



CONTENTS	Page No.
Board of Directors	1
Corporate Vision, Mission and Objectives	1
Chairman's Letter	2
Financial Highlights	3
Notice	4
Board's Report	6
Report on Corporate Governance including Management Discussion and Analysis Report	10
Significant Accounting Policies	28
Balance Sheet	32
Profit and Loss Statement	33
Cash Flow Statement	34
Notes forming part of Financial Statement	35
Independent Auditors' Report	50
Comments of the Comptroller & Auditor General of India	54
Admission Slip	55
Proxy Form	56



BOARD OF DIRECTORS

Shri C N Durgesh

Nominee Director / Chairman of the Board

Prof. S Sadagopan

Independent Director

Shri G Sudhindra

Independent Director

Dr. S Venkateswaran

Independent Director

Shri Pradeep Swaminathan

Nominee Director

Company Secretary**Shri S V Ravisekhar Rao****Statutory Auditors****M/s H S Shivaram & Co.**Chartered Accountants
Bengaluru**Bankers****State Bank of Mysore**

Tarikere

Registered Office and Works

Haliyur, B.H. Road, Tarikere Post - 577 228

Chikmagaluru District, Karnataka

Tel. (08261) 222252 / 222313 ; Fax : (08261) 222236

CORPORATE VISION, MISSION AND OBJECTIVES

A) VISION:

Transforming the organization to be a major supplier of Ferrous Castings / Stainless Steel Castings.

B) MISSION:

Manufacturing and supply of quality castings and provide metallurgical solutions primarily focusing on industrial sectors like Mining & Construction, Railways and Defence with a thrust on profitability.

C) OBJECTIVES:

- 1) To achieve minimum 10% increase in production over previous year.
- 2) To reduce rejection of castings by minimum 1% over previous year.
- 3) To achieve minimum of 5% of sales from non-captive customers.
- 4) To achieve 5% increase in output per employee over previous year.



CHAIRMAN'S LETTER.....

Dear Shareholders,

Your Company has recorded a turnover of ₹30.67 crores as against ₹36.75 crores, thereby resulting in a decrease of about 17% over the previous year. The value of production of the Company stood at ₹31.50 crores as against ₹30.73 crores and the Company contained the loss at ₹0.85 crores as against loss of ₹1.45 crores in the previous year. The major reasons for loss were due to breakdown of critical equipments and non-availability of sand. Further, frequent and unscheduled power cuts resulted in reduction of Fettling and Proof Machining facility with Tarikere based Fettleers.

As already planned to reduce dependency on M/s. BEML Limited, the holding company, your Company secured an order from MIDHANI to manufacture and supply 800 MTs of High Manganese U-2 Steel Castings valued at ₹10.82 Crores. Further, your Company has obtained extension from Integral Coach Factory for supply of Axle Box Housing Castings required for rail coaches.

Further, in anticipation of orders from BEML for high alloy grade castings like T-72 and Tatra Variants, relating to Defence, Axle Box, Buffer Assembly relating to Rail business, and new castings for Mining & Construction business, necessary development and production are planned. These proposals would help your Company to achieve ₹74 crores by 2020-21 as envisaged in the Perspective Plan.

The order book position remained at 3423 MTs as on 01.04.2015. In addition, further casting requirements expected from BEML as well as from other customers. Your Company is confident that the efforts being put-in in this direction will fructify soon. With these plans and priorities, your Company is looking forward to achieve better results during the current financial year.

Your Company has implemented the Guidelines on Corporate Governance for CPSEs-2010 issued by the Department of Public Enterprises, Government of India. Further, your Company has been rated as 'Excellent' in adhering to the corporate governance standards. A report on Corporate Governance along with Management Discussion and Analysis Report as required under the said Guidelines is included in the Board's Report.

Further on performance standards, your Company is rated as 'Fair' for the financial year 2014-15 based on self-evaluation made in terms of Memorandum of Understanding signed with BEML.

To conclude, on behalf of the Company, I express my gratitude to the Holding Company and our most valued customer, M/s. BEML Limited and to my colleagues on the Board for their valued advice, guidance and support. I am also thankful to other Customers, Bankers, Auditors and other Stakeholders for their support and cooperation.

I take this opportunity to place on record the appreciation for the valuable contribution made and co-operation extended by the employees and officers at all levels for the progress of the Company.

With warm regards,

Sd/-

(C. N. Durgesh)
Chairman of the Board



FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
CAPITAL :										
Equity Capital	278.97	278.97	278.97	278.97	278.97	278.97	278.97	278.97	278.97	278.97
Net Worth	415.92	445.33	542.12	812.64	730.87	904.12	713.32	584.50	540.32	429.59
Loan from BEML	-	-	-	-	-	-	-	-	19.46	38.93
Loans from Banks & Others	193.24	187.07	152.17	377.48	626.15	729.76	145.47	78.77	67.01	35.24
Gross Block	1,673.42	1,657.16	1,657.16	1,655.34	1,651.88	1,626.69	693.75	687.38	646.91	612.78
Inventories	794.74	926.77	1,482.38	1,502.85	895.04	737.81	530.80	565.20	554.87	390.91
Trade Receivables	0.02	-	0.45	3.34	-	75.84	66.03	146.18	19.36	31.57
Working Capital	(457.71)	(558.30)	(485.45)	(262.89)	(154.58)	583.26	455.41	376.72	337.49	229.78
Capital Employed	382.68	351.41	500.64	724.23	979.89	1,769.23	760.32	702.20	639.60	528.86
REVENUE :										
Sales	3,066.72	3,675.12	2,747.03	3,920.77	3,384.00	3,591.34	3,527.12	3,328.89	2,451.47	2,881.06
Value of Production	3,150.01	3,073.11	2,567.28	4,529.36	3,569.98	3,746.17	3,564.53	3,240.66	2,617.14	2,870.10
Value Added	1,479.11	1,447.64	1,255.35	2,214.37	1,676.87	1,982.12	1,888.40	1,705.86	1,423.36	1,558.59
Profit before Depreciation & Interest	17.11	(46.16)	(104.82)	207.72	(13.09)	378.73	237.97	218.68	182.38	142.97
Depreciation & amortization expense	77.86	76.38	76.90	76.77	76.69	51.88	26.94	25.58	31.10	25.10
Profit before Interest & Tax	(60.75)	(122.54)	(181.72)	130.95	(89.78)	326.85	211.03	193.10	151.28	117.87
Financial expenses	23.85	22.23	46.10	66.31	70.36	34.96	5.06	9.12	6.81	11.07
Profit before Tax	(84.60)	(144.77)	(227.82)	64.64	(160.14)	291.89	205.97	183.98	144.47	106.80
Tax expense	(62.92)	(47.97)	42.70	(17.13)	13.10	120.83	74.64	71.79	40.90	40.90
Profit After Tax	(21.68)	(96.80)	(270.52)	81.77	(173.24)	171.06	131.33	112.19	103.57	65.90
Dividend (Excluding Tax)	-	-	-	-	-	20.92	20.92	13.95	-	-
PRODUCTION (in MT)	2,240	2,326	1,974	4,085	4,120	4,254	4,276	3,527	3,362	3,762
SALES (in MT)	2,211	2,726	2,181	3,608	3,932	4,095	4,444	4,054	3,030	3,649
Power Consumed (in lakh units)	39.62	41.93	36.79	64.32	63.76	62.24	61.79	55.68	50.51	58.24
RATIOS :										
Profit before Tax to Sales	(2.76)	(3.94)	(8.29)	1.65	(4.73)	8.13	5.84	5.53	5.89	3.71
Trade Receivables in No. of days of Sales	-	-	0.1	0.3	-	8	7	16	3	4
Inventory in No. of days of VoP	92	110	211	121	92	72	54	64	77	50



NOTICE

NOTICE is hereby given that the 51st Annual General Meeting of M/s Vignyan Industries Limited will be held on **Thursday, the 3rd September, 2015 at 11.30 hours** at the Registered Office of the Company at Haliyur, B.H.Road, Tarikere Post - 577 228, to transact the following business:

I. ORDINARY BUSINESS

- (1) To receive, consider and approve the Audited Financial Statements for the year ended 31.03.2015, and the Reports of the Board of Directors and Auditors thereon.
- (2) To elect a Director in place of Shri Pradeep Swaminathan, who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To elect a Director in place of Prof. S Sadagopan, who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To fix the remuneration of the Auditors for the year 2015-16.

By order of the Board
For Vignyan Industries Limited

Tarikere
05.08.2015

S V Ravisekhar Rao
Company Secretary

Notes:

- (1) A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company.
- (2) A proxy shall not act on behalf of more than 50 members.
- (3) A proxy shall not have right to speak at the AGM.
- (4) The prescribed proxy form is enclosed. The Proxy form should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the AGM.
- (5) Member / Proxy holder must bring the Attendance Slip to the AGM and hand it over at the registration counter as duly signed and executed.
- (6) Members are requested to bring their copies of the Annual Report to the AGM.



- (7) Members may visit the web-link of the Company at www.bemlindia.com/vignyan.php for more information on the Company.
- (8) Members are requested to address all correspondence in relation to share matters to the Company at the following address :

Vignyan Industries Limited

Haliyur, B.H. Road

Tarikere Post - 577 228

Chikmagluru District, Karnataka

Ph : 08261-222313, 222256

E-mail : vil@beml.co.in

- (9) Pursuant to Section 124(5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund (IEPF) are as under:

<i>Dividend for the year</i>	<i>Date of Declaration</i>	<i>Due for transfer on</i>
2007-08	15.09.2008	20.10.2015
2008-09	13.08.2009	17.09.2016
2009-10	06.08.2010	10.09.2017

Members who have not encashed the dividend warrants / cheques pertaining to the aforesaid years may approach the Company for obtaining payments thereof at least 20 days before the unclaimed dividends are due for transfer to IEPF.

**BOARD'S REPORT**

Your Directors have pleasure in presenting the 51st Annual Report and the Audited Accounts of the Company for the financial year ended 31.03.2015.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	2014-15	2013-14
Sales	3066.72	3675.12
Value of Production	3150.01	3073.11
Value Added	1479.11	1447.64
Profit before Depreciation, Interest & Tax	17.11	(46.16)
Depreciation	77.86	76.38
Profit before Interest & Tax	(60.75)	(122.54)
Interest	23.85	22.23
Profit before Tax	(84.60)	(144.77)
Tax expense	62.92	47.97
Profit after Tax	(21.68)	(96.80)
Transfer to General Reserve (due to change in method of depreciation)	(7.73)	--
Profit available for appropriation	126.77	156.18
Appropriations : Profit & Loss Account	126.77	156.18
Net worth	415.92	445.33

TURNOVER AND PROFITABILITY

During 2014-15, your Company achieved the turnover of ₹30.67 Crs as against ₹36.75 Crs, resulting a decrease in turnover of 16.54% over the previous year. The Value of Production stood at ₹31.50 Crs and Loss at ₹0.85 Crs as against of ₹30.73 Crs and ₹1.45 Crs respectively over the previous financial year. The major reason for loss was due to breakdown of critical equipments and non-availability of sand. Further, frequent and unscheduled power cuts resulted in reduction of Fettleing and Proof Machining facility with Tarikere based Fettleers.

FUTURE OUTLOOK

Your Company is planning to explore new markets for reducing dependency on M/s. BEML Limited, the holding company. However, in anticipation of orders from BEML for high alloy grade castings like T-72 and Tatra Variants relating to Defence business,

Axle Box, Buffer Assembly relating to Rail business, and new castings for Mining & Construction business, necessary development and production are planned. Your Company is able to secure order from MIDHANI to manufacture and supply 800 MTs of High Manganese U-2 Steel Castings valued at ₹10.82 Crs. Company has also obtained extension from Integral Coach Factory for supply of Axle Box Housing Castings required for rail coaches. The said prospects would help the Company to achieve ₹73.75 Crs by 2020-21 as envisaged in the Perspective Plan.

The order book position remained at 3423 MTs as on 01.04.2015. In addition, further casting requirements expected from BEML as well as from other customers. With this your Company is confident of achieving better results for the financial year 2015-16.

PERFORMANCE vis-à-vis MoU

Performance of your Company, in terms of the Memorandum of Understanding signed with M/s. BEML Limited, the holding company and submitted with the Department of Defence Production, Ministry of Defence, Government of India, was rated as 'Good' for the financial year 2013-14 and the rating for the financial year 2014-15 remains as 'Fair' based on self-evaluation.

Further, the MoU targets for the FY 2015-16 are set at ₹36 Crs for net sales turnover and ₹2.88 Crs for Gross operating Margin.

QUALITY

Your Company was accredited with ISO 9001:2008 certification from Bureau Veritas Quality International and also continued to have certification from Research Design and Standard Organization as Class 'A' Foundry.

FINANCE

The working capital requirements were met out of internal resources and credit facilities availed from State Bank of Mysore. There was no overdue installment of principal and / or interest to the Bank.



The Company's contribution to exchequer was in the order of ₹4.94 Crs during the year by way of Excise Duty, Customs Duty, Sales Tax, Service Tax, Cess, Income Tax, etc., as against ₹5.87 Crs contributed during the previous year.

FIXED DEPOSITS

The Company has not accepted any deposits during the year and there is no unpaid deposits and / or interest on deposits as on 31.03.2015.

RELATED PARTY TRANSACTIONS

During the year 2014-15, all related party transactions that were entered into with M/s BEML Limited, the holding company, were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. Further, no materially significant related party transactions have been entered into by the Company with the Directors or management or their relatives that may have a potential conflict of the interest with the Company. Further, all the related party transactions were duly considered and approved by the Audit Committee.

MICRO AND SMALL ENTERPRISES

The Micro and Small Enterprises continue to get support and preference from your Company. The Company procured items worth ₹0.14 Crs constituting 0.96% of the total procurement value of ₹14.58 Crs from the said category of enterprises during the year.

CORPORATE GOVERNANCE

The Company is implementing the DPE Guidelines on Corporate Governance for CPSEs-2010 issued by the Department of Public Enterprises, Government of India and scored 'Excellent' in compliance with rating for the year 2014-15.

A report on Corporate Governance and Management Discussion and Analysis Report along with a Compliance Certificate as required under the said Guidelines are placed at *Annexure-I*.

Further, in compliance with the said Guidelines

relating to risk management, an Internal Committee has been constituted to carry on with the risk management mechanism to mitigate the risks associated with the operations of the Company.

RAJBHASHA

Efforts are being continuously made to implement the use of Hindi in official work.

MANPOWER

The manpower strength of the Company as on 31.03.2015 stood at 113 as against 127 during the previous year. This includes 12 persons from SC / ST categories.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company has identified several thrust areas for continuously updating technical / professional knowledge and skill development of employees towards fostering a performance driven work culture in all areas of operations particularly at shop floors. During the year, the Company organized several in-house training programs covering 589 man-days.

The overall industrial relation situation in the Company was cordial during the year.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility and Sustainability (CSRS) are integral part of the Company's corporate philosophy, integrating business processes with society at large. Your Company is fully committed towards CSRS.

The following projects committed during the year 2014-15, towards fulfilling its obligations and achieving its goals in the area of CSRS were successfully completed are as follows:

- (1) To preserve the environment / ecology through afforestation / horticulture, 2000 saplings were planted in and around the foundry premises.



- (2) Sponsored books / course material valuing ₹6000 to Government High School, Tarikere.
- (3) Conducted awareness programme to 64 employees and officers on industrial safety.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo in terms of Section 134 of the Companies Act, 2013 are placed at *Annexure-II*.

PARTICULARS OF EMPLOYEES

There were no employees of the Company who received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In terms of the provisions of the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013, an Internal Complaints Committee is constituted. However, no case of sexual harassment was reported / filed under the said Act during the year 2014-15.

STATUTORY AUDITORS

M/s H S Shivaram & Co., Chartered Accountants, Bengaluru, have been appointed as Statutory Auditors of the Company for the financial year 2014-15 by the Comptroller and Auditor General of India.

Reply of the Board of Directors to the observation made in the report of the Auditors on the financial statements is given in the addendum to this report.

DIRECTORS

- (i) There was no change in the Board of Directors

of your Company during 2014-15.

- (ii) The Independent Directors have given declarations that they meet the criteria of independence as laid down u/s 149(6) of the Companies Act, 2013.

(iii) Remuneration of Directors:

Nominee Directors of holding company are not paid remuneration including sitting fee.

Independent Directors are paid sitting fee of ₹10,000/- per meeting of the Board / Committee of the Board attended and if they attend more than one meeting on the same day, a sitting fee of ₹5,000/- is paid for each of such additional meeting. Conveyance for attending Board / Committee meetings is met / provided by the Company.

(iv) Number of meetings of Board:

During the year, six meetings were held on 23.05.2014, 08.08.2014, 25.09.2014, 06.11.2014, 25.11.2014 and 06.02.2015. Requirements on number and frequency of meetings were complied in full in terms of Section 173 of the Companies Act, 2013 and Para 3.3.1 of the DPE Guidelines on Corporate Governance for CPSEs-2010.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual financial statements for the year ended 31.03.2015, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (b) that such accounting policies have been



selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2015 and of the profitability of the Company for the year ended on that date;

- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the internal financial controls were adequate and operating effectively;
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the

Annual Return in the prescribed form is placed at ***Annexure-III***.

ACKNOWLEDGEMENTS

Your Directors express their appreciation to the Government of India, State Government of Karnataka, BEML Limited (the Holding Company and the major customer), other customers and the State Bank of Mysore for their valued support and guidance.

Your Directors wish to thank the Comptroller and Auditor General of India, the Principal Director of Commercial Audit, Statutory Auditors, Suppliers and Shareholders for their valued support and co-operation.

The Directors take this opportunity to place on record their appreciation for the valuable contribution made and co-operation extended by the employees and officers at all levels for the progress of the Company.

For and on behalf of the Board of Directors

Bengaluru
21.05.2015

Sd/-
C.N. Durgesh
Chairman of the Board

**REPORT ON CORPORATE GOVERNANCE**

Annexure - I

In terms of the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) - 2010, a Report on compliance with the provisions relating to Corporate Governance is provided as under:

1. COMPANY'S PHILOSOPHY

The Company's philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures and legal / statutory compliances, and to protect, promote and safeguard the interests of all the stakeholders. It is the constant endeavor of the Company to adopt and maintain the highest standards of ethics in all spheres of business activities. It strives for maximum level of transparency in decision making and avoids conflict of interest. In keeping with its professional approach, the Company is implementing the precepts of Corporate Governance in letter and

spirit.

2. BOARD OF DIRECTORS**(i) Composition**

As at March 31, 2015, the Board consisted of 5 Non-Executive Directors comprising two nominees of the holding company and three Independent Directors.

(ii) Meetings and Attendance

During the year under review, your Board met six times on 23.05.2014, 08.08.2014, 25.09.2014, 06.11.2014, 25.11.2014 and 06.02.2015. Requirements on number and frequency of meetings in terms of Para 3.3.1 of the DPE Guidelines were complied in full.

The details of attendance of the Directors at the Board Meetings, Annual General Meeting (AGM) and the other directorships of them are given below:

Sl. No.	Name of the Director (Director Identification No.)	Designation & Category	Attendance at board meetings/Total meetings after appointment as Director	Whether attended last AGM (Yes/No)	No. of other director- ships held
1	Shri. C. N. Durgesh (DIN 03487810)	Chairman of the Board, Non-Executive	6/6	Yes	1
2	Shri Pradeep Swaminathan (DIN 06565229)	Director, Non-Executive	6/6	Yes	1
3	Prof. S. Sadagopan (DIN 00118285)	Director, Non-Executive	6/6	Yes	3
4	Shri G. Sudhindra (DIN 06565237)	Director, Non-Executive	6/6	Yes	--
5	Dr. S. Venkateswaran (DIN 06822317)	Director, Non-Executive	6/6	--	--



(iii) Directors retiring by rotation

Shri Pradeep Swaminathan and Prof. S Sadagopan will be retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing AGM. The Board commends the re-appointment of the said retiring directors.

(iv) Directors' Shareholding

In terms of Article 5 of Articles of Association of the Company, each Director holds qualification shares of the face value of ₹5,000 jointly with M/s BEML Limited, the holding company.

(v) Review of Compliance of Laws

In terms of Para 3.3.3 of the DPE Guidelines, the Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2014-15 and noted that there were no instances of non-compliances.

(vi) Training for Board of Directors

In terms of Para 3.7 of the DPE Guidelines, a "Policy on Training for new Board of Directors" has been put

in place. As part of this, training is imparted to them on business model of the Company including risk profile of the business, corporate governance, responsibility of respective Directors and the manner in which such responsibilities are to be discharged.

(vii) Code of Conduct

The Company has formulated "Code of Conduct for Directors and Senior Management" for better Corporate Governance and fair / transparent practices. A copy of the same has been circulated to all concerned. The Board members and senior management personnel, i.e., Directors, Chief General Manager and General Manager, have affirmed their compliance with the code for the year 2014-15. A declaration to this effect signed by the Chairman of the Board, in terms of Para 3.4.2 of the DPE Guidelines, is placed as under :

To the Members of Vignyan Industries Limited,

I, C. N. Durgesh, Chairman of the Board of the Company, hereby declare that the Board of Directors and Senior Management personnel have affirmed their compliance with the Code of Conduct of the Company for the financial year ended 31.03.2015.

*Bengaluru
21.05.2015*

*On behalf of the Board of Directors
Sd/-
C. N. Durgesh
Chairman of the Board*

3. BOARD COMMITTEES:

(i) Audit Committee:

In terms of Chapter 4 of the DPE Guidelines, the Audit Committee constituted by the Board has been complying with the terms of reference as enumerated under DPE Guidelines on Corporate Governance as amended from time to time, in addition to complying with the directives, if any, of the Board of Directors, Department of Defence Production and Central Vigilance Commission.

During the year 2014-15, the Audit Committee met four times on 23.05.2014, 08.08.2014, 06.11.2014 and 06.02.2015 and requirements on number and frequency of meetings were complied in full. Members of Audit Committee and the details of their attendance in the meetings are given below:

S.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri G. Sudhindra	Independent Director	4/4
<i>Members:</i>			
2	Prof. S. Sadagopan	Independent Director	4/4
3	Shri Pradeep Swaminathan	Nominee Director	4/4
4	Shri S. Venkateshwaran	Independent Director	3/3

The Company Secretary acts as Secretary of the Committee. The Chairman of the Audit Committee attended the 50th AGM for replying to the shareholder queries relating to the accounts of the Company.

(ii) Remuneration Committee

In terms of Chapter 5 of the DPE Guidelines, the Remuneration Committee of the Board is constituted as under.

S.No.	Name of the Director	Category
<i>Chairman:</i>		
1	Prof. S. Sadagopan	Independent Director
<i>Members:</i>		
2	Shri G. Sudhindra	Independent Director
3	Shri Pradeep Swaminathan	Nominee Director

As per the terms of reference, the Remuneration Committee will decide the annual bonus / variable pay pool and policy for its distribution across the executives and non-unionized supervisors within the prescribed limits.

(iii) Share Transfer Committee

Share Transfer Committee is constituted with the following members for attending to the requests of members for transfer / transmission of shares, deletion of name, issue of duplicate share certificates, etc.:

S.No.	Name of the Director	Category
<i>Chairman:</i>		
1	Shri C. N. Durgesh	Nominee Director
<i>Member:</i>		
2	Shri Pradeep Swaminathan	Nominee Director

Company Secretary acts as the Compliance Officer.

4. Remuneration of Directors

Nominee Directors of holding company are not paid remuneration including sitting fee.

Independent Directors are paid sitting fee of ₹10,000/- per meeting of the Board / Committee of the Board attended and if they, attend more than one meeting on the same day, a sitting fee of ₹5,000/- is paid for each of such additional meeting. Conveyance for attending Board / Committee meetings is met by the Company. Details of sitting fees paid to the Independent Directors during the year 2014-15 are given below:

S.No.	Name of the Director	Sitting fee (Amount ₹)
(i)	Prof S. Sadagopan	80,000
(ii)	Shri G. Sudhindra	80,000
(iii)	Dr. S. Venkateswaran	75,000
	Total	2,35,000

Neither there was payment of commission to Directors nor any stock option scheme offered to them during the year.



5. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as follows:

Year	Location	Date & Time
2013-14	Registered office at Tarikere	27.08.2014 at 11.30 hrs
2012-13	Registered office at Tarikere	06.09.2013 at 11.30 hrs
2011-12	Registered office at Tarikere	06.09.2012 at 11.30 hrs

During 2012-13, a special resolution was passed at the 49th Annual General Meeting held on 06.09.2013 for altering the Articles of Association by way of inserting Article No.16(a) relating to Buy-back of Shares in compliance with the directives of DPE. No special resolution was put through postal ballot during the year under review.

6. RISK MANAGEMENT

In compliance with the DPE Guidelines, an Internal Committee was constituted to carry on with the risk management mechanism to mitigate the risks associated with the operations of the Company.

7. DISCLOSURES

In terms of Chapter 7 of the DPE Guidelines, the following disclosures are made:

- During the year 2014-15, all related party transactions that were entered into with M/s BEML Limited, the holding company, were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. Further, no materially significant related party transactions have been entered into by the Company with the Directors or management or their relatives that may have a potential conflict with the interest of the Company. Details of related party transactions as per Accounting Standard-18 issued under the Accounting Standards Rules, 2006 are given in Note No.23 (B) of the Notes forming part of financial statements and the same were duly considered and approved by the Audit Committee.

- The Company's financial statements have been prepared based on the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.
- There were no cases of non-compliances by the Company and no penalties or strictures were imposed on the Company by any statutory authority, or any matter related to any guidelines issued by the Government, during last three years.
- Senior management personnel have affirmed to the Board that their personal interest in all material, financial and commercial transactions had no potential conflict with the interest of the Company at large.

8. MEANS OF COMMUNICATION

The Company's web-link at www.bemlindia.com/vignyan.php, provides for information on management, vision, mission, financial results, annual reports for last 3 years and investors information.

9. GENERAL SHAREHOLDER INFORMATION

- (i) The 51st Annual General Meeting for the year 2014-15 is scheduled on Thursday, the 3rd September, 2015 at 11.30 hours at the Registered Office of the Company at Tarikere.
- (ii) Share Transfer System

The shares are issued and dealt in physical form only. All the requests for share transfers, transmissions, issue of duplicate share certificates, change of address, etc., will be approved by the Share Transfer Committee and accordingly, communication will be sent to the shareholders after completing such transactions.

(iii) Shareholding pattern as on 31.03.2015

Category	No. of Shares	% to equity
BEML Limited	2,69,376	96.56
Individuals	9,590	3.44
TOTAL	2,78,966	100.00

(iv) Unclaimed Dividends

Under the provisions of the Companies Act, 1956, any amount that remains unclaimed in the Unpaid Dividend Account of the Company for a period of 7 years from the date of transfer to the said account, has to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The unclaimed dividend amount for the respective years is as under:

Dividend for the year	Date of Declaration	Unclaimed as on 31.03.2015 (₹ in lakhs)	Due for transfer on
2007-08	15.09.2008	0.34	20.10.2015
2008-09	13.08.2009	0.50	17.09.2016
2009-10	06.08.2010	0.51	10.09.2017
Total (including interest)		1.35	

Members who have not encashed the dividend cheques / warrants issued by the

Company may write to the Company for claiming such unclaimed dividend amount.

- (v) Address for correspondence :
M/s. Vignyan Industries Limited,
Haliyur, B.H. Road,
Tarikere Post - 577 228,
Chikmagalur District, Karnataka
Ph : 08261 - 222313 / 222252
e-mail ID : vil@beml.co.in

10. COMPLIANCE

- (i) Your Company submitted quarterly compliance report on Corporate Governance as per prescribed format to the Ministry of Defence (MoD) within 15 days from the close of each calendar quarter.
- (ii) Further, your Company submitted grading reports on the compliance with the Corporate Governance with MoD on quarterly and annual basis, and with the Department of Public Enterprises. As per the grading report for the year 2014-15, your Company was rated as 'Excellent' in adhering to the corporate governance standards with a quarterly average score of 91.29%.



Management Discussion and Analysis Report

(In terms of Para 7.5 of the DPE Guidelines on Corporate Governance for CPSEs-2010)

(i) Industry structure and developments:

Your Company was incorporated on 25.09.1963 by two individual promoters. M/s BEML Limited, the holding company, took over the management during October 1984 upon its acquiring 69% of the paid-up share capital of the Company. Presently, 96.56% of the paid-up capital of the Company is held by BEML. The Company manufactures steel castings suitable for engineering, mining, railways and infrastructure industries.

Organization

Your Company has single manufacturing facility located in Tarikere to produce steel castings of various specifications and supply mainly to M/s BEML Limited, the holding company. The Company's manpower strength stood at 113 as on 31.03.2015.

Developments and Performance during 2014-15 :

During 2014-15, the GDP of the Indian economy slightly increased to 5.5% as compared to about 5% in the previous year. The manufacturing sector, specifically mining, quarrying and construction, is still witnessing a pressure on their growth rates due to overall sluggishness prevailing in the economy. The continuing global economic trend and the high domestic interest rate are having its impact on the performance of all major manufacturing industries which ultimately impacted the GDP. Your Company registered a turnover of ₹30.67 Crs as against ₹36.75 Crs in the previous year.

(ii) Strengths and Weaknesses:

(a) Strengths:

- ❖ Capability to pour wide range of castings up-to 1750 kgs.
- ❖ Ease of transportation as plant is located in Tarikere on National High way.

- ❖ Stabilized quality system - ISO & RDSO class 'A' foundry accreditation.

(b) Weaknesses:

- ❖ Unscheduled power cuts being common in rural area.
- ❖ Shortage of skilled manpower in Melting and Fettling sections.
- ❖ Old and outdated equipments requiring sizeable capital investment for replacement / up-gradation.
- ❖ Shortage of machining facilities for proof machining / finish machining of castings.

(iii) Opportunities & Threats:

(a) Opportunities:

- ❖ Increasing demand for castings in Defence & Railways business segments.
- ❖ Potential market for High alloy castings.
- ❖ Opportunities in metal forming areas including assemblies.

(b) Threats:

- ❖ Shortfall or non-availability of raw materials like foundry sand, bentonite and steel scrap, etc.
- ❖ Steep and frequent increase of raw material prices.
- ❖ Stringent and strict environmental norms.
- ❖ Significant dependence on a single or a tailor made refractory shapes and non-availability of foundry sand.

(iv) Segment-wise or Product-wise performance during 2014-15:

The Company is operating in one segment of business and accordingly the performance furnished under Sl. No. (viii) of this report maybe referred.

(v) Outlook:

Company is planning to explore new markets for reducing dependency on Holding Company. However, in anticipation of orders from BEML for high alloy grade castings like T-72 and Tatra Variants relating to Defence business, Axle Box, Buffer Assembly relating to Rail business, and new castings for Mining & Construction business, necessary development and production are planned. Your Company is able to secure order from MIDHANI to manufacture and supply 800 MTs of High Manganese U-2 Steel Castings valued at ₹10.82 Crs. Company has obtained extension from Integral Coach Factory for supply of Axle Box Housing Castings required for rail coaches. The said prospects would help the Company to achieve ₹73.75 Crs by 2020-21 as envisaged in the Perspective Plan.

The order book position remained at 3423 MTs as on 01.04.2015. In addition, further casting requirements expected from Holding Company as well as from other customers. With this your Company is confident of achieving better results for the financial year 2015-16.

(vi) Risks and Concerns:

The Company follows a system of making all major business decisions after a thorough discussion and analysis of risks and returns involved. Through this approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the Company's future performance. The major concerns faced by the Company are:

- (a) Uncertainty, especially in Mining sector, due to delay in resolving environmental and social issues.

- (b) Higher level of input costs.
- (c) Innovative marketing strategies to counter competition.
- (d) Retaining skilled manpower.

However, necessary action plans and strategies are put in place to address the above challenges and to ensure the business with reasonable growth.

(vii) Internal control systems and their adequacy:

The Company has an internal control system designed to provide assurance regarding optimization and safeguarding of resources, quality and reliability of financial and operational information, compliance with applicable statutes and corporate policies. It is the Company's endeavour to align all its processes and controls with industry best practices.

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The internal audit department performs risk based audits, aligned with the internal and transaction audit plan, which would be reviewed in consultation with the statutory auditors and the Audit Committee from time to time.

Your Company has implemented Enterprise Resource Planning. It has an end-to-end SAP platform that provides a robust foundation to address several emerging business needs.

(viii) Discussion on financial performance with respect to operational performance: (₹ in Lakhs)

Particulars	2014-15	2013-14
a) Sales	3066.72	3675.12
b) Value of Production	3150.01	3073.11
c) Profit before Tax	(84.60)	(144.77)
d) Profit after Tax	(21.68)	(96.80)
e) Networth	415.92	445.33
f) Inventory	794.74	926.77
g) Trade Receivables	0.02	--
Total inventory in no. of days of VoP (f/b*365)	92	110
Trade Receivables / Sales in days (g/a*365)	0.002	--
% Profit Before Tax to Sales (c/a*100)	(2.76)	(3.94)
% Profit After Tax to Networth (d/e*100)	(5.21)	(21.74)



During the year under review, your Company achieved the turnover of ₹30.67 Crs as against ₹36.75 Crs, resulting a decrease in turnover of 16.54% over the previous year. The Value of Production stood at ₹31.50 Crs and Loss at ₹0.85 Crs as against ₹30.73 Crs and ₹1.45 Crs respectively over the previous financial year. The major reason for loss was due to breakdown of critical equipments and non-availability of sand. Further, frequent and unscheduled power cut resulted in reduction of Fettleing and Proof Machining facility with Tarikere based Fettleers.

(ix) Material developments in Human Resources, Industrial Relations front including number of people employed:

The Company intensified its focus on training and development of manpower. Training and development at middle management levels were in focus during the year. A company-wide associate survey was undertaken to obtain feedback on various aspects of HR, covering all employees. The Company intensified its communication with all levels and categories of employees by way of different internal forums. The Company also continued to excel in the field of training apprentices and workmen.

The industrial relations were harmonious and cordial during the year. The manpower strength as of 31.03.2015 stood at 113 as against 127 during

previous year. During the year, 589 man-days of training were imparted to hone the skills and update the knowledge of employees.

(x) Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation:

Relevant information in this regard is placed in the Board's Report.

(xi) Corporate Social Responsibility and Sustainability (CSRS):

The details of CSRS activities undertaken by the Company during the year are placed in the Board's Report.

Cautionary Statement - Certain statements made in the Management Discussion and Analysis Report related to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No. : U51101KA1963PLC001510

Nominal Capital : ₹400 Lakhs

To the members of M/s Vignyan Industries Limited

I have examined all the relevant records of Vignyan Industries Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under DPE Guidelines on Corporate Governance for CPSEs-2010 for the year ended 31st March, 2015. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of my examination of the records produced and the explanations and information furnished, I certify that the Company has complied with mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs-2010.

For Velichety & Co.,
Chartered Accountants

CA. V. Vijaya Raghava Rao
Partner
M.No.: 028453
FRN.: 004588S

Bengaluru
21.05.2015

(A) CONSERVATION OF ENERGY**(a) Steps taken or impact on conservation of energy**

- (i) Replacement of 23 Nos. of lighting tubes with CFL bulbs has resulted in saving of 2,061 units of electricity amounting ₹0.12 lakhs.
- (ii) Switching off Air Compressors during idle hours (3,395 hours) has resulted in saving of 3,02,540 units amounting ₹17.34 lakhs.

(b) Steps taken by Company for utilizing alternate sources of energy

NIL

(c) Capital investment on energy conservation equipments

NIL

(B) TECHNOLOGY ABSORPTION**(i) Efforts made towards technology absorption**

Company is adopting conventional foundry technology only.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Not Applicable.

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

NIL

(iv) The expenditure incurred on Research and Development

NIL

(C) FOREIGN EXCHANGE EARNINGS & OUTGO : Nil

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : **U51101KA1963PLC001510**
- ii) Registration Date : **25.09.1963**
- iii) Name of the Company : **Vignyan Industries Limited**
- iv) Category/Sub-Category of the Company : **Company Limited by Shares**
- v) Address of the Registered office and contact details : **Haliyur, B H Road, Tarikere Post -577 228
Chikmagaluru District, Karnataka**
- vi) Whether listed company : **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **Not Applicable**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Steel Castings	27310	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
1	M/s BEML Limited BEML Soudha, # 23/1, 4th Main, S.R. Nagar, Bengaluru-560 027	L35202KA1964GOI001530	Holding Company	96.56%	2(46)


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt									
d) Bodies Corp.	-	269376	269376	96.56	-	269376	269376	96.56	-
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):	-	269376	269376	96.56	-	269376	269376	96.56	-
(2) Foreign									
a) NRIs Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	269376	269376	96.56	-	269376	269376	96.56	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Com.									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs h) Foreign Venture Capital Funds i) Others (specify)									
Sub-total (B)(1):-									
2. Non- Institutions									
a) Bodies Corp									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	5965	5965	2.14	-	5965	5965	2.14	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	3625	3625	1.30	-	3625	3625	1.30	-
c) Others (specify)									
Sub-total (B)(2):-	-	9590	9590	3.44	-	9590	9590	3.44	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	9590	9590	3.44	-	9590	9590	3.44	-
C. Share held by custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	278966	278966	100.00	-	278966	278966	100.00	-

**(ii) Shareholding of Promoters:**

Sl No.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in share holding during the year
		No of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	BEML Limited	269376	96.56	0	269376	96.56	0	Nil
	Total	269376	96.56	0	269376	96.56	0	Nil

(iii) Change in Promoters' Shareholding:

	Shareholding at the beginning of the year		Cumulative Shareholding for the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	269376	96.56	269376	96.56
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable			
At the end of the year			269376	96.56

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding for the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
1. Shri M S Manjappa	500	0.18	500	0.18
2. Smt. Jayanthimala S Hegde	445	0.16	445	0.16
3. Smt Pushpavathi Shedthi	400	0.14	400	0.14
4. Shri B S Chetan	360	0.13	360	0.13
5. Shri T Nagappa	300	0.11	300	0.11
6. Smt D Parvathamma	274	0.09	274	0.09
7. Prof. P Shivaji Shetty	250	0.08	250	0.08
8. Dr. S Suresh	250	0.08	250	0.08
9. Shri B K Krishnaiah	200	0.07	200	0.07
10. Smt. Lakshmi Shedthi	200	0.07	200	0.07

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Not Applicable	
At the end of the year (or on the date of separation, if separated during the year)	<i>No. of shares</i>	<i>% of total shares of the Coompany</i>
	500	0.18
	445	0.16
	400	0.14
	360	0.13
	300	0.11
	274	0.09
	250	0.08
	250	0.08
	200	0.07
200	0.07	

(v) Shareholding of Directors and Key Managerial Personnel:

<i>For Each of the Directors and KMP</i>	<i>Shareholding at the beginning of the year</i>		<i>Cumulative Shareholding during the year</i>	
	<i>No. of shares</i>	<i>% of total shares of the Company</i>	<i>No. of shares</i>	<i>% of total shares of the Company</i>
At the beginning of the year	All the five Directors on the Board of the Company are holding qualification shares of 50 each having aggregate value of ₹5,000/- in terms of Article of Association of the Company, jointly with M/s. BEML Limited, the holding Company.			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the end of the year				

V. Indebtedness:

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

(₹)

	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
<i>Indebtedness at the beginning of the financial year as on 01.04.2014</i>				
i) Principal Amount	18706757	-	1816347	20523104
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18706757	-	1816347	20523104



(₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
· Addition	617146	-	1079652	1696798
· Reduction	-	-	-	-
Net Change	617146	-	1079652	1696798
<i>Indebtedness at the end of the financial year 31.03.2015</i>				
i) Principal Amount	19323903	-	2895999	22219902
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19323903	-	2895999	22219902

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-



B. Remuneration to other Directors:

Independent Directors				
<i>Particulars of Remuneration</i>	<i>Name of Directors</i>			<i>Total Amount in ₹</i>
	<i>Prof. S Sadagopan</i>	<i>Shri G Sudhindra</i>	<i>Dr. S Venkateswaran</i>	
· Fee for attending Board/ Committee meetings	80,000/-	80,000/-	75,000/-	2,35,000/-
· Commission	Nil	Nil	Nil	Nil
· Others, please specify	Nil	Nil	Nil	Nil
Total (1)	80,000/-	80,000/-	75,000/-	2,35,000/-
Other Non-Executive Directors				
<i>Particulars of Remuneration</i>	<i>Name of Directors</i>			<i>Total Amount in ₹</i>
<i>Nominee Directors of BEML Limited (Holding Company)</i>	<i>Shri C N Durgesh</i>	<i>Shri P Swaminathan</i>	--	
· Fee for attending Board/ Committee meetings	-	-	-	-
· Commission	-	-	-	-
· Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B)=(1+2)	80,000/-	80,000/-	75,000/-	2,35,000/-
Total Managerial Remuneration	80,000/-	80,000/-	75,000/-	2,35,000/-
Overall Ceiling as per the Act	Not Applicable			



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(C) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD/ NCLT/ Court]	Appeal made, if any
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		



SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (GAAP), on the accrual basis of accounting, except as stated herein. GAAP comprises of the mandatory Accounting Standards (AS) prescribed by the Central Government, to the extent applicable, and the provisions of the Companies Act, 2013 and these have been consistently applied.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the Management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability as on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

3. Fixed Asset

A) Capitalisation:

- (a) The Fixed Assets are stated at cost.
- (b) The cost of the Fixed Asset comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (c) Expenditure on land development is capitalised.
- (d) Expenditure on reconditioning, rebuilding and major overhaul of an asset are capitalized if technical assessment indicates increase in future

benefits from the existing assets beyond its previously assessed standards of performance (increase in capacity or life or efficiency or productivity).

- (e) Jigs and fixtures of unit value of ₹0.50 lakhs and above are capitalized and those with unit value below ₹0.50 lakhs are charged off in the year of incurrence.

B) Depreciation

- (a) Depreciation is charged on Straight Line Method basis adopting 'Useful Lives' as per Schedule-II of the Companies Act, 2013 (or such shorter useful lives which in the opinion of the management are appropriate), calculated from the month following the month of capitalization. Depreciation on additions or extensions to existing assets is provided so as to co-terminate with the life of the original asset if it becomes integral part of the existing asset or on useful life of the asset if it is capable of independent use.
- (b) For Assets whose unit cost does not exceed ₹5000/- depreciation is provided at the rate of hundred percent in the year of capitalization.
- (c) Cost of leasehold land is amortised over the period of lease on pro-rata basis.
- (d) Jigs & Fixtures which are capitalized are depreciated over a period of three years.

C) Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying fixed asset are capitalised as part of the cost of the asset.



D) Impairment of Assets

The Company assesses the impairment of assets at each Balance sheet date. The loss on account of impairment, if any, is accounted accordingly.

4. Intangible Assets

(a) Software

The cost of software internally generated/purchased for internal use which is not an integral part of the related hardware is recognised as an Intangible Asset and is amortised on straight line method based on technical assessment for a period not exceeding ten years. Software which is an integral part of related hardware is capitalised along with the hardware.

(b) Technical Know-how

Expenditure on Technical Know-how is recognised as an Intangible Asset and amortised on straight line method based on technical assessment for a period not exceeding ten years.

For Sl.No. (a) & (b) above, amortization commences from the month following the month during which the asset is available for use.

5. Inventory Valuation

- i) Raw materials, Components, Stores and Spare parts are valued at lower of Weighted Average Cost and estimated net realizable value.
- ii) Work-in-progress is valued at lower of cost of materials, labour & production overheads based on normative capacity and estimated net realizable value.
- iii) Finished stock is valued at lower of cost and estimated net realizable value.
- iv) Estimated costs are considered wherever actual costs are not available.

v) The cost is adjusted for decline in value by writing down the value based on specific identification. Necessary provision is made for non-moving items.

vi) Based on technical assessment, provision is made for revalidation/refurbishment of finished goods.

vii) Scrap is valued at estimated net realizable value.

6. Advances from customers

Advances from customers include advances / progress payments received as per letters of intent / sale contracts and are net after adjustments for sales accounted under respective contracts.

7. Sales/Other Income

(i) Sales for products viz., equipments, aggregates, attachments, spares and ancillary products is recognised when risks and rewards of ownership pass on to the customer as per contractual terms.

(ii) Where sale prices are not established, sales are recognised provisionally at prices likely to be realised. Difference, if any, is accounted in the year of finalization of price.

(iii) Sales include excise duty wherever applicable but exclude sales tax.

(iv) Duty drawback claims on exports are accounted on preferring the claims.

(v) Claims for escalation are recognised as per escalation formula provided in the contract. If the contract does not provide for escalation, claim for the same is recognized on acceptance by the customer.

8. Employee Benefits

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gain and losses in respect of post-employment and other long term benefits are charged to the profit and loss account.

9. Foreign Currency

- i) Transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing as on the date of transaction.
- ii) The outstanding balances of monetary items relating to foreign currency transactions are stated in rupees by adopting the rate of exchange prevailing on the date of Balance Sheet.
- iii) Exchange rate differences consequent to restatement / settlement are recognised as income / expenditure.
- iv) In the case of forward exchange contracts, the premium or discount arising at the inception of the contract is accounted for over the life of the contract. Exchange differences on such a contract are recognised in the statement of profit or loss in the reporting period in which the exchange rate changes.

10. Contractual Obligations

Warranty liability for contractual obligation in respect of equipments /spares sold to customers is ascertained on the basis of an annual technical assessment.

11. Research & Development

Research expenditure is charged off in the year of incurrence. The expenditure on development of new products is capitalized or where the same is intended for sale, it is inventorised. Amortization of the capitalised expenditure is on straight line method based on technical assessment for a period not exceeding ten years. The amortization commences from the month following the month during which the asset is available for use. Expenditure on fixed assets relating to Research & Development is capitalised.

12. Prior Period Items

Prior period adjustments are those adjustments, which are over ₹1 lakh in each case, arising out of correction of errors and omissions made in the past years.

13. Under / Over Absorption of Cost

Adjustments for under / over absorption of costs on jobs, is made only if the extent of under/ over recovery exceeds one percent of turnover.

14. Taxes on Income

The tax expense comprises of current tax and deferred tax. The provision for current tax is ascertained on the basis of assessable profits computed in accordance with provisions of the Income Tax Act, 1961. The deferred tax is recognised on all timing differences resulting from the recognition of items in the financial statements and in estimating current income tax provision, subject to consideration of prudence in respect of deferred tax assets. The carrying amount of deferred tax asset/ liability



is reviewed at each balance sheet date.

15. Leased Assets

Lease rentals recovered on assets given under operating leases are recognised in the Profit & Loss Account. Initial direct costs are expensed on incurrence.

16. Investments

Long-term investments are carried at cost. Permanent decline in the value of such investments is recognised and provided for. Current investments are carried at lower of cost and fair value.

17. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when

- A present obligation arises as a result of past events.
- It is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are determined based on the best estimates required to fulfill the obligations on the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

18. Others

- (i) Special Tools up to the unit value of ₹5000 are charged off in the year of incurrence and those above unit value of ₹ 5000 are amortized over a period of three years.
- (ii) Hand tools are charged to expenses at the time of issue.
- (iii) Expenditure on Voluntary Retirement Scheme is expensed in the year of incurrence.

**BALANCE SHEET**

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	278.97	278.97
(b) Reserves and surplus	2	136.95	166.36
(2) Share application money pending allotment			
(3) Non-current liabilities			
(a) Deferred tax liabilities (Net)	3	39.93	85.51
(4) Current liabilities			
(a) Short-term borrowings	4	193.24	187.07
(b) Trade payables	5	257.24	292.82
(c) Other current liabilities	6	681.09	849.61
(d) Short-term provisions	7	184.91	185.92
TOTAL		<u>1,772.33</u>	<u>2,046.26</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	840.39	909.71
(b) Long-term loans and advances	9	73.17	180.90
(2) Current assets			
(a) Inventories	10	794.74	926.77
(b) Trade receivables	11	0.02	-
(c) Cash and cash equivalents	12	1.59	1.48
(d) Short-term loans and advances	13	57.42	23.15
(e) Other current assets	14	5.00	4.25
TOTAL		<u>1,772.33</u>	<u>2,046.26</u>

Note nos. 1 to 23 and Accounting Policies annexed herewith forms part of this financial statements.

As per our report of even date attached
For H.S. SHIVARAM & CO.
Chartered Accountants

For and on behalf of the Board of Directors

H.S.SHIVARAM
Membership No: 021369

PRADEEP SWAMINATHAN
Director

C.N.DURGESH
Chairman of the Board

Bengaluru
21.05.2015

S.V.RAVISEKHAR RAO
Company Secretary



PROFIT AND LOSS STATEMENT

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
Revenues:			
Revenue from operations	15	2,731.76	3,272.25
Other income	16	13.40	19.69
Total Revenue		2,745.16	3,291.94
Expenses:			
Cost of materials consumed	17	1,670.90	1,625.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(83.29)	602.01
Employee benefits expense	19	585.94	591.45
Finance costs	20	23.85	22.23
Depreciation and amortization expense	8	77.86	76.38
Other expenses	21	554.50	523.27
Total expenses		2,829.76	3,440.81
Profit/ (Loss) before exceptional, extraordinary and prior period items and tax		(84.60)	(148.87)
Add/ (Less) : Exceptional items		-	-
Profit/(Loss)before extraordinary items and tax		(84.60)	(148.87)
Add/ (Less) : Extraordinary Items		-	-
Profit/(Loss) before Prior Period Adjustment		(84.60)	(148.87)
Add / (Less) Prior Period Adjustment	22	-	4.10
Profit/ (Loss) before tax		(84.60)	(144.77)
Tax expense			
(1) Current tax		-	-
(2) Deferred tax		45.59	47.97
(3) Excess Provision of previous years Written back.		17.33	-
Profit / (Loss) for the period		(21.68)	(96.80)
Earnings per equity share: (₹)			
(1) Basic & Diluted	23A	(7.77)	(34.70)

Note nos. 1 to 23 and Accounting Policies annexed herewith forms part of this financial statements.

As per our report of even date attached
For H.S. SHIVARAM & CO.
 Chartered Accountants

For and on behalf of the Board of Directors

H.S.SHIVARAM
 Membership No: 021369

PRADEEP SWAMINATHAN
 Director

C.N.DURGESH
 Chairman of the Board

Bengaluru
 21.05.2015

S.V.RAVISEKHAR RAO
 Company Secretary

**CASH FLOW STATEMENT**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
A. Cash flow from operating activities		
Net profit loss before tax and extraordinary items	(84.60)	(144.77)
<i>Adjustments for</i>		
Depreciation	77.86	76.38
TDS no longer receivable	-	-
Interest expense	23.85	22.23
Other interest received	(8.79)	(4.72)
Other non-operating non-cash adjustments	17.33	93.89
Operating profit loss before changes in working capital	25.65	(50.88)
<i>Adjustment for</i>		
Inventories	132.03	555.61
Sundry debtors	(0.02)	0.45
Other current assets	(0.75)	0.03
Loans and advances	73.46	35.03
Amounts due related parties	(173.59)	(586.72)
Trade payables	(35.58)	(11.73)
Other liabilities	5.07	8.53
Provisions	(1.01)	32.41
	(0.39)	33.61
Cash from generated operations	25.26	(17.27)
Direct taxes paid/refunded	-	-
Net cash flow from/used in operating activities	25.26	(17.27)
B. Cash flow from investing activities		
Purchase of tangible fixed assets	(16.26)	-
Other interest	8.79	4.72
Net cash flow from/used in investing activities	(7.47)	4.72
C. Cash flow from financing activities		
Proceeds from short-term borrowings	6.17	34.90
Repayment of short-term borrowings	-	-
Interest expense on bank borrowings	(23.85)	(22.23)
Dividend paid for equity shares	-	-
Dividend distribution tax paid on equity shares	-	-
Net cash flow from/used in financing activities	(17.68)	12.67
Effect foreign exchange cash and cash equivalents	-	-
Net increase decrease cash and cash equivalents	0.11	0.12
Cash and Cash Equivalents, Beginning Balance	1.48	1.36
Cash and Cash Equivalents, Ending Balance	1.59	1.48

Significant Accounting Policies and Notes form part of Financial Statements

For **H.S. SHIVARAM & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

H.S.SHIVARAM
Membership No: 021369**PRADEEP SWAMINATHAN**
Director**C.N.DURGESH**
Chairman of the BoardBengaluru
21.05.2015**S.V.RAVISEKHAR RAO**
Company Secretary



NOTES FORMING PART OF FINANCIAL STATEMENT

Basis of Preparation of Accounts

Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company's operating cycle is considered as twelve months for the purpose of current / non current classification of assets and liabilities.

Figures are grouped and regrouped where ever required.

Note No. 1 : Share Capital

(₹ in Lakhs)

	<i>As at 31st March 2015</i>		<i>As at 31st March 2014</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
Authorised :				
Equity Shares of ₹100 each	380,000	380.00	380,000	380.00
9.5% Redeemable cum Preference Share at ₹100 each	20,000	20.00	20,000	20.00
Issued :				
Equity Shares of ₹100 each	283,500	283.50	283,500	283.50
Subscribed :				
Equity Shares of ₹100 each	278,966	278.97	278,966	278.97
Paid-up :				
Equity Shares of ₹100 each	278,966	278.97	278,966	278.97
Share Capital	278,966	278.97	278,966	278.97

Note No. 1B:

Terms/Rights attached to equity Shares

The Company has only one class of equity shares having a par value of ₹100 per share. Each holder of equity share is entitled to one vote per share in the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

Note No. 1D:

(₹ in Lakhs)

Reconciliation of Opening and Closing Outstanding Shares	<i>As at 31st March 2015</i>		<i>As at 31st March 2014</i>	
	<i>No. of Share</i>	<i>%</i>	<i>No. of Share</i>	<i>%</i>
<i>Particulars</i>				
Outstanding as on Opening Date	278,966	278.97	278,966	278.97
Outstanding as on Closing Date	278,966	278.97	278,966	278.97

**Note No. 1E:**

(₹ in Lakhs)

Equity Shares held by shareholders having 5% or more	As at 31st March 2015		As at 31st March 2014	
	Number	Amount	Number	Amount
BEML Limited (Holding Company)	269,376	96.56	269,376	96.56

Note No. 2 : Reserves & Surplus

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
Opening Balance	0.16	0.16
Closing Balance	0.16	0.16
Securities Premium Account		
Opening Balance	0.02	0.02
Closing Balance	0.02	0.02
Capital Redemption Reserve		
Opening Balance	10.00	10.00
Closing Balance	10.00	10.00
Balance in the Statement of profit and Loss		
Opening Balance	156.18	252.98
Additions/(deletions) during the year	(21.68)	(96.80)
Deductions during the year *	(7.73)	-
Closing Balance	126.77	156.18
Reserves and Surplus	136.95	166.36

* Represents carrying amount of assets net of residual value whose remaining useful life as on 01.04.2014 is 'Nil', recognised in the retained earnings as per the requirement under Schedule II of Companies Act, 2013

**Note No. 3 : Deferred Tax (Net)**

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Deferred Tax Liabilities (DTL)		
Related to Fixed Assets	86.64	102.63
Effects on change in valuation	-	19.21
Total DTL (A)	86.64	121.84
Deferred Tax Assets (DTA)		
Effects on change in valuation	3.34	-
Leave Encashment	1.00	0.06
Pay revision	5.90	-
Gratuity Liability	36.47	36.27
Total DTA (B)	46.71	36.33
Net Total (A-B)	39.93	85.51

Note No. 4 : Short Term Borrowings

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Loan from Banks (Secured)		
Cash Credit	193.24	187.07
(Secured by first charge by way of hypothecation of inventories, book debts and all other movable assets)		
Total	193.24	187.07

Note No. 5 : Trade Payables

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Trade payables		
Due to Micro and Small Enterprises **	1.62	-
Due to others	255.62	292.82
Total Trade payables	257.24	292.82

**** Micro and Small Enterprises**

The information under MSMED Act, has been disclosed to the extent such vendors have been identified by the Company during the year. The details of amounts outstanding to them based on the MSE certificate provided by the vendors.

Note No. 6 : Other Current Liabilities

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Unclaimed dividends *	1.35	1.16
Other Payables		
a. Staff related dues	18.76	42.98
b. Statutory dues	42.59	24.29
c. Deposits & EMD received	28.96	18.16
d. BEML Limited (Holding Company)	589.34	762.93
e. Other dues	0.09	0.09
Total	681.09	849.61

* Includes unclaimed dividend and interest earned on the account

Note No. 7 : Short Term Provisions

(₹ in Lakhs)

<i>Nature</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Provision for employee benefits		
for Gratuity	118.03	117.38
for Leave Salary	3.22	0.21
Provision for Pay revision	63.66	-
Provision-others		
Provision for Tax	-	68.33
Total	184.91	185.92

Movement in provision for employee benefits

(₹ in Lakhs)

<i>Particulars</i>	<i>As on 01.04.14</i>	<i>Addition</i>	<i>Utilisation</i>	<i>As on 31.03.15</i>
Gratuity	117.38	26.48	25.83	118.03
Leave Salary	0.21	6.53	3.52	3.22
Pay revision	-	63.66	-	63.66
Total	117.59	96.67	29.35	184.91

**Note No. 8 : Fixed Assets**

(₹ in Lakhs)

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 31.03.2014	Additions during the year	Deduction / Re- classification & Adjustments during the year	Inter division Transfers	As at 31.03.2015	As at 31.03.2014	For the Year	Deduction / Re- classification & Adjustments during the year	Transferred to General Reserve (see Note No. 23E)	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets												
Land *												
Free Hold	0.56	-	-	-	0.56	-	-	-	-	-	0.56	0.56
Roads & Drains	1.37	15.25	-	-	16.62	0.97	2.18	-	-	3.15	13.47	0.40
Water Supply Installations	4.38	-	-	-	4.38	3.93	0.44	-	-	4.37	0.01	0.45
Buildings	154.87	-	-	-	154.87	71.46	4.56	-	4.44	80.46	74.41	83.41
Plant, Machinery and Equipment	1,419.56	0.17	-	-	1,419.73	603.37	64.09	-	2.59	670.05	749.68	816.19
Furniture & Fixtures	12.92	0.84	-	-	13.76	9.24	4.23	-	-	13.47	0.29	3.68
Vehicles	23.48	-	-	-	23.48	20.08	1.16	-	0.62	21.86	1.62	3.40
Office Equipment	40.02	-	-	-	40.02	38.40	1.19	-	0.08	39.67	0.35	1.62
					-							
Total Tangible Assets	1,657.16	16.26	-	-	1,673.42	747.45	77.86	-	7.73	833.03	840.39	909.71
Previous Year	1,657.16	-	-	-	1,657.16	671.07	76.38	-	-	747.45	909.71	986.09

* Includes 3 acres of land leased to M/s Sri Sharada Engineering Works Pvt. Ltd., for a period of 30 years (since 1998)

Note No. 9 : Long-Term Loans and Advances

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Unsecured, considered good		
Capital Advances *	5.12	33.54
Security Deposits	55.57	55.57
Other Loans and Advances	7.35	7.35
Advance Payment of Taxes	4.60	82.97
TDS receivable from the deductees	0.53	1.47
Total	73.17	180.90

* Refund short received from M/s KIADB, Bangalore against advance made for allotment of additional land

Note No. 10 : Inventories

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Raw materials & Components	143.40	352.00
Stores and Spares	42.56	47.20
Work-in-Progress	559.75	448.32
Finished Goods	36.50	64.64
Patterns	12.24	14.32
Canteen Materials	0.29	0.29
Total	794.74	926.77



- (a) Work-in-Progress includes materials lying with sub contractors ₹19.12 Lakhs (Previous year ₹14.97 lakhs) for which confirmation from the parties have been obtained fully.
- (b) The closing stock of work-in-progress and finished goods are stated at lower of predetermined cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- (c) The inventory does not include the value of materials received free of cost from customers and held in trust for utilisation in manufacture of their products.

Note No. 11 : Trade Receivables

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Unsecured, considered good		
Outstanding for period exceeding six months		
Others	0.02	-
Total	0.02	-

Note No. 12 : Cash and Cash Equivalents

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Balances with Banks*	1.35	1.30
Cash on hand	0.24	0.18
Total	1.59	1.48

* Balances with banks include unclaimed dividend account balances of ₹1.35 Lakhs (including interest)

Note No. 13 : Short Term Loans and Advances

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Unsecured, Considered good		
Balances with Govt. departments for Customs Duty, Excise Duty etc including receivables	38.11	5.54
Other Loans and advances		
Staff advance	3.96	5.56
Pre paid expenses & Other advances	15.35	11.93
Advances recoverable in cash or in kind for value to be received	-	0.12
Total	57.42	23.15

**Note No. 14 : Other Current Assets**

(₹ in Lakhs)

<i>Particulars</i>	<i>As at 31st March 2015</i>	<i>As at 31st March 2014</i>
Interest Accrued on Mescom Deposit	5.00	4.25
Total	5.00	4.25

Notes to Profit and Loss Statement**Note No. 15 : Revenue from Operations**

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
(a) Sale of products;		
Sale of Castings (net of rejected casting)	3,066.72	3,675.12
Revenue Including Excise Duty	3,066.72	3,675.12
Less :Excise Duty	334.96	402.87
Revenue from operations	2,731.76	3,272.25

Note No. 16 : Other Income

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Interest Income		
Miscellaneous Income	13.40	19.69
	13.40	19.69

Note No. 17 : Cost of Materials Consumed

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Opening Stock		
- Raw Material & components	399.20	355.39
	399.20	355.39
Add: Purchases		
- Raw Material & components	1,457.66	1,669.28
	1,457.66	1,669.28
Closing stock		
- Raw Material & components	185.96	399.20
	185.96	399.20
Total Consumption of Materials	1,670.90	1,625.47

**Note No. 18 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Opening Stock		
Work-in-progress	448.32	983.00
Finished Stock	64.64	131.97
	512.96	1,114.97
Closing Stock		
Work-in-progress	559.75	448.32
Finished Stock	36.50	64.64
	596.25	512.96
Increase / (Decrease)		
Work-in-progress	(111.43)	534.68
Finished Stock	28.14	67.33
Total	(83.29)	602.01

Note No. 19 : Employee benefits expense

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Salaries, Wages & Bonus	457.32	430.39
Leave Salary	6.53	7.62
Contribution to:		
- Gratuity Fund	26.48	47.51
- Provident Fund and Other Funds	34.18	31.62
Staff welfare expenses	61.43	74.31
Total Employee benefits	585.94	591.44

Salaries & wages includes ₹63.66 lakhs towards expenses provided for wage revision which is due from 01.01.2013.



A. Accounting Standard 15 (Revised) (Employee Benefits)

a. Leave Salary

This is a funded defined benefit plan categorized under other long term employee benefits in terms of Revised Accounting Standard 15. The defined benefit obligation for compensated absence has been actuarially valued and liability provided accordingly.

(₹ in Lakhs)

Changes in the Present value of obligation	Current year	Previous year
Present value of obligation at beginning of the year	37.24	40.18
Interest Cost	2.91	3.62
Current Service Cost	2.10	1.90
Benefits Paid	(8.70)	(8.58)
Actuarial (gain)/loss on obligations	4.63	0.13
Present value of obligation at the end of the year	38.17	37.25
Changes in the Fair value of Plan assets		
Fair value of plan assets at beginning of the year	37.45	42.68
Expected return on plan assets	3.10	3.33
Contributions	3.10	0.03
Benefits paid	(8.70)	(8.58)
Actuarial (gain)/loss on plan assets	(0.00)	(0.00)
Fair value of plan assets at the end of the year	34.95	37.46
Reconciliation of obligations and fair value of plan assets		
Present value of obligation at the end of the year	38.17	37.24
Fair value of plan assets at the end of the year	34.95	37.45
Funded Status	(3.22)	(0.21)
Liability Existing	-	-
Liability recognized during the year	3.22	0.21
Expenses recognized during the year		
Current Service Cost	2.10	1.90
Interest Cost	2.91	3.62
Expected return on plan assets	(3.10)	(3.33)
Actuarial (gain)/loss on obligation	4.63	0.13
Contributions	-	5.30
Net Cost	6.53	7.62
Investment Details	%	%
Investment with LIC	100	100
Actuarial Assumptions	Leave Salary	
	Current year	Current year
	(Funded)	(Funded)
Mortality Table (LIC)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate	7.80%	9.00%
Rate of return on plan assets	9.00%	8.75%
Rate of escalation salary	3.50%	3.50%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary.



b. Gratuity

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(₹ in Lakhs)

Changes in the Present value of obligation	Current year	Previous year
Present value of obligation at beginning of the year	312.52	353.46
Interest Cost	24.38	31.81
Current Service Cost	9.80	10.29
Benefits Paid	(63.14)	(94.92)
Actuarial (gain)/loss on obligations	7.85	11.88
Present value of obligation at the end of the year	291.42	312.52
Changes in the Fair value of Plan assets		
Fair value of plan assets at beginning of the year	195.14	270.78
Expected return on plan assets	15.56	19.28
Contributions	25.83	-
Benefits paid	(63.14)	(94.92)
Actuarial (gain)/loss on plan assets	-	-
Fair value of plan assets at the end of the year	173.39	195.14
Reconciliation of obligations and fair value of plan assets		
Present value of obligation at the end of the year	291.42	312.52
Fair value of plan assets at the end of the year	173.39	195.14
Funded Status	(118.03)	(117.38)
Liability Existing	-	-
Liability recognized during the year	118.03	117.38
Expenses recognized during the year		
Interest Cost	24.38	31.81
Current Service Cost	9.80	10.29
Expected return on plan assets	(15.56)	(19.28)
Actuarial (gain)/loss on obligation	7.85	11.88
Contributions	-	12.81
Net Cost	26.48	47.51
Investment Details	%	%
Investment with LIC	100	100
Actuarial Assumptions		Gratuity
	Current year	Current year
	(Funded)	(Funded)
Mortality Table (LIC)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate	7.80%	9.00%
Rate of return on plan assets	9.00%	8.75%
Rate of escalation salary	3.50%	3.50%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary.

**Note No. 20 : Finance costs**

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Interest expense		
- Interest to Banks		
On Cash Credit & Short term Loans	22.03	22.23
- Interest on others	1.82	-
Total Interest Cost	23.85	22.23

Note No. 21 : Other expenses

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Machining / Fettling charges	121.28	104.67
Power and fuel	282.12	280.20
Moulding Charges	51.69	38.84
<u>Repairs and Maintenance</u>		
Plant & Machinery	1.20	4.29
Building	0.19	0.10
Others	0.87	1.76
Stationery	1.49	1.47
Insurance	0.73	1.45
Rates and Taxes	3.18	3.04
Bank Charges	0.94	0.66
Postage , Telegram, Telephone and Telex	3.60	5.64
Selling Expenses	19.07	19.93
Remuneration to Auditors	1.03	1.01
Legal and Professional Charges	4.73	3.23
Travelling Expenses	5.55	6.61
Directors Expenses	2.35	1.20
Vehicle Maintenance	4.95	4.88
Guest House Maintenance	0.12	0.16
Expenses on CSR Activities	0.06	0.48
Miscellaneous Expenses	50.41	38.26
Sales Tax on SRN	0.28	-
ED on FGI	(1.34)	5.39
Total Other Expenses	554.50	523.27

**b. Break up of Remuneration to Auditors**

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
(a) Towards Audit Fee	0.60	0.60
(b) Half yearly Limited review	0.30	0.30
(c) Travel & out of pocket expenses	0.13	0.11
Total	1.03	1.01

Note No. 22 : Prior Period Items

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Expenditure		
Previous Year Property Tax	-	1.72
Previous year income	-	(5.82)
Net income / (Expenditure)	-	(4.10)

Note No. 23 : Other Disclosures**Notes to Profit and Loss Account****A. Basic/ Diluted Earnings Per Equity Share**

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Net Profit / (Loss) after Tax (₹ Lakhs)	(21.68)	(96.80)
Average Number of Shares	278,966	278,966
Earnings Per Share (Basic and Diluted)		
– Face Value ₹100/- Per Share	(7.77)	(34.70)



B. Accounting Standard 18 (Related Party Transactions)

Name of the Holding Company M/s.BEML Limited

Details of Transactions

(₹ in Lakhs)

<i>Particulars</i>	<i>For the year ended 31st March 2015</i>	<i>For the year ended 31st March 2014</i>
Sales	3,221.85	3,858.02
Purchases	837.57	925.43
Salaries charged to VIL for BEML personnel deputed.	54.87	58.57
Amount payable towards suppliers - Closing Balance	589.34	762.93

C. Commitments &Contingent liabilities

Notes :

Probable contingent liability that may arise out of dispute between the company and M/s. Sharada Engineering Works Private Limited not provided in the books of accounts is ₹ 8,86,000/-. Now the case is under Arbitration proceedings.

D. Useful life adopted by the Company for calculation in respect of the following assets are less than the useful life prescribed under Schedule II of the Companies Act, 2013. The reduced useful life has been adopted in view of faster rate of wear and tear

i) Individual assets costing less than ₹ 5000 - useful life 1 year

E. Effective from 01.04.2014, the Company has revised the useful life of the Assets based on Schedule II of the Companies Act, 2013. Consequently, the Depreciation for the period ended 31st March 2015 is reduced by ₹1.17 lakhs and an amount of ₹7.73 lakhs has been charged to the opening balance of statement of P & L.

**Additional Information on Financial Statements as per Schedule II of Companies Act, 2013**

<i>Particulars</i>	<i>(₹ in Lakhs)</i>	
	<i>31st March 2015</i>	<i>31st March 2014</i>
i) Goods purchased under broad heads		
1. Scrap	712.58	798.52
2. Other Raw materials (specify)	514.44	609.05
3. Components and spares procured from outside (Name of the item to be specified separately where the value exceed 10% of value of Goods purchased)	230.64	261.71
Total	1457.66	1669.28
ii) Raw materials consumed under broad heads		
1. Scrap	820.97	754.77
2. Other Raw materials (specify)	637.34	599.15
3. Components and aggregates procured from outside (Name of the item to be specified separately where the value exceed 10% of value of material consumption)	212.59	271.55
Total (To Tally with cost of material consumed as per P&L A/c)	1670.90	1625.47
iii) Purchases for Trading under broad heads		
1. Product A	-	-
2. Product B	-	-
Total (To Tally with Purchase of Stock in Trade as per P&L A/c)	-	-
iv) Work-in-progress under broad heads		
1. Earth Moving Equipment	516.37	410.55
2. Rail & Metro Products	15.54	14.31
3. Defence Products	27.84	23.46
4. Traded Products	-	-
5. Manufacturing Spare parts	-	-
6. Others (specify)	-	-
Total (To Tally with closing stock of WIP as per Accounts)	559.75	448.32
v) CIF - Value of Imports		
1. Raw Materials	Nil	Nil
2. Components & Spares	Nil	Nil
3. Capital Goods	Nil	Nil
4. Others	Nil	Nil
Total		



(₹ in Lakhs)

<i>Particulars</i>	<i>31st March 2015</i>	<i>31st March 2014</i>
vi) Expenditure in Foreign currency		
1. Royalty		
2. Knowhow fee		
3. Commission		
4. Foreign Travel	Nil	Nil
5. Interest		
6. Service Charges		
7. Professional and consultation		
8. Others		
Total		
vii) Value of Imported and Indigenous materials consumed		
	% of Sub-total	% of Sub-total
1. Raw materials		
Imported	0.00	0.00
Indigenous	100%	100%
Sub-total	1458.31	1353.92
2. Components and Spare parts		
Imported	0.00	0.00
Indigenous	100%	100%
Sub-total	212.59	271.55
3. Others		
Imported	0.00	0.00
Indigenous	0.00	0.00
Sub-total	0.00	0.00
Total (To Tally with total material consumption as per P&L A/c)	1670.90	1625.47
viii) Earnings in Foreign exchange		
1. Export of goods (FOB)	Nil	Nil
2. Export of Services		
3. Commission		
4. Royalty		
5. Knowhow fee		
6. Professional consultation fee		
7. Interest		
8. Dividend		
9. Others (Nature to be specified)		
Total		
x) Amount remitted in foreign currency towards dividend		
1. Total number of non-resident shareholders.	Nil	Nil
2. Total number of Shares held by them.		
3. Amount of dividend due.		
4. Year / Years to which the dividend relates.		



INDEPENDENT AUDITOR'S REPORT

To the Members of M/s VIGNYAN INDUSTRIES LIMITED, Tarikere

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Vignyan Industries Limited (“the Company”) which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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



Opinion

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I Pending litigations are considered by management for preparation of Financial accounts.
 - II The company does not have any Long term contracts for which there were material foreseeable losses.
 - III There were no amounts which were required to be transferred to Investors Education and protection fund during the year 2014-15.

Bengaluru
22.05.2015

For H.S.Shivaram & Co
Chartered Accountants
(Firm's No:005298S.)

(H.S.SHIVARAM)
Membership No. 021369



Statement of matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order 2015 ("the order"), issued by the central government in terms of sub section(11) of section 143 of the Companies Act 2013, for the year ended 31st March 2015

1. The Company is maintaining proper records to show full particulars, including Quantitative Details of Fixed assets. The Fixed assets are physically verified by the management and No material discrepancies were noticed on such verification.
2. As explained to us, physical verification of Raw Materials is carried out under perpetual system of Inventory control. The Finished goods has been physically verified at the year end by a team consisting of Internal audit, planning and production. The Management has not carried out Physical verification of WIP during the year 2014-15.
3. Proper records are maintained for inventory.
4. The Company has not granted any Loans, secured or unsecured to Companies, firms or other parties Covered in the register maintained under section 189 of Companies Act, 2013.
5. The Company has adequate Internal Control commensurate with the size and nature of business for the purchase of inventory and fixed assets and sale of goods and services.
6. The Company has not accepted any Deposits during the year 2014-15.
7. As explained to us, Cost audit and maintenance of Cost records under section 148(1) is not applicable to the Company.
8. The Company is regular in depositing undisputed Statutory dues with appropriate authorities. The Company has no outstanding amount of statutory dues for more than Six months from the date they become payable.
9. As explained to us, there are no disputes towards Income tax, service tax, excise Duty, Vat.
10. As explained to us, no amount is required to be transferred to investor's education and protection fund under Companies Act.
11. There are no defaults to financial institutions or Bank.
12. The Company has not availed any Term Loan.
13. As explained to us, there are no Frauds against the Company during the said Financial year.

For H.S.Shivaram & Co
Chartered Accountants
(Firm's No:005298S.)

(H.S.SHIVARAM)
Membership No. 021369



ADDENDUM TO THE BOARD'S REPORT

Company's reply to the observation of Statutory Auditors in their Audit Report:

<i>Para No.</i>	<i>Auditor's Observation</i>	<i>Company's Reply</i>
2	As explained to us, physical verification of Raw Materials is carried out under perpetual system of Inventory control. The finished goods has been physically verified at the year end by a team consisting of Internal audit, planning and production. The management has not carried out physical verification of W-I-P during the year 2014-15.	Noted for future action.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/S. VIGNYAN INDUSTRIES LIMITED, TARIKERE FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of M/s. Vignyan Industries Limited, Tarikere for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of M/s.Vignyan Industries Limited, Tarikere for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

Place : Bengaluru
Date : 14 July 2015.

(V.K. GIRIJAVALLABHAN)
Pr. Director of Commercial Audit



VIGNYAN INDUSTRIES LIMITED

(CIN : U51101KA1963PLC001510)

Registered office : Haliyur, B.H. Road, Tarikere Post - 577 228

ADMISSION SLIP

51st ANNUAL GENERAL MEETING

I hereby record my presence at the 51st Annual General Meeting held on **Thursday**, the **3rd September, 2015** at **11.30 hours** at the Registered Office of the Company at Haliyur, B.H. Road, Tarikere Post.

Regd. Folio No.....

No. of shares held

Name : Shri / Smt
(Name of the Shareholder / Proxy Present)

Address :
.....

Member / Proxy's signature

Note : 01. Only Shareholders or proxies will be allowed to attend the meeting.
02. This attendance slip and copy of the annual report should be brought to the meeting.

**VIGNYAN INDUSTRIES LIMITED**

(CIN : U51101KA1963PLC001510)

Registered office : Haliyur, B.H. Road, Tarikere Post - 577 228

Form MGT - 11 - PROXY FORM

I/We, being the member(s) of shares of Vignyan Industries Limited, hereby appoint:

- (1) Name Address
- E-mail ID
- (2) Name Address
- E-mail ID

and whose signature(s) are appended below as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on **Thursday, the 3rd September, 2015 at 11.30 Hours** at Tarikere and at any adjournment thereof in respect of such resolutions as are indicated below:

<i>Resolutions</i>	<i>Votes For</i>	<i>Votes Against</i>
1. Approval of Audited Financial Statements for the year 2014-15		
2. Re-election of Shri Pradeep Swaminathan as Director		
3. Re-election of Prof. S Sadagopan as Director		
4. Fixation of remuneration of the Statutory Auditors for the year 2015-16		

Date:

Signature of shareholderAffix
Revenue
Stamp_____
Signature of first Proxy holder_____
Signature of second Proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.