stamp

Signature

Notes :

1. This Form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference, if you leave the "For" and "Against" column blank against any/or all the regulations, your proxy will be entitled to vote in the manner as he/she think appropriate.
3. Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as extra copy of the Annual Report will not be made available for reasons of economy.



**Courier / Registered Post / Speed Post**



If undelivered, please return to:  
**BIRLA PRECISION TECHNOLOGIES LIMITED**  
**CIN: L29220MH1986PLC041214**

Regd. Office :-  
B- 15/4, M. I. D. C., Waluj, Aurangabad- 431 133 (M. S.)  
Phone: (0240) 2554300, 2554301, 2554408, Fax : (0240) 2554302  
Email: [info@birlaprecision.com](mailto:info@birlaprecision.com), Web: [www.birlaprecision.in](http://www.birlaprecision.in)





# FORM A

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

|    |   |   |
|----|---|---|
| 1  | Name of the Company   | Birla Precision Technologies Limited  |
| 2  | Annual Financial Statements for the year financial year ended | 2013-14   |
| 3  | Type of Audit Observation                                     | Nil   |
| 4. | Frequency of observation                                      | Not Applicable  |
| 4  | To be signed by:  |   |
|    | Managing Director   | <br>M.S. Arora<br>(Managing Director)   |
|    | CFO   | <br>M.S. Mankar<br>(CFO)<br>For Thakur Vaidyanath Aiyar & Co.<br>Chartered Accountants<br>Firm Reg. No. 000038N          |
|    | Auditor of the Company  | <br>C. V. Parameswar<br>Thakur, Vaidyanath Aiyar & Co.<br>C.V. Parameswar<br>(Auditor of the company)<br>M. No. 11541  |
|    | Audit Committee Chairman                                      | <br>Augustine Kurias<br>(Audit Committee Chairman)    |

## Birla Precision Technologies Limited

B-15/4, MIDC, Waluj, Aurangabad - 431 133, India.

Tel: +91 240 2554301, 2554408, 2554945, 2554947-8,

Fax : +91 240 2554302

E-mail: info@birlaprecision.com www.birlaprecision.com

