AUSTIN ENGINEERING COMPANY LIMITED

Regd. Office & Works.
Patia, Ta. Bhesan, Via Ranpur (Sorath), Post Hadmatiya-362 030, Dist. Junagadh. (India)
Phones : (02873) 252223, 252267, 252268 Fax : (02873) 252225
CIN. L27259GJ1978PLC003179

Aec/sec/BSE/2017/

September 20, 2017

To,

Mumbai Stock Exchange Limited,
New Trading Ring, 1st Floor, Rotunda Building,
P. J. Tower, Dalal Street,
MUMBAI 400 001.

Sub : Regulation 34- Annual Report for the F. Y. 2016-17.

Dear Sir,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attached herewith Notice and Annual Report of the Company for the Financial Year 2016-17 approved and adopted by the members as per the provisions of Companies Act, 2013 at the 39th Annual General Meeting held on 19th September, 2017 at 11.00 a.m. at the Registered Office of the Company.

Kindly take on your record.

Thanking you,

Yours faithfully,
For Austin Engineering Co. Ltd.,

Kiran Shah
Executive officer Secretarial

Encl : a/a.

For Austin Engineering Co. Ltd.
Authorised Signatory

Manufacturers of :
ALL KINDS OF BEARINGS

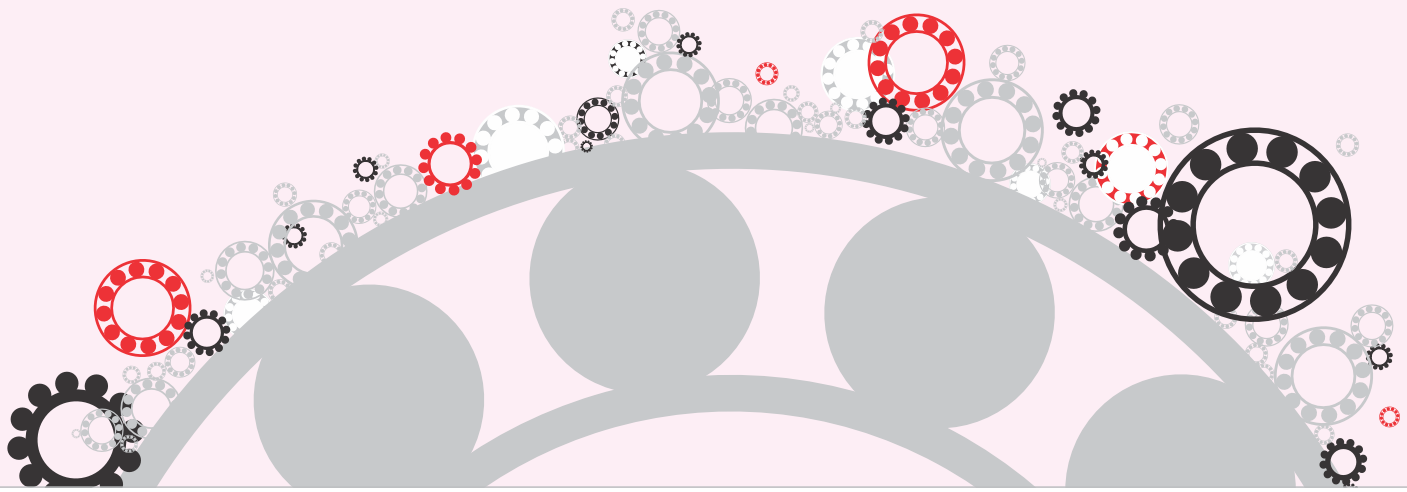
ISO 9001 : 2008
ISO / TS 16949 : 2009
ISO 14001 : 2004
OHSAS 18001 : 2007
TÜV Rheinland CERTIFIED
www.tuv.com
ID 0910099553

Junagadh off.: 101, G.I.D.C. Estate, Vadal Road, Junagadh - 362 003. (India) Tel.: (91-285) 2660069 Fax: (91-285) 2661505
e-mail : info@aec.com Visit us at http://www.aec.com

39th

Annual Report 2016-17

AUSTIN ENGINEERING COMPANY LIMITED



Certificate

Standard **ISO / TS 16949:2009**
(3rd edition, 2009-06-15)

Certificate Registr. No. 01 111 058896
IATF Certificate No. 0268606

Certificate Holder: **Austin Engineering Co. Ltd.**
Patla, Ta. Bhesan, Via Ranpur (Sorath), Post Hadmatiya,
Dist. Junagadh - 362030, India

Scope: Design and Manufacture of Cylindrical Roller Bearings

Proof has been furnished by means of an audit that the requirements of ISO / TS 16949:2009 are met.

Issue date/Expiry date: The certificate is valid from 2017-06-29 until 2018-09-14.

Release date: 2017-06-29

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln
Germany

2-IAO-QMC 01003

CIN: U72501KA1999PTC026053

AUSTIN ENGINEERING COMPANY LIMITED

39th ANNUAL REPORT
2016-2017

: BOARD OF DIRECTORS :

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

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

: COMPANY SECRETARY :
Ms. Poonam Vijayvargiya

: BANKERS :
BANK OF BARODA

: REGISTRAR & TRANSFER AGENT :
LINK INTIME INDIA PVT. LTD.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.

: 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 Ninth Annual General Meeting** of the Company will be held on **Tuesday, 19th September, 2017 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 **March, 2017** 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, 2017** together with report of Auditors thereon
2. To appoint a Director in place of **Mr. Rajan R. Bambhania** who, retires by rotation and being eligible offers himself for re- appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution :**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), **M/S B. H. Advani & Associates, Chartered Accountants, Junagadh (Firm Registration No. 117127W),** be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS :

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

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Mr. Jagdishchandra B. Jagani** holding **DIN 07645671** who was appointed as an Additional Director in independent capacity with effect from **25th October, 2016** on the Board of Directors of the Company in terms of section 161 of the Companies Act, 2013 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 his candidature for the office of director, be and is hereby appointed as an Non- Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution :**

   "RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "act", the consent of the members of the Company be and is hereby accorded to enter into the transactions for sale of bearings and/or components for the value not exceeding **Rs. 50 Crores per annum** for the period of 5 years with effect from 01st October, 2017 to **AUSTIN ENGINEERING COMPANY(Formerly known as Accurate Engineering Inc.), the wholly owned subsidiary of the Company.**

   RESOLVED FURTHER THAT that Board of directors of the Company be and is hereby authorized to do any acts, deeds etc for the said purpose."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution :**

   "RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as detailed below for the period of 5 years with effect from 01st October, 2017 with MAX PRECISION BEARINGS PRIVATE LIMITED, a Company incorporated under the erstwhile Companies Act, 1956.

   i. For **purchase** of bearings and/or components for the value not exceeding **Rs. 300 lakhs per annum**.
   ii. For **Sale** of bearings and/or components for the value not exceeding **Rs. 100 lakhs per annum.**
   iii. For **getting the job work done** on the material supplied by the Company (AECL) for the value not exceeding **Rs 500 lakhs per annum.**
   iv. For **doing the job work** by the Company (AECL) for the value not exceeding **Rs 50 lakhs per annum.**

   RESOLVED FURTHER THAT that anyone of the Whole time directors of the Company be and is hereby authorized to enter into the said agreement on behalf of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution :**

   "RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions for sale of bearings and/or components for the value not exceeding **Rs. 150 lakhs per annum** for the period of 5 years with effect from 01st October, 2017 to **AUSTIN TRADERS, a partnership firm registered under the Indian Partnership Act, 1932.**

   FURTHER RESOLVED THAT anyone of the whole time directors of the company be and is hereby authorized to enter into the said agreement."

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

"**RESOLVED THAT** pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions for **getting job work done** for the value not exceeding **Rs. 600 lakhs per annum** for the period of 5 years with effect from 01st October, 2017 from **ACCORD PRECISION PRODUCTS, a partnership firm registered under the Indian Partnership Act, 1932.**

FURTHER RESOLVED THAT anyone of the whole time directors of the company be and is hereby authorized to enter into the said agreement."

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

"**RESOLVED THAT** pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as detailed below for the period of 5 years with effect from 01st October, 2017 with **OPTIMUM SERVICES INC., a partnership firm registered under the Indian Partnership Act, 1932.**

i. For **purchase** of bearings and/or components for the value not exceeding **Rs. 700 lakhs per annum.**

ii. For **Sale** of bearings and/or components for the value not exceeding **Rs. 50 lakhs per annum.**

iii. For **getting the job work** done on the material supplied by the Company (AECL) for the value not exceeding **Rs 100 lakhs per annum.**

iv. For **doing the job work** by the Company (AECL) for the value not exceeding **Rs 25 lakhs per annum.**

FURTHER RESOLVED THAT anyone of the whole time directors of the company be and is hereby authorized to enter into the said agreement."

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

"**RESOLVED THAT** pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions for sale of bearings and/or components for the value not exceeding **Rs. 900 lakhs per annum** for the period of 5 years with effect from 01st October, 2017 to **SNR ENTERPRISES, a partnership firm registered under the Indian Partnership Act, 1932.**

FURTHER RESOLVED THAT anyone of the whole time directors of the company be and is hereby authorized to enter into the said agreement."

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions for getting job work done for the value not exceeding **Rs. 100 lakhs per annum** and for sale of scrap not exceeding Rs. 15 lakhs per annum for the period of 5 years with effect from 01st October, 2017 by **ACCUMAX ENGINEERING COMPANY, a partnership firm registered under the Indian Partnership Act, 1932.**

FURTHER RESOLVED THAT anyone of the whole time directors of the company be and is hereby authorized to enter into the said agreement."

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

"**RESOLVED THAT,** pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions **for sale** of bearings and/or components for the value not exceeding **Rs. 500 lakhs per annum** for the period of 5 years with effect from 01st October, 2017 to **EMINENT TRADING (INDIA) LLP, a partnership firm registered under the Limited Liability Partnership Act, 2008**

FURTHER RESOLVED THAT, the Board of directors of the Company be and is hereby authorized to enter into the said agreement."

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

"**RESOLVED THAT,** pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions **for sale** of bearings and/or components for the value not exceeding **Rs. 500 lakhs per annum** for the period of 5 years with effect from 01st October, 2017 to **UNITED TRADING CO., a Partnership Firm registered under Indian Partnership Act, 1932**

FURTHER RESOLVED THAT, the Board of directors of the Company be and is hereby authorized to enter into the said agreement."

By order of the Board of Director

Sd/-

Place: Patla, Dist. Junagadh **R.R. Bambhania**
Date: 27th May, 2017 **Managing Director**

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 HIM SELF/ HER SELF 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 **Tuesday, 12th September, 2017 to Tuesday, 19th September, 2017 (Both days inclusive).**
4. Any change in bank particulars and /or address are required to intimate to their depositary participant in case of holding of shares in electronic form or to the Company's Registrar and Share Transfer agents, Link In Time India Pvt. Ltd C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 in case of holding of shares in physical mode.
5. Item No.3 of the Notice has been passed by Board of Directors at their meeting held on Thursday, 27th July, 2017.
6. 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.
7. 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.
8. Details under **Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** 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.
9. Electronic copy of the Annual Report for the financial year ended on 31st March, 2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year ended on 31st March, 2017 is being sent in the permitted mode.
10. Members may also note that the Notice of the 39th Annual General Meeting and the Annual Report for the financial year ended on 31st March, 2017 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.
11. 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.
12. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
13. 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.
14. 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 Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
15. (a) The Company has transferred the unpaid or unclaimed dividends declared upto the financial year 2008-09 from time to time, to the Investor Education and Protection Fund(IEPF) established by the Central Government. The Company has uploaded the details of the unclaimed and unpaid dividends amounts lying with the Company as on 29th September, 2016 (date of previous Annual General Meeting) on the website of the Company. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in.

    (b)Attention of the members is also drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

    In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2008-09 or earlier financial years which has not been paid or claimed by the members for 7 (seven) consecutive years or more.

    Members are advised to visit the web-link: www.aec.com to ascertain details of shares liable for transfer in the name of IEPF Authority.
16. Members holding shares in single name and in 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".

17. 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.

18. 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 39th 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 **Saturday, 16th September, 2017 (9:00 am) and ends on Monday, 18th September, 2017 (5:00 pm).** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Tuesday, **12th September, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
  - o For CDSL: 16 digits beneficiary ID,
  - o For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - o 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) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN Field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both 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).

19. After entering these details appropriately, click on "SUBMIT" tab.
20. 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.
21. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
22. Click on the EVSN **170803025** along with **AUSTIN ENGINEERING COMPANY LIMITED** on which you choose to vote.
    (i) 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.
    (ii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
    (iii) 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.
    (iv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
    (v) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
    (vi) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
    (vii) Shareholders can also use Mobile app-"m-Voting" for e-voting. m-voting app is available on Apple, Android and Windows based mobile. Shareholders may log in to m-voting using these e-voting credentials to vote for the company resolution(s).

Note for non-individual Shareholders and Custodians:

23. 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 Corporate.

24. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
25. 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.
26. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
27. 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.
28. 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. Municipal School, Near Navrangpura Bus Stop, 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
Phone : 02873 – 252223 / 252267 / 252268, Fax : 0285-2661505 & 02873-252225
E-mail ID: **info@aec.com**

Registrar and Transfer Agent :
LINK INTIME INDIA PRIVATE LIMITED
C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083
Phone No.: 91 22 49186000
Fax No.: 91 22 49186060
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. R. R. Bambhania	Mr. J. B. Jagani
Date of Birth	29.08.1976	01.01.1963
Appointed on	01.02.2008	25.10.2016
Qualifications	D. M. E.	M.Com, LL.B
Expertise in Specific Functional Areas	Engineering	Accounts & Finance
Directorships held in other Public Companies (excluding foreign companies)	YES	NO
Membership/ Chairmanship of Committees across public Companies	NO	NO
Shareholding	60300	NIL

By order of the Board of Director

Sd/-

Place : Patla, Dist. Junagadh **R.R. Bambhania**
Date : 27th May, 2017 **Managing Director**

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 25th October, 2016 appointed Mr. Jagdishchandra B. Jagani as an Additional Director in Independent capacity on the Board of Directors of the Company pursuant to section 161 of the Companies act, 2013.

Pursuant to the provisions of the Companies Act, 2013, he 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.100,000/- proposing his candidature for the office of director, under the provision of section 149 and 152 of the Companies Act, 2013.

The Company has obtained the declaration from Mr. Jagdishchandra B. Jagani in respect of independence while appointing him as an additional director on the Board in independent capacity

None of the directors, key managerial personnel or their relatives except Mr. Jagdishchandra B. Jagani is concerned or interested in the said resolution. The Board recommends the said resolution for your approval.

Item No. 5 to 13 :

Pursuant to the proviso of section 188 (1) of the Companies Act, 2013 read with the Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to be effective from

1st October, 2017, no contract or arrangement can be entered into with a related party for any item specified in the said proviso except with the prior approval in the General Meeting by way of Special Resolution.

The Company always enters into the transactions with all related parties as mentioned in Item No. 5 to 13 at prevailing market rate.

The Company places all such transactions before Audit Committee at the first instance which is to be always reviewed by them and then recommended the said transactions.

The Company had earlier obtained the approval for the said transactions from the competent authority along with the members at the Annual General Meeting held on 9th September, 2014. There are not any material transactions.

The details along with the relationship, nature and volume of the transactions are summarized below :

Name of the party	Nature of relation/ interest	Nature of transaction	Value of transaction per annum
Austin Engineering Company-USA	Wholly owned subsidiary	Sales	Rs. 50 Crores
Max Precision Bearings Private Limited	Relative of director	Purchase	Rs. 300 Lakhs
		Sales	Rs. 100 Lakhs
		Getting Job work done	Rs. 500 Lakhs
		Doing Job work	Rs. 50 Lakhs
Austin Traders	Relative of director	Sales	Rs. 150 Lakhs
Accord Precision Products	Relative of director	Getting Job work done	Rs. 600 Lakhs
Optimum Services Inc.	Relative of director	Purchase	Rs. 700 Lakhs
		Sales	Rs. 50 Lakhs
		Getting Job work done	Rs. 100 Lakhs
		Doing Job work	Rs. 25 Lakhs
SNR Enterprises	Relative of director	Sales	Rs. 900 Lakhs
Accumax Engineering Co.	Relative of director	Getting Job work done	Rs. 100 Lakhs
		Sale of Scrap	Rs. 15 Lakhs
Eminent Trading(India) LLP	Relative of Director	Sales	Rs.500 Lakhs
United Trading Co.	Relative of Director	Sales	Rs. 500 Lakhs

The Company proposed to seek your approval as good corporate governance.

Your directors recommend the resolution for your approval.

None of the directors and their "Relatives" except Mr. N C Vadgama and Mrs. A.S. Thanki is concerned or interested in Item No. 6, 12 and 13 of the proposed resolution.

None of the directors and their "Relatives" except Mrs. A.S. Thanki is concerned or interested in Item No. 7 of the proposed resolution.

None of the directors and their "Relatives" except Mr. N C Vadgama, Mrs. A.S. Thanki and Mr. R. R. Bambhania is concerned or interested in Item No. 5 and 8 to 10 of the proposed resolution.

None of the directors and their "Relatives" except Mr. N C Vadgama is concerned or interested in Item No. 11 of the proposed resolution.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their **39th** Annual Report of the Company together with the Audited Statements of Accounts for the year ended **31st March, 2017.**

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2017 along with previous year figure is summarized as here under :

STAND ALONE (Rs. In Lakhs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Gross profit before Interest Depreciation and Tax	(113.96)	85.42
Less: Interest and Depreciation	213.88	224.17
Profit / (Loss) before Tax	(327.84)	(138.75)
Less: Provision for Taxation	-	-
Deferred Tax Assets	(53.92)	(18.06)
Profit / (Loss) after Tax	(273.91)	(120.69)
Add: Balance brought forward from last year	3721.26	3841.95
Profit available for appropriations	**3447.35**	**3721.26**
Appropriations:	-	-
Adjustment Relating to fixed Asset	-	-
Proposed Dividend	-	-
Provision for Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
Balance carried forwarded to next year	**3447.35**	**3721.26**

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS :

The performance of the Company during the year under review is almost stagnant as compared to the last year. The Company has negligible increase in revenue from operation but there is a sharp decline in non-operational revenue. This has ultimately led to higher loss to the Company during the period under review. The total other income during the year under review was Rs. 41.71 Lakhs as against Rs. 169.77 Lakhs in the last year. The total revenue from operations during the year under review was Rs. 7121.05 Lakhs as against Rs. 7003.95 Lakhs in the previous year. The Company had made a net loss of Rs 327.84 Lakhs as against Rs. 138.75 Lakhs in the previous year.

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 loss, your Directors regrets to recommend any dividend for financial year ended 31st March, 2017.

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, 2017.

SHARE CAPITAL :

The paid up Equity Share Capital of the Company as on March 31, 2017 was Rs 34778000/- During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity. The shareholding of Directors in the Company, as on March 31, 2017, 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. R. R. Bambhania, 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 (Whole-time Director)
- Mr. Rajan R Bambhania (Managing Director and CEO)
- Mr. Jeshanker R Bhogayta (Whole-time Director)
- Mr. Siddik A Kotal (Chief Financial Officer)
- Ms. Poonam L. Vijayvargiya (Company Secretary up to 20-06-2017)

NOTING OF APPRECIATION OF SERVICES :

The Board places on record its appreciation for guidance and valuable services provided by Mr. Krishnakant J. Mehta, during his tenure as Independent Director of the Company. He has resigned from Board with effect from 25th October, 2016.

BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) 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 :

The details of various committees constituted by the Board as per the Regulation 18, 19 and 20 of SEBI (Listing Obligation and Disclosure Requirements) 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 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 in compliance to secretarial standards SS-1 issued by ICSI.

INDEPENDENT DIRECTORS :

The Independent Directors met on 30th April, 2016 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 as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI(Listing Obligation and Disclosure Requirements) 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;
- 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; and
- 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, Junagadh, were appointed for a period of three years as Statutory Auditors pursuant to the provision of section 139 of the Companies Act, 2013 at the Annual General Meeting held on 9th September, 2014 and their terms as Statutory Auditors shall expire upon conclusion of this ensuing 39th Annual General Meeting.

Your Directors, on recommendation of Audit Committee, has proposed to appoint **M/S B.H. Advani & Associates, Chartered Accountants, Junagadh (Firm Regn NO. 117127W)** as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 39th Annual General Meeting till the conclusion of 44th Annual General Meeting i.e. for a period of 5 years (subject to ratification of the appointment by the Members at every AGM held after this AGM).

The Company has received a letter from **M/S B. H. Advani & Associates, Chartered Accountants, Junagadh (Firm Regn NO. 117127W)** 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.

SECRETARIAL AUDITOR :

The Board had appointed Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary, to conduct the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended on March 31, 2017 is annexed herewith marked as Annexure "C" to this Report.

The Board of Directors at the recommendations of the Audit Committee appointed Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2017-18.

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, Ahmadabad as Internal Auditors of the Company for the Financial Year 2017-18.

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

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARD :

In pursuance to the Companies (Indian Accounting Standard) Rules, 2015 which was effective from 01st April, 2015 on phase wise, your Company has to adopt the same with effect from 1st April, 2017. The implementation of Ind AS is a major change process for which the Company has established a project team and is dedicating considerable resources.

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. J. B. Jagani [Member of committee w.e.f. 25th October, 2016]

Mr. K.J. Mehta [Member of committee up to 25th October, 2016]

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 transactions entered into by the company with "Related Parties" during the period under review were in the ordinary course of business at prevailing market rates. All related party transactions were placed before the Audit Committee and recommended to the Board for their approval. The particulars of contracts or arrangements made with related party pursuant to Section 188 of the Companies Act, 2013 is furnished vide Annexure "A" in form AOC-2 as per Companies Act, 2013 and it forms the part of this report. 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 formation of Risk Management Committee, the Company has not formed the said committee.

MATERIAL CHANGES AND COMMITMENTS :

No material changes and commitments affecting the financial position of the Company has 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 "B" 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 "D" 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 "E", 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 :

The Company has changed the name of its Subsidiary Company from Accurate Engineering Inc. to Austin Engineering 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 Austin Engineering Company (Formerly known as 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 "F" 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.

CORPORTAE GOVERNANCE :

As per Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate reports on Corporate Governance, Management Discussion and 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 aftermarket 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 Director

Sd/-

Place : Patla, Dist. Junagadh **R.R. Bambhania**

Date : 27th May, 2017 **Managing Director**

ANNEXURE "A"

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis :

(a) Name(s) of the related party and nature of relationship: N.A.
(b) Nature of contracts/arrangements/transactions: N.A.
(c) Duration of the contracts / arrangements/transactions: N.A.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
(e) Justification for entering into such contracts or arrangements or transactions: N.A.
(f) Date(s) of approval by the Board: N.A.
(g) Amount paid as advances, if any: N.A.
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis :

Name of the Party	Nature of relation/ interest	Nature of transaction	Duration of Contracts	Date of approval by Board	Value of transaction entered into during the year
Max precision Bearings Pvt. Ltd	Related Party	Sales	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	1071311
Max precision Bearings Pvt. Ltd	Related Party	Job Work	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	403336
Max precision Bearings Pvt. Ltd	Related Party	Purchase	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	4083084
Austin Engineering Company-USA	Related Party	Sales	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	33189497
Austin Engineering Company-USA	Related Party	Sales	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	20448198
Accumax Engineering Company	Related Party	Sales	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	332483
Optimum Services Inc	Related Party	Sales	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	4004
Optimum Services Inc	Related Party	Purchase	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	11785746
Austin Engineering Company-USA	Related Party	Purchase	1st April,2016 to 31st March, 2017	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	67550

Note: The Company has not entered into any material contract with "Related Parties" during financial year 31st March, 2017

By order of the Board of Director

Sd/-
R.R. Bambhania
Managing Director

Place : Patla, Dist. Junagadh
Date : 27th May, 2017

ANNEXURE "B"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on Financial year ended on 31.03.2015

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

I REGISTRATION & OTHER DETAILS :

i	CIN	:	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 Private Ltd.** C-101, 247 Park, L. B. S. Marg, Vikhroli (West), MUMBAI 400 083 Maharashtra Phone : 022 - 49186000 Fax No. 022 - 49186060

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 :

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Austin Engineering Company (Formerly known as 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 31.03.2016				No. of Shares held at the beginning of the year 31.03.2017				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	1175079		1175079	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)	1175079		1175079	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)	**1175079**		**1175079**	**33.79**	**1175079**		**1175079**	**33.79**	**0.00**	

Category of Shareholders	No. of Shares held at the beginning of the year 31.03.2016				No. of Shares held at the beginning of the year 31.03.2017				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
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):		**6900**	**6900**	**0.20**	**0**	**6900**	**6900**	**0.20**	**0.00**	
(2) Non Institutions										
a) Bodies corporates	226190	10701	236891	6.81	144231		144231	4.15	-2.66	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1313648	299201	1612849	46.38	1115723	305602	1421325	40.87	-5.51	
ii) Individuals shareholders holding nominal share capital in excess of **Rs. 1 lakhs**	**309082**	**13100**	**322182**	**9.26**	**474092**	**13100**	**487192**	**14.01**	**4.74**	
c) Others (specify) NRI,s	16699	9100	25799	0.74	33093	9100	42193	1.21	0.47	
Foreign Company	80000		80000	2.30	80000	0	80000	2.30	0.00	
Trusts	18100		18100	0.52	18100	0	18100	0.52	0.00	
Hindu Undivied Family					102780		102780	2.95		
SUB TOTAL (B)(2):	**1963719**	**332102**	**2295821**	**66.01**	**1968019**	**327802**	**2295821**	**66.01**	**-0.01**	
Total Public Share-holding(B)=(B)(1)+(B)(2)	**1963719**	**339002**	**2302721**	**66.21**	**1968019**	**334702**	**2302721**	**66.21**	**-0.01**	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	**3138798**	**339002**	**3477800**	**100.00**	**3143098**	**334702**	**3477800**	**100.00**		

(ii) SHARE HOLDING OF PROMOTERS

S.N.	Shareholders Name	Shareholding at the begginning of the year 31.03.2016			Shareholding at the end of the year 31.03.2017			% 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	RAMNIKLAL N BAMBHANIA	120000	3.450		120000	3.450		
3	JESHANKER R BHOGAYTA	75500	2.171		75500	2.171		
4	HIREN N VADGAMA	44000	1.265		44000	1.265		
5	JIGNESH S THANKI	6000	0.173		6000	0.173		
6	NAROTTAM C VADGAMA-HUF	15500	0.446		15500	0.446		
7	SHASHIKANT M THANKI-HUF	12000	0.345		12000	0.345		
8	RAMNIKLAL N BAMBHANIA-HUF	16000	0.460		16000	0.460		
9	JESHANKER R BHOGAYTA - HUF	57800	1.662		57800	1.662		
10	ANILA S THANKI	166816	4.797		166816	4.797		
11	ALPA J THANKI	25000	0.719		25000	0.719		
12	PINAK S THANKI	20000	0.575		20000	0.575		
13	FALGUNI P THANKI	1600	0.046		1600	0.046		
14	PURVI S THANKI	20000	0.575		20000	0.575		
15	INDUMATI N VADGAMA	62400	1.794		62400	1.794		
16	HIREN N VADGAMA	805	0.023		805	0.023		
17	DARSHNA H VADGAMA	25600	0.736		25600	0.736		
18	BHAVIN N VADGAMA	42000	1.208		42000	1.208		
19	JAYENDRA C VADGAMA	3400	0.098		3400	0.098		
20	REKHA J VADGAMA	4000	0.115		4000	0.115		
21	JASHUMATI R BAMBHANIA	52000	1.495		52000	1.495		
22	RAJAN R BAMBHANIA	60300	1.734		60300	1.734		
23	RUTA R BAMBHANIA	89558	2.575		89558	2.575		
24	ANISHI J BHOGAYTA	24150	0.694		24150	0.694		
25	ARUSHI J BHOGAYTA	24050	0.692		24050	0.692		
26	PRAVINA J BHOGAYTA	31900	0.917		31900	0.917		
27	BHOGAYTA INV. CO. PVT. LTD.	40700	1.170		40700	1.170		
	Total	**1175079**	**33.79**		**1175079**	**33.79**		0.000

(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, 2016		Trasanctions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2017	
		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	**1175079**	**33.788**				**1175079**	**33.788**
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. llotment/transfer/bonus /sweat equity etc)							
	At the end of the year (or on the date of separation, if separated during the year)	**1175079**	**33.788**				**1175079**	**33.788**

(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, 2016		Trasanctions During the year				
		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	**405545**	**11.661**					
1	**Anil Kumar Goel**	**105100**	**3.022**				**105100**	**3.022**
2	**AEC Europe SRL**	**80000**	**2.300**				**80000**	**2.300**
3	**Dheeraj Kumar Lohia**			27.01.2017	14824	Purchase		
				03.02.2017	62481	Purchase		
				10.03.2017	795	Purchase		
				24.03.2017	900	Purchase	**79000**	**2.272**
4	**Muktilal Ganulal Paldiwal**	**51774**	**1.489**	30.06.2016	4786	Purchase	56560	
				08.07.2016	1050	Purchase	57610	
				11.11.2016	500	Purchase	58110	
				25.11.2016	275	Purchase	58385	
				23.12.2016	250	Purchase	58635	
				06.01.2017	189	Purchase	**58824**	**1.691**
5	**Sharad Kanayalal Shah**			15.07.2016	38664	Purchase		
				14.10.2016	929	Purchase	**39593**	**1.138**

S.N.		Share holding at the beginning of the Year i.e 1st April, 2016		Trasanctions During the year				
		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
6	**Taradevi Muktilal Paldiwal**	**37149**	**1.068**	30.06.2016	1114	Purchase	38263	
				15.07.2016	60	Sale	38203	
				25.11.2016	912	Purchase	**39115**	**1.125**
7	**Choice Equity Broking Pvt.Ltd.**	**28831**	**0.829**	01.07.2016	5	Purchase	28836	
				15.07.2016	5	Sale	28831	
				20.01.2017	15	Purchase	28846	
				03.02.2017	5	Sale	28841	
				10.02.2017	10	Sale	**28831**	**0.829**
	Arushi J. Bhogayta	**24050**	**0.692**				**24050**	**0.692**
9	**Mars Telecom Systems Private Limited**	**18500**	**0.532**				**18500**	**0.532**
10	**Custodian(Special Court) A/C Rasila S.Mehta/ Sudhir S. Mehta**	**18100**	**0.520**				**18100**	**0.520**
11	**Dasaratha Ramaiyer Thyagarajan**	**25541**	**0.734**	28.10.2016	1173	Sale	24368	
				04.11.2016	5803	Sale	18565	
				10.02.2017	1000	Sale	**17565**	**0.505**
12	**Ponkumar Venkatesh**	**16500**	**0.474**				**16500**	**0.474**
	At the end of the year (or on the date of separation, if separated during the year)						**525178**	**15.101**

(v) Shareholding of Directors & KMP

S.N.		Share holding at the beginning of the Year i.e 1st April, 2016		Trasanctions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2017	
	For Each of the Directors & KMP	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	329500	9.474					
	At the end of the year (or on the date of separation, if separated during the year)						329500	9.474

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		**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
Change in Indebtedness during the financial year					
Additions					
Reduction		**16275440**	**NIL**	**NIL**	16275440
Net Change		**16275440**	**NIL**	**NIL**	16275440
Indebtedness at the end of the financial year					
i) Principal Amount		**69551129**	**NIL**	**NIL**	69551129
ii) Interest due but not paid		**NIL**	**NIL**	**NIL**	**NIL**
iii) Interest accrued but not due		**NIL**	**NIL**	**NIL**	**NIL**
Total (i+ii+iii)		**69551129**	**NIL**	**NIL**	69551129

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	**Particulars of Remuneration**					
			Narottam C Vadgama	**Rajan R Bambhania**	**Jeshanker R Bhogayta**	**Total**
1	**Gross salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		1140000	1140000	1140000	3420000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		154418	153769	152667	460854
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		NIL	NIL	NIL	NIL
2	Stock option		NIL	NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL	NIL
4	Commission		NIL	NIL	NIL	NIL
	as % of profit		NIL	NIL	NIL	NIL
	others (specify)		NIL	NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL	NIL
	Total (A)		**1294418**	**1293769**	**1292667**	**3880854**
	Ceiling as per the Act		Calculated as per Section 198 of Companies Act, 2013			

B. Remuneration to other directors :

Sl. No	Particulars of Remuneration	Name of the Directors							
1	Independent Directors	Bhagwanjibhai D. Joshi	Bhavesh R. Sureja	Dipsing B. Nakum	Krishnakant J. Mehta	Jagdishchandra B. Jagani	Aarti K. Goswami	Anila S. Thanki	Total
	(a) Fee for attending board committee Meetings	10000	7500	10000	7500	2500	2500	7500	47500
	(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	7500	10000	7500	2500	2500	7500	47500
	Total (B)=(1+2)	10000	7500	10000	7500	2500	2500	7500	47500
	Total Managerial Remuneration*								**4677737**
	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				
		CFO	**CEO**	**C S**	**C S**	**Total**
		Siddik Kotal	**R. R. Bambhania**	**Nidhi Parikh**	**Poonam Vijayvargiya**	
1	**Gross Salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	**523621**		**93139**	**110978**	**727738**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	**69145**		**NIL**	**NIL**	**69145**
	(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	**592766**	**0**	**93139**	**110978**	**796883**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

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

*The penalty of Rs. 23000(including TDS Rs. 2300/-) has been levied on Company in matter of Non-submission of Annual Report within prescribed time-limit violating Regulation 34 of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015

ANNEXURE "C"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2017

[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"). A 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, 2017 ("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, 2017 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 Agreement 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:

A penalty of Rs 23000/- (including TDS Rs.2300/-) against the Company for non-submission of Annual Report within prescribed time-limit violating Regulation 34 of SEBI (Listing obligation and disclosure requirements) Regulations, 2015.

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 : 26th May, 2017

For, K J SHAH & Company
Company Secretary
SD/-
(K J 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 TAX
6. 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 ACT
13. THE MINIMUM WAGES ACT , 1946
14. CUSTOMS ACT 1962
15. THE WORKMEN'S COMPENSATION ACT,1923
16. THE INDUSTRIAL (DEVELOPMENT AND REGULATION) ACT,1951
17. THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986

Place : Ahmedabad
Date : 26th May, 2017

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

ANNEXURE "D"

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 :** **(Rs. in Lakhs)**

S.N.	FOREIGN EXCHANGE EARNINGS :	2016-17	2015-16
1	Exports of goods on FOB basis	2111.94	2040.71
	Total Foreign Exchange Earned	2111.94	2040.71
	FOREIGN EXCHANGE OUTGO:		
1	Import of CIF value of Raw Materials, Capital goods & Spares.	44.78	47.73
2	Traveling	15.55	28.87
3	Sales Commission	1.48	3.11
4	Foreign Marketing & Sales Promotion Expanses	2.28	2.65
5	Dividend	0.00	1.20
	Total Foreign Exchange Used	64.09	83.56

By order of the Board of Director

Sd/-

Place : Patla, Dist. Junagadh **R.R. Bambhania**

Date : 27th May, 2017 **Managing Director**

ANNEXURE "E"

PARTICULARS OF REMUNERATION:

1. The information required under section 197 of the act and rules made there-under, in respect of employees of the company, is follows :-

2. 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	6.97
Mr. Rajan R Bambhania	6.97
Mr. Jeshanker R Bhogayta	6.97

3. 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. Rajan R Bambhania	-
Mr. Jeshanker Bhogayta	-
Mr. Siddik A Kotal-CFO	5.92%

4. The percentage increase in the median remuneration of employees in the financial year : 5.47%

5. The number of permanent employees on the rolls of the Company as at 31st March, 2017: 580

6. The explanation in relationship between average increase in remuneration and company performance :

   On an average, employees have received an increase of 7.24% which 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 Lakhs)**

Particulars	Amount (MGT-9)
Remuneration of KMP during the financial year 2016-17 (aggregated)	48.50
Revenue from operation	7121.05
Remuneration (as % of revenue)	0.68%
Profit / (Loss) Before Tax(PBT)	(327.84)
Remuneration (as % of PBT)	(14.79)

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 31-03-2017	As at 31-03-2016	Variation
Closing rate of share at BSE	In Rs.	56.00	46.30	20.95%
EPS (Standalone)	In Rs.	(7.88)	(3.47)	(127.09)%
Market Capitalization	Rs./Lakhs	1947.57	1610.22	20.96%
Price Earnings Ratio(Standalone)	Ratio	(7.11)	(13.34)	46.70%

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 2016-17 was 8.09%. The percentage decrease in managerial remuneration for the year was 19.23% on account of death of one of the Managerial Personnel.

10. Comparison of each remuneration of Key Managerial Personnel against the performance of the Company ; **(Rs. In Lakhs)**

Particulars	Chief Executive Officer(as per MGT-9)	Chief Financial Officer	Company Secretary
	Amount	Amount	Amount
Remuneration	*9.50	5.93	2.04
Revenue	7121.05	7121.05	7121.05
Remuneration (as % of revenue)	0.13%	0.08%	0.03%
Profit / (Loss) before Tax (PBT)	(327.84)	(327.84)	(327.84)
Remuneration (as % of PBT)	(2.9) %	(1.81) %	(0.62) %

*R. R. Bambhania was appointed as C.E.O w.e.f 08/06/2016

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 "F"

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	AUSTIN ENGINEERING COMPANY (Formerly known as Accurate Engineering Inc)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	SAME PERIOD i.e. 01.04.16 TO 31.03.2017
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 31.03.2017 1 US $ = 64.84 INR
4.	Share capital	$ 25000
5.	Reserves & surplus	$107584
6.	Total assets	$663749
7.	Total Liabilities	$506165
8.	Investments	NIL
9.	Turnover	$1004556
10.	Profit/(Loss) before taxation	$(21914)
11.	Provision for taxation	$32367
12.	Profit (Loss) after taxation	$(54281)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

NOTES :

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

1. Names of subsidiaries which are yet to commence operations - **NIL**
2. 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 the reflection of our value system consisting of our culture, polices and relationships with our stakeholders. Integrity and transparency are the key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Effective Corporate Governance Practices constitute the strong foundation on which the successful commercial enterprise is built to last. The Company's philosophy on corporate governance oversees business strategy and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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 of highly qualified and experienced professionals from different fields, which formulates strategies, policies and reviews its performance periodically. The Chairman and Whole-time Directors 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, 2017, 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. He acts as a guide and philosopher to the Company rather than executing day to day affairs. 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 the Directors	No. of Board Meeting Attained During the year	Whether Attained AGM held on Sep 29, 2016	No. of other Director		No. of outside Committee(s)	
			Public	Private	Public	Private
Mr. N. C. Vadgama - Chairman & Executive Director	5	YES	1	--	--	--
Mr. R. R. Bambhania - Managing Director	4	YES	1	--	--	--
Mr. J. R. Bhogayta - Executive Director	6	YES	--	2	--	--
Mr. B. D. Joshi- Non Executive Independent Director	6	NO	--	1	--	--
Dr. B. R. Sureja- Non Executive Independent Director	4	NO	--	--	--	--
Mr. K. J. Mehta- Non Executive Independent Director (up to 25th October, 2016)	4	NO	--	--	--	--
Mr. D. B. Nakum- Non Executive Independent Director	6	NO	--	--	--	--
Mrs. Aarti Goswami - Non Executive Woman Director) (up to 8th June, 2016)	2	NO	1	-	-	-
Mr. J. B. Jagani (Appointed as Non Executive Additional Director in Independent Capacity w.e.f. 25th October, 2016)	2	NO	--	--	--	--
Mrs. Anila S. Thanki (Non Executive Woman Director Appointed w.e.f. 8th June, 2016		NO	--	1	--	--

Notes :

(1) Mr. Jagdishchandra B. Jagani was appointed as Additional Director in place of Mr. K. J. Mehta who has resigned the office as Director w.e.f 25th October, 2016.

(2) Mrs. Anila Thanki was appointed as Director in place of Ms. Aarti Goswami who has resigned the office as Director w.e.f 8th 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 2016-2017, 6 (Six) Board Meetings were held on 30th May, 2016, 8th June, 2016, 26th July, 2016, 25th October, 2016, 24th January, 2017 and 9th March, 2017. 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 throughout 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
30th May, 2016	6
8th June, 2016	6
26th July, 2016	7
25th October, 2016	8
24th January, 2017	8
9th March, 2017	8

The Company did not have any material pecuniary relationship or transactions with the independent Non-Executive Directors during the year 2016-17.

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

Mr. R. R. Bambhania, 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. R. R. Bambhania 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 a formal letter of appointment to independent directors describing their duties, responsibilities etc. Mr. J.B. Jagani who appointed as additional director in Independent Capacity w.e.f. 25th October, 2016, is recommended as Independent Director to be appointed at ensuing Annual General Meeting

(F) Separate meeting of Independent Directors :

Separate meeting of Independent Directors were held on 30thApril, 2016 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, 2017.

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, interalia, 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 ww.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.

1. 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 three Board Committees constituted/ reconstituted as at date :

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders Relationship 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. D. B. Nakum (3) Mr. J.B. Jagani (From 25/10/2016) (4) Mr. K J. Mehta (up to 25/10/2016), who all have adequate financial and accounting knowledge.

Meeting and attendance of Audit Committee :

Four Audit Committee meetings were held on 26th May, 2016, 21st July, 2016, 23rd October, 2016, and 21st January, 2017. 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 (Up to 25/10/2016)	Member of Committee	3
Mr. D. B. Nakum	Member of Committee	4
Mr. J. B. Jagani (From 25/10/2016)	Member of Committee	1

The Audit committee at its meeting held on 26th May, 2016 reviewed the Annual Accounts for the year 2016-2017 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;
- 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. D.B. Nakum (3) Mr. J. B. Jagani (From 25/10/2016) (4) Mr. K.J. Mehta (Up to 25/10/2016).

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 2016-17, Mr. N. C. Vadgama, 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 28th May, 2016 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 Whole-time Directors by way of Salary, perquisites and bonus. The remuneration is approved by the Board and is within the overall limits as 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, 2017 :

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. 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		7500/-
Mr. K. J. Mehta (up to 25.10.2016)		7500/-
Mr. D. B. Nakum		10,000/-
Ms. Aarti K Goswami (up to 08.06.2016)		2500/-
Mr. J. B. Jagani (w.e.f. 25.10.2016)		2500/-
Mrs. Anila S. Thanki (From 08.06.2016)		7500/-

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 Director	Category
Mr. B.R. Sureja -Independent Non-Executive Director	Chairman of Committee
Mr. N. C. Vadgama -Chairman & Executive Director	Member of Committee
Mr. R. R. Bambhania -Managing Director	Member of Committee

One meeting of Share holder/Investor Grievances Committee was held on 13th April, 2016.

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 2016-17.

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

2. 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
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.
2015-16	29/09/2016	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 on	Special Resolution Passed	Summary
1. 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.
2. 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 Jinesh 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.
3. 29.09.2016	YES	To re-designate Mr. R.R. Bambhania from Joint Managing Director to Managing Director
	YES	To insert or add new clause and re-Number the clause of Articles of Association Of Company

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, 2017 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, 2017.

3. 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

4. GENERAL SHAREHOLDER INFORMATION :

- **Annual General Meeting :**
  Date & Time : **Tuesday, 19th September, 2017 at 11.00 a.m.**
  Venue : Village : PATLA, Taluka: BHESAN, Dist.: JUNAGADH-362 030
- **Financial year** : **2016-2017 (1st April to 31st March)**
- **Date of Book Closure** : **12th September, 2017 to 19th September, 2017 (Both days inclusive)**
- **Listing on Stock Exchange** : Bombay Stock Exchange Limited

The annual listing fees for the year 2017-18 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 2014-15.

Month	Year	High (Rs.)	Low (Rs.)	Month	Year	High (Rs.)	Low (Rs.)
April	2016	57.15	44.10	October	2016	63.95	52.40
May	2016	56.00	49.00	November	2016	57.00	45.80
June	2016	56.50	47.00	December	2016	52.50	45.10
July	2016	74.90	52.50	January	2017	59.85	46.00
August	2016	61.50	51.00	February	2017	63.05	56.10
September	2016	64.00	50.15	March	2017	60.00	51.00

- **Registrar & Share Transfer Agents :**

LINK INTIME INDIA PRIVATE LIMITED

C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083

Phone No.: 022 49186000

Fax No.: 022 49186060

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, 2017.**

No. of Equity Shares Held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	4953	89.1308	756717	21.7585
501- 1000	304	5.4706	245870	7.0697
1001- 2000	137	2.4654	201892	5.8052
2001- 3000	44	0.7918	112380	3.2314
3001- 4000	26	0.4679	92304	2.6627
4001- 5000	18	0.3239	82378	2.3687
5001- 10000	29	0.5219	184273	5.2986
10001 and above	46	0.8278	1801686	51.8053
Grand Total	**5557**	**100.00**	**3477800**	**100.00**
Physical Mode	1469	26.44	334702	9.62
Electronic Mode	4088	73.56	3143098	90.38

Shareholding Pattern as on 31st March, 2017 :

Category	Number of Shares	% of Holding
Indian Promoters/Relatives	1175079	33.79
Resident Individuals & Corporate	2253628	64.80
Fin. Institutions/Banks/Mutual Fund	6900	0.20
NRIs	42193	1.21
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 **90.38%** of total equity shares of the Company are held in dematerialized form with following depository.

NSDL : 2138414 Shares (61.49%) CDSL: 1004684 Shares (28.89%) as at 31st March, 2017

- **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 : 0285-2661505 & 02873-252225
  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 PRIVATE LIMITED
  C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083
  Phone No.: 91 22 49186000, Fax No.: 91 22 49186060
  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 : 0285-2661505 & 02873-252225
  Email : info@aec.com

12. 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, 2017 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 31st March, 2017 and 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.

	Rajan R. Bambhania	**Siddik Kotal**
Date : 27th May, 2017	**Sd/-**	**Sd/-**
Place : Junagadh	**Managing Director**	**Chief Financial Officer**

6. DECLARATION BY CEO UNDER REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOURSE REQURIMENTS) 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, 2017

FOR AUSTIN ENGINEERING CO. LTD
Sd/-
Place : Patla, Dist. Junagadh **R.R. Bambhania**
Date : 27th May, 2017 **Managing Director**

7. AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQURIMENTS) 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, 2017 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, 2017.

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/-
Place : Cairns, Australia **DHIRUBHAI H. DAND**
Dated : 27th May, 2017 **PROPRITOR**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW - ECONOMY & BEARING INDUSTRY :

India witnessed the sweeping changes in the world economy signaling a journey to a new world order where status quo is not welcomed and "localization" acquired a new meaning and focus across the borders. "Skill-India", "Start-up India", "Smart City", "Digital India" are likely to create challenges and opportunities. Demonetization puts a break temporarily on industry sector due to liquidity crunches but the immediate corrective steps strength the development on various fronts. The government is committed to develop the infrastructure in a major way with clear focus on the development of roads, mass transportation, affordable houses, rural development and clean energy.

The Indian bearings markets did not witness any major structural change and the same is estimated around INR 90-95 billion. The bearing industry is a technology driven and a high capital intensive. The market is normally met through domestic production and imports. Organized sector companies including the world majors meet the needs of indian market through a mix of domestic manufacturing and imports. It is again further divided into Original Equipment Manufacturer (OEM) and User Market.

Your Company with its wide range of products and lasting customer relationship used its extensive and high quality products offerings to deliver performance and sustainable results to its customers.

OPPORTUNITIES :

The Indian Economy is growing positively and is expected to play increasingly a significant role in the global economy. The launching of various schemes by Indian Government will help in accelerating growth in Bearing Industry. Apart from accelerating the economic reforms, the Industry has to address the challenges of job creation, growth oriented investments and innovating outreaches to drive sustainable and inclusive growth. Indian urbanization is taking shape at rapid pace. The governments' ambitious call for "Make in India", "Youth development as the Starts-up" creates various opportunities in this industry as such. Indian Railways is all set to upgrade with major spend allocated for key development projects. The applicability of fast move of GST implementation with "ONE NATION-ONE TAX" shall further add the voluminous opportunities. The growth of bearing industry thus seems to be on positive mood.

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.

SEGMENT WISE PERFORMANCE:
The Company primarily operates in two segments of activities namely "Bearing", "Power". The segment wise revenue results and capital employed has been given here under.

	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Particulars	**Bearing**	**Bearing**	**Power**	**Power**	**Total**	**Total**
1. Segment Revenue	707,721,770	707,806,088	8,554,484	9,565,657	716,276,254	717,371,745
2. Segments Results (PBT)	(29,750,683)	(12,111,837)	(7,073,517)	(8,386,694)	(32,783,557)	(13,875,314)
3. Capital Employed	507,506,512	540,026,425	7,282,057	7,545,701	530,716,722	558,107,930

The Company has kept almost the status quo position on front of production and sales.

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 organization.

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 authorized as per company's approval and signature guidelines, which are recorded and reported in an organized manner.

FINANCE :

"AECL" operates primarily in bearings and related components segments which are used in a wide range of applications across industries. The government policy appears to be on positive front. The macro environment has improved.

Your company has been consistently practicing 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 endeavors 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 appreciates 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,2017, 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 March 31, 2017 ;

(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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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.

iv) the Company has provided requisite disclosure in its standalone Financial Statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 17.1 to the standalone Financial Statements.

Place : Cairns, Australia.
Dated : 27th May, 2017

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

Dhirubhai H. Dand
Properietor
M.No. 017117

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, 2017, 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, 2017 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, 2017 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	CESTAT, WZB -Ahmedabad
Central Excise Act, 1944	Excise Duty	72,71,011	Financial year 2009-10, 2010-11 & 2012-13	CESTAT, WZB - Ahmedabad
Central Excise Act, 1944	Excise Duty and Penalty	38,44,574	Financial year 2012-13 to 2015-16	CCEC (A) - Rajkot

   * 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.

Place : Cairns, Australia.
Dated : 27th May, 2017

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

Dhirubhai H. Dand
Properietor
M.No. 017117

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 2017 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 2017, 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.

Place : Cairns, Australia.
Dated : 27th May, 2017

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

Dhirubhai H. Dand
Properietor
M.No. 017117

Balance Sheet as at 31.03.2017

Particulars	Note No.	31-03-2017 Rs.	Rs.	31-03-2016 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	**495,938,722**	**530,716,722**	523,329,930	558,107,930
2. Non- current liabilities					
(a) Long-term borrowings	5	**995,124**		1,306,616	
(b) Long-term Provisions	6	**49,387,540**	**50,382,664**	43,399,233	44,705,849
3. Current Liabilities					
(a) Short term borrowings	7	**67,574,328**		83,477,042	
(b) Trade payables	8	**164,844,390**		143,384,762	
(c) Other current liabilities	9	**41,387,710**		56,733,900	
(d) Short term provisions	10	**19,097,079**	**292,903,507**	28,721,380	312,317,084
TOTAL :			**874,002,893**		915,130,863
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	11	**89,801,944**		96,971,475	
(ii) Intangible assets	11	**24,049,918**		25,039,052	
(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	**15,928,153**		10,535,804	
(d) Long-term loans and advances	14	**15,150,735**	**148,988,375**	15,181,883	151,930,839
2. Current assets					
(a) Inventories	15	**484,350,347**		514,220,015	
(b) Trade receivables	16	**192,127,283**		202,652,744	
(c) Cash and Cash equivalents	17	**19,491,046**		14,804,047	
(d) Short-term loans and advances	18	**28,967,456**		31,428,085	
(e) Other current assets	19	**78,386**	**725,014,518**	95,133	763,200,024
TOTAL :			**874,002,893**		915,130,863
Significant accounting policies and notes to accounts	**1 to 28**				

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
R. R. Bambhania Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

Statement of Profit and Loss for the Year ended 31.03.2017

Particulars		Note No.	2016-17 Rs.	Rs.	2015-16 Rs.	Rs.
I	Revenue from operations	20	712,105,008		700,395,124	
II	Other Income	21	4,171,246		16,976,621	
III	**Total Revenue (I + II)**			716,276,254		717,371,745
IV	Expenses					
	Cost of Materials Consumed	22	200,705,267		211,021,157	
	Purchases of Stock in Trade	23	103,536,054		137,385,083	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	24	32,685,383		(43,710,181)	
	Employee benefits expense	25	153,995,880		172,461,677	
	Finance Costs	26	10,106,391		10,150,171	
	Depreciation	11	11,281,118		12,267,357	
	Other expense	27	236,749,718		231,671,795	
	Total Expense			749,059,811		731,247,059
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)			(32,783,557)		(13,875,314)
VI	Exceptional Items			-		-
VII.	Profit / (Loss) before extraordinary items and tax (V-VI)			(32,783,557)		(13,875,314)
VIII	Extraordinary items			-		-
IX	Profit / (Loss) before tax (VII-VIII)			(32,783,557)		(13,875,314)
X	**Tax expense:**					
	(1) Current tax		-		-	
	(2) Deferred tax		(5,392,349)	(5,392,349)	(1,806,145)	(1,806,145)
XI	Profit (Loss) for the period from continuing operations (IX - X)			(27,391,208)		(12,069,169)
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)			(27,391,208)		(12,069,169)
XVI	**Earnings per equity share:**					
	(1) Basic			(7.88)		(3.47)
	(2) Diluted			(7.88)		(3.47)
	Significant accounting policies and notes to accounts	1to28				

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
R. R. Bambhania Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars		2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit before extraordinary items and tax		**(32,783,557)**		(13,875,314)
	Adjustments for:				
	Depreciation	**11,281,118**		12,267,357	
	Finance Cost	**10,106,391**		10,150,171	
	(Profit)/ Loss on sale of Assets/shares	**54,030**		(1,183,739)	
	Interest/Dividend Income	**(1,352,324)**		(866,792)	
			20,089,215		20,366,997
	Operating Profit before working capital changes		**(12,694,342)**		6,491,683
	Adjustments for (increase)/decrease in operating assets:				
	Inventories	**29,869,668**		(44,013,982)	
	Trade Receivable	**10,525,461**		44,774,192	
	Short Term loans & Advances	**2,460,629**		16,758,517	
	Long Term Loans & Advances	**31,148**		(2,051,508)	
	Other Current Assets	**16,747**		(8,969)	
	Adjustments for : increase / (decrease) in operating liabilities				
	Trade payables	**21,459,628**		(29,905,356)	
	Other Current Liabilities	**(15,346,190)**		18,644,620	
	Short Term Provisions	**(9,624,301)**		(381,325)	
	Long Term Provisions	**5,988,307**	**45,381,097**	9,580,800	13,396,989
	Cash generated from operations		**32,686,755**		19,888,672
	Direct taxes paid		**-**		(302,547)
	NET CASH FROM OPERATING ACTIVITIES :		**32,686,755**		19,586,125
B	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets		**(3,630,483)**		(12,432,399)
	Purchase of Investments		**-**		-
	Sale of Fixed Assets		**599,000**		1,498,223
	Sale of Investments		**-**		-
	Interest/Dividend Received		**1,352,324**		866,792
	Net Cash used in investing activities		**(1,679,159)**		(10,067,384)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds of Long Term Borrowings (net)		**(311,492)**		1,082,923
	Net Increase / (Decrease) in Short term Borrowings		**(15,902,714)**		(10,041,469)
	Dividend Paid		**-**		(5,216,700)
	Dividend Tax Paid		**-**		(1,061,995)
	Finance Cost		**(10,106,391)**		(10,150,171)
	Net Cash used in financial activities		**(26,320,597)**		(25,387,412)
Net increase in cash and cash equivalents(A+B+C)			**4,686,999**		(15,868,671)
Cash and Cash equivalents at the beginning of the year			**14,804,047**		30,672,718
Cash and Cash equivalents at the end of the year Note:17			**19,491,046**		14,804,047
Significant accounting policies and notes to accounts **1 to 28**					

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
R. R. Bambhania Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

Notes forming part of the standalone financial statements of the Accounts for the year ended 31st March, 2017.

1. Corporate Information :

1. **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 recourses 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, 2017

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 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**		60,149,239	
Add: Transfer from Profit & Loss A/c	**–**	**60,149,239**	–	60,149,239
		151,204,124		151,204,124
Profit & Loss Account				
As per last Balance Sheet	**372,125,806**		384,194,975	
Add. Profit / (Loss) for the year	**(27,391,208)**	**344,734,598**	(12,069,169)	372,125,806
TOTAL :		**495,938,722**		523,329,930
NOTE 5 : LONG TERM BORROWINGS				
SECURED				
(A) Deferred Payment Loan from ICICI Bank (Refer Note : 09) (excluding current maturity)		**401,077**		1,306,616
B) Term Loan from Bank of Baroda (Refer Note : 09) (excluding current maturity)		**594,047**		–
TOTAL :		**995,124**		1,306,616

* The borrowings under item (A) is secured by Hypothecation of Vehicles. The rate of Interest is 10.06%. Loan repayble in 36 equal monthly instalments.

* The borrowings under item (B) is secured by Hypothecation of Vehicle. The rate of Interest is 10.60%. Loan repayble in 84 equal monthly instalments.

Notes forming parts of the financials statements for the year ended 31st March, 2017

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 6 : LONG TERM PROVISIONS				
Leave Salary Provision		**3,849,788**		3,888,117
Gratuity Provision		**45,537,752**		39,511,116
TOTAL :		**49,387,540**		43,399,233
NOTE 7 : SHORT TERM BORROWINGS				
SECURED				
Working Capital Loan				
from Bank of Baroda		**67,574,328**		83,477,042
TOTAL :		**67,574,328**		83,477,042

* 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 same is repayable on demand.

NOTE 8 : TRADE PAYABLES				
Trade Payables		**164,844,390**		143,384,762
TOTAL :		**164,844,390**		143,384,762

* 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. 287,700/-) .

NOTE 9 : OTHER CURRENT LIABILITIES				
Current maturity of long term borrowings				
Deferred Payment loan from Bank		**981,677**		1,042,911
Creditors for capital goods		**28,774,540**		26,480,455
Advance payment from customers		**8,342,364**		25,336,046
Unpaid Dividend		**1,975,756**		2,254,750
T.D.S., T.C.S. Payable		**1,313,373**		1,619,738
TOTAL :		**41,387,710**		56,733,900

*** Creditors for capital goods include amount due to H.U.F. of Directors Rs. 16,421,095/-.**
(Previous Year Rs. 15,490,636/-).

NOTE 10 : SHORT TERM PROVISIONS				
Bonus Provision		**8,391,833**		18,837,807
Gratuity Provision		**10,096,223**		9,136,243
Leave Salary Provision		**609,023**		747,330
TOTAL :		**19,097,079**		28,721,380

Notes forming parts of the financials statements for the year ended 31st March, 2017

NOTE 11 : FIXED ASSETS

SR. NO.	ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
		Balance as at 01/04/2016 Rs.	Addition During the year Rs.	Sales/Trans. During the year Rs.	**Balance as at 31/03/2017 Rs.**	Provided Upto 01/04/2016 Rs.	Provided During the year Rs.	Adjustment/ (Deductions) Rs.	**Total as at 31/03/2017 Rs.**	**Balance as at 31/03/2017 Rs.**	Balance as at 31/03/2016 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	53,937,207	265,487	_	**54,202,694**	280,03,613	1,490,995	_	**29,494,608**	**24,708,086**	25,933,594
4	Plant & Machinery	171,460,654	1,582,790	_	**173,043,444**	1,285,28,261	4,250,424	_	**132,778,685**	**40,264,759**	42,932,393
5	Plant & Machinery(100%Depreciation)	2,774,089	_	_	**2,774,089**	27,74,089	_	_	**2,774,089**	_	_
6	Electric Installation	10,319,542	21,000	_	**10,340,542**	99,54,511	42,901	_	**9,997,412**	**343,130**	365,031
7	Tools Dies & Measuring Instruments	45,299,723	546,289	_	**45,846,012**	376,32,029	581,408	_	**38,213,437**	**7,632,575**	7,667,694
8	Furniture & Fixture	18,035,279	4,350	_	**18,039,629**	123,74,112	975,812	_	**13,349,924**	**4,689,705**	5,661,167
9	Office & Factory Equipments	10,493,640	220,691	_	**10,714,331**	85,56,148	594,235	_	**9,150,383**	**1,563,948**	1,937,492
10	Vehicles	22,496,382	937,751	919,666	**22,514,467**	150,85,476	1,694,649	266,636	**16,513,489**	**6,000,978**	7,410,906
11	Computers	10,691,484	48,625	_	**10,740,109**	102,35,250	290,285	_	**10,525,535**	**214,574**	456,234
12	Wind Electric Power Converter	35,307,710	_	_	**35,307,710**	308,69,025	222,775	_	**31,091,800**	**4,215,910**	4,438,685
	Sub Total (A)	380,983,989	3,626,983	919,666	**383,691,306**	284,012,514	10,143,484	266,636	**293,889,362**	**89,801,944**	96,971,475
B	INTANGIBLE ASSETS										
1	'aec' TRADE MARK	40,861,000	_	_	**40,861,000**	16,957,315	817220	_	**17,774,535**	**23,086,465**	23,903,685
2	Computer Software	4,081,056	148,500	_	**4,229,556**	2,945,689	320414	_	**3,266,103**	**963,453**	1,135,367
	Sub Total (B)	44,942,056	148,500	_	**45,090,556**	19,903,004	1,137,634	_	**21,040,638**	**24,049,918**	25,039,052
	TOTAL (A + B)	425,926,045	3,775,483	919,666	**428,781,862**	303,915,518	11,281,118	266,636	**314,930,000**	**113,851,862**	122,010,527
	PREVIOUS YEAR	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
C	Capital Work In Progress										
1	Computer Software									-	145000

NOTE 12 : NON CURRENT INVESTMENTS (AT COST)

LONG TERM INVESTMENTS :

PARTICULARS	2016-17			2015-16		
	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, 2017

PARTICULARS	2016-17			2015-16		
	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 :			**4,057,625**			4,057,625
Aggregate Book Value of Investment						
- Unquoted			**3,772,600**			3,772,600
- Quoted Market Value Rs. 138,922/- (Previous year Rs. 133,150/-)			**234,025**			234,025
- Government Securities			**51,000**			51,000
TOTAL :			**4,057,625**			**4,057,625**

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 13 : DEFERRED TAX (LIABILITIES) / ASSETS - NET				
Deferred Tax Liabilities on account of Difference between Book & Tax Depreciation		**(6,243,266)**		(6,000,525)
Deferred Tax Assets on Account of Employees Benefits		**17,918,756**		15,776,445
Unabsorbed Depreciation Allowance		**4,252,663**		759,884
Deferred Tax (Liabilities) / Assets		**15,928,153**		10,535,804
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		**3,145,084**		3,359,953
Advance Income Tax		**4,912,171**		4,973,495
Advances & Deposit to Related Parties		**123,916**		123,916
Advances for capital expenditure		**1,069,564**		529,519
Other Loans		**5,900,000**		6,195,000
TOTAL :		**15,150,735**		15,181,883

Notes forming parts of the financials statements for the year ended 31st March, 2017

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 15 : INVENTORIES				
[Valued as stated in the accounting policies in Note No. 2.1(b)]				
Raw materials		**56,510,767**		50,539,378
Raw materials - Goods-in-transit		**924,570**		3,431,103
Work - in - progress		**240,013,488**		238,938,342
Finished goods		**141,719,806**		168,885,140
Finished goods - Goods-in-transit		**21,167,664**		21,169,250
Stock-in-trade		**10,125,957**		16,719,566
Stores and spares		**9,143,718**		8,582,496
Packing materials		**4,744,377**		5,954,740
TOTAL :		**484,350,347**		514,220,015
NOTE 16 : TRADE RECEIVABLES				
Unsecured Considered Good				
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		**8,683,715**		18,753,213
Other Trade Receivables		**183,443,568**		183,899,531
TOTAL :		**192,127,283**		202,652,744
Trade receivable includes receivable from partnership firms in which directors and / or their relatives are partners Rs. 10,335/ - (Previous year Rs. 239,220/-).				
NOTE 17 : CASH & CASH EQUIVALENTS				
Cash on Hand		**1,831,975**		1,508,789
Balance with Scheduled Bank				
In Current Account	**1,296,209**		650,256	
In Fixed Deposit A/c @	**14,387,106**		10,383,615	
In EEFC Account	–		6,637	
In Unpaid Dividend A/c.	**1,975,756**	**17,659,071**	2,254,750	13,295,258
TOTAL :		**19,491,046**		14,804,047

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

NOTE 17.1

Details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016

	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	**1,919,500**	**263,107**	**2,182,607**
(+) Permitted Receipts	**-**	**1,352,120**	**1,352,120**
(-) Permitted Payments	**419,500**	**1,226,249**	**1,645,749**
(-) Amount deposited in Banks	**1,500,000**	**-**	**1,500,000**
Closing cash in hand as on 30.12.2016	**-**	**388,978**	**388,978**

Notes forming parts of the financials statements for the year ended 31st March, 2017

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 18 : SHORT TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received.		5,923,421		6,878,590
Advances for expenses		1,852,079		2,635,478
Advances for raw materials		4,890,669		3,306,360
Advances to Employees		4,424,485		3,117,988
Balance with Government authorities		9,729,587		11,955,295
Prepaid Expenses		2,147,215		3,534,374
TOTAL :		28,967,456		31,428,085
NOTE 19 : OTHER CURRENT ASSETS				
Interest Accrued on Deposit		78,386		95,133
TOTAL :		78,386		95,133
NOTE 20 : REVENUE FROM OPERATIONS				
(A) Sales of Products				
Sales of Manufactured Goods				
a) Bearings	500,776,501		491,158,143	
b) Bearing Components	89,715,045	590,491,546	64,015,297	555,173,440
Sales of Trade Goods		138,081,519		160,668,733
Wind Electric Power Income		8,554,484		9,508,677
(B) Other Operating Revenues				
a) Sales of scrap	2,786,350		4,244,019	
b) Job-work Income	413,336		939,469	
c) Duty Drawback & other export incentives	7,524,474	10,724,160	8,022,190	13,205,678
		747,851,709		738,556,528
Less : - Excise duty		35,746,701		38,161,404
TOTAL :		712,105,008		700,395,124
NOTE 21 : OTHER INCOME				
Interest Income		1,352,124		866,592
Dividend Income		200		200
From Long Term Innvestment				
Foreign Exchange Rate Diff. Income		818,103		9,888,044
Vat tax refund		331,890		–
Rent Income		132,300		132,300
Profit on sale of Fixed Assets		–		1,183,739
Miscellaneous income		1,536,629		4,905,746
TOTAL :		4,171,246		16,976,621

Notes forming parts of the financials statements for the year ended 31st March, 2017

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 22 : MATERIALS CONSUMED				
Opening Stock		53,970,481		54,674,508
Add: Purchases		205,190,066		211,491,886
		259,160,547		266,166,394
Less: Sales		1,019,943		1,174,756
		258,140,604		264,991,638
Less: Closing Stock		57,435,337		53,970,481
TOTAL :		200,705,267		211,021,157
Materials Consumed Comprises :				
a) Steel Bars & Tubes		27,752,207		31,643,035
b) Races & Forged Rings		111,090,673		117,755,397
c) Cages		17,858,817		17,770,984
d) Other materials		44,003,570		43,851,741
TOTAL :		200,705,267		211,021,157
NOTE 23 : PURCHASE OF TRADED GOODS				
Purchase of Traded goods		103,536,054		137,385,083
TOTAL :		103,536,054		137,385,083
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK -IN-TRADE .				
Invetories at the end of the year				
Finished goods	162,887,470		190,054,390	
Semi-finished goods	240,013,488		238,938,342	
Stock - in - Trade	10,125,957	413,026,915	16,719,566	445,712,298
Invetories at the beginning 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
Net (increase)/ decrease		32,685,383		(43,710,181)
NOTE 25 : EMPLOYEE BENEFIT EXPENSES				
Salary,wages & bonus		139,971,537		158,739,201
Contribution to Provident and other Funds		11,650,661		11,288,662
(Refer Note No. 28(16))				
Staff Welfare expenses		2,373,682		2,433,814
TOTAL :		153,995,880		172,461,677
NOTE 26 : FINANCE COSTS				
Interest expenses on :				
(i) Borrowings From Bank	7,083,199		7,294,226	
(ii) Creditors	3,013,339		2,822,746	
(iii) Others	9,853	10,106,391	33,199	10,150,171
TOTAL :		10,106,391		10,150,171

Notes forming parts of the financials statements for the year ended 31st March, 2017

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 27 : OTHER EXPENSES				
Stores & Spares consumed		38,635,301		36,411,667
Packing materials consumed		14,127,086		19,976,720
Job work charges		71,778,016		66,093,001
Power & Fuel		10,207,823		10,608,888
Rent		1,213,782		1,212,171
Repairs and Maintenance - Machinery		1,907,084		1,864,018
Repairs and Maintenance - Building		1,186,193		1,221,032
Repairs and Maintenance - Others		472,052		389,243
Insurance		1,364,544		1,352,264
Excise Duty #		2,168,631		214,955
Rates and Taxes		86,003		272,434
Communication		730,709		779,566
Travelling Exp.		7,159,355		9,260,090
Directors' Sitting Fees		47,500		50,000
Loss on Sale of Assets		54,030		-
Donation		365,000		292,000
Sales commission		16,822,921		14,666,965
Sales promotion		2,276,165		3,472,485
Sales-tax / VAT		12,875,325		12,655,976
Discount		5,275,264		5,508,845
Payment to Auditors @		840,320		778,875
Other Misc.Expenses		47,156,614		44,590,600
TOTAL :		236,749,718		231,671,795

 # 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		378,750		376,875
For Taxation Matter		400,970		341,700
For Other Services		60,600		60,300
TOTAL :		840,320		778,875

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,2017 for which the Company has given counter guarantees amounting to Rs. 36,112,504/- (Previous year Rs. 30,299,651/-).

[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. 632,440/-) against the said demand.

[iii] Central Excise demand of Rs. 12,395,149/- (Previous year Rs. 8,260,498/-) raised by the Central Excise department. The said demand is disputed by the company. The company has paid Rs. 932,117/- (Previous year Rs. 642,040/-) 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 :

	2016-17		2015-16	
	% of total Consumption	**Value Rs.**	% of total Consumption	Value Rs.
Imported at landed cost	**2.14**	**4,299,542**	0.92	1,950,214
Indigeneously obtained	**97.86**	**196,405,725**	99.08	209,070,943
	100.00	**200,705,267**	100.00	211,021,157

5. The stores and spares consumed :

Imported at landed cost	**0.20**	**76,451**	00.00	–
Indigeneously obtained	**99.80**	**38,558,850**	100.00	36,411,667
	100.00	**38,635,301**	100.00	36,411,667

6.	**CIF Value of Imports :**	**Rs.**	Rs.
	Raw materials	**4,208,080**	4,773,011
	Spare Parts	**52,876**	–
	Capital goods	**217,296**	–
7.	**Expenditure in foreign currency in respect of :**		
	- Travelling	**1,554,543**	2,886,888
	- Sales Commission	**148,329**	311,101
	- Marketing & Sales Promotion Exp.	**227,693**	264,690
8.	**Earnings in foreign exchange :**		
	Export of goods calculated on F.O.B. basis	**211,194,121**	204,071,383

9. DETAILS OF SEGMENT REPORTING :

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

(1) PRIMARY SEGMENT :

Particulars	2016-17 Bearing	2015-16 Bearing	2016-17 Power	2015-16 Power	2016-17 Total	2015-16 Total
1. SEGMENT REVENUE	**707,721,770**	707,806,088	**8,554,484**	9,565,657	**716,276,254**	717,371,745
Other Unallocated Revenue	**–**	**–**	**–**	**–**	**–**	**–**
Total	**707,721,770**	707,806,088	**8,554,484**	9,565,657	**716,276,254**	717,371,745
Less: Inter Segment Revenue	**–**	**–**	**8,554,484**	9,508,677	**8,554,484**	9,508,677
Net Income from Operation	**707,721,770**	707,806,088	**–**	56,980	**707,721,770**	707,863,068
2. SEGMENT RESULTS						
PROFIT/(LOSS) BEFORE INTEREST & TAX	**(29,750,683)**	(12,111,837)	**7,073,517**	8,386,694	**(22,677,166)**	(3,725,143)
LESS : Interest	**–**	**–**	**–**	**–**	**10,106,391**	10,150,171
Other unallocated Expenses	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL PROFIT/(LOSS) BEFORE TAX	**(29,750,683)**	(12,111,837)	**7,073,517**	8,386,694	**(32,783,557)**	(13,875,314)
3. CAPITAL EMPLOYED						
(SEGMENT ASSETS-SEGMENT LIABILITIES)						
Segment Assets	**850,766,384**	897,023,247	**7,308,356**	7,571,812	**858,074,740**	904,595,059
Add : Common assets	**–**	**–**	**–**	**–**	**15,928,153**	10,535,80**4**
TOTAL ASSETS	**850,766,384**	897,023,247	**7,308,356**	7,571,812	**874,002,893**	915,130,863
Segment Liabilities	**343,259,872**	356,996,822	**26,299**	26,111	**343,286,171**	357,022,933
Add: Common Liabilities	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**343,259,872**	356,996,822	**26,299**	26,111	**343,286,171**	357,022,933
SEGMENT CAPITAL EMPLOYED	**507,506,512**	540,026,425	**7,282,057**	7,545,701	**530,716,722**	558,107,930

(2) GEOGRAPHICAL SEGMENTS :

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

Revenue	**Rs. 2016-17**	Rs. 2015-16
Within India	**475,128,550**	465,921,979
Overseas	**217,697,814**	211,758,790
TOTAL :	**692,826,364**	677,680,769

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

	2016-17	2015-16	**2016-17**	2015-16
Within India	**811,618,866**	862,451,939	**3,775,483**	12,287,399
Overseas	**62,384,027**	52,678,924	**-**	-
TOTAL :	**874,002,893**	915,130,863	**3,775,483**	12,287,399

10. EARNINGS PER SHARE :

		2016-17	2015-16
Basic Earnings per Share	**Rs.**	**(7.88)**	(3.47)
Diluted Earnings per Share	**Rs.**	**(7.88)**	(3.47)
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:

		2016-17	2015-16
Profit	**Rs.**	**(27,391,208)**	(12,069,169)
The number of shares outstanding during the period:	**Nos.**	**3,477,800**	3,477,800

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.	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
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 heged by derivative instrument or otherwise are summarised below :

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.	
	2016-17	2015-16	**2016-17**	2015-16
Payable				
USD	**9,285**	97,935	**602,058**	6,496,305
EURO	**34,647**	33,764	**2,399,243**	2,535,547
TOTAL :			**3,001,301**	9,031,852
Receivable				
EURO	**534,800**	657,461	**37,033,600**	49,372,347
USD	**390,977**	46,008	**25,350,428**	3,054,026
GBP	-	2,656	-	252,551
TOTAL :			**62,384,028**	52,678,924
BANK				
USD EEFC BANK ACCOUNT	–	100	–	6,637
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 :

	2016-17	2015-16
Number of share holder	**–**	1
Number of shares held	**–**	80,000
Amounts remitted	**–**	1,20,000
Year to which dividend relates	**–**	2014-15

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.
(ii) Accumax Engineering Company
(iii) Accord Precision Products
(iv) Optimum Services Inc.

(b) Key Management Personnel

(i) Shri N C Vadgama
(ii) Shri R R Bambhania
(iii) Shri J R Bhogayta
(iv) Shri S A Kotal
(v) Ms. N D Parikh(upto 30.09.2016)
(vi) Ms. P Vijayvargiya (from 01.10.2016)

(c) Relative of Key Management Personnel

(i) Shri N. C. Vadgama HUF
(ii) Shri R. N. Bambhania HUF
(iii) Shri J. R. Bhogayta HUF
(iv) Shri Hiren N. Vadgama
(v) Shri Chandulal N. Bambhania
(vi) Shri Shahid S. Kotal

(d) Subsidiary Company

(i) Austin Engineering Company (formerly known as 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

Particulars	Related Parties							
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above		Referred in 1 (d) above	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
INCOME								
(1) Sales of Goods & Mat.	**1,407,798**	7,758,027	**-**	-	**-**	-	**53,637,695**	65,719,622
(2) Job Work	**403,336**	557,469	**-**	-	**-**	-	**-**	-
EXPENSES								
(1) Purchase of Goods	**15,868,830**	13,435,974	**-**	-	**-**	-	**67,550**	-
(2) Remuneration	**-**	-	**4,677,737**	5,520,426	**2,606,303**	5,126,344	**-**	-
(3) Jobwork	**38,323,609**	34,232,843			**-**	-	**-**	-
(4) Interest	**-**	-	**-**	-	**2,476,702**	1,746,798	**-**	-
(5) Dividend Paid	**-**	-	**-**	615,000	**-**	1,147,769	**-**	-
OUTSTANDING								
Payable	**20,104,105**	14,902,942	**342,371**	328,649	**23,037,081**	21,606,087	**169,792**	6,332,463
Receivable	**10,335**	239,220	**300,000**	-	**800,000**	-	**23,005,540**	-
Advances	**-**	-	**-**	-	**-**	-	**123,916**	123,916

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

(Amount in Rs.)

	2016-17	2015-16
Employer's Contribution to Provident Fund, E.S.I.	**1,16,50,661**	1,12,88,662

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**	
The amount recognised in the Balance Sheet are as follows:	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Present Value of obligation (Total Funded & Unfunded)	**95,013,788**	81,889,507	**4,875,689**	4,635,447
Fair value of plan assets	**32,262,833**	33,242,148	**-**	-
Unrecognised past service cost	**-**	-	**-**	-
Net liability in the Balance Sheet - (Un - funded)	**62,750,955**	48,647,359	**4,875,689**	4,635,447
The amount recognised in the Profit & Loss A/c are as follows :				
Current Service cost	**3,488,728**	3,537,575	**1,821,839**	2,183,352
Interest on obligation	**6,382,843**	5,733,690	**361,307**	330,018
Expected return on plan assets	**-**	-	**-**	-
Net acturial losses (gains) recognised in year	**7,068,013**	4,926,502	**449,731**	762,625
past service cost	**-**	-	**-**	-
Losses (gains) on curtailment and settlements	**-**	-	**-**	-
Total included in 'employee benefit expenses'	**14,348,539**	11,326,017	**2,632,877**	3,275,995
Actual return on plan assets	**(2,591,045)**	(2,871,750)	**-**	-

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as under :

	2016-17	**2015-16**	**2016-17**	**2015-16**
Opening defined benefit obligation	**81,889,507**	73,352,483	**4,635,447**	4,222,001
Prior period adjustment	**-**	-	**-**	-
Service cost	**3,488,728**	3,537,575	**1,821,839**	2,183,352
Interest Cost	**6,382,843**	5,733,690	**361,307**	330,018
Actuarial losses (gains)	**6,612,981**	4,467,277	**449,731**	762,625
Benefits Paid	**(3,360,271)**	(5,201,518)	**(2,392,635)**	(2,862,549)
closing defined benefit obligation	**95,013,788**	81,889,507	**4,875,689**	4,635,447

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :

	2016-17	**2015-16**	**2016-17**	**2015-16**
Opening fair value of plan assets	**33,242,148**	32,749,889	**-**	**-**
Expected Return	**2,591,045**	2,871,750	**-**	**-**
Actuarial gains and (losses)	**(455,032)**	(459,225)	**-**	**-**
Contribution by Employer	**244,943**	3,281,252	**-**	**-**
benefits paid	**(3,360,271)**	(5,201,518)	**-**	**-**
Closing fair value of plan assets	**32,262,833**	33,242,148	**-**	**-**

Principal actuarial assumptions at the balance sheet date				
Discount rate per annum as at 31 st march, 2017	**6.80%**	**7.80%**	**6.80%**	**7.80%**
Expected return per annuam on plan assets as at 31 .03. 2017	**7.55%**	**7.80%**	**0.00%**	**0.00%**
Salary Escalation per Annum	**4.00%**	**5.00%**	**4.00%**	**5.00%**
Retirement Age	**60 years**	**60 years**	**60 years**	**60 years**
Mortality	**IALM 2006-08 Ultimate**		**IALM 2006-08 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. 1,144,182/-(Previous Year Rs. 1,142,571/-) 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 2017 Rs.	As at 31st March 2016 Rs.
a : Not later than one year	235,200	235,200
b : Later than one year but not later than five years	2,500,179	3,406,725

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

DHIRUBHAI H. DAND
Proprietor
M. No. 017117

Place : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama	Chairman & Executive Director
R. R. Bambhania	Managing Director
J. R. Bhogayta	Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

To The Members of
Austin Engineering Company Limited

Report on the Consolidated Financial Statements :

1. 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, 2017, 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 :

2. 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 :

3. 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.

4. 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 :

5. 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 March 31st, 2017 and the consolidated loss and consolidated cash flow of the Group for the year then ended.

6. **Report on Other Legal and Regulatory Requirements :**

   1. 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 of the aforesaid Consolidated Financial Statements.
      b. 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.
      c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
      d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified 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 of the Holding Company as on March 31, 2017, 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, 2017 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 Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A '; 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 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;
         ii) The group 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 Holding Company.
         iv) the Company has provided requisite disclosure in its consolidated Financial Statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 17.1 to the consolidate Financial Statements.

Other Matters :

7 . We have not audited the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 43,037,485/- as at March 31, 2017, total revenue of Rs. 68,465,913/- and net cash flows amounting to Rs. 8,273,000/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosure included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 : Cairns, Australia
DATE : May 27, 2017.

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, 2017, 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 2017, 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 : Cairns, Australia
DATE : May 27, 2017.

Consolidated Balance Sheet as at 31.03.2017

Particulars	Note No.	31-03-2017 Rs.	Rs.	31-03-2016 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	**503,729,624**	**538,507,624**	535,000,059	569,778,059
2. Non- current liabilities					
(a) Long-term borrowings	5	**995,124**		1,306,616	
(b) Long-term Provisions	6	**49,387,540**	**50,382,664**	43,399,233	44,705,849
3. Current Liabilities					
(a) Short term borrowings	7	**73,410,641**		90,176,372	
(b) Trade payables	8	**168,617,127**		157,573,495	
(c) Other current liabilities	9	**41,387,709**		50,508,809	
(d) Short term provisions	10	**19,103,782**	**302,519,259**	28,728,676	326,987,352
TOTAL :			**891,409,547**		941,471,260
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	11	**90,031,820**		97,351,910	
(ii) Intangible assets	11	**24,049,918**		25,039,052	
(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	**16,767,312**		13,534,583	
(d) Long-term loans and advances	14	**15,026,819**	**147,661,894**	15,057,967	152,914,537
2. Current assets					
(a) Inventories	15	**484,350,347**		514,220,015	
(b) Trade receivables	16	**199,486,315**		224,837,078	
(c) Cash and Cash equivalents	17	**30,865,149**		17,976,412	
(d) Short-term loans and advances	18	**28,967,456**		31,428,085	
(e) Other current assets	19	**78,386**	**743,747,653**	95,133	788,556,723
TOTAL :			**891,409,547**		941,471,260
Significant accounting policies and notes to accounts	**1 to 28**				

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

Consolidated Statement of Profit and Loss for the Year ended 31.03.2017

Particulars		Note No.	2016-17 Rs.	Rs.	2015-16 Rs.	Rs.
I	Revenue from operations	20	725,765,779		722,284,088	
II	Other Income	21	5,342,413		15,950,533	
III	**Total Revenue (I + II)**			731,108,192		738,234,621
IV	Expenses					
	Cost of Materials Consumed	22	200,637,717		211,021,157	
	Purchases of Stock in Trade	23	103,536,054		137,838,213	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	24	32,685,383		(37,461,998)	
	Employee benefits expense	25	164,072,595		183,443,271	
	Finance Costs	26	10,483,402		10,342,380	
	Depreciation	11	11,605,578		13,128,917	
	Other expense	27	241,308,933		238,928,748	
	Total Expense			764,329,662		757,240,688
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)			(33,221,470)		(19,006,067)
VI	Exceptional Items			-		-
VII.	Profit / (Loss) before extraordinary items and tax (V-VI)			(33,221,470)		(19,006,067)
VIII	Extraordinary items			-		-
IX	Profit / (Loss) before tax (VII-VIII)			(33,221,470)		(19,006,067)
X	**Tax expense:**					
	(1) Current tax		6,706		(657)	
	(2) Deferred tax		(3,232,729)	(3,226,023)	(3,218,458)	(3,219,115)
XI	Profit / (Loss) for the period from continuing operations (IX - X)			(29,995,447)		(15,786,952)
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)			(29,995,447)		(15,786,952)
XVI	**Earnings per equity share:**					
	(1) Basic			(8.62)		(4.54)
	(2) Diluted			(8.62)		(4.54)
Significant accounting policies and notes to accounts		1to28				

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	2016-17 Rs.	Rs.	2015-16 Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before extraordinary items and tax		**(33,221,470)**		(19,006,067)
Adjustments for:				
Depreciation	**11,605,578**		13,128,917	
Finance Cost	**10,483,402**		10,342,380	
(Profit)/ Loss on sale of Assets/shares	**54,030**		(2,111,939)	
Interest/Dividend Income	**(1,352,324)**		(866,792)	
Increase (decrease)in foreign exchange translation reserve	**(1,274,988)**		1,421,792	
		19,515,698		21,914,358
Operating Profit before working capital changes		**(13,705,772)**		2,908,291
Adjustments for :(increase)/decrease in operating assets :				
Inventories	**29,869,668**		(37,765,799)	
Trade Receivable	**25,350,763**		43,277,935	
Short Term loans & Advances	**2,460,629**		16,758,517	
Long Term Loans & Advances	**31,148**		(2,094,888)	
Other Current Assets	**16,747**		(8,969)	
Adjustments for :increase/(decrease) in operating liabilities				
Trade payables	**11,043,632**		(28,458,965)	
Other Current Liabilities	**(9,121,100)**		12,196,521	
Short Term Provisions	**(9,624,304)**		(381,325)	
Long Term Provisions	**5,988,307**	**56,015,490**	9,580,800	13,103,827
Cash generated from operations		**42,309,718**		16,012,118
Direct taxes paid		**(7,296)**		(475,643)
NET CASH FROM OPERATING ACTIVITIES :		**42,302,422**		15,536,475
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		**(3,804,384)**		(12,581,440)
Purchase of Investments				-
Sale of Fixed Assets		**599,000**		2,395,456
Sale of Investments		**-**		-
Interest/Dividend Received		**1,352,324**		866,792
Net Cash used in investing activities		**(1,853,060)**		(9,319,192)
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long Term Borrowings (net)		**(311,492)**		88,493
Net Increase / Decrease in Short term Borrowings		**(16,765,731)**		(9,601,139)
Dividend Paid		**-**		(5,216,700)
Dividend Tax Paid		**-**		(1,061,995)
Finance Cost		**(10,483,402)**		(10,342,380)
Net Cash used in financial activities		**(27,560,625)**		(26,133,721)
Net increase in cash and cash equivalents(A+B+C)		**12,888,737**		(19,916,438)
Cash and Cash equivalents at the beginning of the year		**17,976,412**		37,892,850
Cash and Cash equivalents at the end of the year Note :17		**30,865,149**		17,976,412
Significant accounting policies and notes to accounts **1 to 28**				

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

Notes forming part of the Consolidated Financial Statement as at 31st March, 2017.

1. BACKGROUND :

1.1 Overview :

Austin Engineering Company Limited ('Austin' or 'the company'), a publicly held company together with its subsidiary Austin Engineering Company (formerly known as Accurate Engineering Inc.) - USA ('AEC')(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 Austin Engineering Company (formerly known as 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.

'AEC' is a wholly owned subsidiary of 'Austin'. 'AEC' 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 recourses 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 and 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, 2017.

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 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. * (Previous Year 34,77,800 Equity Shares of Rs. 10 each fully paid up.)		**34,778,000**		34,778,000
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 shares is entitled to one vote per share. The company declare and pays dividends in Indian Rupees. The dividend where 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**		60,149,239	
Add: Transfer from Profit & Loss A/c	**-**	**60,149,239**	-	60,149,239
		151,204,124		151,204,124
Foreign Exchange Translation Reserve		**(2,959,297)**		(1,684,309)
Profit & Loss Account				
As per last Balance Sheet	**385,480,244**		401,267,196	
Add. Profit / (Loss) for the year	**(29,995,447)**	**355,484,797**	(15,786,952)	385,480,244
TOTAL :		**503,729,624**		**535,000,059**
NOTE 5 : LONG TERM BORROWINGS				
SECURED				
(A) Deferred Payment Loan from ICICI Bank (Refer Note : 09) (excluding current maturity)		**401,077**		1,306,616
(B) Capital Lease Obligation (Refer Note : 09) (excluding current maturity)		**594,047**		-
TOTAL :		**995,124**		**1,306,616**

* 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.

* The borrowings under item (B) is secured by Hypothecation of Vehicle. The rate of Interest is 10.60%. Loan repayble in 84 equal monthly instalments.

NOTE 6 : LONG TERM PROVISIONS				
Leave Salary Provision		**3,849,788**		3,888,117
Gratuity Provision		**45,537,752**		39,511,116
TOTAL :		**49,387,540**		43,399,233

Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2017.

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 7 : SHORT TERM BORROWINGS				
SECURED				
Working Capital Loan from Bank of Baroda *		**67,574,328**		83,477,042
Loan from Bank		**5,836,313**		6,699,330
TOTAL :		**73,410,641**		90,176,372

** 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		**168,617,127**		157,573,495
TOTAL :		**168,617,127**		157,573,495

* 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. 287,700/-).

NOTE 9 : OTHER CURRENT LIABILITEIS				
Current maturity of long term borrowings				
Deferred Payment loan from Banks		**981,677**		1,042,911
Creditors for Capital Goods		**28,774,539**		26,480,455
Advance Payment From Customers		**8,342,364**		19,110,955
Unpaid Dividend		**1,975,756**		2,254,750
T.D.S., T.C.S. Payable		**1,313,373**		1,619,738
TOTAL :		**41,387,709**		50,508,809

* Payable on Purchase of Fixed Assets include amount due to H.U.F. of Directors. Rs. 16,421,095/- (Previous Year Rs. 15,490,636/-).

NOTE 10 : SHORT TERM PROVISIONS				
Provisions for Income Tax (Net of Advance Tax & TDS)		**6,706**		7,296
Bonus Provision		**8,391,830**		18,837,807
Gratuity Provision		**10,096,223**		9,136,243
Leave Salary Provision		**609,023**		747,330
TOTAL :		**19,103,782**		28,728,676

Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2017.

NOTE 11 : Fixed Assets

SR. NO.	ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		Balance as at 01/04/2016 Rs.	Addition During the year Rs.	Sales/Trans. During the year Rs.	**Balance as at 31/03/2017 Rs.**	Provided Upto 01/04/2016 Rs.	Provided During the year Rs.	Adjustment/ (Deducations) Rs.	**Total as at 31/03/2017 Rs.**	**Balance as at 31/03/2017 Rs.**	Balance as at 31/03/2016 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**	53,937,207	265,487	-	**54,202,694**	28,003,613	1,490,995	-	**29,494,608**	**24,708,086**	25,933,594
4	**Plant & Machinery**	171,460,654	1,582,790	-	**173,043,444**	128,528,261	4,250,424	-	**132,778,685**	**40,264,759**	42,932,393
5	**Plant & Machinery (100% Depreciation)**	2,774,089	-	-	**2,774,089**	2,774,089	-	-	**2,774,089**	**-**	-
6	**Electric Installation**	10,319,542	21,000	-	**10,340,542**	9,954,511	42,901	-	**9,997,412**	**343,130**	365,031
7	**Tools Dies & Measuring Instruments**	45,299,723	546,289	-	**45,846,012**	37,632,029	581,408	-	**38,213,437**	**7,632,575**	7,667,694
8	**Furniture & Fixture**	18,138,984	118,144	-	**18,257,128**	12,612,935	1,013,614	-	**13,626,549**	**4,630,579**	5,526,049
9	**Office & Factory Equipments**	10,493,640	220,691	-	**10,714,331**	8,556,148	594,235	-	**9,150,383**	**1,563,948**	1,937,492
10	**Vehicles**	22,496,382	937,751	919,666	**22,514,467**	15,085,476	1,694,649	266,636	**16,513,489**	**6,000,978**	7,410,906
11	**Computers**	12,870,520	108,732	-	**12,979,252**	11,898,733	576,943	-	**12,475,676**	**503,576**	971,787
12	**Wind Electric Power Converter**	35,307,710	-	-	**35,307,710**	30,869,025	222,775	-	**31,091,800**	**4,215,910**	4,438,685
	Sub Total (A)	383,266,730	3,800,884	919,666	**386,147,948**	285,914,820	10,467,944	266,636	**296,116,128**	**90,031,820**	97,351,910
B	**INTANGIBLE ASSETS**										
1	**'aec' TRADE MARK**	40,861,000	-	-	**40,861,000**	16,957,315	817,220	-	**17,774,535**	**23,086,465**	23,903,685
2	**Computer Software**	4,081,056	148,500	-	**4,229,556**	2,945,689	320,414	-	**3,266,103**	**963,453**	1,135,367
	Sub Total (B)	44,942,056	148,500	-	**45,090,556**	19,903,004	1,137,634	-	**21,040,638**	**24,049,918**	25,039,052
	TOTAL (A + B)	428,208,786	3,949,384	919,666	**431,238,504**	305,817,824	11,605,578	266,636	**317,156,766**	**114,081,738**	122,390,962
	PREVIOUS YEAR	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
C	**Capital Work in Progress**										
	Computer Software									**-**	145,000

NOTE 12 : NON CURRENT INVESTMENTS (AT COST)

Long Term Investments :

PARTICULARS	2016-17			2015-16		
	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 Consolidated financials statements for the year ended 31st March, 2017.

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

PARTICULARS	2016-17			2015-16		
	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**	**0**	**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			**51,000**			51,000
(Pledged as security to excise dept)						
TOTAL :			**1,786,025**			1,786,025
Aggregate Book Value of Investment						
- Unquoted			**1,501,000**			1,501,000
- Quoted Market Value Rs. 138,922/-			**234,025**			234,025
(Previous year Rs. 133,150/-)						
- Government Securities			**51,000**			51,000
TOTAL :			**1,786,025**			1,786,025

Particulars	2016-17 Rs.	Rs.	2015-16 Rs.	Rs.
NOTE 13 : DEFERRED TAX (LIABILITIES) / ASSETS - NET				
Deferred Tax Liabilities on account of Difference between Book & Tax Depreciation		**(6,310,505)**		(6,041,517)
Deferred Tax Assets on Account of Employees Benefits and Expenses		**18,825,154**		18,816,216
Unabsorbed Depreciation Allowance		**4,252,663**		759,884
Deferred Tax (Liabilities) / Assets		**16,767,312**		13,534,583
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		**3,145,084**		3,359,953
Advance Income Tax (Net of Provision for taxation)		**4,912,171**		4,973,495
Advances for capital expenditure		**1,069,564**		529,519
Other Loans		**5,900,000**		6,195,000
TOTAL :		**15,026,819**		15,057,967

Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2017.

Particulars	2016-17 Rs.	Rs.	2015-16 Rs.	Rs.
NOTE 15 : INVENTORIES				
[Valued as stated in the accounting policies in Note No. 1(iii)]				
Raw materials		56,510,767		50,539,378
Raw materials - Goods-in-transit		924,570		3,431,103
Work - in - progress		240,013,488		238,938,342
Finished goods		141,719,806		168,885,140
Finished goods - Goods-in-transit		21,167,664		21,169,250
Stock -in -trade		10,125,957		16,719,566
Stores and spares		9,143,718		8,582,496
Packing materials		4,744,377		5,954,740
TOTAL :		484,350,347		514,220,015
NOTE 16 : TRADE RECEIVABLES				
Unsecured Considered Good				
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		13,118,123		21,142,221
Other Trade Receivables				
Less : Provision for doubtful	186,984,172		204,324,992	
trade receivables	615,980	186,368,192	630,135	203,694,857
TOTAL :		199,486,315		224,837,078
NOTE 17 : CASH & CASH Equivalents				
Cash on Hand		1,831,975		1,508,789
Balance with Bank				
In Current Account	12,670,312		3,822,621	
In fixed deposit A/c @	14,387,106		10,383,615	
In EEFC Account	-		6,637	
In Unpaid dividend A/c.	1,975,756	29,033,174	2,254,750	16,467,623
TOTAL :		30,865,149		17,976,412

Trade receivable due to partnership firms in which directors relatives are partners Rs. 10,335/- (Previous year Rs. 239,220/-).

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

NOTE 17.1

Details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016

	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,919,500	263,107	2,182,607
(+) Permitted Receipts	–	1,352,120	1,352,120
(-) Permitted Payments	419,500	1,226,249	1,645,749
(-) Amount deposited in Banks	1,500,000	–	1,500,000
Closing cash in hand as on 30.12.2016	–	388,978	388,978

Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2017.

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 18 : SHORT TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received.		**5,923,421**		6,878,590
Advances for expenses		**1,852,079**		2,635,478
Advances for raw materials		**4,890,669**		3,306,360
Advances to Employees		**4,424,485**		3,117,988
Balance with Government authorities		**9,729,587**		11,955,295
Prepaid Expenses		**2,147,215**		3,534,374
TOTAL :		**28,967,456**		31,428,085
NOTE 19 : Other Current assets				
Interest Accrued on Deposit , Bond		**78,386**		95,133
TOTAL :		**78,386**		95,133
NOTE 20 : Revenue from Operations				
(A) Sales of Products				
Sales of Manufactured Goods				
a) Bearings	**514,437,271**		513,047,107	
b) Bearing Components	**89,715,045**	**604,152,316**	64,015,297	577,062,404
Sales of Trade Goods		**138,081,519**		160,668,733
Wind Electric Power Income		**8,554,484**		9,508,677
(B) Other Operating Revenues				
a) Sales of scrap	**2,786,351**		4,244,019	
b) Job-work Income	**413,336**		939,469	
c) Duty Drawback & other export incentives	**7,524,474**		8,022,190	
		10,724,161		13,205,678
		761,512,480		760,445,492
Less : - Excise duty		**35,746,701**		38,161,404
TOTAL :		**725,765,779**		722,284,088
NOTE 21 : OTHER INCOME				
Interest Income		**1,352,124**		866,592
Dividend Income		**200**		200
From Long Term Innvestment				
Foreign Exchange Rate Diff. Income		**888,882**		7,918,253
VAT refund		**331,890**		-
Rent Income		**132,300**		132,300
Profit on sale of Fixed Assets		**-**		2,111,939
Miscellaneous income		**2,637,017**		4,921,249
TOTAL :		**5,342,413**		15,950,533

Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2017.

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 22 : MATERIALS CONSUMED				
Opening Stock		53,970,481		54,674,508
Add: Purchases		205,122,516		211,491,886
		259,092,997		266,166,394
Less: Sales		1,019,943		1,174,756
		258,073,054		264,991,638
Less: Closing Stock		57,435,337		53,970,481
TOTAL :		200,637,717		211,021,157
Materials Consumed Comprises :				
a) Steel Bars & Tubes		27,752,207		31,643,035
b) Races & Forged Rings		111,090,673		117,755,397
c) Cages		17,858,817		17,770,984
d) Other materials		43,936,020		43,851,741
TOTAL :		200,637,717		211,021,157
NOTE 23 : PURCHASE OF TRADED GOODS				
Purchase of Traded goods		103,536,054		137,838,213
TOTAL :		103,536,054		137,838,213
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK -IN-TRADE .				
Invetories at the end of the year				
Finished goods	162,887,470		190,054,390	
Semi-finished goods	240,013,488		238,938,342	
Stock - in - Trade	10,125,957	413,026,915	16,719,566	445,712,298
Invetories at the beginning 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
Net (increase)/ decrease		32,685,383		(37,461,998)
NOTE 25 : Employee Benefit Expenses				
Salary,wages & bonus		150,048,252		169,720,795
Contribution to Provident and other Fund		11,650,661		11,288,662
Staff Welfare expenses		2,373,682		2,433,814
TOTAL :		164,072,595		183,443,271
NOTE 26 : FINANCE COSTS				
Interest expenses on :				
(i) Borrowings From Bank	7,460,210		7,486,435	
(ii) Creditors	3,013,339		2,822,746	
(ii) Others	9,853	10,483,402	33,199	10,342,380
TOTAL :		10,483,402		10,342,380

Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2017.

Particulars	2016-17 Rs.	2016-17 Rs.	2015-16 Rs.	2015-16 Rs.
NOTE 27 : OTHER EXPENSES				
Stores & Spares consumed		**38,635,301**		36,411,667
Packing materials consumed		**14,127,086**		19,976,720
Job work charges		**71,778,016**		66,093,001
Power & Fuel		**10,207,823**		10,608,888
Rent		**1,656,270**		1,468,362
Repairs and Maintenance - Machinery		**1,907,084**		1,864,018
Repairs and Maintenance - Building		**1,186,193**		1,221,032
Repairs and Maintenance - Others		**472,052**		389,243
Insurance		**1,364,544**		1,352,264
Excise Duty #		**2,168,631**		214,955
Rates and Taxes		**248,126**		388,508
Communication		**1,126,097**		1,212,332
Travelling Exp.		**8,356,095**		10,802,426
Directors' Sitting Fees		**47,500**		50,000
Loss on Sale of Assets		**54,030**		-
Donation		**365,000**		292,000
Sales commission		**16,822,921**		16,791,314
Sales promotion		**2,276,165**		3,472,485
Marketing Expenses		**792,090**		422,978
Sales-tax / VAT		**12,875,325**		12,655,976
Discount		**5,275,264**		5,508,845
Bad Debt		**-**		3,285
Payment to Auditors @		**1,635,563**		1,555,922
Other Misc.Expenses		**47,931,757**		46,172,527
TOTAL :		**241,308,933**		**238,928,748**

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and diffrance between excise duty on opening and closing stock of finished goods.

@ Payment to Auditors comprises (net of service tax)				
For Statutory Audit		**1,173,993**		1,153,922
For Taxation Matter		**400,970**		341,700
For Other Services		**60,600**		60,300
TOTAL :		**1,635,563**		1,555,922

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, 2017 for which the Company has given counter guarantees amounting to Rs. 36,112,504/- (Previous year Rs. 30,299,651/-).

[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. 6,32,440/-) 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. 12,395,149/- (Previous year Rs. 8,260,498) raised by the Central Excise department. The said demand is disputed by the company. The company has paid Rs. 932,117/- (Previous year Rs. 642,040) against the said demand.

2. RELATED PARTY INFORMATION :

Disclousers in respect of related parties (as defined in Accounting Standard 18), with whome 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) Accumax Engineering Company
(iii) Accord Precision Products
(iv) Optimum Services Inc.

(b) Key Management Personnel

(i) Shri N. C. Vadgama
(ii) Shri R R Bambhania
(iii) Shri J. R. Bhogayta
(iv) Shri B N Vadgama
(vii) Shri S A Kotal
(vi) Ms. N D Parikh(upto 30.09.2016)
(vii) Ms. P Vijayvargiya (from 01.10.2016)

(c) Relative of Key Management Personnel

(i) Shri N. C. Vadgama HUF
(ii) Shri R. N. Bambhania HUF
(iii) Shri J. R. Bhogayata HUF
(iv) Shri Hiren N. Vadgama
(v) Shri Chandulal N. Bambhania
(vi) Shri Shahid S. Kotal

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

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

	Related Parties					
Particulars	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
INCOME						
(1) Sales of Goods & Mat.	**1,407,798**	7,758,027	**–**	–	**–**	–
(2) Job Work	**403,336**	557,469	**–**	–	**–**	–
EXPENSES						
(1) Purchase of Goods	**15,868,830**	13,435,974	**–**	–	**–**	–
(2) Remuneration	**–**	–	**11,153,466**	10,989,119	**2,606,303**	4,906,675
(3) Jobwork	**38,323,609**	34,232,843	**–**	–	**–**	–
(4) Interest	**–**	–	**–**	–	**2,476,702**	1,746,798
(5) Dividend	**-**	-	**-**	615,000	**-**	1,147,769
OUTSTANDING						
Payable	**20,104,105**	14,902,942	**328,649**	328,649	**23,037,081**	21,606,087
Receivable	**10,335**	239,220	**300,000**	-	**800,000**	-

3. DETAILS OF SEGMENT REPORTING :

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

(1) PRIMARY SEGMENT : **(Amount in Rs.)**

	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
Particulars	**Bearing**	**Bearing**	**Power**	**Power**	**Total**	**Total**
1. SEGMENT REVENUE	**722,553,708**	728,668,964	**8,554,484**	9,565,657	**731,108,192**	738,234,621
Other Unallocated Revenue					**-**	-
Total	**722,553,708**	728,668,964	**8,554,484**	9,565,657	**731,108,192**	738,234,621
Less: Inter Segment Revenue	**-**	-	**8,554,484**	9,508,677	**8,554,484**	9,508,677

Net Income from Operation	**722,553,708**	728,668,964	**-**	56,980	**722,553,708**	728,725,944
2. SEGMENT RESULTS						
PROFIT/ (LOSS) BEFORE TAX & INTEREST	**(29,811,585)**	(17,050,381)	**7,073,517**	8,386,694	**(22,738,068)**	(8,663,687)
LESS : Interest					**10,483,402**	10,342,380
Other unallocated Expenses					**-**	**-**
TOTAL PROFIT/(LOSS) BEFORE TAX	**(29,811,585)**	(17,050,381)	**7,073,517**	8,386,694	**(33,221,470)**	(19,006,067)
3. CAPITAL EMPLOYED						
(SEGMENT ASSETS - SEGMENT LIABILITIES)						
Segment Assets	**867,333,879**	920,364,865	**7,308,356**	7,571,812	**874,642,235**	927,936,677
Add: Common assets					**16,767,312**	13,534,583
TOTAL ASSETS	**867,333,879**	920,364,865	**7,308,356**	7,571,812	**891,409,547**	941,471,260
Segment Liabilities	**352,875,624**	371,667,090	**26,299**	26,111	**352,901,923**	371,693,201
Add: Common Liabilities					**-**	**-**
TOTAL LIABILITIES	**352,875,624**	371,667,090	**26,299**	26,111	**352,901,923**	371,693,201
SEGMENT CAPITAL EMPLOYED	**514,458,255**	548,697,775	**7,282,057**	7,545,701	**538,507,624**	569,778,059

(2) GEOGRAPHICAL SEGMENTS :

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

Revenue	**2016-17**	2015-16
Within India	**475,128,550**	465,921,979
Overseas	**231,358,584**	233,647,754
TOTAL :	**706,487,134**	699,569,733

(b) Assets base on geographical location :

Particulars	**Carrying Amount of Segmant assets**		**Addition to Fixed Assets and Intangible Assets**	
	2016-17	2015-16	**2016-17**	2015-16
Within India	**811,618,866**	863,147,032	**3,775,483**	12,287,399
Overseas	**79,790,681**	78,324,228	**173,901**	294,041
TOTAL :	**891,409,547**	941,471,260	**3,949,384**	12,581,440

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. 1,586,670/-(Previous Year Rs. 1,398,762/-) 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 2017 Rs.	As at 31st March 2016 Rs.
a : Not later than one year	**460,778**	278,315
b : Later than one year but not later than five years	**2,500,179**	3,890,271

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 : Cairns, Australia
Date : May 27, 2017

S. A. Kotal
Chief Financial Officer

Poonam Vijayvargiya
Company Secretary

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 27, 2017

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.	:
DP ID	:

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

1. Name : _____
   Address : _____
   E-mail Id : _____
   Signature : _____ or failing him
2. Name : _____
   Address : _____
   E-mail Id : _____
   Signature : _____ or failing him
3. Name : _____
   Address : _____
   E-mail Id : _____
   Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on Tuesday, the 19th day of September, 2017 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:

1. Adoption of Annual Accounts of the Company as on 31st March, 2017 (Ordinary Resolution)
2. Re-appointment of Mr. R.R. Bambhania, who retires by rotation (Ordinary Resolution)
3. Appointment of M/S B. H. Advani & Associates, Chartered Accountants, Junagadh (Firm Registration No. 117127W), as Statutory Auditors of the Company and fixing there remuneration. (Ordinary Resolution)

SPECIAL BUSINESS:

4. Appointment of Mr. Jagdishchandra B Jagani, DIN 07645671 as Non-Executive Independent Director. (Special Resolution)
5. To enter into Related Party Transaction with AUSTIN ENGINEERING COMPANY, (Formerly known as Accurate Engineering Inc.) the wholly owned subsidiary of the Company. (Special Resolution)
6. To enter into Related Party Transaction with Max Precision Bearings Pvt. Ltd. (Special Resolution)
7. To enter into Related Party Transaction with Austin Traders. (Special Resolution)
8. To enter into Related Party Transaction with Accord Precision Products. (Special Resolution)
9. To enter into Related Party Transaction with Optimum Services Inc. (Special Resolution)
10. To enter into Related Party Transaction with SNR Enterprise. (Special Resolution)
11. To enter into Related Party Transaction with Accumax Engineering Company. (Special Resolution)
12. To enter into Related Party Transaction with Eminent Trading (India) LLP. (Special Resolution)
13. To enter into Related Party Transaction with United Trading Company. (Special Resolution)

Signed this _____ day of _____ 2017.

Affix 1 Re. Revenue stamp

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**	:	**REGD. FOLIO NO.**	:
CLIENT ID**	:	**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 39th Annual General Meeting held at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030 on Tuesday, 19nd September, 2017 at 11.00 a.m.

Signed this_____ day of_____2017

_____

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:	**ISO 14001:2004**
Certificate Regist. No:	**01 104 126992**
Certificate Holder:	**Austin Engineering Co. Ltd.** Village Pelle, 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 - 18 (ad min)
Validity:	The certificate is valid from 2016-06-14 until 2019-09-14 and Certification 2019-02-04.

DAkkS

2016-06-14

www.tuv.com

TÜVRheinland
Precisely Right.

Certificate

Standard:	**BS OHSAS 18001:2007**
Certificate Regist. No:	**01 113 126992**
Certificate Holder:	**Austin Engineering Co. Ltd.** Village Pelle, 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 BS OHSAS 18001:2007 are met.
	The due date for all future audits is 17 - 18 (ad min)
Validity:	The certificate is valid from 2016-06-14 until 2019-02-03. First Certification 2019-01-01.

DAkkS

2016-06-14

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