



38th
Annual Report 2015-16

A decorative graphic at the bottom of the page features a grey silhouette of a gear or planetary system. Various gears of different sizes and colors (black, red, and white) are scattered along the top edge of this silhouette, creating a sense of motion and engineering.

AUSTIN ENGINEERING COMPANY LIMITED

Certificate

Standard: **ISO 14001:2004**

Certificate Registr. No. **01 104 126992**

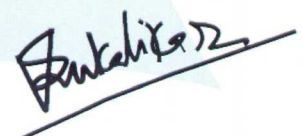
Certificate Holder: **Austin Engineering Co. Ltd.**
Village Patla, Tal. Bhesan,
Via Ranur (Sorath), Post Hadmatiya,
Distt. Junagadh – 362 030, Gujrat, India.

Scope: **Design and Manufacture of Antifriction**
Rolling Bearings and Components.

Proof has been furnished by means of an audit that the requirements of ISO 14001:2004 are met.

The due date for all future audits is 17 - 10 (dd.mm).

Validity: The certificate is valid from **2016-06-14 until 2018-09-14.**
First Certification 2013-02-04.



2016-06-14

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

The validity of this certificate is subject to timely completion of Surveillance audits as agreed in the Contract.
The Validity of the Certificate can be verified under www.tuv.com with the Identification No. 9105071022

CIN: U72501KA1996PTC020653

www.tuv.com

 **TÜVRheinland®**
Precisely Right.



AUSTIN ENGINEERING COMPANY LIMITED

38th ANNUAL REPORT

2015-2016

: BOARD OF DIRECTORS :

Mr. N. C. VADGAMA	:	Chairman & Executive Director
Mr. R. R. BAMBHANIA	:	Managing Director
Mr. J. R. BHOGAYTA	:	Executive Director
Mr. B. D. JOSHI	:	Non Executive Independent Director
Dr. B. R. SUREJA	:	Non Executive Independent Director
Mr. K. J. MEHTA	:	Non Executive Independent Director
Mr. D. B. NAKUM	:	Non Executive Independent Director
Mrs. A. S. THANKI	:	Non Executive Woman Director

: AUDITORS :

DHIRUBHAI DAND & CO.
Chartered Accountants
4, Jayshree Nagar, JUNAGADH - 362 001.

: COMPANY SECRETARY :

MS. N. D. PARIKH

: BANKERS :

BANK OF BARODA

: REGISTRAR & TRANSFER AGENT :

LINK INTIME INDIA PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND, L. B. S. MARG,
BHANDUP (WEST), MUMBAI -400078
Tel. : 022-25946970, Fax : 022-25946969 Email : rnt.helpdesk@linkintime.co.in

: REGISTERED OFFICE & WORKS :

Village : Patla, Taluka : Bhesan, Dist : JUNAGADH - 362 030 (Gujarat).

: JUNAGADH OFFICE :

101, G.I.D.C. Estate, Vadal Road, JUNAGADH - 362 003 (Gujarat).

Visit at <http://www.aec.com>

E-mail : info@aec.com



NOTICE

NOTICE is hereby given that the **Thirty Eighth Annual General Meeting** of the Company will be held on **Thursday, 29th September, 2016 at 11.00 a.m.** at the Registered Office of the Company at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362030 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt
 - (i) the Audited Standalone financial statement of the Company for the financial year ended on **31st March, 2016** together with report of the Board of Directors and Auditors thereon and
 - (ii) the Audited consolidated financial statement of the Company for the financial year ended on **31st March, 2016** together with report of Auditors thereon
2. To appoint a Director in place of **Mr. J. R. Bhogayta** who, retires by rotation and being eligible offers himself for re- appointment.
3. To consider and to ratify the following resolution with or without modification(s) as **Ordinary Resolution** :
"RESOLVED THAT pursuant to section 139, 142 and other applicable provisions if any, of the Companies Act, 2013 and the rules made there under, and pursuant to the resolution passed by the members at their Annual General Meeting held on 9th September, 2014 the appointment of **M/S Dhirubhai Dand & Co., Chartered Accountants, (Firm Registration No. 118190W)**, as the auditor of the company to hold office till the conclusion of 39th Annual General Meeting, be and are hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to them for the financial year ended on 31st March, 2017

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions if any of the Companies Act, 2013, **Mrs. Anila Thanki** holding **DIN 00403759** who was appointed as an Additional Director with effect from 8th June, 2016 on the Board of Directors of the Company in terms of section 161 of the Companies Act, 2013 and as per Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing under section 160 of the Companies Act, 2013 proposing her candidature for the office of director, be and is hereby appointed as Director of the Company."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT in partial modification of the resolution passed by the members at the 35th Annual General Meeting held on 23rd September, 2013, **Mr. Rajan R Bambhanja**, the Whole time Director who was earlier designated as the Joint Managing Director of the Company be and is hereby re-designated as Managing Director with effect from 8th June, 2016 till the end of the remaining tenure of his appointment viz. up to 31st July, 2018 on the same terms and conditions including remuneration as approved earlier by the Members."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") read with Rule 33 of the Companies (Incorporation) Rules, 2014, the consent of the members of the Company be and is hereby accorded for altering the articles of association of the Company by way of **insertion or addition of the below mentioned clause as Clause No. 48 and accordingly the remaining existing Clauses No. 48 to 225 will be re-numbered as Clause No.49 to 226.**
 "If the promoters and their relatives are willing to sell their shares then they shall have to offer first to other existing promoters and their relatives at prevailing market price or at fair value arrived at in the prescribed manner whichever is higher. In case of refusal by them, they can offer the same to others. The Company shall refuse to register any transfer or other disposition of shares purported to be made in breach of this clause."

By Order of the Board of Directors
SD/-

N. C. Vadgama
Chairman

Place: Patla, Junagadh

Date: 30th May, 2016

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 - A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority and under its seal as may be applicable
 - The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
 - A proxy form is sent herewith.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to **Special Business** to be transacted at the meeting, is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from **Thursday, 22nd September, 2016 to 29th September, 2016 (Both days inclusive).**
4. The Company has changed its Registrar and Share Transfer agents from Sharepro Services (India) Private Limited to **LinkInTime India Private Limited.**
5. Any change in bank particulars and /or address are required to intimate to their depository participant in case of holding of shares in electronic form or to the Company's Registrar and Share Transfer agents, M/s LinkInTime India Pvt. Ltd C-13 Pannalal Silk Mills Compound Lal Bahadur Shastri Marg Subhash Nagar Bhandup West Mumbai Maharashtra -400078 in case of holding of shares in physical mode.
6. Item No.4, 5 & 6 of the Notice has been passed by Board of Directors at their meeting held on Wednesday, 8th June, 2016.
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained periodically from the concerned Depository Participant and the same should be verified.





8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under **Regulation 30 of the LODR (erstwhile Clause 49)** with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
11. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website www.aec.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
12. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at rnt.helpdesk@linkintime.co.in to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
13. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
14. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.
15. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Friday and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
16. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 22nd September, 2015 (the date of last Annual General Meeting) on the website of the Company (www.aec.com), as also on the website of Ministry of Corporate Affairs.
17. Members holding shares in single name and physical form are advised to make a nomination in respect of their shareholding in the Company. The Nomination form can be downloaded from the Company's website (www.aec.com) under the section "Investor Relations".
18. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed Companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, the Company has proposed to send future communications in electronic mode at the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.
19. **INSTRUCTION FOR e-VOTING :**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended till date, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the 38th Annual General Meeting (AGM) by electronic means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

(A) The instructions for members for voting electronically are as under:

- The voting period begins **on Monday, 26th September, 2016 (9:00 am)** ends on **Wednesday, 28th September, 2016 (5:00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Thursday, **22nd September, 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

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



- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the 160624011 for the relevant **AUSTIN ENGINEERING COMPANY LIMITED** on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(B) OTHERS:

- i. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company
- ii. **PCS Kaushik Shah of M/s K J Shah & Company, Practicing Company Secretary FCS 2420; CP No: 1414** of 305, Hrishikesh II, Opp. Navrangpura Municipal School, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad 380009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- iii. The Scrutinizers shall, immediately after the conclusion of voting at the general meeting first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- iv. The results declared along with the scrutinizer’s report shall be placed on the Company’s website www.aec.com and on the website of CDSL <https://www.evotingindia.com> within three working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company’s Details:

AUSTIN ENGINEERING COMPANY LIMITED

Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India

CIN: L27259GJ1978PLC003179

E-mail ID: info@aec.com

Registrar and Transfer Agent:

LINKINTIME INDIA PVT LTD

C-13 Pannalal Silk Mills Compound

L. B .S Marg, Bhandup West Mumbai Maharashtra-400078

Phone No.: 022 25946970, Fax No.: 022 25946969

Email: rnt.helpdesk@linkintime.co.in

E-Voting Agency: Central Depository Services (India) Limited

E-mail ID: helpdesk.evoting@cdslindia.com

Scrutinizer: CS Kaushik Shah of K J Shah & Company

Practicing Company Secretary

E-mail ID: kjshahco@gmail.com



RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AND DIRECTORS APPOINTED SINCE LAST A.G.M

Particulars	Mr. J. R. Bhogayta	Mr. B. R. Sureja	Mr. D. B. Nakum	Mrs. Anila Thanki
Date of Birth	08.01.1946	27.10.1968	15.04.1944	24.09.1956
Appointed on	27.07.1978	15.03.2003	15.03.2003	08.06.2016
Qualifications	D.M.E.	M.D.	B.Com	B.Com
Expertise in Specific Functional Areas	Engineering	Doctor	Banking	Administration
Directorships held in other Public Companies (excluding foreign companies)	NO	NO	NO	NO
Membership/ Chairmanship of Committees across public Companies	NO	NO	NO	NO
Shareholding	75500	NIL	NIL	166816

By Order of the Board of Directors

SD/
N C Vadgama
Chairman

Place : Patla, Junagadh

Date : 30th May, 2016

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

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

Item No. 4:

The Board of Directors at its meeting held on 8th June, 2016 appointed Mrs. Anila Thanki as an additional director of the Company pursuant to section 161 of the Companies act, 2013.

Pursuant to the provisions of the Companies Act, 2013, she holds office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing under section 160 of the Companies Act, 2013 from a members, along with the deposits of Rs 1,00,000/- proposing her candidature for the office of director liable to retire by rotation, under the provision of section 149 of the Companies Act, 2013.

None of the directors, key managerial personnel or their relatives expect Mrs. Anila Thanki is concerned or interested in the said resolution,

The Board recommends the said resolution for your approval.

Item No. 5:

The Board of Directors of the Company at the meeting held on 8th June, 2016 has subject to approval of members, approved re designation of Mr. Rajan R. Bambhania as Managing Director for his remaining tenure with all other terms and conditions remaining the same when he was appointed as Joint Managing Director.

None of the directors, key managerial personnel or their relatives expect Mr. R.R. Bambhania is concerned or interested in the said resolution,

The Board recommends the said resolution for your approval.

Item No. 6

Pursuant to the provisions of section 14 of the Companies Act, 2013 read with rule 33 of the Companies (Incorporation) Rules, 2014, the consent of the members of the Company is required for insertion of clause as mentioned in Item No. 8 in case of dilution of shareholding by any of the promoters and/ or their relatives.

None of the directors, key managerial personnel and their relatives is in any way concerned or interested in the said resolution.

The Board recommends the said resolution for your approval.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their **38th** Annual Report of the Company together with the Audited Statements of Accounts for the year ended **31st March, 2016**.

FINANCIAL RESULTS :

The Company's financial performance for the year ended March 31, 2016 along with previous year figure is summarized as here under:

	(Rs. In Lacs)	
	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Gross profit before Interest Depreciation and Tax	85.42	668.55
Less: Interest and Depreciation	224.17	225.03
Profit / (Loss) before Tax	(138.75)	443.52
Less: Provision for Taxation	-	159.50
Deferred Tax Assets	(18.06)	(44.55)
Profit / (Loss) after Tax	(120.69)	328.57
Add: Balance brought forward from last year	3841.95	3641.48
Profit available for appropriations	3721.26	3970.05
Appropriations:	-	-
Adjustment Relating to fixed Asset	-	25.31
Proposed Dividend	-	52.17
Provision for Tax on Proposed Dividend	-	10.62
Transfer to General Reserve	-	40.00
Balance carried forwarded to next year	3721.26	3841.95

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS :

The performance of the Company during the year under review is not fair as compared to the last year. This was mainly due to the decline in sales on export front. The total sales during the year were Rs. 7003.95 Lacs as against Rs. 9829.87 Lacs in the previous year. The sales on export front during the year under review were Rs. 2117.58 Lacs as compared to Rs 4934.76 Lacs in the previous year and thus thereby overall decline in the total sales. The sales on domestic front however increased marginally.

The Company has incurred net loss of Rs. 120.69 Lacs during the period under review as against the net profit of Rs. 328.58 Lacs in the last year. This was mainly due to the decline in export sale. The Company has also earned revenue to the tune of Rs. 95.08 Lacs as against Rs. 79.11 Lacs in the last year from the Wind Mill Project.

The Company continued to launch a number of new and higher value added products and undertook various cost effective measures to strengthen the Company's competitiveness and profitability in the future.

DIVIDEND :

In view of inadequacy of profit, your Directors regrets to recommend any dividend for financial year ended 31st March, 2016.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits as on March 31, 2016.

SHARE CAPITAL :

The paid up Equity Share Capital of the Company as on March 31, 2016 was **Rs 34778000/-**. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity. Directors' shareholding in the Company, as on March 31, 2016, is given in Extract of Annual Return.

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, **Mr. J. R. Bhogayta**, a Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his appointment for your approval.

The following are the **Key Managerial Personnel** as defined under Section 2(51) of the Companies Act, 2013:

- Mr. Narottam C Vadgama (Chairman and Executive Director)
- Mr. Rajan R Bambhania (Re-designated as MD and appointed as CEO w.e.f 8th June, 2016)
- Mr. Jeshanker R Bhogayta (Executive Director)
- Mr. Siddik A Kotal (Chief Financial Officer)
- Ms. Nidhi D Parikh (Company Secretary)

NOTING OF CONDOLENCE AND APPRECIATION OF SERVICES :

The Board of Directors of the Company expresses their deep sense of condolences on untimely and sad demise of Mr. Shashikant M Thanki, the Managing Director of the Company. May his soul rest in heaven and pray to almighty to give courage to his family to bear such unbearable loss.

The Board places on record its appreciation of guidance and valuable services provided by Mr. Shashikant M Thanki, during his long tenure as Managing Director of the Company.

The Board also places on record the appreciation of valuable services rendered by Ms. Arati Goswami during her tenure as director of the Company. She has resigned from the Board with effect from 8th June, 2016.

BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report



COMPOSITION OF VARIOUS COMMITTEES :

Details of various committees constituted by the Board as per the provisions of erstwhile Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

MEETINGS :

During the year **Six** Board Meetings, **Four** Audit Committee Meetings, **One** Nomination and Remuneration Committee Meeting, **One** Stakeholders Relationship Committee Meeting, **One** Risk Management Committee Meeting and **One** separate Meeting of Independent Directors were held. The details of the same are given in the Corporate Governance Report. The intervening gaps between the Board meetings were within the period prescribed under the Companies Act, 2013.

INDEPENDENT DIRECTORS :

The Independent Directors met on **20th April, 2015** without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

DIRECTOR DISCLOSURE :

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the companies Act, 2013. Your Directors have made necessary disclosures, as required under Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT :

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement as enumerated here under:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis; and
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT :**STATUTORY AUDITORS :**

M/s. **Dhirubhai Dand & Co.**, Chartered Accountants, Statutory Auditors were appointed for a period of three years at the Annual General Meeting held on 9th September, 2014 subject to ratification of their appointment at every year.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit & Auditors) Rules, 2014 and that they are not disqualified for reappointment. You are requested to ratify their appointment pursuant to the provisions of Section 139 of the Companies Act, 2013.

SECRETARIAL AUDITOR :

The Board has appointed **Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary**, to conduct the Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure "B"** to this Report.

INTERNAL FINANCIAL CONTROLS :

The Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and those transactions are authorized, recorded and reported correctly.

The Board of Directors at the recommendations of the Audit Committee appointed **M/s G K MODI & COMPANY**, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for the Financial Year 2015-16.

Internal Auditors monitors and evaluates the efficacy and adequacy of Internal Control System in the Company, its compliance with operating systems, accounting procedures, policies.

The Company has adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DISCLOSURES :**AUDIT COMMITTEE :**

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, the Audit committee consists of the following directors:

Mr. B. D. Joshi, [Chairman of committee]
 Mr. K. J. Mehta, [Member of committee]
 Mr. D. B. Nakum, [Member of committee]

All the members of Audit Committee are independent directors.

WHISTLE BLOWER POLICY :

The Company has a **WHISTLE BLOWER POLICY** to deal with instances of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct, if any. The details of the **whistle blower policy** is explained in the Corporate Governance Report and also posted on the website of the Company.

DIRECTORS APPOINTMENT AND REMUNERATIONS POLICY :

The Company's policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Corporate Governance Report and the same is also posted on website.

RELATED PARTY TRANSACTIONS :

All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business. All related party transactions were placed before the Audit Committee and also the Board for their approval. The Company



had also taken members' approval at its Annual General Meeting held on **9th September, 2014** and **22nd September, 2015** for entering into the transactions with "Related parties". No material contract or arrangement with related parties was entered into during the year under review. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at www.aec.com.

RISK MANAGEMENT POLICY :

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board approved Risk Management policy, which acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization.

The Company follows well established and detailed risk assessment and minimization procedures, which are periodically reviewed by the top management. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. In the opinion of the Board, none of the risks faced by the Company threaten its existence. The Company has also posted the policy in respect of transactions with "Related Parties" on its website.

In view of non-applicability of Risk Management Committee to our Company, the Board decided to dissolve the same.

MATERIAL CHANGES AND COMMITMENTS :

No material changes and commitments affecting the financial position of the Company occurred between the end of financial year to which this financial statement relate and the date of this report.

ANNUAL RETURN :

The Extract of Annual Return pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 read with Rule 12 (1) of the Company (Management and Administration) Rules, 2014 is furnished in **Annexure "A"** " in form MGT-9 as per Companies Act, 2013 and it forms the part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

The particulars of Loans, guarantees or investments made under Section 186 and its applicability have been furnished in **notes annexed to our financial statements**.

QUALIFICATIONS AND RESERVATIONS ON AUDIT REPORT :

The Auditor's Report and Secretarial Auditor's Report are self explanatory and therefore do not require further comments and explanations.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure "C"** attached to this report and it forms the part of this report.

PARTICULARS OF EMPLOYEES AND REMUNERATIONS :

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as **Annexure "D"**, forming part of this Report.

As per Section 136(1) of the Companies Act, 2013, the report and accounts are being sent to the shareholders of the Company, excluding the statement of particulars of employees under the said proviso. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial department at the Registered Office of the Company.

SUBSIDIARY COMPANY :

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss account and other documents of **M/s Accurate Engineering Inc.**, the subsidiary company, are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the said subsidiary company and its related detailed information to any member of the Company who may be interested in obtaining the same and also on Company's website.

The Annual Accounts of the subsidiary company will also be kept open for inspection at the registered office of the Company and the subsidiary company. A statement as required in the prescribed form AOC-1 pursuant to section 129(3) of the Companies Act, 2013 is given in the **Annexure "E"** and it forms the part of this report.

CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the Accounting Standard AS-21, the audited consolidated financial statements are annexed to this Annual Report.

CORPORATE GOVERNANCE :

As per Chapter IV of SEBI (LODR) Regulations, 2015, separate reports on Corporate Governance, Management Discussion & Analysis and a certificate from the Company's Auditors form part of this Report. Your Company is committed to maintain the highest standards of Corporate Governance, reinforcing the valuable relationship between the Company and its Stakeholders.

INSURANCE :

The Company takes a very pragmatic approach towards insurance. Adequate cover has been taken for all movable and immovable assets for various types of risks.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :

There are no significant material orders passed by the Regulators /Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

FRAUDS REPORTING :

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee, Board and /or Central Government under Section 143(12) of the Companies Act, 2013 and Rules framed there under.

INDUSTRIAL RELATIONS :

The industrial relation with workmen and staff continued to be extremely cordial during the year under review.

ACKNOWLEDGMENT :

Your Directors wish to place on record their gratitude for the continued co-operation and patronage extended by their esteemed customers both in OEM and after market segments. The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance during the year under report by our Bankers, all the customers, suppliers of the Company including Government agencies. The Board of Directors also wishes to express its appreciation for the efforts and contribution made by the employees at all levels during the year under report.

By Order of the Board of Directors

Place : Patla, Junagadh
Date : 30th May, 2016

SD/-
N C Vadgama
Chairman



ANNEXURE "B"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on Financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS :

i	CIN	:	L27259GJ1978PLC003179
ii	Registration Date	:	27.07.1978
iii	Name of the Company	:	AUSTIN ENGINEERING CO. LTD.
iv	Category/Sub-category of the Company	:	Medium Scale
v	Address of the Registered office & contact details	:	Village : PATLA, Taluka : BHESAN, District : JUNAGADH 362 030 (Gujarat)
vi	Whether listed company	:	BOMBAY STOCK EXCHANGE
vii**	Name , Address & contact details of the Registrar & Transfer Agent, if any.	:	LINK INTIME INDIA PVT. LTD. C-13, PANNALAL SILK MILLS COMPOUND, L. B. S. MARG, BHANDUP (WEST), MUMBAI -400078 Tel. : 022-25946970, Fax : 022-25946969 Email : rnt.helpdesk@linkintime.co.in

** The Company has changed its R & T to Link Intime India Pvt. Ltd at C-13 Pannalal Silk Mills Compound Lal Bahadur Shastri Marg Subhash Nagar Bhandup West Mumbai Maharashtra-400078

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufactures of All Kind of Bearings and Components	356.3	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES :

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Accurate Engineering Inc.	N.A.	Subsidiary	100%	2(87)

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

Category of Shareholders	No. of Shares held at the beginning of the year 31.03.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1175179		1175179	33.79	1175079		1175079	33.79	0.00
b) Central Govt.or State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
SUB TOTAL:(A)(1)	1175179		1175179	33.79	1175079		1175079	33.79	0.00
(2) Foreign									
a) NRI- 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)	1175179		1175179	33.79	1175079		1175079	33.79	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		3500	3500	0.10		3500	3500	0.10	0.00
b) Banks/FI		3400	3400	0.10		3400	3400	0.10	0.00
c) Cenntral govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	0		6900	0.20	0	6900	6900	0.20	0.00



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	
(2) Non Institutions									
a) Bodies corporates	199319	10701	210020	6.04	226190	10701	236891	6.81	0.77
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1187200	305501	1492701	42.92	1313648	299201	1612849	46.38	3.45
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	452988	13100	466088	13.40	309082	13100	322182	9.26	-4.14
c) Others (specify) NRI.s	16712	9100	25812	0.74	16699	9100	25799	0.74	0.00
Foreign Company	80000		80000	2.30	80000		80000	2.30	0.00
Trusts 21100		21100	0.61	18100		18100	0.52	-0.09	
SUB TOTAL (B)(2):	1957319	338402	2295721	66.01	1963719	332102	2295821	66.01	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	1964219	338402	2302621	66.21	1963719	339002	2302721	66.21	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3139398	338402	3477800	100.00	3138798	339002	3477800	100.00	

(ii) SHARE HOLDING OF PROMOTERS

S. N.	Shareholders Name	Shareholding at the beginning of the year 31.03.2015			Shareholding at the end of the year 31.03.2016			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	NAROTTAM C VADGAMA	134000	3.853		134000	3.853		
2	SHASHIKANT M THANKI	140200	4.031		0	0.000		-4.031
3	RAMNIKLAL N BAMBHANIA	120000	3.450		120000	3.450		
4	JESHANKER R BHOGAYTA	75500	2.171		75500	2.171		
5	HIREN N VADGAMA	44000	1.265		44000	1.265		
6	JIGNESH S THANKI	6000	0.173		6000	0.173		
7	NAROTTAM C VADGAMA -HUF	15500	0.446		15500	0.446		
8	SHASHIKANT M THANKI - HUF	12000	0.345		12000	0.345		
9	RAMNIKLAL N BAMBHANIA - HUF	16000	0.460		16000	0.460		
10	JESHANKER R BHOGAYTA - HUF	23200	0.667		57800	1.662		0.995
11	ANILA S THANKI	26616	0.765		166816	4.797		4.031
12	ALPA J THANKI	25000	0.719		25000	0.719		
13	PINAK S THANKI	20000	0.575		20000	0.575		
14	FALGUNI P THANKI	1600	0.046		1600	0.046		
15	PURVI S THANKI	20000	0.575		20000	0.575		
16	JYOTI M THANKI	100	0.003		0	0.000		-0.003
17	INDUMATI N VADGAMA	62400	1.794		62400	1.794		
18	HIREN N VADGAMA	805	0.023		805	0.023		
19	DARSHNA H VADGAMA	25600	0.736		25600	0.736		
20	BHAVIN N VADGAMA	42000	1.208		42000	1.208		
21	JAYENDRA C VADGAMA	3400	0.098		3400	0.098		
22	REKHA J VADGAMA	4000	0.115		4000	0.115		
23	JASHUMATI R BAMBHANIA	52000	1.495		52000	1.495		
24	RAJAN R BAMBHANIA	60300	1.734		60300	1.734		
25	RUTA R BAMBHANIA	89558	2.575		89558	2.575		
26	ANISHI J BHOGAYTA	24150	0.694		24150	0.694		
27	ARUSHI J BHOGAYTA	24050	0.692		24050	0.692		
28	PRAVINA J BHOGAYTA	31900	0.917		31900	0.917		
29	BHOGAYTA INV. CO. PVT. LTD.	75300	2.165		40700	1.170		-0.995
	Total	1175179	33.79		1175079	33.79		-0.003



(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S. N.		Share holding at the beginning of the Year i.e 1st April, 2015		Trasactions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2016	
		No. of shares	% of total shares of the company	Date of Trasactions	No. of shares	Reason	No of shares	% of total shares of the company
	At the beginning of the year	1175179	33.791					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. Ilotment/transfer/bonus /sweat equity etc)							
1	Anila S Thanki	26616	0.765	14.01.2016	140200	Transmission	166816	4.797
2	Late Shashikant M Thanki	140200	4.031	14.01.2016	-140200	Transmission	0	0.000
3	Jyoti M Thanki	100	0.003	06.11.2015	-100	Sale	0	0.000
				22.12.2015	50	Purchase	50	0.001
				30.12.2015	-50	Sale	0	0.000
4	BHOGAYTA INV.CO.PVT.LTD.	75300	2.165	01.06.2015	-5100	Sale	70200	2.019
5	JESHANKER R BHOGAYTA HUF	23200	0.667	01.06.2015	5100	Purchase	28300	0.814
6	BHOGAYTA INV.CO.PVT.LTD.	70200	2.019	03.07.2015	-2500	Sale	67700	1.947
7	JESHANKER R BHOGAYTA HUF	28300	0.814	03.07.2015	2500	Purchase	30800	0.886
8	BHOGAYTA INV.CO.PVT.LTD.	67700	1.947	15.10.2015	-15000	Sale	52700	1.515
9	JESHANKER R BHOGAYTA HUF	30800	0.886	15.10.2015	15000	Purchase	45800	1.317
10	BHOGAYTA INV.CO.PVT.LTD.	52700	1.515	30.10.2015	-10000	Sale	42700	1.228
11	JESHANKER R BHOGAYTA HUF	45800	1.317	30.10.2015	10000	Purchase	55800	1.604
12	BHOGAYTA INV.CO.PVT.LTD.	42700	1.228	01.01.2016	-2000	Sale	40700	1.170
13	JESHANKER R BHOGAYTA HUF	55800	1.604	01.01.2016	2000	Purchase	57800	1.662
	At the end of the year (or on the date of separation, if separated during the year)	1175079	33.788		-100.000			

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

S.N.		Share holding at the beginning of the Year i.e 1st April, 2015		Trasactions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2016	
		No. of shares	% of total shares of the company	Date of Trasactions	No. of shares	Reason	No of shares	% of total shares of the company
	At the beginning of the year							
1	Zaki Abbas Nasser	417533	12.006	05.06.2015	20000	Sale	100000	2.875
2	Zaki Abbas Nasser	120000	3.450	24.07.2015	72000	Sale	28000	0.805
3	Zaki Abbas Nasser			31.07.2015	28000	Sale	0	0.000
4	F L Dadabhoy	48900	1.406	07.08.2015	14100	Sale	34800	1.001
5	F L Dadabhoy			14.08.2015	4200	Sale	30600	0.880
6	F L Dadabhoy			21.08.2015	15600	Sale	15000	0.431
7	F L Dadabhoy			28.08.2015	4500	Sale	10500	0.302
8	F L Dadabhoy			04.09.2015	10500	Sale	0	0.000
9	Mujtaba Nasser	30000	0.863	29.05.2015	11000	Sale	19000	0.546
10	Mujtaba Nasser			05.06.2015	7500	Sale	11500	0.331
11	Mujtaba Nasser			12.06.2015	11500	Sale	0	0.000
12	Muktilal Ganulal Paldiwal	28187	0.810	17.04.2015	50	Purchase	28237	0.812
13	Muktilal Ganulal Paldiwal			01.05.2015	1700	Purchase	29937	0.861
14	Muktilal Ganulal Paldiwal			08.05.2015	1263	Purchase	31200	0.897
15	Muktilal Ganulal Paldiwal			22.05.2015	500	Purchase	31700	0.911
16	Muktilal Ganulal Paldiwal			05.06.2015	601	Purchase	32301	0.929
17	Muktilal Ganulal Paldiwal			12.06.2015	449	Purchase	32750	0.942
18	Muktilal Ganulal Paldiwal			30.06.2015	438	Purchase	33188	0.954
19	Muktilal Ganulal Paldiwal			04.09.2015	500	Purchase	33688	0.969
20	Muktilal Ganulal Paldiwal			11.09.2015	300	Purchase	33988	0.977
21	Muktilal Ganulal Paldiwal			18.09.2015	50	Purchase	34038	0.979
22	Muktilal Ganulal Paldiwal			25.09.2015	500	Purchase	34538	0.993
23	Muktilal Ganulal Paldiwal			30.09.2015	300	Purchase	34838	1.002
24	Muktilal Ganulal Paldiwal			16.10.2015	444	Purchase	35282	1.014
25	Muktilal Ganulal Paldiwal			27.11.2015	500	Purchase	35782	1.029
26	Muktilal Ganulal Paldiwal			05.02.2016	500	Purchase	36282	1.043
27	Muktilal Ganulal Paldiwal			04.03.2016	589	Purchase	36871	1.060
28	Muktilal Ganulal Paldiwal			11.03.2016	60	Purchase	36931	1.062
29	Muktilal Ganulal Paldiwal			25.03.2016	38	Purchase	36969	1.063
	At the end of the year (or on the date of separation, if separated during the year)						288360	8.291





(v) Shareholding of Directors & KMP

S.N.	For Each of the Directors & KMP	Share holding at the beginning of the Year i.e 1st April, 2015		Trasanctions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2016	
		No. of shares	% of total shares of the company	Date of Trasanctions	No. of shares	Reason	No of shares	% of total shares of the company
	At the beginning of the year	460700	13.247					
1	Late Shashikant M Thanki	140200	4.031	14.01.2016	140200	Transmission	0	0.000
2	Jeshanker R Bhogayta - HUF	23200	0.667	01.6.2015	5100	Purchase	28300	0.814
3	Jeshanker R Bhogayta - HUF			03.07.2015	2500	Purchase	30800	0.886
4	Jeshanker R Bhogayta - HUF			15.10.2015	15000	Purchase	45800	1.317
5	Jeshanker R Bhogayta - HUF			30.10.2015	10000	Purchase	55800	1.604
6	Jeshanker R Bhogayta - HUF			01.01.2016	2000	Purchase	57800	1.662
	At the end of the year (or on the date of separation, if separated during the year)						355100	10.210

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	94064346	NIL	NIL	94064346
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	94064346	NIL	NIL	94064346
Change in indebtedness during the financial year				
Additions				
Reduction	8237777	NIL	NIL	8237777
Net Change	8237777	NIL	NIL	8237777
Indebtedness at the end of the financial year				
i) Principal Amount	85826569	NIL	NIL	85826569
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	85826569	NIL	NIL	85826569

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager				
		Shashikant M Thanki	Narottam C Vadgama	Rajan R Bambhanian	Jeshanker R Bhogayta	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	822527	1140000	1140000	1140000	4242527
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	103022	154055	153410	152320	562807
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	925549	1294055	1293410	1292320	4805334
	Ceiling as per the Act	Calculated as per Section 198 of the Companies Act, 2013				
	* Mr. Shashikant M Thanki ceases to be the Managing Director w.e.f. 17.12.2015 on account of death.					



B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Bhagwanjibhai D Joshi	Bhaves R Sureja	Dipsing B Nakum	Krishnakant J Mehta	Arati K Goswami	
1	Independent Directors						
	(a) Fee for attending board committee Meetings	10000	10000	10000	10000	10000	50000
	(b) Commission						
	(c) Others, please specify						
	Total (1)						
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission						
	(c) Others, please specify.						
	Total (2)	10000	10000	10000	10000	10000	50000
	Total (B)=(1+2)	10000	10000	10000	10000	10000	50000
	Total Managerial Remuneration*						5520426
	Overall Ceiling as per the Act.						
		Calculated as per Section 198 of the Companies Act, 2013					

* Being total of Managerial remuneration and Remuneration payable to other directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CFO	CEO *	C S	C S	C S	
		Siddik A Kotal	Shashikant M Thanki	Zalak Talreja	Ashwimi Sharma	Nidhi Parikh	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	493934		92531	54481	7500	648446
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	65677		NIL	969	NIL	66646
	(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	559611	0	92531	55450	7500	715092

* Note : Mr. Shashikant M Thanki was the Managing Director & CEO of the Company. Thus, CEO's salary is shown in para VI A of the form as salary of MD & CEO.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

*The penalty has been levied on Company in matter of FEMA and SEBI. The same was also levied against one of the Director in FEMA



ANNEXURE "B"
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2016

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

Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Austin Engineering Company Limited
Village: Patla, Taluka: Bhesan,
Dist: Junagadh 362 030

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

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statement of the Company.
- d) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e) The Secretarial Audit report 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2016 ("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable to the Company during the Audit Period**);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**); and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**);
6. Other laws specifically applicable to the Company (**As per Annexure-I**)
We have also examined compliance with the applicable clauses of the followings:-
 - i. The Listing Agreements entered into by the Company with BSE Limited (Bombay Stock Exchange);
 - ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
 - iii. Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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



Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further report that the Company during the audit period was levied with penalties detailed hereunder:

- (1) A penalty of Rs 25000/- against the Company and Rs 500/- against Mr. Rajan R Bambhania, Jt. Managing Director as per Adjudication Order No. Adj/01/AD/AK/AMZO/2016/87 dated 9th February, 2016 for Contravention of Section 3(b), 6(3)(a) read with Regulation 15, 16 and 17 of the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations 2004 (Notification No. 120/RB-2004 dated 07-07-2004) and section 42 of Foreign Exchange Management Act, 1999
- (2) A penalty of Rs 39326/- (including TDS Rs.3500/-) against the Company for non-submission of Corporate Governance Compliance Report within prescribed time-limit violating Clause 49 of Listing Agreement.

We further report that during the audit period, there were no instances of

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.
2. Redemption / buy-back of securities.
3. Merger / amalgamation / reconstruction etc.
4. Foreign technical collaborations.

Place : Ahmedabad

Date : 30th May, 2016

For, K. J. SHAH & Company
Company Secretary
SD/-
(Kaushik Shah)
FCS No. 2420 CP No. 1414

ANNEXURE – I

1. THE CENTRAL EXCISE ACT, 1961
2. EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
3. INCOME TAX ACT, 1961
4. CENTRAL SALES TAX ACT 1944 (1 of 1944);5. VALUE ADDED TAX GUJARAT TAX6. SERVICE TAX
7. THE FACTORIES ACT, 1948
8. THE APPRENTICE ACT, 1961
9. THE CONTRACT LABOUR (REGULATION AND ABOLITION) ACT,1970
10. THE PAYMENT WAGES ACT, 1965
11. THE PAYMENT OF BONUS ACT
12. THE PAYMENT OF GRATUITY ACT13.THE MINIMUM WAGES ACT , 1946
14. CUSTOMS ACT 1962
15. THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 198616.THE WORKMEN'S COMPENSATION ACT,1923

Place : Ahmedabad

Date : 30th May, 2016

For, K. J. SHAH & Company
Company Secretary
SD/-
(Kaushik Shah)
FCS No. 2420 CP No. 1414

ANNEXURE "C"

FORM A

(i) **CONSERVATION OF ENERGY :**

1. Energy Conservation measures taken:
Regular preventive measures for the maintenance of Machinery & Electric equipments
2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy: **None**
3. Impact of measures in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods. The aforesaid measures have resulted in a saving in the consumption of electricity & Fuel.
4. Total Energy Consumption and Energy Consumption per unit of production as per prescribed Form A is not applicable as the Company is not covered under the list of specified industries and hence not given.

FORM B

1. **RESEARCH & DEVELOPMENT :**

- **Specific areas in which R & D is carried out by the Company :**
The R & D efforts of the Company are directed towards quality assurance, improvement/ up-gradation of existing product lines, minimizing dependence on scarce and imported raw materials, development of new products and subjecting them to stringent endurance tests.
- **Benefits derived as a result of the above R & D :**
The benefits are improvement in the quality of the existing range of products, cost reduction, development of new products, energy saving, export promotion and import substitution.
- **Future plans of action :**
R & D efforts are being planned as a continuous exercise to improve quality, reduce costs and try for import substitution as far as possible.



• **Expenditure on R & D :**

Expenditure on R & D is not quantifiable at present since it is a continuous exercise, forming part of our Technical Department.

2. **TECHNOLOGY, ADOPTION & ABSORPTION & INNOVATION :**

The Company is making continuous efforts towards modernization and technology up-gradation and innovations.

Quality of earnings has improved substantially and is well accepted by OEM as import substitute.

Technology imported during last five years: Nil.

3. **FOREIGN EXCHANGE EARNING AND OUTGO :**

S.N.	FOREIGN EXCHANGE EARNINGS :	2015-16	2014-15
1	Exports of goods on FOB basis	2040.71	4789.75
	Total Foreign Exchange Earned	2040.71	4789.75
	FOREIGN EXCHANGE OUTGO:		
1	Import of CIF value of Raw Materials, Capital goods & Spares.	47.73	12.01
2	Traveling	28.87	19.08
3	Sales Commission	3.11	2.07
4	Foreign Marketing & Sales Promotion Expenses	2.65	14.62
5	Dividend	1.20	1.20
	Total Foreign Exchange Used	83.56	48.98

By Order of the Board of Directors

SD/
N. C. Vadgama
Chairman

Place : Patla, Junagadh

Date : 30th May, 2016

ANNEXURE "D"

PARTICULARS OF REMUNERATION:

- The information required under section 197 of the act and rules made there-under, in respect of employees of the company is follows:-
- The ratio of remuneration of each director to the median remuneration of employees for the financial year;

Executive Director	Ratio to median remuneration (As per MGT-9)
Mr. Narottam C Vadgama	7.35
Mr. Shashikant M Thanki	5.26
Mr. Rajan R Bambhania	7.35
Mr. Jeshanker R Bhogayta	7.35

- The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Manager if any, in the financial year:

Name of Person	% Increase in Remuneration
Mr. Narottam C Vadgama	-
Mr. Shashikant M Thanki	-
Mr. Rajan R Bambhania	-
Mr. Jeshanker Bhogayta	-
Mr. Siddik A Kotal-CFO	10.29%

- The percentage increase in the median remuneration of employees in the financial year: **5.95%**
- The number of permanent employees on the rolls of the Company : **640**
- The explanation in relationship between average increase in remuneration and company performance:
On an average, employees have received an increase of 5.95% .The increase in remuneration is in line with the market trend. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.



7. Comparison of the remuneration of Key Managerial Personnel against the performance of the Company:

(Rs. In Lacs)

Particulars	Amount (As Per MGT-9)
Remuneration of KMP during the financial year 2015-16 (aggregated)	55.20
Revenue from operation	7003.95
Remuneration (as % of revenue)	0.79%
Profit / (Loss) Before Tax(PBT)	(138.75)
Remuneration (as % of PBT)	(39.78)

8. Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variation in the net worth of the company as at the close of the financial year and previous financial year;

Particulars	Unit	As at 31-03-2016	As at 31-03-2015	Variation
Closing rate of share at BSE	In Rs.	46.30	75.00	(33.27)%
EPS (Standalone)	In Rs.	(3.47)	9.45	(372.33)%
Market Capitalization	Rs./Lacs	1610.22	2608.35	(38.27)%
Price Earnings Ratio(Standalone)	Ratio	(13.34)	7.94	(268.01)%

9. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employee's other then managerial personnel in 2015-16 was 5.95%. The percentage increase in managerial remuneration for the year was NIL.

10. Comparison of each remuneration of Key Managerial Personnel against the performance of the Company;

(Rs. In Lacs)

Particulars	Chief Executive Officer(as per MGT-9)	Chief Financial Officer	Company Secretary
	Amount	Amount	Amount
Remuneration	8.22	4.93	1.55
Revenue	7003.95	7003.95	7003.95
Remuneration (as % of revenue)	0.12	0.07%	0.02
Profit / (Loss) before Tax (PBT)	(138.75)	(138.75)	(138.75)
Remuneration (as % of PBT)	(5.92)	(3.55)	(1.12)

11. The key parameters for any variable component of remuneration availed by Directors: **N.A.**
12. The ration of the remuneration of the highest paid to the director to that of the employees who are not directors but receive remuneration in excess of highest paid during the year: **N.A.**
13. Affirmation that the remuneration is as per the policy of the company :

The Company's remuneration policy is driven by the success and performance of the individual employees and the company. The Company affirms remuneration is as per the remuneration policy of the company.



ANNEXURE “E”

Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

PART “A”: SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	ACCURATE ENGINEERING INC
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	SAME PERIOD i.e. 01.04.15 TO 31.03.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US \$ AS AT 31.03.2016 1 US \$ = 66.33 INR
4.	Share capital	\$ 25000
5.	Reserves & surplus	\$ 161865
6.	Total assets	\$ 529329
7.	Total Liabilities	\$ 317464
8.	Investments	NIL
9.	Turnover	\$ 1326425
10.	Profit/(Loss) before taxation	\$ (81136)
11.	Provision for taxation	\$ (3103)
12.	Profit (Loss) after taxation	\$ (78033)
13.	Proposed Dividend	NIL
14.	% of shareholding	100 %

NOTES:

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

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

PART “B”: ASSOCIATES AND JOINT VENTURES

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

Name of associates/Joint Ventures	N.A.
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.
i. No:	N.A.
ii. Amount of Investment in Associates/Joint Venture	N.A.
iii. Extend of Holding%	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
6. Profit/Loss for the year	N.A.
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	N.A.
1. Names of associates or joint ventures which are yet to commence operations.	N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year.	N.A.



REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Austin Engineering Company Limited (AECL), it is imperative that the affairs of the Company are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. The Company's code of conduct, whistle blower policy and its well structured internal control systems, which are subjected to regular assessment for their effectiveness, reinforces integrity of management and fairness in dealing with the Company's stakeholders.

A Report on compliance with the principle of Corporate Governance as prescribed by the Securities and Exchange Board of India in chapter IV read with schedule V of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [herein after referred as "SEBI (LODR) Regulations, 2015"] is as under.

2. BOARD OF DIRECTORS :

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and also exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and society's expectations.

The Company is managed by the Board of Directors consisting highly qualified and experienced professionals from different fields, which formulates strategies, policies and reviews its performance periodically. The Chairman & Executive Director manages the business of the Company under the overall supervision, guidance and control of the Board.

COMPOSITION :

Your Company endeavors to have a judicious mix of executive, non executive and independent directors, so as to have independence on the Board and separate its function of governance from that of management. Your Company also had a woman director which brings diversity on the Board.

As on 31st March, 2016 the Board comprised of 8 (Eight) Directors including more than 50% as non-executive independent directors. None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a Director as per Regulation 26 of SEBI (LODR) Regulations, 2015. Necessary disclosures have been made by each Director. The Chairman of the Board is an Executive Director. The experiences of all directors have diverse expertise in the field of finance, economics, administration and management which strengthens the governance and management of the Company's affairs.

The details of Directors along with their attendance in the various meeting and their directorship are given here under:

Name of Directors	No. of Board Meeting Attained during the year	Whether Attained AGM held on Sep 22, 2015	No. of Directors		No of outside Committee(s)	
			Public	Private	Public	Private
Mr. N. C. Vadgama – Chairman & Executive Director	4	YES	1	--	--	--
Mr S. M. Thanki - Managing Director & CEO	4	YES	1	--	--	--
Mr. R. R. Bambhania - Jt. Managing Director (Re designated as Managing Director w.e.f. 08/06/2016)	6	YES	1	--	--	--
Mr. J. R. Bhogayta - Executive Director	6	YES	--	2	--	--
Mr. B. D. Joshi- Non Executive Director	6	YES	--	1	--	--
Dr. B. R. Sureja- Non Executive Director	6	YES	--	--	--	--
Mr. K. J. Mehta- Non Executive Director	6	YES	--	--	--	--
Mr. D. B. Nakum-Non Executive Director	6	YES	--	--	--	--
Mrs.Aarti Goswami – Non Executive Director)	6	YES	1	-	-	-

Notes:

- (1) Mr. S. M. Thanki, the Managing Director has ceased the office of Director w.e.f. 17th December, 2015 on account of death.
- (2) Mrs. Anila Thanki appointed as Additional Director and Mrs. Aarti Goswami vacated the office as Director both w.e.f 08th June, 2016.

BOARD MEETINGS AND PROCEDURES :

(A) Scheduling and selection of Agenda items for Board Meetings:

- i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.



- ii. Where it is not practicable to attach any document or the agenda is of confidential nature, the same is placed on the table with the approval of the Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.
- iii. The agenda papers are prepared by the secretarial department and submitted to the Chairman and Managing Director for his approval. Duly approved agenda papers are circulated amongst the Board Members.
- iv. Detailed presentations are made at the Board / committee meetings covering Finance, major business segments and operations of the Company and on Auditors reports before taking on record the quarterly/half yearly/annual financial results of the Company.
- v. As per the convenience of the Members of the Board, the Board Meetings are usually held at the Company's Registered Office at Village Patla, Taluka Bheshan, Dist. Junagadh.
- vi. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide additional inputs to the items discussed by the Board as and when necessary.

(B) Recording minutes of proceedings at the Board Meeting :

The Minutes of the proceedings of each Board Meeting is recorded and the same is sent to all Directors for their comments, if any. The said minutes are getting approved usually before the next Board Meeting. Thereafter, the minutes are entered in the minute's book and the same are signed by the Chairman as prescribed in the Companies Act, 2013.

(C) Compliance :

The secretarial department is responsible for preparation of Agenda papers for the meetings and is required to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The said department has to ensure compliance to all the applicable provisions of the Companies Act, 2013, Companies Act, 1956, SEBI Guidelines, SEBI (LODR) Regulations, 2015, and other statutory requirements pertaining to capital market. The Board of Directors reviews quarterly compliance report confirming adherence to all applicable laws, rules, regulations and guidelines.

BOARD MEETINGS :

During the year 2015-16, **6 (Six)** Board Meetings were held on 28th May, 2015, 23rd July, 2015, 30th September, 2015, 26th October, 2015, 28th January, 2016 and 26th March, 2016. The Company has held at least one Board Meeting in every quarter and the gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to concerned directors who could not attend the respective Board Meeting.

The details of attendance of Directors at the Board Meetings are as under:

Date of Meeting	No. of Directors Present
28 th May, 2015	9
23 rd July, 2015	8
30 th September, 2015	9
26 th October, 2015	9
28 th January, 2016	8
26 th March, 2016	7

The Company did not have any material pecuniary relationship or transactions with the independent Non-Executive Directors during the year 2015-16.

(D) Disclosure regarding Directors retiring by rotation and being re-appointed :

Mr. J. R. Bhogayta, a Director retires by rotation at the ensuing Annual General meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of **Mr. J. R. Bhogayta** a Director retiring by rotation being eligible for re-appointment at the ensuing Annual General Meeting of the Company is given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Appointment of Independent Directors :

On appointment of new independent directors, Company issues formal letter of appointment to independent directors describing their duties, responsibilities etc.

(F) Separate meeting of Independent Directors :

Separate meeting of Independent Directors were held on **20th April, 2015** to evaluate the performance of Non-Independent Directors and the Board as a whole as well as the performance of the Chairman of the Company. In that meeting, Independent Directors have reviewed the flow and availability of information from the Management to the Board.

(G) Code of Conduct :

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company at www.aec.com. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended 31st March, 2016.



During the Financial Year under review, SEBI revised the regulations pertaining to Prohibition of Insider Trading and notified the SEBI (Prohibition of Insider Trading) Regulations 2015. In accordance with the revised regulations, the Company has, inter alia, adopted a Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information duly approved by the Board.

The Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is posted on the website of the Company at www.aec.com.

The Manager of the Company has been appointed as Compliance Officer and is responsible for adherence to "Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information."

(H) Whistle Blower Policy :

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behaviour / practices. Employees use this channel to report concerns related to discrimination, retaliation and harassment, and are assured of complete anonymity and confidentiality. During the year under review, no such cases were reported and no personnel have been denied access to the Audit Committee.

The details of such mechanism are communicated to all the directors and employees and the Whistle blower policy is also uploaded on the website of the Company at www.aec.com.

(I) CEO / CFO Certificate :

The Managing Director/CEO and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of SEBI (LODR) Regulations, 2015.

3. COMMITTEES OF BOARD :

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the meetings of all the committees are placed before the Board for review.

There are four Board Committees constituted/ reconstituted as at date :

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders Relationship Committee
4. Risk Management Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

(1) AUDIT COMMITTEE :

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing, and financial reporting process including review of the internal audit reports and action taken report.

The terms of reference and role of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

Composition of Committee :

The Audit Committee of Directors comprises of three Non-Executive Independent directors viz. (1) Mr. B D Joshi (2) Mr. K J Mehta and (3) Mr. D B Nakum, who all have adequate financial and accounting knowledge.

Meeting and attendance of Audit Committee :

Four Audit Committee meetings were held on **25th May, 2015, 20th July, 2015, 20th October, 2015, and 25th January, 2016**. The attendance of Audit Committee member is given hereunder:

Name of the Director	Category	Nos. of Meeting Attended
Mr. B D Joshi	Chairman of Committee	4
Mr. K J Mehta	Member of Committee	4
Mr. D B Nakum	Member of Committee	4

The Audit committee at its meeting held on **30th May, 2016** reviewed the Annual Accounts for the year 2015-2016 and recommended the same for approval of the Board of Directors.

The Audit Committee invites such of the executives and directors, as it considers appropriate to be present at its meetings. The Manager, the Accountant, the Statutory Auditors and the Internal Auditors are normally invited to this meeting.

Terms of Reference :

The Audit Committee reviews the financial statements of subsidiary of the Company and also performs the following functions:

- to review the audit plan and Company's external auditors report;
- to recommend appointment, remuneration and terms of appointment of auditors of the company;
- to review the financial statements of the Company before their submission to the Board;



- to review with management the quarterly financial statements of the Company before their submission to the Board;
- to review the co-operation given by the Company's officers to the external auditors;
- to discuss nature and scope of audit before audit commences with statutory auditors;
- to review the scope and results of internal audit procedures;
- to nominate external auditors for re-appointment;
- to review interested person transactions; and
- to generally undertake such other functions and duties as may be required by statute or by the Listing manual, and by such amendments made thereto from time to time.
- It shall have the authority to investigate into any matter relating to accounts as referred to it by the Board and for this purpose; they shall have full access to information contained in "Accounting records" of the Company.

The minutes of Audit Committee Meetings are reviewed by the Board of Directors at the subsequent Board Meeting.

(2) **NOMINATION AND REMUNERATION COMMITTEE :**

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Section 178 of Companies Act, 2013, and Regulation 19 of SEBI (LODR) Regulations, 2015.

Composition of Committee :

The Company has set up a Nomination and Remuneration committee which consist of three Non-Executive Independent Directors namely (1) Mr. B D Joshi (2) Mr. K J Mehta and (3) Mr. D B Nakum.

The Company pays remuneration by way of salary and perquisites to their whole time directors and senior managerial personnel subject to the requisite approval from the Board of Directors of the Company or from the shareholders as and when required under the "act".

During the Financial Year 2015-16, Mr. N. C. Vadgama, Mr. S. M. Thanki, Mr. R.R. Bambhania and Mr. J. R. Bhogayta, the whole time directors have been paid monthly remuneration of Rs. 95,000/- each. All other Directors have been paid Rs.10, 000/- during the year as sitting fees.

The remuneration committee at its meeting held on **20th April, 2015** reviewed the performance and recommend remuneration package to the Managing/Whole-time Directors and also Senior Managerial Personnel of the Company

Terms of Reference :

The role of the Remuneration Committee is to facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

The Remuneration Committee will recommend to the Board a framework of remuneration for the Directors, key managerial personnel and other employees and determine specific remuneration packages for each Director.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.

Remuneration Policy:

The Non Executive Independent Directors of the Company are paid by way of sitting fees. There is no other pecuniary relationship or transaction by the Company with Non Executive Directors.

The Company pays remuneration to its Executive Chairman, Managing Directors and Executive Directors by way of Salary, perquisites and bonus. The remuneration is approved by the Board and is within the overall limits approved by the shareholders.

The minutes of Nomination & Remuneration Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Details of sitting fees, remuneration etc. paid to Directors for the year ended 31st March, 2016:

Name of the Directors	Remuneration Paid to Directors	Sitting fees paid for attending Board/ Audit Committee
Mr. N C Vadgama	95,000/- Per Month	--
Mr. S M Thanki**	95,000/- Per Month	--
Mr. R R Bambhania	95,000/- Per Month	--
Mr. J R Bhogayta	95,000/- Per Month	--
Mr. B D Joshi		10,000/-
Mr. B R Sureja		10,000/-
Mr. K J Mehta		10,000/-
Mr. D B Nakum		10,000/-
Ms. Arati K Goswami		10,000/-

**** Remuneration paid up to 17th December, 2015 on account of his death.**

NOTE : The Non-Executive Directors are not entitled to any remuneration except sitting fees for attending Board/ Committee meetings. As regards to Executive Directors, they are entitled to remuneration as per terms of appointment.



(3) STAKEHOLDER RELATIONSHIP COMMITTEE :

The constitution and terms of reference of Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

Composition of Committee :

The Shareholders/Investors Grievance Committee was constituted to look into the redressal of shareholders/investors grievances, if any, like transfer/transmission/demat of shares, loss of shares certificate, non-receipt of annual report, dividends etc.

Scope of Committee :

The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Composition of Committee is as follow:

NAME OF THE DIRECTORS & POSITION	CATEGORY
Mr. B.R. Sureja -Independent Non-Ex. Director	Chairman of Committee
Mr. N. C. Vadgama -Chairman & Ex. Director	Member of Committee
Mr. R. R. Bambhania -Joint Managing Director	Member of Committee

One meeting of Share holder/Investor Grievances Committee was held on **20th April, 2015**.

The Committee places a certificate of Registrar & Transfer Agent about the details of complaints received and their disposal during the quarter.

Redressal of Investor Grievances :

The Company and its Registrar & Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.

The Company has received nil no of complaint from shareholders during the Financial Year 2015-16.

The minutes of Stakeholders Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

(4) RISK MANAGEMENT COMMITTEE :

Even though it is not mandatory for the Company, your Company has constituted a Risk management Committee. The Committee laid down the procedures to inform the Board about the risk assessment and mitigation about risks. The said committee has worked with defined role and responsibilities.

The Composition of Committee is as follow:

NAME OF THE DIRECTORS & POSITION	CATEGORY
Mr. N. C. Vadgama -Chairman & Ex. Director	Chairman of Committee
Mr. S. M. Thanki – Managing Director	Member of Committee
Mr. Hiren Vadgama	Member of Committee

Terms of Reference :

To drive and co-ordinate risk management process covering all areas of risk including operational, financial, commercial, regulatory, reputational etc., through an appropriate business risk management organization.

To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles.

To ensure that the business risk management principles and processes are widely understood across the Company through adequate induction, training and awareness programs.

To periodically monitor and review Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact the Company's delivery of its business plans, strategy, and reputation, if left untreated.

To monitor external developments in the business environment which may have an adverse impact on the Company's risk profile, and make recommendations, as appropriate.

To sponsor specialist reviews of key risk areas as appropriate.

To report to the Board on key risks, risk management performance and the effectiveness of internal controls.

One meeting of Risk Management Committee was held on **20th April, 2015**.

The Board of Directors review the minutes of the Risk Management Committee Meetings at subsequent Board Meetings.

The said committee was dissolved w.e.f. 8th June, 2016.



4. GENERAL BODY MEETINGS :

The last Three Annual General Meetings of the Company were held are given below:

Financial Year	Date	Location of the Meeting	Time
2012-13	23/09/2013	Village: PATLA, Tal: BHESAN Dist: JUNAGADH 362 030	11.00 a.m.
2013-14	09/09/2014	Village: PATLA, Tal: BHESAN Dist: JUNAGADH 362 030	11.00 a.m.
2014-15	22/09/2015	Village: PATLA, Tal: BHESAN Dist: JUNAGADH 362 030	11.00 a.m.

All resolutions moved at the last Annual General Meeting were passed in the manner of “Poll” by the requisite majority of members since the Company has given a facility of e-voting to their members as being mandated by the SEBI.

The followings are the Special Resolutions passed at the previous three Annual General Meetings.

Whether AGM Held	Special Resolution Passed	Summary
1. 23-09-2013	YES	Reappointment of Mr. N. C. Vadgama as Executive Director of the Company for the period of five years w.e.f 1 st August, 2013
	YES	Reappointment of Mr. S.M. Thanki as Managing Director of the Company for the period of five years w.e.f 1 st August, 2013
	YES	Reappointment of Mr. R. R. Bambhania as Joint Managing Director of the Company for the period of five years w.e.f 1 st August, 2013.
	YES	Reappointment of Mr. J. R. Bhogayta as Executive director of the Company for the period of five years w.e.f 1 st August, 2013
2. 09.09.2014	YES	To borrow monies pursuant to section 180(1) (c) of the Companies Act, 2013
	YES	To sell, Lease or otherwise dispose of the whole or substantially the whole of undertaking pursuant to section 180 (1) (a) of the Companies Act, 2013
	YES	To approve and make the period of office of Mr. Narottam C. Vadgama liable to retire by rotation.
	YES	To approve and make the period of office of Mr. Shashikant M Thanki liable to retire by rotation.
	YES	To enter into related party transaction with Accurate Engineering INC., USA pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Max Precision Bearings Private Limited pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Austin Trades, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Accord Precision Products, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Optimum Services INC., a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with SNR Enterprises, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Accumax Engineering Company, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To alter the Article of Association of the Company pursuant to the provisions of Section 14 of the Companies Act, 2013.
3.22.09.2015	YES	To approve revised monthly salary in Pursuance to related party of Hiren N Vadgama.
	YES	To approve revised monthly salary in pursuance to related party of Jignesh S Thanki.
	YES	To enter into related party transaction with Accurate Engineering INC., USA pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Max Precision Bearings Private Limited pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Accumax Engineering Company, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Eminent Trading (India) LLP, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with United Trading Co., a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.



Postal Ballot :

During the year under review, no Resolutions were passed through Postal Ballot process.

Special resolutions proposed to be conducted through Postal Ballot :

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Any Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

Procedure for Postal Ballot :

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made there under, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility has been provided to all members, to enable them to cast their votes electronically. The Company engaged the services of CDSL for the purpose of providing e-voting facility to all its members. The members had the option to vote either by physical ballot or e-voting.

DISCLOSURES :

- During the year under review, besides the transactions mentioned elsewhere in the annual report, there were no significant related party transactions or pecuniary transactions by the Company with its promoter, directors, management and subsidiaries for the year ended on 31st March, 2016 that had a potential conflict with the interests of the Company at large.
- The Audit Committee is briefed of the related party transactions undertaken by the Company in the ordinary course of business the material individual transactions which were not in the normal course of business and material individual transactions with related parties or others, which were not at arm's length basis together with management's justification for the same.
- The Senior Management has made disclosures to the Board relating to all material, financial and commercial transactions stating that they did not have personal interest that could result in the conflict with the interest of the Company at large.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company **except to the extent of delayed filing.**
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- The Managing Director (CEO) have certified to the Board in accordance with **Regulation 17(8) of SEBI (LODR) Regulations, 2015** pertaining to CEO certification for the financial year ended on **31st March, 2016.**

5. MEANS OF COMMUNICATION :

- The Company does not send its half-yearly reports to each shareholder as the same is not required to be sent legally.
- The quarterly, half-yearly and full year results are regularly submitted to the stock exchange in accordance with the listing agreement and are published in newspapers like Indian Express and Financial Express
- The website of the Company is **www.aec.com**

6. GENERAL SHAREHOLDER INFORMATION :**Annual General Meeting :**

- Date & Time : **Thursday, 29th September, 2016 at 11.00 a.m.**
- Venue : **Village: PATLA, Taluka: BHESAN, Dist.: JUNAGADH-362 030**
- Financial year : **2015-2016 (1st April to 31st March)**
 - Date of Book Closure : **22nd September, 2016 to 29th September, 2016 (Both days inclusive)**
 - Listing on Stock Exchange: Bombay Stock Exchange Limited

The annual listing fees for the year 2015-16 have been paid to the aforesaid stock Exchange.

Stock Code : 522005 (BSE) ISIN No. INE759F01012

Market Price Data :

The monthly high and low shares traded on the Bombay Stock Exchange Limited during financial year 2015-16.

Month	Year	High (Rs.)	Low (Rs.)	Month	Year	High (Rs.)	Low (Rs.)
April	2015	85.75	72.70	October	2015	74.70	61.00
May	2015	87.00	68.80	November	2015	66.80	57.05
June	2015	75.40	58.75	December	2015	74.40	60.90
July	2015	82.65	65.10	January	2016	75.00	56.00
August	2015	88.40	59.00	February	2016	59.30	44.00
September	2015	67.00	58.00	March	2016	51.00	44.25



- Registrar & Share Transfer Agents :**

LINK INTIME INDIA PVT. LTD.

C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Subhash Nagar, Bhandup, (West) Mumbai Maharashtra-400078
Phone No.: 022 259466970 Fax No.: 022 25946969, Email: rnt.helpdesk@linkintime.co.in

- Share Transfer Systems :**

Presently, the share transfer received in physical form are processed and the share certificate are returned within a period 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

- Distribution Pattern of shareholding as on 31st March, 2016 :**

No. of Equity Shares Held	Number of Shareholders	% of Shareholders	Number of Shareholders	% of Shareholders
1 - 500	5338	88.907	822209	23.642
501- 1000	334	5.563	269219	7.741
1001- 2000	158	2.632	231987	6.671
2001- 3000	52	0.866	131052	3.768
3001- 4000	28	0.466	99952	2.874
4001- 5000	21	0.350	96187	2.766
5001- 10000	32	0.533	204901	5.892
10001 and above	41	0.683	1622293	46.647
Grand Total	6004	100.00	3477800	100.00
Physical Mode	1491	24.83	339002	9.75
Electronic Mode	4513	75.17	3138798	90.25

- Shareholding Pattern as on 31st March, 2016 :**

Category	Number of Shares	% of Holding
Indian Promoters/Relatives	1175079	33.788
Resident Individuals & Corporate	2270022	65.271
Fin. Institutions/Banks/Mutual Fund	6900	0.200
NRIs	25799	0.741
TOTAL	3477800	100.00

- Dematerialization of equity shares and liquidity :**

The Company's equity shares are compulsorily dematerialized with effect from 17.10.2002. The Company's ISIN No. **INE759F01012**. Any shareholder, desirous of dematerialization of their shares, is required to approach any Depository Participant for opening of account or for any operational clarification; the Share Certificates are required to be sent to the Company through Depository Participant only.

Nearly **90.25%** of total equity shares of the Company are held in dematerialized form with following depository.

NSDL : 2132883 Shares (61.33%) CDSL : 1005915 Shares (28.92%)

- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments conversion date and likely impact on equity:**

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

- Plant Location :**

Village : PATLA, Taluka: BHESAN, District : JUNAGADH 362 030 (Gujarat)

Phone : 02873 – 252223 / 252267 / 252268, Fax : 02873-252225 & 0285-2661505, E-mail : info@aec.com

- Address for Correspondence :**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, and please write to:

LINK INTIME INDIA PVT. LTD.

C-13 Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup, (West) Mumbai Maharashtra-400078

Phone No.: 022 259466970, Fax No.: 022 25946969, Email: rnt.helpdesk@linkintime.co.in

For general correspondence write to:
Austin Engineering Co. Ltd.

Village : PATLA, Taluka: BHESAN, District : JUNAGADH 362 030 (Gujarat)

Phone : 02873 – 252223 / 252267 / 252268, Fax : 02873-252225 & 0285-2661505, E-mail : info@aec.com



7. CEO and CFO CERTIFICATION :

The CEO's and CFO's certification of the financial statements and a declaration that all Board Members and senior management have affirmed compliance with the Company's Code of Business Ethics for the year ended 31 March, 2016 is attached with this report.

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD :

We, **Mr. R. R. Bambhania, Managing Director** and **Mr. Siddik Kotal, Chief Financial Officer** of Austin Engineering Company Limited, certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the Auditors and to the Audit Committee:
 - a) that there are no significant changes in internal control over financial reporting during the year;
 - b) that there are no significant changes in accounting policies during the year;
 - c) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

Date : 8th June, 2016
Place : Patla, Junagadh

R. R. Bambhania
Sd/-
Managing Director

Siddik Kotal
Sd/-
Chief Financial Officer

8. DECLARATION BY CEO UNDER REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:

In accordance with **Regulation 26 Of SEBI (LODR) Regulations, 2015** with the Stock Exchange, I hereby confirm that, all Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial year ended on **31st March, 2016**.

FOR AUSTIN ENGINEERING CO. LTD.
SD/-

Date : 8th June, 2016
Place : Patla, Junagadh

R. R. Bambhania
MANAGING DIRECTOR

9. AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
AUSTIN ENGINEERING CO. LTD

We have examined the compliance of conditions of Corporate Governance by **AUSTIN ENGINEERING COMPANY LIMITED** during the year ended on **31st March, 2016** as stipulated in **Regulation 27 of the SEBI (LODR) Regulations, 2015** of the said Company with the stock exchange in India.

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

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

We have been explained that no investor grievances remaining unattended/pending for a period exceeding one month as on 31st March, 2016.

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

For Dhirubhai Dand & Co .
CHARTERED ACCOUNTANTS
SD/-
DHIRUBHAI H. DAND
PROPRIETOR

Date : 8th June, 2016
Place : Patla, Junagadh





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF BEARING INDUSTRY AND DEVELOPMENTS THERETO :

The Indian bearing industry has grown steadily over the past few years. The industrial segment has evolved rapidly since the time of industrial revolution and is regarded as the main hub of modern machineries. The bearing industry plays a crucial role in the automotive sector. The increase in demand for high –speed engines and machineries, spanning over a large section of industry, has created a fresh challenge for the bearing industry.

The Indian bearing industry manufactures over 500 varieties of bearings. Considering this figure the industry has a lot of scope for growth and development. The current Indian bearing industry is worth Rs. 3500 crores. In this, automotive segment accounts for 45% of the revenues which amounts to Rs. 1350 crores and the remaining 55% is influenced by other industries through imports.

The Indian bearing Industry is no exception to this situation. The market size is estimated to be an amount INR 85 billions. However, the split between domestic production and imported bearings remained more or less unchanged as compared to last year. OEM and the end users across industrial and automotive sectors were impacted by the prevailing economy sluggishness which resulted the challenging year for the Indian Bearing Industries. During the year, core sector performance remained unchanged while some showed deceleration of the negative trend and few others posted very moderate growth.

Austin Engineering Company Limited with its wide range of products coupled with deep customer relationship continues to focus on outpacing the external challenges efficiently by building on its competitive edge and delivering sustainable results.

OPPORTUNITIES :

The long term prospects for Indian economy remains bright owing to the growth of internal consumption driven by the country's demographic dividend, rapid urbanization, growth of manufacturing and infrastructure development. In the short term, with revival of business confidence coupled with positive actions on reforms, infrastructure and inclusive growth by the government, the economy is likely to develop positively. It is widely believed that though the current growth in Indian economy is sluggish, however, the mid to long term outlook on the Indian economy remains positive.

THREATS :

Bearing industry being capital intensive, there is always a threat of under utilization of expensive resources to be used and lesser absorption of fixed cost faced by the Company. Moreover, facing competition from Chinese Markets due to dumping of cheap bearings is area of serious concern for the Company.

Continual increase in raw material and consumables is another area of threat.

Increase in Labour cost will have to be matched by corresponding increase in productivity to retain compositeness of industry.

The shortage of appropriately skilled labour across is emerging as a significant and complex challenge to the Company's growth and future. Your Company continues to focus on quality and technology innovations besides further developing application engineering and R & D capabilities to strengthen the competitiveness.

STRENGTH :

The Directors of the Company are well experienced and technically qualified with well succession plan. The Company is in this line of business for more than three decades and enjoys high reputation in the name of its brand and in the market. The Company has wide market network with established customer base. The Company is able to obtain skilled workmen at comparatively lower cost. The Company is profit making one and self performance is improving year after year.

SEGMENT WISE PERFORMANCE :

The company primarily operates in two segments of activities, namely, 'Bearings' and 'Power' which are used in wide range of applications across industries. The volatility and turbulence in the economy, higher input cost, and production cuts planned in the industry has adversely affected the production and demand curves and the trend continued throughout the year. Their present performance and future prospects have been given separately in Directors' Report.

INTERNAL CONTROL SYSTEMS :

An important aspect of Good Corporate Governance is a well-defined 'Internal Control' and 'Internal Audit' system. Therefore your Company views internal audit as a continuous process to keep management regularly appraised about the existence, adequacy and effectiveness of control systems and processes in the operations of the organisation.

The Company has a sound system of internal controls for financial reporting of various transactions and compliance with relevant laws, rules and regulations. The Company has well documented policies, procedures and authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the business.

The Internal Audit Department has extensive audit programs for the year. The post audit checks and reviews are also carried out to ensure follow up on the observations made by the Audit Committee. The Audit Committee reviews the internal audit reports and the adequacy of internal controls periodically and takes corrective action as and when necessary.

All transactions are authorised as per company's approval and signature guidelines, which are recorded and reported in an organised manner.



FINANCE :

“AECL” operates primarily in the bearings and related components segment which are used in a wide range of applications across industries. The Indian economy continues to battle with several challenges from subdued demand and investments, contraction of industrial production and high interest rate during the year 2014. The macro environment improved a little as we went through the year with the new regime in power.

Your company has been consistently practising prudent finance and working capital management. The strong focus on working capital and liquidity management has helped timely generation of sufficient internal cash flow to invest in long-term strategic objectives of the company.

BUSINESS STRATEGY AND OUTLOOK :

“AECL” is the leading manufacturer of all types of anti-friction bearings and it offers wide range of varieties to the different segments of people.

The company blend optimism with caution as it looks ahead to short term future. Easing of inflation and liquidity will set better chance for investment and consumption.

At the company level, the majority of product range is the import substitute and there is likelihood to increase our sale on export front. A number of steps for strict cost control and improving efficiency and production at all levels have been taken which is expected to further enhance the performance of company in the years to come. At the core of “AECL”, technical up gradation and advancement is a perpetual effort soliciting involvement of the top management which itself endeavours to encourage new development, continuous quality improvement and strong desire to prove that your company’s technology is proficient to compete with any top technologically advanced organization and thus, resulting in unshakeable customer confidence in India and abroad for “AEC” bearings.

The Company is trying to focus on sharpening its competitiveness and offering various product- mixes which is totally market driven.

The Company restricts its export domain only to the most quality-conscious market like the United States and European Union which accounts majority of its revenue. We have 100% subsidiary in USA which also acts on marketing front. What may come as a surprise to the most is that, despite our very modest size, we have the widest range of bearings in the domestic market, weighing from 50 Gms to over 500 Kgs.

We manufacture bearings for demanding applications. It is among a handful of customized bearing manufacturer worldwide producing bearings of 1800mm diameter.

Ours special bearing range includes:

1. Steel Plant bearings
2. Mining Equipment.
3. Material handling equipment.
4. Bearings for cement, sugar, paper and other continuous process industry
5. Special bearings for high speed heavy duty turbines (used in power plants)
6. Oilfield applications
7. Agro-machinery
8. Gear Box
9. Motor/Pumps

HUMAN RESOURCES AND INDUSTRIAL RELATIONS :

The Company believes that the quality of its employees is the key to its success in the long run and therefore is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adapt to contemporary technological advancements. Industrial relations during the year continued to be cordial. The company is committed to maintain good relations through negotiations and meetings and it encourages its employees to be ‘entrepreneurial’ and focus on experimenting and being innovative.

The performance linked bonus and rewards were instituted, which not only helped to improve productivity but also brought the culture of healthy competitive performance within the organization. The gap between existing and desired skills has been filled up in the employees through training and development.

Your Company firmly believes that Human Resource Development strategies and practices will continue to provide sustained competitive advantage. The management of your Company deeply appreciate the spirit and commitment of its dedication of its employees.

CAUTIONARY STATEMENT :

Certain statements in the Management Discussion and Analysis describing the company’s objectives, projections, estimates, expectations or predictions may be ‘forward-looking statements’ within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied therein. Important factors that could make a difference include raw material availability and prices thereof, cyclical demand and pricing in the company’s principal markets, changes in government regulations and tax regime, economic developments within India and the countries in which the company conducts business and other incidental factors. The Company will not be in any way responsible for any actions based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.



INDEPENDENT AUDITORS' REPORT

To,
The Members of
AUSTIN ENGINEERING CO. LTD.

Report on the Financial Statements

We have audited the accompanying standalone Financial Statements of Austin Engineering Company Limited ("the company") which comprise of the Balance Sheet as at **31st March, 2016**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities 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 preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with the Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the fraud 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 control, 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.

Auditors' Responsibility

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

While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision 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 disclosures in the standalone financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give true and fair view in order to design audit procedure that are appropriate in the circumstances. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance sheet, of the state of affairs of the Company as at **31st March, 2016** ;
- (b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the '**Annexure - A**', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - b. in our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified u/s 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules 2014;
 - e. on the basis of written representations received from the directors, as on **March 31, 2016**, taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2016**, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure - B**'; and
 - g. with respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28.1 (ii) & (iii) to the financial statements;
 - ii) the company did not have any long term contracts including derivative contracts; for which there were any material foreseeable losses;
 - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR DHIRUBHAI DAND & CO.,
Firm Registration No. 118190W
Chartered Accountants

DHIRUBHAI H. DAND
PROPRIETOR
M. NO. 017117

PLACE : JUNAGADH
DATE : May 30, 2016



ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:

1. In respect of its Fixed Assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets. (other than in respect of tools, dies, furniture & fixture).
 - (b) The fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the company.
2. In respect of its Inventories:
 - (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) No material discrepancies were noticed on physical verification of stocks by the management as compared to the books records.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. (a) As stated above, no such loan has been granted by the company hence clause (a) related to terms and condition of loans is not applicable. (b) As stated above, no such loan has been granted by the company hence clause (b) related to repayment of loan and interest are also not applicable. (c) As stated above, no such loan has been granted by the company hence clause (c) related to overdue amount more than 90 days is also not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The company has not accepted any deposits from the public.
6. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
7.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues to the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance. According to the information and explanations given to us and based on the records of the Company examined by us, no undisputed amount of Statutory dues were outstanding, as at **March 31, 2016** for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no material dues of Income Tax, Sales-Tax, Value Added Tax, Service-Tax, Custom Duty and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Central Excise as at **March 31, 2016** have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	3,47,447	Financial year 2012-13 & 2013-14	CCESTAT, WZB -Ahmedabad
Central Excise Act, 1944	Excise Duty	72,71,011	Financial year 2009-10, 2010-11 & 2012-13	CCESTAT, WZB -Ahmedabad

*Net of amounts paid under protest.

8. The company has not made any default in repayment of loans or borrowing to bank. The Company does not have any loans or borrowing from a financial institution, Government or any debentures holder during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us and based on our examination of the records of the Company, the company has obtained term loans and applied for the purpose for which the said loan was raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and on the bases on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR DHIRUBHAI DAND & CO.,
Firm Registration No. 118190W
Chartered Accountants

DHIRUBHAI H. DAND
PROPRIETOR
M. NO. 017117

PLACE : JUNAGADH
DATE : May 30, 2016



ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **AUSTIN ENGINEERING CO. LTD.** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

FOR DHIRUBHAI DAND & CO.,
Firm Registration No. 118190W
Chartered Accountants

DHIRUBHAI H. DAND
PROPRIETOR
M. NO. 017117

PLACE : JUNAGADH
DATE : May 30, 2016



Balance Sheet as at 31.03.2016

Particulars	Note No.	31-03-2016		31-03-2015	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
(a) Share Capital	3	34,778,000		34,778,000	
(b) Reserves and Surplus	4	523,329,930	558,107,930	535,399,099	570,177,099
2. Non-current liabilities					
(a) Long-term borrowings	5	1,306,616		223,693	
(b) Long-term Provisions	6	43,399,233	44,705,849	33,818,433	34,042,126
3. Current Liabilities					
(a) Short term borrowings	7	83,477,042		93,518,511	
(b) Trade payables	8	143,384,762		173,290,118	
(c) Other current liabilities	9	56,733,900		38,089,280	
(d) Short term provisions	10	28,721,380	312,317,084	35,683,947	340,581,856
TOTAL			915,130,863		944,801,081
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	11	96,971,475		96,629,186	
(ii) Intangible assets	11	25,039,052		25,675,783	
(iii) Capital Work in progress	11	145,000		-	
(b) Non-current investments	12	4,057,625		4,057,625	
(c) Deferred Tax Assets (Net)	13	10,535,804		8,729,659	
(d) Long-term loans and advances	14	15,181,883	151,930,839	13,130,375	148,222,628
2. Current assets					
(a) Inventories	15	514,220,015		470,206,033	
(b) Trade receivables	16	202,652,744		247,426,936	
(c) Cash and Cash equivalents	17	14,804,047		30,672,718	
(d) Short-term loans and advances	18	31,428,085		48,186,602	
(e) Other current assets	19	95,133	763,200,024	86,164	796,578,453
TOTAL			915,130,863		944,801,081
Significant accounting policies and notes to accounts	1 to 28				

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhania
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : JUNAGADH
Date : May 30, 2016

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

Place : San Francisco,
California, USA
Date : May 30, 2016

Statement of Profit and Loss for the Year ended 31.03.2016

Particulars	Note No.	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations	20	700,395,124		982,987,439	
II Other Income	21	16,976,621		2,507,852	
III Total Revenue (I + II)			717,371,745		985,495,291
IV Expenses					
Cost of Materials Consumed	22	211,021,157		314,078,273	
Purchases of Stock in Trade	23	137,385,083		149,424,623	
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	(43,710,181)		(37,325,527)	
Employee benefits expense	25	172,461,677		169,088,459	
Finance Costs	26	10,150,171		9,417,371	
Depreciation	11	12,267,357		13,085,229	
Other expense	27	231,671,795		323,374,126	
Total Expense			731,247,059		941,142,554
V Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)			(13,875,314)		44,352,737
VI Exceptional Items			-		-
VII. Profit / (Loss) before extraordinary items and tax (V-VI)			(13,875,314)		44,352,737
VIII Extraordinary items			-		-
IX Profit / (Loss) before tax (VII-VIII)			(13,875,314)		44,352,737
X Tax expense:					
(1) Current tax		-		15,950,000	
(2) Deferred tax		(1,806,145)	(1,806,145)	(4,454,773)	11,495,227
XI Profit / (Loss) for the period from continuing operations (IX - X)			(12,069,169)		32,857,510
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit / (Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the year (XI + XIV)			(12,069,169)		32,857,510
XVI Earnings per equity share:					
(1) Basic			(3.47)		9.45
(2) Diluted			(3.47)		9.45
Significant accounting policies and notes to accounts	1 to 28				

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhania
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : San Francisco,
California, USA
Date : May 30, 2016

Place : JUNAGADH
Date : May 30, 2016

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before extraordinary items and tax		(13,875,314)		44,352,737
Adjustments for:				
Depreciation	12,267,357		13,085,229	
Finance Cost	10,150,171		9,417,371	
(Profit) / Loss on sale of Assets/shares	(1,183,739)		(79,481)	
Interest/Dividend Income	(866,792)		(834,432)	
		<u>20,366,997</u>		<u>21,588,687</u>
Operating Profit before working capital changes		6,491,683		65,941,424
Adjustments for (increase)/decrease in operating assets:				
Inventories	(44,013,982)		(35,251,052)	
Trade Receivable	44,774,192		2,327,006	
Short Term loans & Advances	16,758,517		(15,380,121)	
Long Term Loans & Advances	(2,051,508)		(380,899)	
Other Current Assets	(8,969)		4,517	
Adjustments for : increase / (decrease) in operating liabilities				
Trade payables	(29,905,356)		(10,772,866)	
Other Current Liabilities	18,644,620		(7,880,752)	
Short Term Provisions	(381,325)		1,911,939	
Long Term Provisions	9,580,800		12,271,176	
		<u>13,396,989</u>		<u>(53,151,052)</u>
Cash generated from operations		19,888,672		12,790,372
Direct taxes paid		<u>(302,547)</u>		<u>(15,647,453)</u>
NET CASH FROM OPERATING ACTIVITIES :		19,586,125		(2,857,081)
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(12,432,399)		(9,303,574)
Purchase of Investments		-		-
Sale of Fixed Assets		1,498,223		121,000
Sale of Investments		-		1,334,318
Interest/Dividend Received		866,792		834,432
		<u>(10,067,384)</u>		<u>(7,013,824)</u>
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long Term Borrowings (net)		1,082,923		(322,142)
Net Increase / (Decrease) in Short term Borrowings		(10,041,469)		40,369,607
Dividend Paid		(5,216,700)		(5,216,700)
Dividend Tax Paid		(1,061,995)		(886,578)
Finance Cost		(10,150,171)		(9,417,371)
		<u>(25,387,412)</u>		<u>24,526,816</u>
Net Cash used in financial activities		<u>(25,387,412)</u>		<u>24,526,816</u>
Net increase in cash and cash equivalents(A+B+C)		<u>(15,868,671)</u>		<u>14,655,911</u>
Cash and Cash equivalents at the beginning of the year		<u>30,672,718</u>		<u>16,016,807</u>
Cash and Cash equivalents at the end of the year Note:17		<u>14,804,047</u>		<u>30,672,718</u>

Significant accounting policies and notes to accounts **1 to 28**

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhania
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : JUNAGADH
Date : May 30, 2016

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

Place : San Francisco,
California, USA
Date : May 30, 2016



Notes forming part of the financial statements of the Accounts for the year ended 31st March, 2016.

1. Corporate Information :

AUSTIN ENGINEERING COMPANY LIMITED is a public limited company domiciled in India and incorporate under the provisions of the Companies Act, 1956, Its shares are listed on one stock exchange in India. (BSE) The company is engaged in manufacturing and selling all type of Bearings and its components under trademark "aec". The company is also engaged in generating of Power from wind energy. The Manufacturing unit of the company is situated at village Patla, Taluka Bheshan, Dist. Junagadh - 362 030. The company has one fully owned subsidiary company at U.S.A.. The company caters to both domestic and international markets.

2. Basis of Preparation.

The financial statement of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) including accounting standards notified under the relevant provisions of the Companies Act, 2013. The Financial statements have been prepared on an accrual basis and under the historical cost convention except where specifically stated.

3. Use of Estimates.

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2. Significant Accounting policies:

a. Fixed Assets & Depreciation:

1. Fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes but net of Cenvat and Vat credit wherever applicable and other incidental expenses.

Depreciation on assets is provided on the basis of Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of the assets added during the Period, the depreciation is provided on pro-rata basis from the date on which such assets were first put to use till the end of the financial year. No depreciation is charged on assets sold during the year.

2. Intangible Assets are amortized as follows:

- Trademark is amortized over the useful life estimated by the management.
Over a period of 50 years.
- Computer Software is amortized over the useful life estimated by the management.
Over a period of 5 years.

b. Inventories :

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the weighted average basis and where applicable, includes the cost of material (net of available Cenvat credit), labour and factory overheads. Finished products also include excise duty on products manufactured.

c. Cenvat:

Cenvat benefit is accounted for by reducing the purchase cost of the materials/ fixed assets.

d. Foreign Currency Transaction:

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange difference

Monetary items denominated in Foreign Currencies at the year end and not covered by forward exchange contract are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

All exchange differences are recognized as income or as expenses in the period in which they arise except monetary item in a non-integral foreign operation and long term foreign currency monetary items of a fixed assets.

e. Retirement benefits

- A) Company's contributions Payable during the year to the Government Provident fund which are defined contribution schemes , are charged to the Statement of Profit & Loss.
- B) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.
- C) Actuarial gains/losses in respect of defined benefits are immediately taken to Statement of Profit & Loss and are not deferred.

f. Excise:

Excise Duty has been accounted on the basis of, both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

g. Dividend

Dividend whenever proposed by the Board of Directors as appropriation of profits are provided for in the books of account, pending approval of the shareholders at the annual general meeting.



h. Contingent liability:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but disclose its existence in the financial statements.

Liabilities in respect of Show Cause Notices received are considered as contingent liabilities only when they are converted into demands and contested by the Company.

i. Investment:

Investments are classified into long term investment. Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

j. Export Incentives:

Export Incentives such as Duty draw back , F.P.S. License etc. are accounted in the year of export on accrual basis considering the realizable value thereof.

k. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sales of goods

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales include excise duty, sales tax and value added tax.. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend Income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

l. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

n. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o. Taxation:

Tax expenses comprises current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognize in equity and not in the Statement of profit and loss.

The deferred tax asset and deferred tax liability are calculated by applying tax rate and tax rules that have enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward business losses and unabsorbed depreciation allowance under tax laws, are recognized only if there is a virtual certainty of its realization. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of their realization. At each balance sheet date, the carrying amounts of deferred tax assets are reviewed to re-assure realization.

p. Derivative instruments and hedge accounting

The company uses foreign exchange forwards contracts to hedge its exposure to movements in foreign exchange rate. This foreign exchange forward contracts are not used for trading or speculation purposes. The accounting policy for forward contracts are based on whether it meet the criteria for designation as effective cash flow hedges. To designate the forward contract as an effective cash flow hedge, the Company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

For forward contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the share holders' fund (under the head "hedging reserve ") and are reclassified into the Statement of Profit & Loss account upon the occurrence of the hedged transactions.

The Company recognizes gains or losses from changes in fair value of forward contracts that are not designated as effective cash flow hedges for accounting purposes in the profit and loss account in the period the fair value changes occur.

q. Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segments is based on the areas in which major operating division of the company operate.





Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 3 : SHARE CAPITAL				
AUTHORISED :				
40,00,000 Equity Shares of Rs.10/- each		40,000,000		40,000,000
ISSUED, SUBSCRIBED AND PAID UP :				
34,77,800 Equity Shares of Rs.10/- each fully paid up. *		34,778,000		34,778,000
(Previous Year 34,77,800 Equity Shares of Rs. 10/- each fully paid up.)				
TOTAL :		34,778,000		34,778,000

* No Shareholders holding more than 5% shares in the company.

* Terms / rights attached to shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declare and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company after distribution of all preferential amounts. The distribution will be in propotion to the numbers of equity shares held by the shareholders.

NOTE 4 : RESERVES & SURPLUS

RESERVES :				
Capital Reserve		792,427		792,427
Cash subsidy reserve		2,935,458		2,935,458
Share Premium		86,795,000		86,795,000
Capital Redemption Reserve		532,000		532,000
General Reserve				
As per last Balance Sheet	60,149,239		56,149,239	
Add: Transfer from Profit & Loss A/c	–	60,149,239	4,000,000	60,149,239
		151,204,124		151,204,124
Profit & Loss Account				
Profit & Loss Account				
As per last Balance Sheet	384,194,975		364,147,559	
Add. Profit / (Loss) for the year	(12,069,169)		32,857,510	
	372,125,806		397,005,069	
Less:- Appropriations				
- Adjustment relating to Fixed Assets	–		2,531,399	
- Dividend on Equity shares	–		5,216,700	
- Tax on distributed profit on Equity shares	–		1,061,995	
- Transfer to General Reserve	–	372,125,806	4,000,000	384194975
TOTAL :		523,329,930		535,399,099



Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 5 : LONG TERM BORROWINGS				
SECURED				
(A) Deferred Payment Loan				
from ICICI Bank (Refer Note : 09)		1,306,616		223,693
(excluding current maturity)				
TOTAL :		1,306,616		223,693

* The above borrowings are secured by Hypothecation of Vehicles. The rate of Interest is 10.06%. Loan repayable in 36 equal monthly instalments.

NOTE 6 : LONG TERM PROVISIONS			
Leave Salary Provision		3,888,117	3,576,782
Gratuity Provision		39,511,116	30,241,651
TOTAL :		43,399,233	33,818,433

NOTE 7 : SHORT TERM BORROWINGS			
SECURED			
Working Capital Loan			
from Bank of Baroda		83,477,042	93,518,511
TOTAL :		83,477,042	93,518,511

* Working Capital loan from the bank is secured by Hypothecation of all stocks, Bill Discount and book-debts and all movable machinery including stores & spares, equitable mortgage of all land & building of the Company. The same is repayable on demand.

NOTE 8 : TRADE PAYABLES			
Trade Payables		143,384,762	173,290,118
TOTAL :		143,384,762	173,290,118

* The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprise Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

* Trade payables includes amount due to Directors of Rs. 287,700/-.(Previous year Rs. 383,600/-) .



Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 9 : OTHER CURRENT LIABILITEIS				
Current maturity of long term borrowings				
Deferred Payment loan from Bank		1,042,911		322,142
Creditors for capital goods		26,480,455		26,732,919
Advance payment from customers		25,336,046		6,822,556
Unpaid Dividend		2,254,750		2,419,584
T.D.S., T.C.S. Payable		1,619,738		1,792,079
TOTAL :		56,733,900		38,089,280

* Payable on Purchase of Fixed Assets include amount due to H.U.F. of Directors Rs.15,418,518/-.
(Previous Year Rs. 15,768,568/-).

NOTE 10 : SHORT TERM PROVISIONS

Proposed Dividend		—		5,216,700
Provisions for Tax on Proposed Dividend		—		1,061,995
Provisions for Income Tax (Net of Advance Tax & TDS)		—		302,547
Bonus Provision		18,837,807		18,096,542
Gratuity Provision		9,136,243		10,360,943
Leave Salary Provision		747,330		645,220
TOTAL :		28,721,380		35,683,947

Notes forming parts of the financials statements for the year ended 31st March, 2016

NOTE 11 : FIXED ASSETS

SR. NO.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01/04/2015 Rs.	Addition During the year Rs.	Sales/Trans. During the year Rs.	Balance as at 31/03/2016 Rs.	Provided Upto 01/04/2015 Rs.	Provided During the year Rs.	Adjustment/ (Deductions) Rs.	Total as at 31/03/2016 Rs.	Balance as at 31/03/2016 Rs.	Balance as at 31/03/2015 Rs.
A	Tangible Assets (Own assets)										
1	Freehold Land	71,871	-	-	71,871	-	-	-	-	71,871	71,871
2	Leasehold Land	96,408	-	-	96,408	-	-	-	-	96,408	96,408
3	Factory Building	51,766,486	2,170,721	-	53,937,207	26552473	1451140	-	28,003,613	25,933,594	25,214,013
4	Plant & Machinery	169,011,662	4,574,170	2,125,178	171,460,654	126066477	4355505	1,893,721	128,528,261	42,932,393	42,945,185
5	Plant & Machinery(100%Depreciation)	2,774,089	-	-	2,774,089	2774089	-	-	2,774,089	-	-
6	Electric Installation	10,302,343	17,199	-	10,319,542	9912116	42395	-	9,954,511	365,031	390,227
7	Tools Dies & Measuring Instruments	43,840,510	1,459,213	-	45,299,723	37033369	598660	-	37,632,029	7,667,694	6,807,141
8	Furniture & Fixture	17,689,299	345,980	-	18,035,279	11414729	959383	-	12,374,112	5,661,167	6,274,570
9	Office & Factory Equipments	10,119,353	374,287	-	10,493,640	7385972	1170176	-	8,556,148	1,937,492	2,733,381
10	Vehicles	21,578,630	2,578,300	1,660,548	22,496,382	14809732	1853265	1,577,521	15,085,476	7,410,906	6,768,898
11	Computers	10,527,955	163,529	-	10,691,484	9861923	373327	-	10,235,250	456,234	666,032
12	Wind Electric Power Converter	35,307,710	-	-	35,307,710	30646250	222775	-	30,869,025	4,438,685	4,661,460
	Sub Total (A)	373,086,316	11,683,399	3,785,726	380,983,989	276,457,130	11,026,626	3,471,242	284,012,514	96,971,475	96,629,186
B	INTANGIBLE ASSETS										
1	'aec' TRADE MARK	40,861,000	-	-	40,861,000	16,140,095	817220	-	16,957,315	23,903,685	24,720,905
2	Computer Software	3,477,056	604,000	-	4,081,056	2,522,178	423511	-	2,945,689	1,135,367	954,878
	Sub Total (B)	44,338,056	604,000	-	44,942,056	18,662,273	1,240,731	-	19,903,004	25,039,052	25,675,783
	TOTAL (A + B)	417,424,372	12,287,399	3,785,726	425,926,045	295,119,403	12,267,357	3,471,242	303,915,518	122,010,527	122,304,969
	PREVIOUS YEAR	409,339,495	9,303,574	1,218,697	417,424,372	278,972,015	13,085,229	3,062,159	295,119,403	122,304,969	130,367,480
C	Capital Work In Progress										
1	Computer Software									145,000	-

NOTE 12 : NON CURRENT INVESTMENTS (AT COST)

LONG TERM INVESTMENTS :

PARTICULARS	2015-16			2014-15		
	No. of Shares	Face Value Rs.	Rs.	No. of Shares	Face Value Rs.	Rs.
(A) UNQUOTED:						
Equity Share (Fully Paid)						
Kowa Spining Ltd.	60,000	10	1,050,000	60,000	10	1,050,000
Bagri Min & Chem Ltd.	2,600	10	26,000	2,600	10	26,000
Damania Cap.Markets Ltd.	9,300	10	279,000	9,300	10	279,000
Indo Dutch Protiens Ltd.	700	10	7,000	700	10	7,000
Kongarar Textiles Ltd.	600	10	27,000	600	10	27,000
Orissa Luminaries Ltd.	2,000	10	20,000	2,000	10	20,000
Pennar Aqua Exports Ltd.	7,700	10	77,000	7,700	10	77,000
Stiefel Und.Schuh (I) Ltd.	400	10	4,000	400	10	4,000
Tina Electronics Ltd.	1,100	10	11,000	1,100	10	11,000
Investment in Subsidiary Company						
- Accurate Engineering Inc. - U.S.A.	25,000	US\$ 1	1,142,950	25,000	US\$ 1	1,142,950
Share Application Money given to Subsidiary Company						
- Accurate Engineering Inc. - U.S.A.	25,000	US\$ 1	1,128,650	25,000	US\$ 1	1,128,650

Notes forming parts of the financials statements for the year ended 31st March, 2016
NOTE 13 : NON CURRENT INVESTMENTS (AT COST) (Contd....)

PARTICULARS	2015-16			2014-15		
	No. of Shares	Face Value Rs.	Rs.	No. of Shares	Face Value Rs.	Rs.
(B) QUOTED:						
Equity Share (Fully Paid)						
A.J.Brothers Ltd.	3,800	10	57,000	3,800	10	57,000
Antifriction Brg.Corpn.	100	10	6,500	100	10	6,500
Asahi Fibres Ltd.	3,000	10	30,000	3,000	10	30,000
Asian Bearings Ltd.	100	10	1,525	100	10	1,525
Bhupendra Cap. & Fin.Ltd.	1,700	10	68,000	1,700	10	68,000
Gujarat Meditech Ltd.	900	10	9,000	900	10	9,000
Hindustan Agri Ltd.	700	10	7,000	700	10	7,000
Supriya Pharma Ltd.	500	10	10,000	500	10	10,000
Thambi Modern Spng.Mills	600	10	30,000	600	10	30,000
Valley Abresive Ltd.	1,500	10	15,000	1,500	10	15,000
(C) GOVERNMENT SECURITIES :						
National Saving Certificate (Pledged as security to Excise Dept.)			51,000			51,000
TOTAL			<u>4,057,625</u>			<u>4,057,625</u>
Aggregate Book Value of Investment						
- Unquoted			3,772,600			3,772,600
- Quoted Market Value Rs. 133,150/- (Previous year Rs. 111,607/-)			234,025			234,025
- Government Securities			51,000			51,000
TOTAL			<u>4,057,625</u>			<u>4,057,625</u>



Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 13 : DEFERRED TAX (LIABILITIES) / ASSETS - NET				
Deferred Tax Liabilities on account of Difference between Book & Tax Depreciation		(6,000,525)		(4,026,322)
Deferred Tax Assets on Account of Employees Benefits		15,776,445		12,755,981
Unabsorbed Depreciation Allowance		759,884		—
Deferred Tax (Liabilities) / Assets		<u>10,535,804</u>		<u>8,729,659</u>
NOTE 14 : LONG TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received.		—		—
Sundry Deposits		3,359,953		3,361,774
Advance Income Tax		4,973,495		1,587,063
Advances & Deposit to Related Parties		123,916		167,296
Advances for capital expenditure		529,519		2,349,242
Other Loans		6,195,000		5,665,000
TOTAL :		<u>15,181,883</u>		<u>13,130,375</u>
NOTE 15 : INVENTORIES				
[Valued as stated in the accounting policies in Note No. 2.1(b)]				
Raw materials		50,539,378		53,011,091
Raw materials - Goods-in-transit		3,431,103		1,663,417
Work - in - progress		238,938,342		230,840,132
Finished goods		168,885,140		139,894,430
Finished goods - Goods-in-transit		21,169,250		19,523,817
Stock-in-trade		16,719,566		11,743,738
Stores and spares		8,582,496		8,514,096
Packing materials		5,954,740		5,015,312
TOTAL :		<u>514,220,015</u>		<u>470,206,033</u>
NOTE 16 : TRADE RECEIVABLES				
Unsecured Considered Good				
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		18,753,213		19,306,519
Other Trade Receivables		183,899,531		228,120,417
TOTAL :		<u>202,652,744</u>		<u>247,426,936</u>

Trade receivable includes receivable from partnership firms in which directors and / or their relatives are partners Rs. 239,220/- (Previous year Rs. 63,793/-).





Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 17 : CASH & CASH EQUIVALENTS				
Cash on Hand		1,508,789		2,097,405
Balance with Scheduled Bank				
In Current Account	650,256		16,429,703	
In Fixed Deposit A/c @	10,383,615		9,698,816	
In EEFC Account	6,637		27,210	
In Unpaid Dividend A/c.	2,254,750	13,295,258	2,419,584	28,575,313
TOTAL :		14,804,047		30,672,718

@ Fixed deposits with banks which have an original maturity of more than 12 months

NOTE 18 : SHORT TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received.		6,878,590		14,696,673
Advances for expenses		2,635,478		3,593,844
Advances for raw materials		3,306,360		2,496,342
Advances to Employees		3,117,988		4,108,896
Balance with Government authorities		11,955,295		18,982,818
Prepaid Expenses		3,534,374		4,308,029
TOTAL :		31,428,085		48,186,602

NOTE 19 : OTHER CURRENT ASSETS				
Interest Accrued on Deposit , Bond		95,133		86,164
TOTAL :		95,133		86,164

NOTE 20 : REVENUE FROM OPERATIONS				
(A) Sale of Products				
Sales of Manufactured Goods				
a) Bearings	491,158,143		728,107,117	
b) Bearing Components	64,015,297	555,173,440	78,767,080	806,874,197
Sales of Trade Goods		160,668,733		176,010,939
Wind Electric Power Income		9,508,677		7,910,747
(B) Other Operating Revenues				
a) Sales of scrap	4,244,019		7,935,707	
b) Job-work Income	939,469		584,232	
c) Duty Drawback & other export incentives	8,022,190		11,356,153	
		13,205,678		19,876,092
		738,556,528		1,010,671,975
Less : - Excise duty		38,161,404		27,684,536
TOTAL:		700,395,124		982,987,439



Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 21 : OTHER INCOME				
Interest Income		866,592		830,182
Dividend Income		200		4,250
From Long Term Investment				
Foreign Exchange Rate Diff. Income		9,888,044		–
Service tax refund		–		114,533
Rent Income		132,300		132,283
Profit on sale of Fixed Assets		1,183,739		–
Profit on sale of Investments		–		492,170
Miscellaneous income		4,905,746		934,434
TOTAL :		<u>16,976,621</u>		<u>2,507,852</u>
NOTE 22 : MATERIALS CONSUMED				
Opening Stock		54,674,508		58,911,915
Add: Purchases		211,491,886		312,472,113
		<u>266,166,394</u>		<u>371,384,028</u>
Less: Sales		1,174,756		2,631,247
		<u>264,991,638</u>		<u>368,752,781</u>
Less: Closing Stock		53,970,481		54,674,508
TOTAL :		<u>211,021,157</u>		<u>314,078,273</u>
Materials Consumed Comprises :				
a) Steel Bars & Tubes		31,643,035		64,661,437
b) Races & Forged Rings		117,755,397		161,725,109
c) Cages		17,770,984		33,822,700
d) Other materials		43,851,741		53,869,027
TOTAL :		<u>211,021,157</u>		<u>314,078,273</u>
NOTE 23 : PURCHASE OF TRADED GOODS				
Purchase of Traded goods		137,385,083		149,424,623
TOTAL :		<u>137,385,083</u>		<u>149,424,623</u>
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK -IN-TRADE .				
Inventories at the end of the year				
Finished goods	190,054,390		159,418,247	
Semi-finished goods	238,938,342		230,840,132	
Stock - in - Trade	16,719,566	445,712,298	11,743,738	402,002,117
		<u>445,712,298</u>	<u>11,743,738</u>	<u>402,002,117</u>
Inventories at the beginning of the year				
Finished goods	159,418,247		160,825,132	
Semi-finished goods	230,840,132		195,732,606	
Stock - in - Trade	11,743,738	402,002,117	8,118,852	364,676,590
		<u>402,002,117</u>	<u>8,118,852</u>	<u>364,676,590</u>
Net (increase)/ decrease		<u>(43,710,181)</u>		<u>(37,325,527)</u>



Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 25 : EMPLOYEE BENEFIT EXPENSES				
Salary,wages & bonus		158,739,201		154,635,108
Contribution to Provident and other Funds (Refer Note No. 28(16))		11,288,662		11,044,895
Staff Welfare expenses		2,433,814		3,408,456
TOTAL :		<u>172,461,677</u>		<u>169,088,459</u>
NOTE 26 : FINANCE COSTS				
Interest expenses on :				
(i) Borrowings From Bank	7,294,226		6,292,721	
(ii) Creditors	2,822,746		3,036,244	
(iii) Others	33,199	10,150,171	88,406	94,17,371
TOTAL :		<u>10,150,171</u>		<u>9,417,371</u>
NOTE 27 : OTHER EXPENSES				
Stores & Spares consumed		36,411,667		46,463,166
Packing materials consumed		19,976,720		21,372,911
Job work charges		66,093,001		110,980,432
Power & Fuel		10,608,888		11,497,090
Rent		1,212,171		536,477
Repairs and Maintenance - Machinery		1,864,018		1,884,178
Repairs and Maintenance - Building		1,221,032		1,165,198
Repairs and Maintenance - Others		389,243		468,290
Insurance		1,352,264		1,189,224
Excise Duty #		214,955		2,520,111
Rates and Taxes		272,434		557,749
Communication		779,566		866,161
Travelling Exp.		9,260,090		8,442,736
Directors' Sitting Fees		50,000		40,000
Loss on Sale of Assets		—		412,689
Donation		292,000		647,500
Sales commission		14,666,965		16,285,085
Sales promotion		3,472,485		3,754,374
Sales-tax / VAT		12,655,976		11,869,181
Discount		5,508,845		6,507,689
Foreign Exchange Rate Diff.		—		8,467,920
Payment to Auditors @		778,875		775,000
Other Misc.Expenses		44,590,600		66,670,965
TOTAL :		<u>231,671,795</u>		<u>323,374,126</u>
# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.				
@ Payment to Auditors comprises (net of service tax)				
For Statutory Audit		376,875		375,000
For Taxation Matter		341,700		340,000
For Other Services		60,300		60,000
TOTAL :		<u>778,875</u>		<u>775,000</u>



Notes forming parts of the financials statements for the year ended 31st March, 2016

NOTE 28 : ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

1. Contingent liabilities not provided for in respect of :

- [i] Bank guarantees outstanding as at 31st March, 2016 for which the Company has given counter guarantees amounting to Rs. 30,299,651/- (Previous year Rs. 5,974,654/-).
- [ii] Income Tax demand of Rs.632,440/- (Previous year Rs. 632,440/-) raised by the Income Tax department at the time of Assessment. The said demand is disputed by the Company. The Company has paid Rs. 632,440/- (Previous year Rs. 316,440/-) against the said demand.
- [iii] Central Excise demand of Rs. 8,260,498/- (Previous year Rs. 399,937/-) raised by the Central Excise department. The said demand is disputed by the company. The company has paid Rs. 642,040/- (Previous year Rs. 22,496/-) against the said demand.

2. In the opinion of the Board of Directors, current assets and loans and advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.

3. Confirmations of debit/credit balances have not been received and hence these balances are subject to adjustment if any.

4. Value of raw materials and components consumed :

	2015-16		2014-15	
	% of total Consumption	Value Rs.	% of total Consumption	Value Rs.
Imported at landed cost	0.92	1,950,214	0.38	1,183,486
Indigeneously obtained	99.08	209,070,943	99.62	312,894,787
	100.00	211,021,157	100.00	314,078,273

5. The stores and spares consumed :

Imported at landed cost	–	–	–	–
Indigeneously obtained	100.00	36,411,667	100.00	46,463,166
	100.00	36,411,667	100.00	46,463,166

6. CIF Value of Imports :

	Rs.	Rs.
Raw materials	4,773,011	1,201,056
Packing materials	–	–
Capital goods	–	–

7. Expenditure in foreign currency in respect of :

- Travelling	2,886,888	1,908,354
- Sales Commission	311,101	207,310
- Marketing & Sales Promotion Exp.	264,690	1,461,579

8. Earnings in foreign exchange :

Export of goods calculated on F.O.B. basis	204,071,383	478,974,834
--	-------------	-------------



Notes forming parts of the financials statements for the year ended 31st March, 2016
9. DETAILS OF SEGMENT REPORTING :

The company has identified two reportable Segments viz. Bearing and Power.

(1) PRIMARY SEGMENT :

Particulars	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	<u>Bearing</u>	<u>Bearing</u>	<u>Power</u>	<u>Power</u>	<u>Total</u>	<u>Total</u>
1. SEGMENT REVENUE	707,806,088	977,584,544	9,565,657	7,910,747	717,371,745	985,495,291
Other Unallocated Revenue	-	-	-	-	-	-
Total	707,806,088	977,584,544	9,565,657	7,910,747	717,371,745	985,495,291
Less: Inter Segment Revenue	-	-	9,508,677	7,910,747	9,508,677	7,910,747
Net Income from Operation	707,806,088	977,584,544	56,980	-	707,863,068	977,584,544
2. SEGMENT RESULTS						
PROFIT/(LOSS) BEFORE INTEREST & TAX	(12,111,837)	46,855,133	8,386,694	6,914,975	(3,725,143)	53,770,108
LESS : Interest					10,150,171	9,417,371
Other unallocated Expenses					-	-
TOTAL PROFIT/(LOSS) BEFORE TAX	(12,111,837)	46,855,133	8,386,694	6,914,975	(13,875,314)	44,352,737
3. CAPITAL EMPLOYED						
(SEGMENT ASSETS-SEGMENT LIABILITIES)						
Segment Assets	897,023,247	930,217,669	7,571,812	5,853,753	904,595,059	936,071,422
Add: Common assets					10,535,804	8,729,659
TOTAL ASSETS	897,023,247	930,217,669	7,571,812	5,853,753	915,130,863	944,801,081
Segment Liabilities	356,996,822	368,310,683	26,111	34,604	357,022,933	368,345,287
Add: Common Liabilities					-	6,278,695
TOTAL LIABILITIES	356,996,822	368,310,683	26,111	34,604	357,022,933	374,623,982
SEGMENT CAPITAL EMPLOYED	540,026,425	561,906,986	7,545,701	5,819,149	558,107,930	570,177,099

(2) GEOGRAPHICAL SEGMENTS:

(a) The following table shows the distribution of the company's sales by geographical market:

Revenue	Rs.	
	2015-16	2014-15
Within India	465,921,979	461,724,597
Overseas	211,758,790	493,476,003
TOTAL:	677,680,769	955,200,600

(B) Assets base on geographical location : Carrying Amount of Segment assets Addition to Fixed Assets and Intangible Assets

	2015-16	2014-15	2015-16	2014-15
	Within India	863,147,032	848,069,054	12,287,399
Overseas	51,820,162	96,732,027	-	-
TOTAL:	914,967,194	944,801,081	12,287,399	9,303,574

10. EARNINGS PER SHARE :

Basic Earnings per Share	Rs.	(3.47)	9.45
Diluted Earnings per Share	Rs.	(3.47)	9.45
Nominal value per Share	Rs.	10.00	10.00

Earning per share is calculated by dividing the profit attributable to the Equity Shareholders by the number of Equity Shares outstanding during the period. The numbers used in Calculating basic and diluted earnings per Equity Share are as stated below:



Notes forming parts of the financials statements for the year ended 31st March, 2016

		2015-16	2014-15
Profit / (Loss)	Rs.	(12,069,169)	32,857,510
The number of shares outstanding during the period:	Nos.	3477800	3477800

11. Amortisation of Intangible Assets :

In accordance with the accounting standard 26 "Intangible assets" issued by the Institute of Chartered Accountants of India, intangible assets are amortised as follows:

- (a) Considering the legal rights are renewable, renewal is virtually certain and economic benefits to be derived, the useful life of 50 years of Trademark is estimated by the Management and hence the Cost of Trademark is amortised over 50 years. For the year Rs. 8,17,220/- (Previous year Rs. 8,17,220/-) is charged to profit & loss account.

12. Derivatives and Foreign Currency exposures :

The Company uses forward contract to mitigate its risks associated with foreign currency fluctuations having underlying transaction in relation to Sale of goods. The company does not enter into any forward contract which is intended for trading or speculative purposes.

The details of forward contracts outstanding at the year end is as follows :-

	Number of Contracts		Amount in foreign currency		Equivalent amount in Rs.	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Currency	NIL	NIL	NIL	NIL	NIL	NIL
U S D	NIL	NIL	NIL	NIL	NIL	NIL

The details of foreign currency exposures that are not hedged by derivative instrument or otherwise are summarised below :

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.	
	2015-16	2014-15	2015-16	2014-15
Payable				
USD	97,935	37,725	6,496,305	2,361,264
EURO	33,764	16,044	2,535,547	1,083,159
TOTAL :			9,031,852	3,444,423
Receivable				
EURO	657,461	938,204	49,372,347	63,338,556
USD	46,008	545,314	3,054,026	34,131,614
GBP	2,656	-	252,551	-
TOTAL :			52,678,924	97,470,170
BANK				
USD EEFC BANK ACCOUNT	100	435	6,637	27,210
EURO EEFC BANK ACCOUNT	-	-	-	-

13. REMITTANCE IN FOREIGN CUURENCY ON ACCOUNT OF DIVIDEND :

The company has paid dividend in respect of shares held by Non Residents Share Holders :

	2015-16	2014-15
Number of share holder	1	1
Number of shares held	80,000	80,000
Amounts remitted	120,000	120,000
Year to which dividend relates	2014-15	2013-14



Notes forming parts of the financials statements for the year ended 31st March, 2016

14. IMPAIRMENT OF ASSETS :

The Company has adopted the provisions of Accounting Standard - 28 on "Impairment of Assets" as recommended by the Institute of Chartered Accountants of India. On the assessment made by the Management and the Valuation Report of the approved Valuer, there is no impairment of assets and therefore no provisions for impairment of loss is required

15. RELATED PARTY INFORMATION :

Disclosures in respect of related parties (as defined in Accounting Standard 18), with whom transactions have taken place during the year are given below :

(1) Relationship

(a) Enterprises where control of Key Management Personnel and/or their relatives exists.

- | | |
|------------------------------------|---------------------------|
| (i) Max Precision Bearings P. Ltd. | (iv) Austin Traders |
| (ii) Accord Precision Products | (v) Optimum Services Inc. |
| (iii) Accumax Engineering Company | |

(b) Key Management Personnel

- | | |
|--|--|
| (i) Shri S. M. Thanki (upto 16.12.2015) | (ii) Shri N. C. Vadgama |
| (iii) Shri R. R. Bambhania | (iv) Shri J. R. Bhogayta |
| (v) Shri S. A. Kotal | (vi) Ms. Z. M. Talreja (upto 30.09.2015) |
| (vii) Ms. A M Sharma(10.10.2015 to 15.02.2016) | (viii) Ms. N D Parikh(from 15.03.2016) |

(c) Relative of Key Management Personnel

- | | |
|-------------------------------|-----------------------------------|
| (i) Shri S. M. Thanki HUF | (v) Shri Jignesh S. Thanki |
| (ii) Shri R. N. Bambhania HUF | (vi) Shri Hiren N. Vadgama |
| (iii) Shri N. C. Vadgama HUF | (vii) Shri Chandulal N. Bambhania |
| (iv) Shri J. R. Bhogayata HUF | |

(d) Subsidiary Company

- (i) Acurate Engineering Inc. - U.S.A.

Note : Related party relationship is as identified by the company and relied upon by the auditors.

(2) Transaction with Related Parties

Related Parties

(Amount in Rs.)

Particulars	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above		Referred in 1 (d) above	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
INCOME:								
(1) Sales of Goods & Mat.	7,758,027	9,411,502	-	-	-	-	65,719,622	262,274,589
(2) Job Work	557,469	393,232	-	-	-	-	-	-
(3) Tooling Charges	-	-	-	-	-	-	-	42,735
(4) Misc. Income	-	-	-	-	-	-	-	342,260
EXPENSES								
(1) Purchase of Goods	13,435,974	27,635,192	-	-	-	-	-	97,428
(2) Remuneration	-	-	5,520,426	5,674,768	4,906,675	4,585,945	-	-
(3) Jobwork	34,232,843	59,972,293	-	-	-	-	-	-
(4) Interest	-	-	-	-	1,746,798	2,615,260	-	-
(5) Dividend Paid	-	-	615,000	615,000	1,147,769	1,200,824	-	-
OUTSTANDING								
Payable	14,902,942	22,076,464	328,649	414,117	21,606,087	20,962,250	6,332,463	101,314
Receivable	239,220	63,793	-	-	-	-	-	33,807,798
Advances	-	-	-	-	-	-	123,916	167,296



Notes forming parts of the financials statements for the year ended 31st March, 2016

18. Disclosures in respect of Defined Contribution Plan, recognised as expenses for the year is as under :

(Amount in Rs.)

	2015-16		2014-15	
Employer's Contribution to Provident Fund, E.S.I.	11,288,662		11,044,895	
Disclosures in respect of Defined benefit plans in respect of Leave Encashment and Gratuity The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method for gratuity and Leave Encashment				
	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
The amount recognised in the Balance Sheet are as follows:				
Present Value of obligation (Total Funded & Unfunded)	81,889,507	73,352,483	4,635,447	4,222,001
Fair value of plan assets	33,242,148	32,749,889	-	-
Unrecognised past service cost	-	-	-	-
Net liability in the Balance Sheet - (Un - funded)	48,647,359	40,602,594	4,635,447	4,222,001
The amount recognised in the Profit & Loss A/c are as follows :				
Current Service cost	3,537,575	2,849,098	2,183,352	1,767,527
Interest on obligation	5,733,690	5,514,656	330,018	309,915
Expected return on plan assets	-	-	-	-
Net actuarial losses (gains) recognised in year	4,926,502	6,517,010	762,625	1,390,962
past service cost	-	-	-	-
Losses (gains) on curtailment and settlements	-	-	-	-
Total included in 'employee benefit expenses'	11,326,017	12,645,672	3,275,995	3,468,404
Actual return on plan assets	(2,871,750)	(2,235,092)	-	-
Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as under :				
	2015-16	2014-15	2015-16	2014-15
Opening defined benefit obligation	73,352,483	61,273,961	4,222,001	3,443,502
Prior period adjustment	-	-	-	-
Service cost	3,537,575	2,849,098	2,183,352	1,767,527
Interest Cost	5,733,690	5,514,656	330,018	309,915
Actuarial losses (gains)	4,467,277	6,797,196	762,625	1,390,962
Benefits Paid	(5,201,518)	(3,082,428)	(2,862,549)	(2,689,905)
Closing defined benefit obligation	81,889,507	73,352,483	4,635,447	4,222,001
Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :				
	2015-16	2014-15	2015-16	2014-15
Opening fair value of plan assets	32,749,889	33,063,497	-	-
Expected Return	2,871,750	2,235,092	-	-
Actuarial gains and (losses)	(459,225)	280,186	-	-
Contribution by Employer	3,281,252	253,542	-	-
Benefits paid	(5,201,518)	(3,082,428)	-	-
Closing fair value of plan assets	33,242,148	32,749,889	-	-



Notes forming parts of the financials statements for the year ended 31st March, 2016

Principal actuarial assumptions at the balance sheet date

Discount rate per annum as at 31st March, 2016	7.80%	7.80%	7.80%	7.80%
Expected return per annum on plan assets as at 31.03.2016	7.80%	8.75%	0.00%	0.00%
Salary Escalation per Annum	5.00%	5.00%	5.00%	5.00%
Retirement Age	60 years	60 years	60 years	60 years
Mortality	IALM 1994-96 Ultimate		IALM 1994-96 Ultimate	
Withdrawal Rates	1.00%	1.00%	1.00%	1.00%

The estimates of future salary increases, consideration in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

17. Lease commitments :

Obligation towards operating leases (As lessee)

The Company has entered into operating lease arrangements for vehicles and office premises. Rent expenses of Rs. 11,42,571/- (Previous Year Rs. 4,58,274/-) in respect of obligation under non cancellable operating leases have been recognised in the Statement of Profit and Loss.

The total of future minimum lease payments under non cancellable operating leases for the following periods :

Particulars	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
a : Not later than one year	235,200	235,200
b : Later than one year but not later than five years	3,406,725	4,301,106

18. Previous year figures

The company has regrouped / rearranged previous year figures in veiw of easy comparision with current year figures.

19. Figures rounded off to nearest rupee. All the figures includig previous year figures have been rounded off to nearest rupee.

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhanian
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : JUNAGADH
Date : May 30, 2016

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

Place : San Francisco,
California, USA
Date : May 30, 2016



AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

To The Members of
Austin Engineering Company Limited

Report on the Consolidated Financial Statements

- We have audited the accompanying consolidated financial statements of AUSTIN ENGINEERING COMPANY LIMITED (the 'Company') and its subsidiary (the Company and the subsidiary collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

- In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on the financial statements of the subsidiary as noted below, the aforesaid consolidated financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of 'the Group' as at 31st March, 2016 and the consolidated loss and consolidated cash flow of the Group for the year then ended.

6. Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report that :
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
 - In our opinion, proper Books of Account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified u/s 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules 2014.
 - On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - With respect to other matters to be included in the Auditors' 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 28.1 (ii) & (iii) to the consolidated financial statements;
 - The group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Other Matters

- We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 35,110,392/- as at March 31, 2016, total revenues of Rs. 88,076,561/- and net cash flows amounting to Rs. (4,479,198/-) for the year then ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub sections (3) and (11) of section 143, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion is not qualified in respect of the above matters.

FOR DHIRUBHAI DAND & CO.,
Firm Registration No. 118190W
Chartered Accountants

DHIRUBHAI H. DAND
PROPRIETOR
M.No. 017117

Place : Junagadh
Dated : May 30, 2016



ANNEXURE A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2016, we have audited the internal financial controls over financial reporting of AUSTIN ENGINEERING CO. LTD., ("the Company"). The Subsidiary Company is not incorporated in India under Companies Act, 2013 and accordingly, we have reported on adequacy of internal control over financial reporting only in case of the Holding Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

**FOR DHIRUBHAI DAND & CO.,
Firm Registration No. 118190W
Chartered Accountants**

**DHIRUBHAI H. DAND
PROPRIETOR
M.No. 017117**

**Place : Junagadh
Dated : May 30, 2016**



Consolidated Balance Sheet as at 31.03.2016

Particulars	Note No.	31-03-2016		31-03-2015	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
(a) Share Capital	3	34,778,000		34,778,000	
(b) Reserves and Surplus	4	535,000,059	569,778,059	549,365,219	584,143,219
2. Non-current liabilities					
(a) Long-term borrowings	5	1,306,616		1,218,123	
(b) Long-term Provisions	6	43,399,233	44,705,849	33,818,433	35,036,556
3. Current Liabilities					
(a) Short term borrowings	7	90,176,372		99,777,511	
(b) Trade payables	8	157,573,495		186,032,460	
(c) Other current liabilities	9	50,508,809		38,312,288	
(d) Short term provisions	10	28,728,676	326,987,352	35,864,996	359,987,255
TOTAL			941,471,260	979,167,030	
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	11	97,351,910		97,691,173	
(ii) Intangible assets	11	25,039,052		25,675,783	
(iii) Capital Work in progress	11	145,000		-	
(b) Non-current investments	12	1,786,025		1,786,025	
(c) Deferred Tax Assets (Net)	13	13,534,583		10,316,125	
(d) Long-term loans and advances	14	15,057,967	152,914,537	12,963,079	148,432,185
2. Current assets					
(a) Inventories	15	514,220,015		476,454,216	
(b) Trade receivables	16	224,837,078		268,115,013	
(c) Cash and Cash equivalents	17	17,976,412		37,892,850	
(d) Short-term loans and advances	18	31,428,085		48,186,602	
(e) Other current assets	19	95,133	788,556,723	86,164	830,734,845
TOTAL			941,471,260	979,167,030	
Significant accounting policies and notes to accounts			1 to 28		

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhanja
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : JUNAGADH
Date : May 30, 2016

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

Place : San Francisco,
California, USA
Date : May 30, 2016





Consolidated Statement of Profit and Loss for the Year ended 31.03.2016

Particulars	Note No.	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations	20	722,284,088		1,013,178,626	
II Other Income	21	15,950,533		2,158,365	
III Total Revenue (I + II)			738,234,621		1,015,336,991
IV Expenses					
Cost of Materials Consumed	22	211,021,157		313,980,845	
Purchases of Stock in Trade	23	137,838,213		149,424,623	
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	(37,461,998)		(43,573,710)	
Employee benefits expense	25	183,443,271		180,460,954	
Finance Costs	26	10,342,380		9,779,671	
Depreciation	11	13,128,917		14,278,069	
Other expense	27	238,928,748		346,048,711	
Total Expense			757,240,688		970,399,163
V Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)			(19,006,067)		44,937,828
VI Exceptional Items			-		-
VII. Profit / (Loss) before extraordinary items and tax (V-VI)			(19,006,067)		44,937,828
VIII Extraordinary items			-		-
IX Profit / (Loss) before tax (VII-VIII)			(19,006,067)		44,937,828
X Tax expense:					
(1) Current tax		(657)		16,124,438	
(2) Deferred tax		(3,218,458)	(3,219,115)	(1,969,933)	14,154,505
XI Profit/(Loss) for the period from continuing operations (IX - X)			(15,786,952)		30,783,323
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the year (XI + XIV)			(15,786,952)		30,783,323
XVI Earnings per equity share:					
(1) Basic			(4.54)		8.85
(2) Diluted			(4.54)		8.85
Significant accounting policies and notes to accounts	1to28				

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhanja
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

Place : San Francisco,
California, USA
Date : May 30, 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before extraordinary items and tax		(19,006,067)		44,937,828
Adjustments for:				
Depreciation	13,128,917		14,278,069	
Finance Cost	10,342,380		9,779,671	
(Profit) / Loss on sale of Assets/shares	(2,111,939)		(79,481)	
Interest/Dividend Income	(866,792)		(834,432)	
Increase (decrease) in foreign exchange translation reserve	1,421,792		1,437,914	
		<u>21,914,358</u>		<u>24,581,741</u>
Operating Profit before working capital changes		2,908,291		69,519,569
Adjustments for :(increase)/decrease in operating assets :				
Inventories	(37,765,799)		(41,499,235)	
Trade Receivable	43,277,935		(3,472,627)	
Short Term loans & Advances	16,758,517		(15,380,121)	
Long Term Loans & Advances	(2,094,888)		(380,899)	
Other Current Assets	(8,969)		4,517	
Adjustments for :increase/(decrease) in operating liabilities				
Trade payables	(28,458,965)		(11,752,736)	
Other Current Liabilities	12,196,521		(7,859,079)	
Short Term Provisions	(381,325)		1,911,939	
Long Term Provisions	9,580,800	13,103,827	12,271,176	(66,157,065)
Cash generated from operations		16,012,118		3,362,504
Direct taxes paid		(475,643)		(15,659,533)
NET CASH FROM OPERATING ACTIVITIES :		15,536,475		(12,297,029)
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(12,581,440)		(9,750,843)
Purchase of Investments		-		-
Sale of Fixed Assets		2,395,456		121,000
Sale of Investments		-		1,334,318
Interest/Dividend Received		866,792		834,432
Net Cash used in investing activities		(9,319,192)		(7,461,093)
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long Term Borrowings (net)		88,493		(686,032)
Net Increase / Decrease in Short term Borrowings		(9,601,139)		40,618,607
Dividend Paid		(5,216,700)		(5,216,700)
Dividend Tax Paid		(1,061,995)		(886,578)
Finance Cost		(10,342,380)		(9,779,671)
Net Cash used in financial activities		(26,133,721)		24,049,626
Net increase in cash and cash equivalents(A+B+C)		(19,916,438)		4,291,504
Cash and Cash equivalents at the beginning of the year		37,892,850		33,601,346
Cash and Cash equivalents at the end of the year Note :17		17,976,412		37,892,850
Significant accounting policies and notes to accounts 1 to 28				

As per our Report of even date

For and on behalf of the Board of Directors

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

S. A. Kotal
Chief Financial Officer

N. C. Vadgama
Chairman & Executive Director

R. R. Bambhanja
Managing Director

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Nidhi D. Parikh
Company Secretary

J. R. Bhogayta
Executive Director

Place : JUNAGADH
Date : May 30, 2016

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

Place : San Francisco,
California, USA
Date : May 30, 2016



Notes forming part of the Consolidated Financial Statement as at 31st March, 2016.
1. BACKGROUND
1.1 Overview :

Austin Engineering Company Limited ('Austin' or 'the company'), a publicly held company together with its subsidiary Accurate Engineering Inc. USA ('Accurate') (Collectively 'the Group') is primarily engaged in the Business of Bearings.

Consolidated financial statements have been prepared to meet the requirements of Clause 32 of Listing Agreement with the Stock Exchange.

1.2 Basis of Consolidation :

The consolidation of accounts is done in accordance with the requirements of Accounting Standard – 21 (AS-21). 'Consolidated Financial Statement' issued by The Institute of Chartered Accountants of India. The Consolidated Financial Statements ('CFS') include the financial statement Of Austin Engineering Company Ltd., and its wholly owned foreign Subsidiary company Accurate Engineering Inc. - USA.

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. 'Accurate' is a wholly owned subsidiary of 'Austin'. 'Accurate' provides Sale of Goods as well as Marketing and distribution Services for the finished products of 'Austin'.

1.3 Principles of Consolidation :

The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

The accompanying financial statements for the year ended 31st March, 2016, have been prepared incorporating Accounting Policies of the parent company under the historical cost conversion, in compliance with Indian Generally Accepted Accounting Practice ('GAAP') comprises with mandatory and relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India ('ICAI') in compliance with the provisions of Companies Act, 2013.

1.4 Foreign Currency Translation :

The reporting currency of the company is the Indian rupee. The reporting currency of the Company's foreign subsidiary is US Dollars.

Transactions arising in foreign currency are reported at exchange rate at the date of transaction. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is disclosed under Foreign Exchange Translation Reserve.

1.5 Use of Estimates :

The Consolidated Financial Statements include the accounts of the Company and its subsidiary company. The preparation of consolidated financial statement requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of financial statements, and the reported amount of revenues and expenses during the reporting year. The estimates and assumption used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements.

2. Significant Accounting Policies on consolidated accounts.
a. Fixed Assets & Depreciation:

1. Fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes but net of cenvat and credit where ever applicable and other incidental expenses.

Depreciation on assets is provided on the basis of Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013. In respect of the assets added during the period, the depreciation is provided on pro-rata basis from the date of such assets first put to use till the end of the financial year. No depreciation is charged on assets sold during the year.

2. Intangible Assets amortized as follows:

- Trademark is amortized over the useful life estimated by the management. - Over a period of 50 years.
- Computer Software is amortized over the useful life estimated by the management. - Over a period of 5 years.

b. Inventories :

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the weighted average basis and where applicable, includes the cost of material (net of available Cenvat credit), labour and factory overheads. Finished products also include excise duty on products manufactured.

c. Cenvat:

Cenvat benefit is accounted for by reducing the purchase cost of the materials/ fixed assets.

d. Foreign Currency Transaction:
Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange difference

Monetary items denominated in Foreign Currencies at the year end and not covered by forward exchange contract are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

All exchange differences are recognized as income or as expenses in the period in which they arise except monetary item in a non-integral foreign operation and long term foreign currency monetary items of a fixed assets.

e. Retirement benefits

- A) Company's contributions Payable during the year to the Government Provident fund are defined contribution schemes are charged to the Statement of Profit & Loss.
- B) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuation at the balance sheet date, carried out by an independent Actuary.
- C) Actuarial gains/losses in respect of defined benefits are immediately taken to Statement of Profit & Loss and are not deferred.

f. Excise:

Excise Duty has been accounted on the basis of, both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.



g. Dividend

Dividend whenever proposed by the Board of Directors as appropriation of profits are provided for in the books of account, pending approval of the shareholders at the annual general meeting.

h. Contingent liability:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but disclose its existence in the financial statements.

Liabilities in respect of Show Cause Notices received are considered as contingent liabilities only when they are converted into demands and contested by the Company.

i. Investment:

Investments are classified as long term investments. Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

j. Export Incentives:

Export Incentives such as Duty drawback, F.P.S. Licenses etc. are accounted in the year of export on accrual basis considering the realizable value thereof.

k. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sales of goods

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales include excise duty, sales tax and value added tax. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend Income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

l. Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Provisions

A provision is recognized when the company has a present obligation as a result of past event, It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed of each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

n. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash at bank and in hand and short-term investments with an original maturity of three months or less.

o. Taxation:

Tax expenses comprises current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the report date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognize in equity and not in the Statement of profit and loss.

The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax rules that have enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward business losses and unabsorbed depreciation allowance under tax laws, are recognized only if there is a virtual certainty of its realization. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets are reviewed to re-assure realization.

p. Derivative instruments and hedge accounting

The company uses foreign exchange forwards contracts to hedge its exposure to movements in foreign exchange rate. This foreign exchange forward contracts is not used for trading or speculation purposes. The accounting policies for forward contracts is based on whether it meet the criteria for designation as effective cash flow hedges. To designate the forward contract as an effective cash flow hedge, the company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contracts with a cumulative change in the fair value of the hedged item.

For forward contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the share holders' fund (under the head "hedging reserve ") and are reclassified into the profit & loss account upon the occurrence of the hedged transactions.

The company recognizes gains or losses from changes in fair value of forward contracts that are not designated as effective cash flow hedges for accounting purposes in the profit and loss account in the period the fair value changes occur.

q. Segment reporting

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segments is based on the areas in which major operating division of the company operate.





Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 3 : SHARE CAPITAL				
AUTHORISED :				
40,00,000 Equity Shares of Rs.10 each		40,000,000		40,000,000
ISSUED, SUBSCRIBED AND PAID UP :				
34,77,800 Equity Shares of Rs.10 each fully paid up. *		34,778,000		34,778,000
(Previous Year 34,77,800 Equity Shares of Rs. 10 each fully paid up.)				
TOTAL :		34,778,000		34,778,000

* No Shareholders holding more than 5 % shares in the company.

* Terms / rights attached to shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declare and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company after distribution of all preferential amounts. The distribution will be in propotion to the numbers of equity shares held by the shareholders.

NOTE 4 : RESERVES & SURPLUS

RESERVES:				
Capital Reserve		792,427		792,427
Cash subsidy reserve		2,935,458		2,935,458
Securities Premium Account		86,795,000		86,795,000
Capital Redemption Reserve		532,000		532,000
General Reserve				
As per last Balance Sheet	60,149,239		56,149,239	
Add: Transfer from Profit & Loss A/c	—	60,149,239	4,000,000	60,149,239
		151,204,124		151,204,124
Foreign Exchange Translation Reserve		(1,684,309)		(3,106,101)
Profit & Loss Account				
As per last Balance Sheet	401,267,196		383,293,967	
Add: Profit / (Loss) for the year	(15,786,952)		30,783,323	
	385,480,244		414,077,290	
Less:- Appropriations				
- Adjustment relating to Fixed Assets	—		2,531,399	
- Dividend on Equity shares	—		5,216,700	
- Tax on distributed profit on Equity shares	—		1,061,995	
- Transfer to General Reserve	—	385,480,244	4,000,000	401,267,196
TOTAL :		535,000,059		549,365,219

NOTE 5 : LONG TERM BORROWINGS

SECURED				
(A) Deferred Payment Loan from ICICI Bank (Refer Note : 09) (excluding current maturity)		1,306,616		223,693
(B) Capital Lease Obligation (Refer Note : 09)		—		994,430
TOTAL :		1,306,616		1,218,123

* Borrowings under Item (A) is Secured against Hypothecation of Vehicles. The rate of Interest for loan from ICICI Bank is 10.06%. Loans are repayable in 36 equal monthly instalments.



Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 6 : LONG TERM PROVISIONS				
Leave Salary Provision		3,888,117		3,576,782
Gratuity Provision		39,511,116		30,241,651
TOTAL :		43,399,233		33,818,433

NOTE 7 : SHORT TERM BORROWINGS

SECURED				
Working Capital Loan from Bank of Baroda *		83,477,042		93,518,511
Loan from Bank		6,699,330		6,259,000
TOTAL :		90,176,372		99,777,511

* Working Capital Loan from bank is Secured against Hypothecation of all Stocks, Bill Discount and Book-debts and all movable machinery including stores & spares, Equitable Mortgage of all Land & Building of the Company. The Cash credit limit is repayable on Demand.

NOTE 8 : TRADE PAYABLES

Trade Payables		157,573,495		186,032,460
TOTAL :		157,573,495		186,032,460

* The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprise Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

* Trade payables includes amount due to Directors of Rs.287,700/-(Previous year Rs. 383,600/-).

NOTE 9 : OTHER CURRENT LIABILITEIS

Current maturity of long term borrowings				
Deferred Payment loan from Banks		1,042,911		322,142
Current portion of Lease		–		223,008
Creditors for Capital Goods		26,480,455		26,732,919
Advance Payment From Customers		19,110,955		6,822,556
Unpaid Dividend		2,254,750		2,419,584
T.D.S., T.C.S. Payable		1,619,738		1,792,079
TOTAL :		50,508,809		38,312,288

* Payable on Purchase of Fixed Assets include amount due to H.U.F. of Directors. Rs. 15,418,518/- (Previous Year Rs. 1,57,68,568/-).

NOTE 10 : SHORT TERM PROVISIONS

Proposed Dividend		–		5,216,700
Provisions for Tax Proposed Dividend		–		1,061,995
Provisions for Income Tax (Net of Advance Tax & TDS)		7,296		483,596
Bonus Provision		18,837,807		18,096,542
Gratuity Provision		9,136,243		10,360,943
Leave Salary Provision		747,330		645,220
TOTAL :		28,728,676		35,864,996



Notes forming parts of the financials statements for the year ended 31st March, 2016
NOTE 11 : Fixed Assets

SR. NO.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01/04/2015 Rs.	Addition During the year Rs.	Sales/Trans. During the year Rs.	Balance as at 31/03/2016 Rs.	Provided Upto 01/04/2015 Rs.	Provided During the year Rs.	Adjustment/ (Deducations) Rs.	Total as at 31/03/2016 Rs.	Balance as at 31/03/2016 Rs.	Balance as at 31/03/2015 Rs.
A	Tangible Assets (Own assets)										
1	Freehold Land	71,871	-	-	71,871	-	-	-	-	71,871	71,871
2	Leasehold Land	96,408	-	-	96,408	-	-	-	-	96,408	96,408
3	Factory Building	51,766,486	2,170,721	-	53,937,207	26,552,473	1,451,140	-	28,003,613	25,933,594	25,214,013
4	Plant & Machinery	169,011,662	4,574,170	2,125,178	171,460,654	126,066,477	4,355,505	1,893,721	128,528,261	42,932,393	42,945,185
5	Plant & Machinery (100% Depreciation)	2,774,089	-	-	2,774,089	2,774,089	-	-	2,774,089	-	-
6	Electric Installation	10,302,343	17,199	-	10,319,542	9,912,116	42,395	-	9,954,511	365,031	390,227
7	Tools Dies & Measuring Instruments	43,840,510	1,459,213	-	45,299,723	37,033,369	598,660	-	37,632,029	7,667,694	6,807,141
8	Furniture & Fixture	17,776,554	362,430	-	18,138,984	11,634,714	978,221	-	12,612,935	5,526,049	6,141,840
9	Office & Factory Equipments	10,119,353	374,287	-	10,493,640	7,385,972	1,170,176	-	8,556,148	1,937,492	2,733,381
10	Vehicles	23,376,250	2,578,300	3,458,168	22,496,382	16,052,026	2,294,558	3,261,108	15,085,476	7,410,906	7,324,224
11	Computers	12,429,400	441,120	-	12,870,520	11,123,977	774,756	-	11,898,733	971,787	1,305,423
12	Wind Electric Power Converter	35,307,710	-	-	35,307,710	30,646,250	222,775	-	30,869,025	4,438,685	4,661,460
	Sub Total (A)	376,872,636	11,977,440	5,583,346	383,266,730	279,181,463	11,888,186	5,154,829	285,914,820	97,351,910	97,691,173
B	INTANGIBLE ASSETS										
1	'aec' TRADE MARK	40,861,000	-	-	40,861,000	16,140,095	817,220	-	16,957,315	23,903,685	24,720,905
2	Computer Software	3,477,056	604,000	-	4,081,056	2,522,178	423,511	-	2,945,689	1,135,367	954,878
	Sub Total (B)	44,338,056	604,000	-	44,942,056	18,662,273	1,240,731	-	19,903,004	25,039,052	25,675,783
	TOTAL (A + B)	421,210,692	12,581,440	5,583,346	428,208,786	297,843,736	13,128,917	5,154,829	305,817,824	122,390,962	123,366,956
	PREVIOUS YEAR	412,678,546	9,750,843	1,218,697	421,210,692	280,503,508	14,278,069	3,062,159	297,843,736	123,366,956	132,175,038
C	Capital Work in Progress										
	Computer Software									145,000	-

NOTE 12 : NON CURRENT INVESTMENTS (AT COST)
Long Term Investments :

PARTICULARS	2015-16			2014-15		
	No. of Shares	Face Value Rs.	Rs.	No. of Shares	Face Value Rs.	Rs.
(A) UNQUOTED:						
Equity Share (Fully Paid)						
Kowa Spining Ltd.	60,000	10	1,050,000	60,000	10	1,050,000
Bagri Min & Chem Ltd.	2,600	10	26,000	2,600	10	26,000
Damania Cap.Markets Ltd.	9,300	10	279,000	9,300	10	279,000
Indo Dutch Protiens Ltd.	700	10	7,000	700	10	7,000
Kongarar Textiles Ltd.	600	10	27,000	600	10	27,000
Orissa Luminaries Ltd.	2,000	10	20,000	2,000	10	20,000
Pennar Aqua Exports Ltd.	7,700	10	77,000	7,700	10	77,000
Stiefel Und.Schuh (I) Ltd.	400	10	4,000	400	10	4,000
Tina Electronics Ltd.	1,100	10	11,000	1,100	10	11,000



Notes forming parts of the financials statements for the year ended 31st March, 2016

NOTE 12 : NON CURRENT INVESTMENTS (AT COST) (Contd....)

PARTICULARS	2015-16			2014-15		
	No. of Shares	Face Value Rs.	Rs.	No. of Shares	Face Value Rs.	Rs.
(B) QUOTED:						
Equity Share (Fully Paid)						
A.J.Brothers Ltd.	3,800	10	57,000	3,800	10	57,000
Antifriction Brg.Corpn.	100	–	6,500	100	10	6,500
Asahi Fibres Ltd.	3,000	10	30,000	3,000	10	30,000
Asian Bearings Ltd.	100	10	1,525	100	10	1,525
Bhupendra Cap. & Fin.Ltd.	1,700	10	68,000	1,700	10	68,000
Gujarat Meditech Ltd.	900	10	9,000	900	10	9,000
Hindustan Agri Ltd.	700	10	7,000	700	10	7,000
Supriya Pharma Ltd.	500	10	10,000	500	10	10,000
Thambi Modern Spng.Mills	600	10	30,000	600	10	30,000
Valley Abresive Ltd.	1,500	10	15,000	1,500	10	15,000
(C) GOVERNMENT SECURITIES :						
National Saving Certificate (Pledged as security to excise dept)			51,000			51,000
TOTAL			1,786,025			1,786,025
Aggregate Book Value of Investment						
- Unquoted			1,501,000			1,501,000
- Quoted Market Value Rs. 133,150/- (Previous year Rs. 111,607/-)			234,025			234,025
- Government Securities			51,000			51,000
TOTAL :			1,786,025			1,786,025





Notes forming parts of the financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 13 : DEFERRED TAX (LIABILITIES) / ASSETS - NET				
Deferred Tax Liabilities on account of Difference between Book & Tax Depreciation		(6,041,517)		(3,996,609)
Deferred Tax Assets on Account of Employees Benefits and Expenses		18,816,216		14,312,734
Unabsorbed Depreciation Allowance		759,884		–
Deferred Tax (Liabilities) / Assets		<u>13,534,583</u>		<u>10,316,125</u>
NOTE 14 : LONG TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received		–		–
Sundry Deposits		3,359,953		3,361,774
Advance Income Tax (Net of Provision for taxation)		4,973,495		1,587,063
Advances for capital expenditure		529,519		2,349,242
Other Loans		6,195,000		5,665,000
TOTAL :		<u>15,057,967</u>		<u>12,963,079</u>
NOTE 15 : INVENTORIES				
[Valued as stated in the accounting policies in Note No. 1(iii)]				
Raw materials		50,539,378		53,011,091
Raw materials – Goods-in-transit		3,431,103		1,663,417
Work – in – progress		238,938,342		230,840,132
Finished goods		168,885,140		142,373,958
Finished goods – Goods-in-transit		21,169,250		23,292,472
Stock -in -trade		16,719,566		11,743,738
Stores and spares		8,582,496		8,514,096
Packing materials		5,954,740		5,015,312
TOTAL :		<u>514,220,015</u>		<u>476,454,216</u>
NOTE 16 : TRADE RECEIVABLES				
Unsecured Considered Good				
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		21,142,221		19,355,729
Other Trade Receivables				
Less : Provision for doubtful trade receivables	204,324,992		249,400,832	
	630,135	203,694,857	641,548	248,759,284
TOTAL :		<u>224,837,078</u>		<u>268,115,013</u>

Trade receivable due to partnership firms in which directors relatives are partners Rs. 239,220/- (Previous year Rs. 63,793/-).



Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 17 : CASH & CASH Equivalents				
Cash on Hand		1,508,789		2,097,405
Balance with Bank				
In Current Account	3,822,621		23,649,835	
In fixed deposit A/c @	10,383,615		9,698,816	
In EEFC Account	6,637		27,210	
In Unpaid dividend A/c.	2,254,750	16,467,623	2,419,584	35,795,445
TOTAL :		17,976,412		37,892,850
@ Fixed deposits with banks which have an original maturity of more than 12 months				
NOTE 18 : SHORT TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received.		6,878,590		14,696,673
Advances for expenses		2,635,478		3,593,844
Advances for raw materials		3,306,360		2,496,342
Advances to Employees		3,117,988		4,108,896
Balance with Government authorities		11,955,295		18,982,818
Prepaid Expenses		3,534,374		430,809
TOTAL :		31,428,085		48,186,602
NOTE 19 : Other Current assets				
Interest Accrued on Deposit , Bond		95,133		86,164
TOTAL :		95,133		86,164
NOTE 20 : Revenue from Operations				
(A) Sales of Products				
Sales of Manufactured Goods				
a) Bearings	513,047,107		758,298,304	
b) Bearing Components	64,015,297	577,062,404	78,767,080	837,065,384
Sales of Trade Goods		160,668,733		176,010,939
Wind Electric Power Income		9,508,677		7,910,747
(B) Other Operating Revenues				
a) Sales of scrap	4,244,019		7,935,707	
b) Job-work Income	939,469		584,232	
c) Duty Drawback & other export incentives	8,022,190		11,356,153	
		13,205,678		19,876,092
		760,445,492		1,040,863,162
Less : - Excise duty		38,161,404		27,684,536
TOTAL:		722,284,088		1,013,178,626





Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 21 : OTHER INCOME				
Interest Income		866,592		830,182
Dividend Income		200		4,250
From Long Term Investment				
Foreign Exchange Rate Diff. Income		7,918,253		-
Service tax refund		-		114,533
Rent Income		132,300		132,283
Profit on sale of Fixed Assets		2,111,939		-
Profit on sale of Investment		-		492,170
Miscellaneous income		4,921,249		584,947
TOTAL :		15,950,533		2,158,365
NOTE 22 : MATERIALS CONSUMED				
Opening Stock		54,674,508		58,911,915
Add: Purchases		211,491,886		312,374,685
		266,166,394		371,286,600
Less: Sales		1,174,756		2,631,247
		264,991,638		368,655,353
Less: Closing Stock		53,970,481		54,674,508
TOTAL :		211,021,157		313,980,845
Materials Consumed Comprises :				
a) Steel Bars & Tubes		31,643,035		64,661,437
b) Races & Forged Rings		117,755,397		161,725,109
c) Cages		17,770,984		33,822,700
d) Other materials		43,851,741		53,771,599
TOTAL :		211,021,157		313,980,845
NOTE 23 : PURCHASE OF TRADED GOODS				
Purchase of Traded goods		137,838,213		149,424,623
TOTAL :		137,838,213		149,424,623
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK -IN-TRADE .				
Inventories at the end of the year				
Finished goods	190,054,390		165,666,430	
Semi-finished goods	238,938,342		230,840,132	
Stock - in - Trade	16,719,566	445,712,298	11,743,738	408,250,300
Inventories at the beginning of the year				
Finished goods	165,666,430		160,825,132	
Semi-finished goods	230,840,132		195,732,606	
Stock - in - Trade	11,743,738	408,250,300	8,118,852	364,676,590
Net (increase)/ decrease		(37,461,998)		(43,573,710)



Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 25 : EMPLOYEE BENEFIT EXPENSES				
Salary,wages & bonus		169,720,795		166,007,603
Contribution to Provident and other Fund		11,288,662		11,044,895
Staff Welfare expenses		2,433,814		3,408,456
TOTAL :		<u>183,443,271</u>		<u>180,460,954</u>
NOTE 26 : FINANCE COSTS				
Interest expenses on :				
(i) Borrowings From Bank	7,486,435		6,655,021	
(ii) Creditors	2,822,746		3,036,244	
(iii) Others	33,199	10,342,380	88,406	9,779,671
TOTAL :		<u>10,342,380</u>		<u>9,779,671</u>
NOTE 27 : OTHER EXPENSES				
Stores & Spares consumed		36,411,667		46,463,166
Packing materials consumed		19,976,720		21,372,911
Job work charges		66,093,001		110,980,432
Power & Fuel		10,608,888		11,497,090
Rent		1,468,362		775,235
Repairs and Maintenance - Machinery		1,864,018		1,884,178
Repairs and Maintenance - Building		1,221,032		1,165,198
Repairs and Maintenance - Others		389,243		468,290
Insurance		1,352,264		1,189,224
Excise Duty #		214,955		2,520,111
Rates and Taxes		388,508		568,883
Communication		1,212,332		1,381,319
Travelling Exp.		10,802,426		9,704,747
Directors' Sitting Fees		50,000		40,000
Loss on Sale of Assets		-		412,689
Donation		292,000		647,500
Sales commission		16,791,314		16,285,085
Marketing Expenses		422,978		12,463,533
Sales promotion		3,472,485		3,754,374
Sales-tax / VAT		12,655,976		11,869,181
Discount		5,508,845		6,507,689
Foreign Exchange Rate Diff.		-		11,216,793
Bad Debt		3,285		817,042
Payment to Auditors @		1,555,922		1,237,089
Other Misc. Expenses		46,172,527		70,826,952
TOTAL :		<u>238,928,748</u>		<u>346,048,711</u>
# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.				
@ Payment to Auditors comprises				
(net of service tax)				
For Statutory Audit		1,153,922		837,089
For Taxation Matter		341,700		340,000
For Other Services		60,300		60,000
TOTAL :		<u>1,555,922</u>		<u>1,237,089</u>



Note 28 Additional Information to the Financial Statements
1 Contingent liabilities not provided for in respect of:

- [i] Bank guarantees outstanding as at 31st March, 2016 for which the Company has given counter guarantees amounting to Rs. 30,299,651/- (Previous year Rs. 59,74,654/-).
- [ii] Income Tax demand of Rs. 6,32,440/- (Previous year Rs. 6,32,440/-) raised by the Income Tax department at the time of Assessment. The said demand is disputed by the company. The company has paid Rs. 6,32,440/- (Previous year Rs. 3,16,440/-) against the said demand. Based on the facts, the company has been legally advised that the demand is likely to either deleted or substantially reduced and accordingly no provision has been made.
- [iii] Central Excise demand of Rs. 8,260,498/- (Previous year Rs. 3,99,937) raised by the Central Excise department. The said demand is disputed by the company. The company has paid Rs. 642,040/- (Previous year Rs. 22,496) against the said demand.

2. RELATED PARTY INFORMATION :

Disclosers in respect of related parties (as defined in Accounting Standard 18), with whom transactions have taken place during the year are given below :

(1) Relationship
(a) Enterprises where control of Key Management Personnel and/or their relatives exists.

- (i) Max Precision Bearings Pvt. Ltd.
- (ii) Austin Traders
- (iii) Accumax Engineering Company
- (iv) Optimum Services Inc.
- (v) Accord Precision Products

(b) Key Management Personnel

- (i) Shri S M Thanki (Upto 16.12.2015)
- (ii) Shri N. C. Vadgama
- (iii) Shri J. R. Bhogayta
- (iv) Shri R. R. Bambhania
- (v) Shri S A Kotal
- (vi) Ms. Z M Talreja (Upto 30.09.2015)
- (vii) Shri B N Vadgama
- (viii) Ms. A M Sharma(10.10.2015 to 15.02.2016)
- (ix) Ms. N D Parikh(from 15.03.2016)

(c) Relative of Key Management Personnel

- (i) Shri S. M. Thanki HUF
- (ii) Shri R. N. Bambhania HUF
- (iii) Shri N. C. Vadgama HUF
- (iv) Shri J. R. Bhogayata HUF
- (v) Shri Jignesh S. Thanki
- (vi) Shri Hiren N. Vadgama
- (vii) Shri Chandulal N. Bambhania

Note : Related party relationship is as identified by the company and relied upon by the auditors.

(2) Transaction with Related Parties :
(Amount in Rs.)

Particulars	Related Parties					
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
INCOME						
(1) Sales of Goods & Mat.	7,758,027	9,411,502	-	-	-	-
(2) Job Work	557,469	393,232	-	-	-	-
EXPENSES						
(1) Purchase of Goods	13,435,974	27,635,192	-	-	-	-
(2) Remuneration	-	-	10,989,119	11,928,391	4,906,675	4,585,945
(3) Jobwork	34,232,843	59,972,293	-	-	-	-
(4) Interest	-	-	-	-	1,746,798	2,615,260
(5) Dividend	-	-	615,000	615,000	1,147,769	1,200,824
OUTSTANDING						
Payable	14,902,942	22,076,464	328,649	414,117	21,606,087	20,962,250
Receivable	239,220	63,793	-	-	-	-



3. DETAILS OF SEGMENT REPORTING :

The company has identified two reportable Segments viz. Bearing and Power.

(1) PRIMARY SEGMENT :

(Amount in Rs.)

Particulars	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	Bearing	Bearing	Power	Power	Total	Total
1. SEGMENT REVENUE	728,668,964	1,007,426,244	9,565,657	7,910,747	738,234,621	1,015,336,991
Other Unallocated Revenue					-	-
TOTAL	728,668,964	1,007,426,244	9,565,657	7,910,747	738,234,621	1,015,336,991
Less: Inter Segment Revenue	-	-	9,508,677	7,910,747	9,508,677	7,910,747
Net Income from Operation	728,668,964	1,007,426,244	56,980	-	728,725,944	1,007,426,244
2. SEGMENT RESULTS						
PROFIT/ (LOSS) BEFORE TAX & INTEREST	(17,050,381)	47,802,524	8,386,694	6,914,975	(8,663,687)	54,717,499
LESS : Interest					10,342,380	9,779,671
Other unallocated Expenses					-	-
TOTAL PROFIT/(LOSS) BEFORE TAX	(17,050,381)	47,802,524	8,386,694	6,914,975	(19,006,067)	44,937,828
3. CAPITAL EMPLOYED (SEGMENT ASSETS - SEGMENT LIABILITIES)						
Segment Assets	920,364,865	962,997,152	7,571,812	5,853,753	927,936,677	968,850,905
Add: Common assets					13,534,583	10,316,125
TOTAL ASSETS	920,364,865	962,997,152	7,571,812	5,853,753	941,471,260	979,167,030
Segment Liabilities	371,667,090	388,710,513	26,111	34,603	371,693,201	388,745,116
Add: Common Liabilities					-	6,278,695
TOTAL LIABILITIES	371,667,090	388,710,513	26,111	34,603	371,693,201	395,023,811
SEGMENT CAPITAL EMPLOYED	548,697,775	574,286,639	7,545,701	5,819,150	569,778,059	584,143,219

(2) GEOGRAPHICAL SEGMENTS :

(a) The following table shows the distribution of the company's sales by geographical market :

Revenue	2015-16	2014-15
Within India	465,921,979	461,724,597
Overseas	233,647,754	523,667,190
TOTAL :	699,569,733	985,391,787

(b) Assets base on geographical location :

Particulars	Carrying Amount of Segment assets		Addition to Fixed Assets and Intangible Assets	
	2015-16	2014-15	2015-16	2014-15
Within India	863,147,032	848,069,054	12,287,399	9,303,574
Overseas	78,324,228	131,097,976	294,041	447,269
TOTAL :	941,471,260	979,167,030	12,581,440	9,750,843





4. Lease commitments :

Obligation towards operating leases (As lessee)

The Company has entered into operating lease arrangements for vehicles and office premises. Rent expenses of Rs. 1,398,762/- (Previous Year Rs. 6,97,032/-) in respect of obligation under non cancellable operating leases have been recognised in the Statement of Profit and Loss.

The total of future minimum lease payments under non cancellable operating leases for the following periods :

Particulars	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
a : Not later than one year	278,315	397,934
b : Later than one year but not later than five years	3,890,271	4,301,106

5. Previous year figures

The company has regrouped / rearranged previous year figures in veiw of easy comparision with current year figures.

6. Figures rounded off to nearest rupee. All the figures includig previous year figures have been rounded off to nearest rupee.

As per our Report of even date

For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Place : JUNAGADH
Date : May 30, 2016

S. A. Kotal
Chief Financial Officer

Nidhi D. Parikh
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama
Chairman & Executive Director

J. R. Bhogayta
Executive Director

Place : PATLA, Taluka, BHESAN,
Dist.. JUNAGADH
Date : May 30, 2016

R. R. Bambhanian
Managing Director

Place : San Francisco,
California, USA
Date : May 30, 2016





AUSTIN ENGINEERING COMPANY LIMITED

Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India.

CIN: L27259GJ1978PLC003179

Form No. MGT-11

FORM OF PROXY

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

CIN : L27259GJ1978PLC003179

Name of the Company: Austin Engineering Company Limited

Registered Office: Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India.

Name of the member(s) :	:
Registered Address :	:
E-mail ID :	:
Folio No./Client No. :	:
DPID :	:

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

- Name : _____
Address : _____
E-mail Id : _____
Signature: _____ or failing him
- Name : _____
Address : _____
E-mail Id : _____
Signature: _____ or failing him
- Name : _____
Address : _____
E-mail Id : _____
Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2016 at 11.00 a.m. at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

- (a) Adoption of the Audited Standalone Financial Statement of the Company for the Financial Year ended on 31 March 2016 together with Auditors Report thereon
- (b) Adoption of the Audited Consolidated Financial Statement of the Company for the financial year ended on 31st March 2016 together with report of Auditor thereon
- Re-appointment of Mr. J.R. Bhogayta, a Director retiring by rotation
- Ratification of Appointment of Statutory Auditor

Special Business :

- Appointment of Ms. Anila Thanki as additional director
- Re-designation of R.R. Bambhania
- Alteration of Articles of Association

Signed this _____ day of _____ 2016.

Signature of shareholder : _____

Signature of Proxy holder(s) : _____



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



AUSTIN ENGINEERING COMPANY LIMITED

Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India.

CIN: L27259GJ1978PLC003179

ATTENDANCE SLIP

DP ID** :	
CLIENT ID** :	

REGD. FOLIO NO. :	
NO. OF SHARES HELD :	

Full Name of the member attending _____

Full Name of the joint-holder _____

(To be filled in if first named Joint - holder does not attend meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 38th Annual General Meeting held at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030 on Thursday, 29th September, 2016 at 11.00 a.m.

Signed this _____ day of _____ 2016

Signature of member/proxy

Notes :

Only Member / Proxy will be allowed to attend the meeting and they should bring with them the duly filled attendance slip.

** Applicable to the members whose shares are held on dematerialized form.

Certificate

Standard **BS OHSAS 18001:2007**

Certificate Registr. No. **01 113 126992**

Certificate Holder: **Austin Engineering Co. Ltd.**
Village Patla, Tal. Bhesan,
Via Ranur (Sorath), Post Hadmatiya,
Distt. Junagadh – 362 030, Gujrat, India.

Scope: **Design and Manufacture of Antifriction Rolling Bearings and Components.**

Validity: Proof has been furnished by means of an audit that the requirements of BS OHSAS 18001:2007 are met.

The due date for all future audits is 17 - 10 (dd.mm).

The certificate is valid from **2016-06-14 until 2019-02-03.**
First Certification 2013-02-04.



2016-06-14

A handwritten signature in black ink, appearing to read "Frank Heitz", is written over a horizontal line.

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

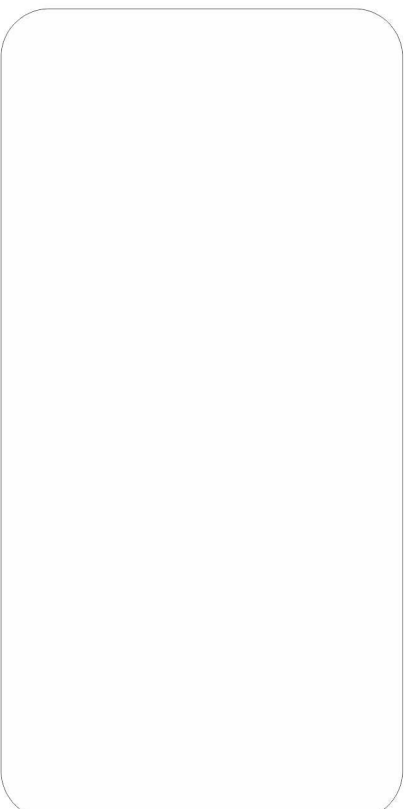
The validity of this certificate is subject to timely completion of Surveillance audits as agreed in the Contract.
The Validity of the Certificate can be verified under www.tuv.com with the Identification No. 9105071022

CIN: U72501KA1996PTC020653

www.tuv.com

 **TÜVRheinland®**
Precisely Right.

Book - Post



If undelivered, please return to :

AUSTIN ENGINEERING COMPANY LIMITED

Village : Patla, Taluka : Bhesan,

Dist. Junagadh - 362 030