



AUSTIN ENGINEERING COMPANY LIMITED

35th Annual Report
2012-2013



Certificate

Standard **ISO 14001:2004 + Cor. 1:2009**

Certificate Registr. No. 01 104 126992

TÜV Rheinland Cert GmbH certifies:

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

Scope:
Design and Manufacture of Antifriction Rolling Bearings
and Components

An audit was performed, Report No. 126992. Proof has been
furnished that the requirements according to ISO 14001:2004
+ Cor. 1:2009 are fulfilled.
The due date for all future audits is 17-10 (dd.mm).

Validity:
The certificate is valid from 2013-02-04 until 2016-01-17.

2013-02-04



DGA-ZM-58-95-60


TÜV Rheinland Cert GmbH
Am Grauen Stein - 51105 Köln

Certificate

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DGA-ZM-58-95-64


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Am Grauen Stein - 51105 Köln



AUSTIN ENGINEERING COMPANY LIMITED

35th ANNUAL REPORT

2012-2013

: BOARD OF DIRECTORS :

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

: AUDITORS :

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

: COST AUDITORS :

Kiran J. Mehta & Co.
Cost Accountants,
AHMEDABAD - 380 009.

: BANKERS :

BANK OF BARODA,
Azad Chowk Branch - JUNAGADH - 362 001.

: REGISTRAR & TRANSFER AGENT :

SHAREPRO SERVICES (INDIA) PVT. LTD.
13-AB, Samhita Warehousing Complex, Near Sakinaka Telephone Exchange,
Andheri-kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072.

: 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-bearings.com>

E-mail : info@aecbearings.com





NOTICE

NOTICE is hereby given that the **35th Annual General Meeting** of the Company will be held at the Registered Office of the Company at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030 on Monday, 23rd September, 2013 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended on 31st March, 2013 and the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Bhavesh R. Sureja, who, retires by rotation and being eligible offers himself for re- appointment.
4. To appoint a Director in place of Mr. Krishnakant J. Mehta, who, retires by rotation and being eligible offers himself for re- appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remunerations.

SPECIAL BUSINESS:

6. To consider and, if thought fit to pass, with or without modification/s, the following resolution as **Special Resolution**:
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956 or any other amendments or re-enactments thereto for the time being in force and subject to the requisite approvals, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Narottam C. Vadgama as Executive Director of the Company for the period of five years w.e.f 1st August, 2013 upon the terms and conditions including remuneration as are set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under schedule XIII of the Companies Act, 1956 or any statutory modification(s) or any re-enactments thereof, for the time being in force and as agreed by and between the Board of Directors and **Mr. Narottam C. Vadgama.**"
"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein and subject to the approval of central government, if necessary and applicable, where in any financial year, during the tenure of Mr. Narottam C. Vadgama as Executive Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of salary and perquisites within the ceiling limit prescribed under section II of part II of schedule XIII of the Companies Act, 1956 or any modification or re-enactments thereof."
"RESOLVED FURTHER THAT consent of the Shareholders be and is hereby accorded in terms of section 309(5A) and 309(5B) of the Companies Act, 1956, for waiver of recovery of excess remuneration that may be paid in pursuance of the para above over and above the limits specified under section 198, 269, 309 and other applicable provisions read with the schedule XIII of the "act".
"RESOLVED FURTHER THAT in the event of any statutory amendments or modifications or relaxations by the Central Government to schedule XIII of the Companies Act, 1956, the Board of Directors or Committee thereof be and is hereby authorised to vary and alter the terms of appointment including remuneration payable to **Mr. Narottam C. Vadgama** within such prescribed limit or ceiling as agreed by and between the Company and Mr. Narottam C. Vadgama without any further reference to the Company in the General Meeting."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be deemed expedient to give effect to this resolution."
7. To consider and, if thought fit to pass, with or without modification/s, the following resolution as **Special Resolution**:
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956 or any other amendments or re-enactments thereto for the time being in force and subject to the requisite approvals, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Shashikant M. Thanki as Managing Director of the Company for the period of five years w.e.f 1st August, 2013 upon the terms and conditions including remuneration as are set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under schedule XIII of the Companies Act, 1956 or any statutory modification(s) or any re-enactments thereof, for the time being in force and as agreed by and between the Board of Directors and **Mr. Shashikant M. Thanki.**"
"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein and subject to the approval of central government, if necessary and applicable, where in any financial year, during the tenure of Mr. Shashikant M. Thanki as Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of salary and perquisites within the ceiling limit prescribed under section II of part II of schedule XIII of the Companies Act, 1956 or any modification or re-enactments thereof."
"RESOLVED FURTHER THAT consent of the Shareholders be and is hereby accorded in terms of section 309(5A) and 309(5B) of the Companies Act, 1956, for waiver of recovery of excess remuneration that may be paid in pursuance of the para above over and above the limits specified under section 198, 269, 309 and other applicable provisions read with the schedule XIII of the "act".
"RESOLVED FURTHER THAT in the event of any statutory amendments or modifications or relaxations by the Central Government to schedule XIII of the Companies Act, 1956, the Board of Directors or Committee thereof be and is hereby authorised to vary and alter the terms of appointment including remuneration payable to Mr. Shashikant M. Thanki within such prescribed limit or ceiling as agreed by and between the Company and Mr. Shashikant M. Thanki without any further reference to the Company in the General Meeting."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be deemed expedient to give effect to this resolution."
8. To consider and, if thought fit to pass, with or without modification/s, the following resolution as **Special Resolution**:
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956 or any other amendments or re-enactments thereto for the time being in force and subject to the requisite approvals, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Rajan R. Bambhania as Joint Managing Director of the Company for the period of five years w.e.f 1st August, 2013 upon the terms and conditions including remuneration as are set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under schedule XIII of the Companies Act, 1956 or any statutory modification(s) or



any re-enactments thereof, for the time being in force and as agreed by and between the Board of Directors and **Mr. Rajan R. Bambhania.**"

"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein and subject to the approval of central government, if necessary and applicable, where in any financial year, during the tenure of Mr. Rajan R. Bambhania as Joint Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of salary and perquisites within the ceiling limit prescribed under section II of part II of schedule XIII of the Companies Act, 1956 or any modification or re-enactments thereof."

"RESOLVED FURTHER THAT the consent of the Shareholders be and is hereby accorded in terms of section 309(5A) and 309(5B) of the Companies Act, 1956, for waiver of recovery of excess remuneration that may be paid in pursuance of the para above over and above the limits specified under section 198, 269, 309 and other applicable provisions read with the schedule XIII of the "Act".

"RESOLVED FURTHER THAT in the event of any statutory amendments or modifications or relaxations by the Central Government to schedule XIII of the Companies Act, 1956, the Board of Directors or Committee thereof be and is hereby authorised to vary and alter the terms of appointment including remuneration payable to Mr. Rajan R. Bambhania within such prescribed limit or ceiling as agreed by and between the Company and Mr. Rajan R. Bambhania without any further reference to the Company in the General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be deemed expedient to give effect to this resolution."

9. To consider and, if thought fit to pass, with or without modification/s, the following resolution as **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956 or any other amendments or re-enactments thereto for the time being in force and subject to the requisite approvals, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jeshanker R. Bhogayta as Executive Director of the Company for the period of five years w.e.f 1st August, 2013 upon the terms and conditions including remuneration as are set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under schedule XIII of the Companies Act, 1956 or any statutory modification(s) or any re-enactments thereof, for the time being in force and as agreed by and between the Board of Directors and **Mr. Jeshanker R. Bhogayta.**"

"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein and subject to the approval of central government, if necessary and applicable, where in any financial year, during the tenure of Mr. Jeshanker R. Bhogayta as Executive Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of salary and perquisites within the ceiling limit prescribed under section II of part II of schedule XIII of the Companies Act, 1956 or any modification or re-enactments thereof."

"RESOLVED FURTHER THAT consent of the Shareholders be and is hereby accorded in terms of section 309(5A) and 309(5B) of the Companies Act, 1956, for waiver of recovery of excess remuneration that may be paid in pursuance of the para above over and above the limits specified under section 198, 269, 309 and other applicable provisions read with the schedule XIII of the "act".

"RESOLVED FURTHER THAT in the event of any statutory amendments or modifications or relaxations by the Central Government to schedule XIII of the Companies Act, 1956, the Board of Directors or Committee thereof be and is hereby authorised to vary and alter the terms of appointment including remuneration payable to Jeshanker R. Bhogayta within such prescribed limit or ceiling as agreed by and between the Company and Mr. Jeshanker R. Bhogayta without any further reference to the Company in the General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be deemed expedient to give effect to this resolution."

By order of the Board of Directors

Sd/-

N C Vadgama Chairman

Place: Patla, Dist. Junagadh

Date: 30th May, 2013

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll to vote instead of himself and the proxy need not be a member of the Company. The proxy must be lodged with the Company not less than 48 hours before the time fixed for holding the meeting.
2. The Register of Members and Share Transfer book of the Company will remain closed from **16th September, 2013 to 23rd September, 2013 (both days inclusive).**
3. Dividend on Equity shares, upon its declaration at the meeting shall be paid to the shareholders, whose names appear on the Register of members of the Company on **16th September, 2013.** In case of shares held in dematerialized form, the dividend thereon, upon its declaration at the meeting, shall be paid to the beneficial owners as per list provided by the depositories for the said purposes.
4. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against the respective depository accounts will be used by the Company for payment of the dividend. The company or its Registrar can not act on any request received directly from the shareholders, holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the shareholders.
5. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share transfer agents, M/s Sharepro services, 13-AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), MUMBAI 400 072.
6. Pursuant to the requirements on Corporate Governance under Clause 49 of Listing Agreement entered into with the Stock Exchange, the information about the Directors proposed to be appointed/ re-appointed is given in the Annexure to the Notice.
7. **"AECL"** is concerned about the environment and encourages the utilization of the natural resources in a sustainable manner. The Ministry of Corporate Affairs (MCA.) Government of India, through its Circular Nos. 17/2011 and 18/2011 dated April, 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents to their shareholders electronically as part of its Green Initiatives in Corporate Governance.





Recognizing the spirit of the Circular issued by the MCA, “**AECL**” henceforth proposes to send documents like the Notice convening the General Meetings, Financial Statements, Directors’ Report, Auditor’s Report, etc. on the email address provided by the members to their Depositories/ Depository Participants (DP). The same shall also make available at Company’s website **www.aec-bearings.com** Members are requested to update their email address with the Depository Participants to ensure that the Annual Report and other documents reach them on their preferred email address.

Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at austin@shareproservices.com to receive the soft copy of the Annual Report by email instead of hard copy.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding share in physical form can submit their PAN details to the Company or their Registrar and Transfer Agents.
9. Relevant documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Fridays and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
10. Members seeking any further information are required to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready at the meeting.
11. Members/Proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the meeting.
12. Members holding shares in single name and in physical mode are advised to make nomination in respect of their shareholdings in the Company. The said nomination form can be downloaded from the Company’s website **www.aec-bearings.com**

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

Particulars	Mr. B. R. Sureja	Mr. K.J. Mehta
Date of Birth	27-10-1968	24-11-1934
Appointed on	15-03-2003	15-03-2003
Qualifications	M.D.	B.A., C.A., LLB
Expertise in Specific Functional Areas	No	No
Directorships held in other Public Companies (excluding foreign companies)	No	No
Membership/ Chairmanship of Committees across public Companies	No	No
Shareholding	No	No

By order of the Board of Directors

**Sd/-
N C Vadgama Chairman**

Place: Patla, Dist. Junagadh

Date: 30th May, 2013

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6, 7, 8 & 9 :

The members of the Company at its 30th Annual General Meeting held on Monday, 22nd September, 2008 re-appointed Mr. Narottam C. Vadgama, Mr. Shashikant M. Thanki, Mr. J. R Bhogayta and Mr. R. R Bambhania as Whole time directors in capacity of Executive Directors, Managing Directors and Joint Managing Directors for a period of five years expiring on 31st July, 2013.

The Board of Directors of the Company on recommendation of Remuneration of Committee at its meeting held on 30th May, 2013 re-appointed Mr. Narottam C. Vadgama, Mr. Shashikant M. Thanki, Mr. J. R Bhogayta and Mr. R. R Bambhania as Whole time directors in capacity of Executive directors, Managing Directors and Joint Managing Directors for further period of five years w.e.f. 1st August, 2013 on the terms and conditions mentioned hereunder:

- 1) Tenure of Appointment: 5 years w.e.f. 1st August, 2013
- 2) Salary: Rs. 1,00,000/- in the scale of Rs. 100000–5000–125000
- 3) In addition to the above Salary, they will be entitled to any benefits, allowances, or perquisites as may be determined by the Board of Directors or Remuneration Committee within the overall ceiling limit of schedule XIII of the Companies Act, 1956.
- 4) The total remuneration which can be paid to them shall not exceed the maximum limit permissible under the provision of schedule XIII of the Companies Act, 1956.
- 5) In the event of absence or inadequacy of profits of the Company in any financial year, they will be entitled to receive the same remuneration, perquisites and benefits as aforesaid subject to the compliance with the applicable provisions of the schedule XIII of the Companies Act, 1956.
- 6) The Board of Directors or Remuneration committee is authorised to fix, alter and/or vary from time to time the quantum/ periodically/ composition of the remuneration payable to them including the mode of payment, in such a manner and to such extent not exceeding the limits specified in the Companies act, 1956 and Schedule XIII thereto or such other provisions as may be applicable in this regard, as in force from time to time
- 7) All above Whole time Directors shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof. None of the directors except Mr. Narottam C. Vadgama, Mr. Shashikant M. Thanki, Mr. J. R Bhogayta and Mr. R. R Bambhania, may be deemed to be concerned or interested in the said resolution.

The above statement may be treated as an abstract of the terms and memorandum of interest under Section 302 of the Companies Act, 1956.

The Board of Director of the Company recommends the said resolution for your approval.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 35th Annual Report together with the Audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. In Lacs)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Gross profit before Interest Depreciation and Tax	704.14	1227.25
Less: Interest and Depreciation	328.01	309.70
Profit before Tax	376.13	917.55
Less: Provision for Taxation	121.45	300.00
Deferred Tax Assets	(15.59)	(19.21)
Profit after Tax	270.27	636.76
Add: Balance brought forward from last year	3266.01	2830.30
Profit available for appropriations	3536.28	3467.06
Appropriations:		
- Proposed Dividend	52.17	86.95
- Provision for Tax on Proposed Dividend	8.86	14.10
- Transfer to General Reserve	40.00	100.00
Balance carried forwarded to next year	3435.25	3266.01

OPERATING RESULTS :

The performance of the company during the year remains fair looking to the economic situation as a whole. The sales of the Company have decreased both in domestic and export segment. The sales during the year were Rs. 8727 Lacs as against Rs. 10214 Lacs in the previous year. The sales thus registered a decrease of 14.56% as compared to the last year.

The net profit of the Company has also decreased to Rs. 270 Lacs as against Rs. 637 Lacs in the last year registering diminution of 57.61% as compared to the last year. This was mainly due to decline in the turnover of the Company. The Company has also earned revenue to the tune of 77 Lacs as against 72 Lacs in the last year from the Wind Mill Project.

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

DIVIDEND :

The Directors are pleased to recommend for your approval a dividend of **Rs. 1.50** (Tax Free) per Equity share of the Company in respect of the financial year ended on 31st March, 2013. (Previous Year **Rs. 2.50**) The said dividend shall be payable to those members whose names appear on the Register of member of the company on record date.

FIXED DEPOSITS :

There is no deposit outstanding/unpaid as at 31st March, 2013.

DIRECTORS :

Mr. Bhavesh R. Sureja and Mr. Krishnakant J. Mehta, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re- appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) Appropriate accounting policies have been selected and applied prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the company for the year under review.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on a going concern basis.

AUDITORS :

M/s. Dhirubhai Dand & Co., Chartered Accountants, the auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. They are eligible for re-appointment and have furnished the certificate to the effect that their appointment, if made, will be in accordance with the limits specified under Section 224(B) of the Companies Act, 1956.

COST AUDIT :

As per the Government directives, the company's cost record in respect of Bearings for the financial year ended on 31st March, 2012 were being audited by **Ms. Ila Patel, Cost Auditor** who were appointed by the Board pursuant to the provisions of section 233B of the Companies Act, 1956 with necessary approval from the Central Government.





Mr. Kiran J Mehta, Ahmedabad, Cost Accountant has been appointed as cost Auditor of the Company vide Board resolution dated 25th July 2012 for the financial year 31st March, 2013. Necessary application is also being submitted to the Ministry of Corporate Affairs for his appointment as Cost Auditor for the said financial year.

COMPLIANCE CERTIFICATE :

The Company has obtained compliance certificate from **M/s. K. J. SHAH & COMPANY, Company Secretaries**, Ahmedabad, under section 383 (A) of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

PARTICULARS OF EMPLOYEES :

The particulars of employees as required under section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 is given in the annexure appended hereto and forms part of this Report. As per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent to the shareholders of the company, excluding the statement of particulars of employees under Section 217(2A) of the Act. Any share holder interested in obtaining a copy of the said statement may write to the Secretarial department at the Registered Office of the Company

SUBSIDIARY COMPANY :

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

The Annual Accounts of the subsidiary company will also be kept open for inspection at the registered office of the Company.

A statement as required under Section 212 of the Companies Act, 1956 is annexed to this report.

CONSOLIDATED FINANCIAL STATEMENTS :

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

AUDIT COMMITTEE :

The Audit committee consists of the following directors viz:

1. Mr. B. D. Joshi, Chairman of committee
2. Mr. K. J. Mehta, Member of committee
3. Mr. D. B. Nakum, Member of committee

All the members of Audit Committee are independent directors.

CORPORATE GOVERNANCE REPORT :

The Company has recognized the highest standards of Corporate Governance and adheres strictly to the said requirements as set out by **SEBI**. The Report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT :

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in separate section forming part of the Annual Report.

INDUSTRIAL RELATIONS :

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

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

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 are set out in an Annexure to this Report.

ACKNOWLEDGMENT :

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

By order of the Board of Directors

**Sd/-
N C Vadgama
Chairman**

**Place: Patla, Dist. Junagadh
Date: 30th May, 2013**



ANNEXURE (I)

Information under section 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors Report for the financial year ended on 31st March, 2013.

FORM A**(A) CONSERVATION OF ENERGY:**

- (a) Energy Conservation measures taken:
Regular preventive maintenance of Machinery & Electric equipments.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: **None**
- (c) 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.
- (d) 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**(A) RESEARCH & DEVELOPMENT:**

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.

(B) TECHNOLOGY, ADOPTION & ABSORPTION & INNOVATION:

The Company is making continuous efforts towards modernization and technology up-gradation and innovations.
Quality of earnings has improved substantially & is well accepted by OEM as import substitute.
Technology imported during last five years: Nil.

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

		(Rs. in Lacs)	
S.No.	FOREIGN EXCHANGE EARNINGS:	2012-2013	2011-2012
1	Exports of goods on FOB basis	3859.53	4637.19
	Total Foreign Exchange Earned	3859.53	4637.19
	FOREIGN EXCHANGE OUTGO:		
1	Import of CIF value of Raw Materials, Capital goods & Spares.	0.74	93.62
2	Traveling	13.34	7.80
3	Sales Commission	3.24	2.86
4	Foreign Marketing & Sales Promotion Expenses	0.00	1.40
5	Dividend	2.00	2.00
7	Professional Charges	5.61	0.00
8	Seminar and Subscription	1.64	0.47
	Total Foreign Exchange Used	26.57	108.15

On behalf of the Board of Directors

Place: Patla, Dist. Junagadh
Date: 30th May, 2013

Sd/-
N. C. Vadgama
Chairman





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF BEARING INDUSTRY:

Indian economy grew smartly at 8.6% in 2008-09 and 8.9% in 2010-11. However rising consumption coupled with supply constrains led to near double digit inflation in 2010-11. This forced the RBI to stringent monetary policy throughout 2012. High interest cost, tight liquidity situation accompanied by weak sentiments led to reduce consumption and investment. The growth forecast continuously revised downwardly from the first estimate of 7.5% GDP growth during financial year 2012-13. The GDP growth decelerated from 5.5% in quarter first of 2012-13 to 5.3% in quarter two of 2012-13 and it falls near to 5%, the lowest since decade.

On the whole the financial year remained a year of economic uncertainty and weak sentiments. The Government measure tries to stabilize economy and revive sentiments in right direction and it seems that this will have a positive effect in medium to long term.

The demand development in year 2012-13 almost remains stagnant like in the year 2011-12. The said demand is estimated in range of 80-85 billions. Import comprises about 40% of bearing demand in India. Over the last few years, import from China has significantly increased.

Rolling bearings are mainly used in automotive and industrial sectors which constitute approximately 35% of the total bearing demand. The automotive growth slowed down in year 2012-13 as compared to the previous year. Rising interest rates and fluctuating fuel prices coupled with negative global and local economic sentiments have been the main reasons for the slowdown.

Despite the current subdued mood in automobile sector, medium and long term prospects of the automobile industry remain positive.

Index of industrial production showed negative development almost throughout the year. The production of capital goods such as machineries and equipments, electrical machinery etc contracted due to slow down in investment, decline in new projects and increasing global competition.

In the infrastructure industries, production of coal, natural gas and fertilizers were below the expectation. The large numbers of public and private projects have been delayed due to issues related to regulatory authorities.

STRENGTH:

The Directors are well experienced and technically qualified with well succession plan. The Company is in this line of business for more than 34 years and enjoys its brand name in the market. The Company has wide market network with established customer base. The Company is able to obtain skilled workmen at comparatively lower cost. The Company is profit making one and self performance is improving year after year.

OPPORTUNITIES:

Over the last few months Indian government has taken several measures to stabilize the economy by reducing current deficit. It has also induced various regulatory authorities to improve investment sentiments. This stability measure will ensure that economic growth will slowly improve. We expect 2014 better than 2013.

THREATS:

Bearing industry is capital intensive. Lower economic development could lead to under utilization of expensive resources and lesser absorption of fixed cost.

At the same time bearing industry remains competitive and always faces dumping of cheap bearings by Chinese manufacturers which always causes a serious threat to the industry.

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

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

Counterfeit bearing products accounting for about 20% to 25 % were sold in the replacement market. These fake products of inferior quality represent threat not only to organized sectors but to global customer as whole. Your Company is taking active measures to protect "AEC" brands. Your Company continues to focus on quality and technology innovations besides further developing application engineering and R & D capabilities to strengthen the competitiveness.

SEGMENT WISE PERFORMANCE:

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

INTERNAL CONTROL SYSTEMS:

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.

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 like hood 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 the 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 the company 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.

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.





COMPLIANCE CERTIFICATE

Company Identification No: L27259GJ1978PLC003179

Nominal Capital: Rs. 4000000

To,
The Members,
AUSTIN ENGINEERING COMPANY LIMITED

101, GIDC Estate, Vadal Road, Village: Patla, Tal: Bhesan,
Dist: Junagadh-362 030

We have examined the registers, records, books and papers of **AUSTIN ENGINEERING COMPANY LIMITED** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on **31st March 2013**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
- 3) The Company being a public limited company, comments are not required.
- 4) The Board of Directors duly met **Seven times on 4th April, 2012, 29th May, 2012, 25th July, 2012, 22nd September, 2012, 18th October, 2012, 17th January, 2013 and 20th March, 2013** in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- 5) The Company closed its Register of Members and/or Debenture holders from **15th September, 2012 to 22nd September, 2012** and necessary compliance of Section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended **31st March, 2012** was held on **22nd September, 2012** after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) **No** extra ordinary general meeting was held during the financial year.
- 8) The Company has not advanced loans to its directors or persons or firms or companies referred in the section 295 of the Act.
- 9) The Company has complied with the provisions of Section 297 of the Act in respect of contracts specified in that Act.
- 10) The Company has made necessary entries in the Register maintained under section 301 of the Act.
- 11) The Company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable.
- 12) The Board of directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
- 13) The Company has:
 - I. Delivered all the Certificates on lodgment thereof for **transfer of shares** in accordance with the provisions of the act.
 - II. Deposited amount of dividend declared in a separate Bank Account on **26th September, 2012** which is within five days from the date of declaration of such dividend.
 - III. Paid/posted warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed dividend has been transferred to unpaid Dividend Account of the company with Yes Bank Ltd, Worli Mumbai, on **25th October, 2012**
 - IV. Transferred the amounts in unpaid dividend account, application money due for refund, matured deposits and interest accrued thereon which have remained unclaimed for a period of seven years to Investor Education and Protection Fund.
 - V. Duly complied with the requirements of section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
- 15) The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
- 16) The Company has not appointed any sole selling agents during the financial year.
- 17) The Company has obtained all necessary approvals of the Central Government, Company Law board, Regional Director, Registrar or such authorities prescribed under the various provisions of the Act as detailed below:
 - I. All the necessary approvals from Regional Director under Section 297 have been obtained.
- 18) The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
- 19) The Company has not issued any shares, debentures or other securities during the financial year.
- 20) The Company has not bought back any shares during the financial year.
- 21) There was no redemption of preference shares or debentures during the financial year.
- 22) There were no transaction necessitating the company to keep in abeyance the rights shares and bonus shares pending registration to the transfer of shares.
- 23) The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
- 24) The Company has not made any borrowings during the financial year ended 31st March, 2013.
- 25) The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.



- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
- 29) The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
- 30) The Company has not altered its Articles of Association during the financial year.
- 31) As informed to us, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32) The Company has not received any money as security from its employees during the financial year.
- 33) The Company is generally regular in depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Name of the Company Secretary

KAUSHIK SHAH

CP NO 1414 FCS NO 2420

Place: AHMEDABAD

Date: 30th May, 2012**ANNEXURE "A"****STATUTORY REGISTERS:**

- | | | |
|---|---|------------|
| 1) Register of Members | : | U/s 150 |
| 2) Register of Directors | : | U/s 303 |
| 3) Register of Directors Shareholdings | : | U/s 307 |
| 4) Register of Contracts, Companies & Firms in which director etc. are interested | : | U/s 301(3) |
| 5) Register of Board Minutes | : | U/s 193 |
| 6) Register of AGM / EOGM Minutes | : | U/s 193 |

OTHER REGISTERS:

- 1) Register of Transfer
- 2) Register of Attendance of Board Minutes
- 3) Register of Attendance of AGM / EOGM

ANNEXURE "B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2013:

S. No.	Form No. / Return	Filed Under Section	Date of Filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fees paid Yes / No
1.	Form 62	Rule 4(2) (Acceptance of Deposits) Rules, 1975	27/06/2012	Yes	No
2.	Form 62	Rule 10(Acceptance of Deposits) Rules, 1975	27/06/2012	Yes	No
3.	Form 23D	233B	14/07/2012	Yes	No
4.	Form 23 C	233B(2)	23/08/2012	No	Yes
5.	Form 23D	233B	27/09/2012	Yes	No
6.	Form 66	383A	14/10/2012	Yes	No
7.	Form 24A	297	14/10/2012	Yes	No
8.	Form 24A	297	14/10/2012	Yes	No
9.	Form 20B	159	19/10/2012	Yes	No
10.	Form 23B	224(1A)	19/12/2012	Yes	No
11.	Form I XBRL (Cost Audit)	233B(4)	28/12/2012	Yes	No
12.	Form 23AC	220	11/01/2013	Yes	No
13.	Form 23	192	29/03/2013	Yes	No

Name of the Company Secretary

KAUSHIK SHAH

CP NO 1414 FCS NO 2420

Place: AHMEDABAD

Date: 30th May, 2013

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is committed to continue the practice of good corporate governance. In accordance with the clause 49 of Listing Agreement with Bombay Stock Exchange (BSE) and some of the best practices adopted internationally, the report containing the details of corporate governance systems and processes at Austin Engineering Company Limited (AECL) is as under:

At AECL, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We have a defined policy framework for ethical conduct of business.

The Security and Exchange Board of India (SEBI) regulated Corporate Governance for Listed Companies through Clause 49 of its Listing Agreement and the Company is in full compliance with all the requirements of Corporate Governance.

2. BOARD OF DIRECTORS:

(a) Composition of Board:

The Board of directors of the Company consists of Eight Directors. In Executive Directors, there are two whole-time directors, One Managing Director and One Joint Managing Director. All others are Non-Executive as well as independent directors. The Chairman of the Board is an Executive Director and 50% of the Board comprises of independent directors.

Name of the Directors	No. of Board Meeting Attained During the year	Whether Attained AGM held on Sep 22, 2011	No. of other Director		No. of outside Committee(s)	
			Public	Private	Public	Private
Mr. N.C Vadgama Chairman & E.D.	6	NO	1	-	-	-
Mr. S.M.Thanki Managing Director	7	YES	1	-	-	-
Mr. R R Bambhania Jt.Manging Director	6	NO	1	-	-	-
Mr. J R Bhogayta Executive Director	5	NO	-	-	-	-
Dr. B R Sureja Non Executive Director	6	YES	-	-	-	-
Mr. K J Mehta Non Executive Director	6	YES	-	-	-	-
Mr. D B Nakum Non Executive Director	6	YES	-	-	-	-
Mr. B D Joshi Non Executive Director	6	YES	-	-	-	-

Attention of the members is invited to the relevant items in the Notice of the Annual General Meeting for seeking their approval for the aforesaid appointments. The information as required under clause 49(IV) (G) of the Listing Agreement is annexed to the Notice of the AGM.

(b) Details of Board Meeting held during the year 2012-13.

Date of Meeting	No. of directors Present	Date of Meeting	No. of directors Present
4 th April, 2012	4	29 th May, 2012	8
25 th July, 2012	7	22 nd September, 2012	5
18 th October, 2012	8	17 th January, 2013	8
20 th March, 2013	4		

(c) Details of sitting fees, remuneration etc. paid to Directors for the year ended 31st March, 2013.

Name of the Directors	Remuneration paid to Directors	Sitting fees paid for attending Board/Audit Committee
Mr. N C Vadgama	95000 Per Month	NIL
Mr. S M Thanki	95000 Per Month	NIL
Mr. R R Bambhania	95000 Per Month	NIL
Mr. J R Bhogayta	95000 Per Month	NIL
Mr. B D Joshi	NIL	10000
Mr. B R Sureja	NIL	10000
Mr. K J Mehta	NIL	10000
Mr. D B Nakum	NIL	10000

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.



(d) Remuneration Committee:

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

The said Remuneration committees usually review/recommend the remuneration package of the Managing/Whole-time Directors and also senior managerial personnel. The Company pays remuneration by way of salary and perquisites subject to requisite approval from the Board of Directors of the Company and also from the shareholders as prescribed under the Companies Act, 1956.

During the Financial Year 2012-13, Mr. N. C. Vadgama, Mr. S. M. Thanki, Mr. R.R. Bambhania and Mr. J. R. Bhogayta have been paid monthly remuneration of **Rs.95,000/-** each for the whole year. All other Directors have been paid Rs.10000/- during the year as Sitting Fees.

3. AUDIT COMMITTEE:

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

The Audit Committee whose terms of reference have been specified as per Clause 49 of the Listing Agreement and as defined by the Board is as under:

- (i) 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.
- (ii) Overview of the Company's financial reporting process and manner of disclosure of financial information to ensure that the financial statements are true and correct.
- (iii) Recommending the appointment and removal of Statutory Auditors, Cost Auditors, fixation of their audit fees and also approval for payment for any other services relating there to.
- (iv) Reviewing the Company's financial and risk management policies.
- (v) Looking into the reasons for substantial defaults if any, in the payment to the shareholders (non-payment of declared dividends etc) and creditors etc.
- (vi) And such other matters incidental or as may be delegated by the Board of Directors to the Committee from time to time.

Five Audit Committee meetings were held on 29th May, 2012, 25th July, 2012, 22nd September, 2012, 18th October, 2012 and 17th January, 2013. 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	5
Mr. K J Mehta	Member of Committee	5
Mr. D B Nakum	Member of Committee	5

The Audit committee at its meeting held on 29th May, 2013 reviewed the Annual Accounts for the year 2012-2013 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.

4. SHAREHOLDERS/INVESTORS GRIEVANCE 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.

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 follows:

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

One meeting of Share holder/Investor Grievances Committee was held on **24th April, 2013.**

The Company has received 5 nos. of complaint from shareholders and they have been resolved satisfactorily. No complaint was pending as at date.



5. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Company has a policy for prevention of Insider Trading in the securities of the Company. The Code, inter alia, prohibits purchase/ sale of shares of the Company by the employees while in possession of unpublished price sensitive information in relation to the Company.

The Company adopted the Code of Conduct and ethics for Directors and Senior Management. The code had been circulated to all the members of the Board and senior management. The Board member and senior management have affirmed their compliance with the Code. A declaration of Managing Director as to the compliance of the Code of Conduct by the Board Members and Key Managerial Employees has been provided at the end of this report.

6. GENERAL BODY MEETINGS:

Last three Annual General Meetings of the Company were held are given below :

Financial Year	Date	Location of the Meeting	Time
2010 - 2011	22/09/2010	Village: PATLA, Tal: BHESAN, Dist: JUNAGADH 362 030	11.00 a.m.
2011 - 2012	22/09/2011	Village: PATLA, Tal: BHESAN, Dist: JUNAGADH 362 030	11.00 a.m.
2012 - 2013	22/09/2012	Village: PATLA, Tal: BHESAN, Dist: JUNAGADH 362 030	11.00 a.m.

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. The followings are the Special Resolutions passed at the previous three Annual General Meetings.

Whether AGM Held on	Special Resolution Passed	Summary
1. 22-09-10	Yes	1. Appointment of Relative of Director pursuant to Section 314(1B)-Mr. Hiren Vadgama 2. Appointment of Relative of Director pursuant to Section 314(1B)-Mr. Jignesh Thanki
2. 22-09-11	Yes	1. Remuneration to Relative of Director pursuant to Section 314(1B)Mr. HirenVadgama 2. Remuneration to Relative of Director pursuant to Section 314(1B)Mr Jignesh Thanki
3. 22-09-2012	No	None

7. DISCLOSURES:

- (i) 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, 2013 that had a potential conflict with the interests of the Company at large.
- (ii) The Audit Committee is briefed of the related party transactions undertaken by the Company in the ordinary course of business (summary), 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) The Managing Director (CEO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO Certification for the Financial Year ended on **31st March, 2013**.

8. MEANS OF COMMUNICATION:

- (i) The Company does not send its half-yearly reports to each shareholder as the same is not required to be sent legally.
- (ii) 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.
- (iii) The website of the Company www.aec-bearings.com

9. GENERAL SHAREHOLDER INFORMATION:
(i) Annual General Meeting :

Date & Time: Saturday, 23rd September, 2013 at 11.00 a.m.

Venue: Village: PATLA, Taluka: BHESAN, Dist.: JUNAGADH-362 030

(ii) Financial year : 2012-2013 (1st April to 31st March)
(iii) Date of Book Closure: 16th September, 2013 to 23rd September, 2013 (Both days inclusive)
(iv) Dividend Payment Date: 21st October, 2013.


(v) Listing on Stock Exchange: Bombay Stock Exchange Limited

The annual listing fees for the year 2013-14 have been paid to the aforesaid stock Exchange.

(vi) Stock Code: 522005 (BSE) ISIN No. INE759F01012**(vii) Market Price Data:**

The monthly high and low shares traded on the Bombay Stock Exchange Limited during financial year 2012-13.

Month	Year	High (Rs.)	Low (Rs.)	Month	Year	High (Rs.)	Low (Rs.)
April	2012	70.90	65.05	October	2012	65.90	59.05
May	2012	72.00	64.05	November	2012	62.90	56.25
June	2012	72.50	66.90	December	2012	64.00	56.00
July	2012	76.00	63.50	January	2013	63.90	46.00
August	2012	68.40	62.65	February	2013	60.15	46.00
September	2012	67.90	55.00	March	2013	51.00	42.00

(Viii)Registrar & Share Transfer Agents :

SHAREPRO SERVICES (India) Pvt. Ltd:

13-AB, Samhita Warehousing Complex, 2nd Floor,

Near Sakinaka Telephone Exchange, Andheri-Kurla Road,

Sakinaka, Andheri (East) MUMBAI 400 072

Phone No.: +91-022-67720300 / 67720400

Fax No.: +91-022-28591568

(ix) 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.

(x) Distribution Pattern of shareholding as on 31st March, 2013.

No. of Equity Shares Held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	5446	89.824	828956	23.836
501 - 1000	324	5.344	261779	7.527
1001 - 2000	140	2.309	205121	5.898
2001 - 3000	41	0.676	103861	2.986
3001 - 4000	26	0.429	93218	2.680
4001 - 5000	14	0.231	64217	1.846
5001 - 10000	27	0.445	177487	5.103
10001 and above	45	0.742	1743161	50.123
Grand Total	6063	100.00	3477800	100.00
Physical Mode	1626	26.82	369302	10.62
Electronic Mode	4437	73.18	3108498	89.38

Shareholding Pattern as on 31st March, 2013:

Category	Number of Shares	% of Holding
Indian Promoters/Relatives	1202191	34.57
Resident Individuals & Corporate	2249088	64.47
Fin. Institutions/Banks/Mutual Fund	6900	0.20
NRIs	26577	0.76
TOTAL:	3477800	100.00

(xi) 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 Dematerialisation 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 **89.38%** of total equity shares of the Company are held in dematerialized form with following depository.

NSDL: 2228583 Shares (64.08%) CDSL: 879915 Shares (25.30%)





(xii) Outstanding GDRs/ ADRs /Warrants or any Conversable Instruments conversion date and likely impact on equity:

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

(xiii) Plant Location :

Village : PATLA, Taluka: BHESAN
District : JUNAGADH 362 030 (Gujarat)
Phone : 02873 – 252223 / 252267 / 252268
Fax : 0285-2661505 & 02873-252225
E-mail : info@aecbearings.com

(xiv) Address for Correspondence :

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

SHAREPRO SERVICES (India) Pvt. Ltd.:

13-AB, Samhita Warehousing Complex, 2nd Floor,
Near Sakinaka Telephone Exchange, Andheri-Kurla Road,
Sakinaka, Andheri (East) MUMBAI 400 072
Phone No. : 022-67720300/67720400 Fax No.:022-28591568
Email: sharepro@shareproservices.com

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@aecbearings.com

DECLARATION BY CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT:

In accordance with Clause 49 Sub-Clause 1(D) of the Listing Agreement 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, 2013.

FOR AUSTIN ENGINEERING CO.LTD.

Sd/-

Place : Patla, Dist. Junagadh

Date : 30th May, 2013

S.M.THANKI

MANAGING DIRECTOR

Auditors' Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreements:

To the Members of **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, 2013 as stipulated in Clause 49 of the Listing Agreement 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 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

Place: Junagadh

Dated: 30th May, 2013

Sd/-
DHIRUBHAI H. DAND
PROPRITOR



INDEPENDENT AUDITORS' REPORT

To,
The Members of
AUSTIN ENGINEERING CO. LTD.

Report on the Financial Statements

We have audited the accompanying Financial Statements of Austin Engineering Company Limited ("the company") which comprise the Balance Sheet as at **31st March, 2013**, 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance sheet, of the state of affairs of the Company as at **31st March, 2013**;
- (b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - b. In our opinion, proper Books of Account as required by law have been kept by the Company as far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
 - e. On the basis of written representations received from the directors, as on 31.03.2013, taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of section 274(1)(g) of the Act.

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

PLACE : JUNAGADH
DATE : 30th May, 2013

DHIRUBHAI H. DAND
PROPRIETOR
M. NO. 017117

ANNEXURE TO THE AUDITORS' REOPRT

(Referred to in paragraph 1 of our report of even date)

- i) In respect of its fixed assets :
 - a) The Company has maintained proper records to show full particulars including quantitative details and situations of Fixed Assets (other than in respect of tools, dies, furniture & fixture).
 - b) As per the information and explanations given to us, the Fixed Assets of the Company have been physically verified by the Management at reasonable intervals and no serious discrepancies between the book records and physical verification were noticed.
 - c) During the year, the Company has not disposed off any substantial / major part of Fixed Assets.





- ii) In respect of its Inventories :
 - a) As per the information and explanations given to us, the Inventories have been physically verified by the Management at reasonable intervals during the year.
 - b) In our opinion and as per the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of Inventories. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii) In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - a) As per information furnished, the Company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Accordingly, the provisions of clauses 4 (iii) (b) to (d) of the Order are not applicable.
 - b) As per information furnished, the Company has not taken any Loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Accordingly, the provisions of clauses 4 (iii) (f) to (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the Sale of Goods and services. We have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 :
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b) According to the information and explanations given to us and excluding certain transactions of purchase of goods, material and services of special nature for which alternate quotations are not available, the transactions in pursuance of such contracts or arrangements have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the Provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public.
- vii) In our opinion, the Internal Audit functions carried out during the year by a firm of chartered accountants appointed by the management have commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the company relating to the manufacturing of bearings, pursuant to the Companies (Cost Accounting Records) rules, 2011 prescribed by the Central Govt. Under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix)
 - a) According to information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other Statutory dues wherever applicable. According to information and explanations given to us, no undisputed arrears of Statutory dues were outstanding as at **31st March-2013**, for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Excise Duty, Custom Duty, Provident fund, Cess and other Statutory dues which have not been deposited on account of any dispute.
- x) There are no accumulated losses of the Company as on **31st March-2013**. The Company has not incurred any Cash losses during the financial year covered by our Audit and the immediately preceding financial year.
- xi) Based on our audit procedure and on the basis of information and explanation given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to Banks. The Company has no borrowings from financial institutions or by way of debentures.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any Loans and / or Advances on the basis of security by way of pledge of Shares, Debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or Nidhi / Mutual Benefit Fund / Society.
- xiv) Clause (xiv) of the Order is not applicable to the Company as the Company is not dealing or trading in Shares, Securities, Debentures and other Investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) During the year, the company has not taken any term loans and hence requirements of reporting regarding application term loans does not arise.
- xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on and over all basis, funds raised on short term basis have prima facie not been used during the year for long term investment.
- xviii) The company has not made any preferential allotment of shares during the year to parties of companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) Clause (xix) of the Order is not applicable to the Company as the Company has not issued any Debentures.
- xx) The Company has not raised any money by Public Issues during the year covered by our report.
- xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

DHIRUBHAI H. DAND
PROPRIETOR
M. NO. 017117

PLACE : JUNAGADH
DATE : 30th May, 2013



Balance Sheet as at 31.03.2013

Particulars	Note No.	31-03-2013		31-03-2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
(a) Share Capital	3	34,778,000		34,778,000	
(b) Reserves and Surplus	4	486,729,458	521,507,458	465,805,235	500,583,235
2. Non- current liabilities					
(a) Long-term borrowings	5	1,466,079		2,195,686	
(b) Deferred Tax liabilities (Net)	6	1,777,930		3,337,353	
(c) Long-term Provisions	7	2,760,669	6,004,678	1,607,430	7,140,469
3. Current Liabilities					
(a) Short term borrowings	8	71,663,025		81,829,244	
(b) Trade payables	9	164,557,692		154,573,735	
(c) Other current liabilities	10	34,238,245		32,668,745	
(d) Short term provisions	11	54,398,041	324,857,003	60,295,776	329,367,500
TOTAL			852,369,139		837,091,204
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12	113,907,808		116,030,011	
(ii) Intangible assets	12	27,203,412		28,251,351	
(b) Non-current investments	13	5,330,273		5,330,273	
(c) Long-term loans and advances	14	17,659,167	164,100,660	14,814,442	164,426,077
2. Current assets					
(a) Inventories	15	425,054,636		428,201,306	
(b) Trade receivables	16	210,209,383		181,744,075	
(c) Cash and Cash equivalents	17	22,861,959		28,702,741	
(d) Short-term loans and advances	18	30,024,138		33,831,999	
(e) Other current assets	19	118,363	688,268,479	185,006	672,665,127
TOTAL			852,369,139		837,091,204
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 : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhania Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013





Statement of Profit and Loss for the Year ended 31.03.2013

Particulars	Note No.	2012-13		2011-12	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations	20	862,317,113		1,017,191,677	
II Other Income	21	8,435,218		13,398,477	
III Total Revenue (I + II)			870,752,331		1,030,590,154
IV Expenses					
Cost of Materials Consumed	22	229,591,110		368,375,111	
Purchases of Stock in Trade	23	134,921,946		126,884,551	
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	(9,654,932)		(82,695,763)	
Employee benefits expense	25	147,364,369		131,790,507	
Finance Costs	26	12,006,026		11,076,669	
Depreciation	12	20,794,865		19,892,958	
Other expense	27	298,115,869		363,510,598	
Total Expense			833,139,253		938,834,631
V Profit before exceptional and extraordinary items and tax (III-IV)			37,613,078		91,755,523
VI Exceptional Items			-		-
VII Profit before extraordinary items and tax (V-VI)			37,613,078		91,755,523
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			37,613,078		91,755,523
X Tax expense:					
(1) Current tax		12,145,000		30,000,000	
(2) Deferred tax		(1,559,423)		(1,920,925)	
XI Profit for the period from continuing operations (IX - X)			27,027,501		63,676,448
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the year (XI + XIV)			27,027,501		63,676,448
XVI Earnings per equity share:					
(1) Basic			7.77		18.31
(2) Diluted			7.77		18.31

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 : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhania Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

PARTICULARS	2012-2013		2011-2012	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before extraordinary items and tax		37,613,078		91,755,523
Adjustments for:				
Depreciation	20,794,865		19,892,958	
Finance Cost	12,006,026		11,076,669	
(Profit) / Loss on sale of Assets/shares	(171,452)		374,534	
Interest/Dividend Income	(1,373,987)		(1,031,972)	
		<u>31,255,452</u>		<u>30,312,189</u>
Operating Profit before working capital changes		68,868,530		122,067,712
Adjustments for (increase)/decrease in operating assets:				
Inventories	3,146,670		(75,577,496)	
Trade Receivable	(28,465,308)		2,877,974	
Short Term loans & Advances	3,807,861		8,145,209	
Long Term Loans & Advances	(2,844,725)		(470,394)	
Other Current Assets	66,643		214,802	
Adjustments for : increase / (decrease) in operating liabilities, Trade payables	9,983,957		(5,778,055)	
Other Current Liabilities	1,569,500		(8,752,765)	
Short Term Provisions	3,015,537		29,412,601	
Long Term Provisions	1,153,239	<u>(8,566,626)</u>	<u>(22,754,608)</u>	<u>(72,682,732)</u>
Cash generated from operations		60,301,904		49,384,980
Direct taxes paid		<u>(17,056,585)</u>		<u>(27,730,430)</u>
NET CASH FROM OPERATING ACTIVITIES :		43,245,319		21,654,550
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(17,624,724)		(20,361,998)
Purchase of Investments		-		(354,017)
Sale of Fixed Assets		171,453		925,000
Sale of Investments		-		-
Interest/Dividend Received		<u>1,373,987</u>		<u>1,031,972</u>
Net Cash used in investing activities		<u>(16,079,284)</u>		<u>(18,759,043)</u>
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long Term Borrowings (net)		(729,607)		2,195,686
Net Increase / (Decrease) in Short term Borrowings		(10,166,219)		899,537
Dividend Paid		(8,694,500)		(8,694,500)
Dividend Tax Paid		(1,410,465)		(1,410,465)
Finance Cost		<u>(12,006,026)</u>		<u>(11,076,669)</u>
Net Cash used in financial activities		<u>(33,006,817)</u>		<u>(18,086,411)</u>
Net increase in cash and cash equivalents(A+B+C)		<u>(5,840,782)</u>		<u>(15,190,904)</u>
Cash and Cash equivalents at the beginning of the year		<u>28,702,741</u>		<u>43,893,645</u>
Cash and Cash equivalents at the end of the year Note:19		<u>22,861,959</u>		<u>28,702,741</u>
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 : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhanja Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013



**Notes forming part of the financial statements of the Accounts for the year ended 31st March,2013.****1. Corporate Information :**

AUSTIN ENGINEERING COMPANY LIMITED is a public limited Company domiciled in India and incorporate under the provisions of the Companies Act, 1956, Its shares are listed in 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 manufacturing of Power from wind energy. The Manufacturing unit of the company is situated at village Patla, Taluka Bhesan, Dist. Junagadh - 362 030. The Company is having 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). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared on an accrual basis and under the historical cost convention. except where specifically stated.

2.1 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 and other incidental expenses.

Depreciation on assets is provided on the basis of Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act,1956.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.

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 and ESIC, which are defined contribution schemes, are charged to the Profit & Loss Account.
- 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 Profit & Loss account and are not deferred.

f. Excise :

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

g. Dividend :

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

h. Contingent liability :

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

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

i. Investment :

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

j. Export Incentives :

Export Incentives relating to DEPB Licenses and Duty draw back 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 estimate.

Where the company expects some or all of a provision to be reimbursed, for example under and 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 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 substantially 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 financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 3 : SHARE CAPITAL				
AUTHORISED :				
40,00,000 Equity Shares of Rs.10 each		40,000,000		40,000,000
ISSUED, SUBSCRIBED AND PAID UP :				
34,77,800 Equity Shares of Rs.10 each fully paid up. *		34,778,000		34,778,000
(Previous Year 34,77,800 Equity Shares of Rs. 10 each fully paid up.)				
TOTAL :		34,778,000		34,778,000

* 53200 Equity Shares of Rs. 10 each brought back during the period of five years immediately preceding the reporting date, total amount of share capital Rs. 532000/-

* 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 proportion 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

Opening Balance	48,149,239		38,149,239	
Add: Transfer from Profit & Loss A/c	4,000,000	52,149,239	10,000,000	48,149,239
		143,204,124		139,204,124

Surplus

Opening Balance	326,601,111		283,029,628	
Add. Profit for the year	27,027,501		63,676,448	
	353,628,612		346,706,076	

Less:-

- Dividend on Equity shares	5,216,700		8,694,500	
- Tax on distributed profit on Equity shares	886,578		1,410,465	
- Transfer to General Reserve	4,000,000	343,525,334	10,000,000	326,601,111

TOTAL :

		486,729,458		465,805,235
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Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 5 : LONG TERM BORROWINGS				
<u>SECURED</u>				
(A) Deferred Payment Loan				
from HDFC Bank (Refer Note : 10)		1,466,079		2,195,686
(excluding current maturity)				
TOTAL :		<u>1,466,079</u>		<u>2,195,686</u>

* Borrowings under Item (A) is Secured against Hypothecation of Vehicles

NOTE 6 : DEFERRED TAX LIABILITIES				
Deferred Tax Liabilities on account of Diferance between Book & Tax Depreciation		8,825,583		10,405,990
Deferred Tax Assets on Account of Employees Benefits		(7,047,653)		(7,068,637)
Deferred Tax Liabilities / (Assets)		<u>1,777,930</u>		<u>3,337,353</u>

NOTE 7: LONG TERM PROVISIONS				
Leave Salary Provision		2,760,669		1,607,430
TOTAL :		<u>2,760,669</u>		<u>1,607,430</u>

NOTE 8: SHORT TERM BORROWINGS				
<u>SECURED</u>				
Working Capital Loan from Bank of Baroda		71,663,025		81,829,244
TOTAL :		<u>71,663,025</u>		<u>81,829,244</u>

* 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 payable on Demand.



Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 9 : TRADE PAYABLES				
Trade Payables		164,557,692		154,573,735
TOTAL :		164,557,692		154,573,735

* 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. 383600/-.(Previous year Rs. 363,600/-).

NOTE 10: OTHER CURRENT LIABILITIES

Current maturity of long term borrowings				
Deferred Payment loan from HDFC Bank		1,646,071		1,114,757
Creditors for Capital Goods		24,828,579		22,885,087
Advance Payment From Customers		3,219,216		4,220,739
Other payables		–		239,672
Unpaid Dividend		2,400,673		2,085,313
Service Tax Payable		–		5,799
T.D.S., T.C.S. Payable		2,143,706		2,117,378
TOTAL :		34,238,245		32,668,745

* Payable on Purchase of Fixed Assets include amount due to H.U.F. of Directors. Rs. 14231561/- (Previous Year Rs. 12844371/-).

NOTE 11 : SHORT TERM PROVISIONS

Proposed Dividend		5,216,700		8,694,500
Provisions for Tax Proposed Dividend		886,578		1,410,465
Provisions for Income Tax (Net of Advance Tax & T.D.S.)		–		4,911,585
Bonus Provision		15,887,470		14,577,265
Gratuity Provision		31,487,070		30,166,151
Leave Salary Provision		920,223		535,810
TOTAL :		54,398,041		60,295,776





Notes forming parts of the financials statements for the year ended 31st March, 2013

NOTE 12 : FIXED ASSETS

SR. NO.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01/04/2012 Rs.	Addition During the year Rs.	Sales/Trans. During the year Rs.	Balance as at 31/03/2013 Rs.	Provided Upto 01/04/2012 Rs.	Provided During the year Rs.	Adjustment on account of Sales Rs.	Total as at 31/03/2013 Rs.	Balance as at 31/03/2013 Rs.	Balance as at 31/03/2012 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	47,433,596	3,343,858	-	50,777,454	21,065,928	1,651,356	-	22,717,284	28,060,170	26,367,668
4	Plant & Machinery	153,828,358	5,943,263	691,390	159,080,231	103,643,407	9,033,695	691,389	111,985,713	47,094,518	50,184,951
5	Plant & Machinery (100% Depreciation)	2,774,089	-	-	2,774,089	2,774,089	-	-	2,774,089	-	-
6	Electric Installation	9,861,931	36,175	-	9,898,106	9,805,480	56,859	-	9,862,339	35,767	56,451
7	Tools Dies & Measuring Instruments	38,290,601	1,930,168	-	40,220,769	33,749,322	1,365,789	-	35,115,111	5,105,658	4,541,279
8	Furniture & Fixture	13,430,112	3,203,470	-	16,633,582	8,520,710	985,325	-	9,506,035	7,127,547	4,909,402
9	Office & Factory Equipments	8,040,662	630,640	-	8,671,302	3,224,246	378,340	-	3,602,586	5,068,716	4,816,416
10	Vehicles	20,309,226	2,165,018	-	22,474,244	8,864,991	1,856,238	-	10,721,229	11,753,015	11,444,235
11	Computers	9,433,505	250,800	-	9,684,305	8,078,044	647,175	-	8,725,219	959,086	1,355,461
12	Wind Electric Power Converter	35,307,710	-	-	35,307,710	23,121,841	3,650,817	-	26,772,658	8,535,052	12,185,869
	Sub Total (A)	338,878,069	17,503,392	691,390	355,690,071	222,848,058	19,625,594	691,389	241,782,263	113,907,808	116,030,011
B	INTANGIBLE ASSETS										
1	'aec' TRADE MARK	40,861,000	-	-	40,861,000	13,892,740	817,220	-	14,709,960	26,151,040	26,968,260
2	Computer Software	2,121,259	121,332	-	2,242,591	838,168	352,051	-	1,190,219	1,052,372	1,283,091
	Sub Total (B)	42,982,259	121,332	-	43,103,591	14,730,908	1,169,271	-	15,900,179	27,203,412	28,251,351
	TOTAL (A + B)	381,860,328	17,624,724	691,390	398,793,662	237,578,966	20,794,865	691,389	257,682,442	141,111,220	144,281,362
	PREVIOUS YEAR	363,517,150	21,414,715	3,071,537	381,860,328	219,458,011	19,892,958	1,772,003	237,578,966	144,281,362	144,059,139

NOTE 13 : NON CURRENT INVESTMENTS (AT COST)

LONG TERM INVESTMENTS :

PARTICULARS	2012-2013			2011-2012		
	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
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
(B) QUOTED:						
Equity Share (Fully Paid)						
A.J.Brothers Ltd.	3,800	10	57,000	3,800	10	57,000
Ahmedabad Gases Ltd.	3,900	10	39,000	3,900	10	39,000
Antifriction Brg.Cornp.	177	10	7,130	177	10	7,130
Asahi Fibres Ltd.	3,000	10	30,000	3,000	10	30,000
Asian Bearings Ltd.	100	10	1,525	100	10	1,525



Notes forming parts of the financials statements for the year ended 31st March, 2013

NOTE 13 : NON CURRENT INVESTMENTS (AT COST) (Contd....)

PARTICULARS	2012-2013			2011-2012		
	No. of Shares	Face Value Rs.	Rs.	No. of Shares	Face Value Rs.	Rs.
Bagri Min & Chem Ltd.	2,600	10	26,000	2,600	10	26,000
Bhupendra Cap. & Fin.Ltd.	1,700	10	68,000	1,700	10	68,000
Cosboard Ind. Ltd.	1,400	10	19,600	1,400	10	19,600
Damania Cap.Markets Ltd.	9,300	10	279,000	9,300	10	279,000
Fag Bearings Ltd. Share	100	10	53,650	100	10	53,650
Gujarat Meditech Ltd.	900	10	9,000	900	10	9,000
Hindustan Agri Ltd.	700	10	7,000	700	10	7,000
Indo Dutch Protiens Ltd.	700	10	7,000	700	10	7,000
Kongarar Textiles Ltd.	600	10	27,000	600	10	27,000
NHC Food. Ltd.	525	10	15,000	525	10	15,000
NRB Bearings share	100	2	4,593	100	2	4,593
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
Wintac Limited	700	10	70,000	700	10	70,000
Reliance Industries Ltd. Share	124	10	173,913	124	10	173,913
SKF Bearing Ltd. Share	300	10	104,601	300	10	104,601
Stiefel Und. Schuh (I) Ltd.	400	10	4,000	400	10	4,000
Supriya Pharma Ltd.	500	10	10,000	500	10	10,000
Thambi Modern Spng.Mills	600	10	30,000	600	10	30,000
Timken India Ltd.	50	10	7,144	50	10	7,144
Tina Electronics Ltd.	1,100	10	11,000	1,100	10	11,000
Valley Abresive Ltd.	1,500	10	15,000	1,500	10	15,000
Eimco Elecon (I) Limited	100	10	18,446	100	10	18,446
Elecon Engineering Company Limited	100	2	7,218	100	2	7,218
Gujarat State Petronet Ltd.	200	10	19,690	200	10	19,690
Hindalco Industries Limited	200	1	28,820	200	1	28,820
IDFC limited	100	10	10,717	100	10	10,717
Neyveli Lignite Limited	1200	10	117,342	1,200	10	117,342
Steel Authority of India Limited	200	10	21,786	200	10	21,786
Tata Communication Limited	200	10	39,186	200	10	39,186
Tata Spong	100	10	29,759	100	10	29,759
Tata Steel Limited	100	10	44,491	100	10	44,491
The Shipping Corporation of India Limited	200	10	16,562	200	10	16,562
(C) DEBENTURE:						
Essar Oil Ltd.	4,100	105	430,500	4,100	105	430,500
(D) GOVERNMENT SECURITIES:						
National Saving Certificate (Pledged as security to excise dept)			51,000			51,000
TOTAL :			5,330,273			5,330,273
Aggregate Book Value of Investment						
- Unquoted			3,321,600			3,321,600
- Quoted Market Value Rs. 1642870/- (Previous year Rs. 1728307/-)			1,957,673			1,957,673
- Government Securities			51,000			51,000
TOTAL :			5,330,273			5,330,273





Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 14: LONG TERM LOANS AND ADVANCES				
<u>Unsecured Considered Good</u>				
Advances recoverable in cash or in kind or for value to be received.		2,170,400		2,347,091
Sundry Deposits		4,410,952		4,457,323
Advance Income Tax (Net of Provision for taxation)		3,090,519		-
Advances & Deposit to Related Parties		3,767,296		3,767,296
Advances for capital expenditure		505,000		707,732
Other Loans		3,715,000		3,535,000
TOTAL :		17,659,167		14,814,442
NOTE 15 : INVENTORIES				
[Valued as stated in the accounting policies in Note No. 1(iii)]				
Raw materials		55,732,703		66,837,917
Raw materials - Goods-in-transit		1,167,481		3,794,274
Work - in - progress @ (Refer Note below)		206,646,092		227,373,051
Finished goods		115,082,789		79,772,378
Finished goods - Goods-in-transit		23,734,873		35,064,897
Stock-in-trade		9,944,697		3,543,193
Stores and spares		8,244,930		7,318,403
Packing materials		4,501,071		4,497,193
TOTAL :		425,054,636		428,201,306
Note : Details of Inventory of work - in - progress				
a) Steel Bars & Tubes		3,835,721		5,225,549
b) Races		168,606,657		171,755,557
c) Cages		2,886,988		4,505,474
d) S.M. Race & Forged Rings		12,733,630		18,905,954
e) Other materials		18,583,096		26,980,517
TOTAL :		206,646,092		227,373,051
NOTE 16 : TRADE RECEIVABLES				
<u>Unsecured Considered Good</u>				
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		7,331,995		3,221,610
Other Trade Receivables		202,877,388		178,522,465
TOTAL :		210,209,383		181,744,075

Trade receivable due to partnership firms in which directors relatives are partners Rs. 3,42,191/- (Previous year Rs. 4,54,122/-).



Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 17 : CASH & CASH Equivalents				
Cash on Hand		1,720,968		938,763
Balance with Scheduled Bank				
In Current Account	10,189,965		16,335,290	
In fixed deposit A/c @	8,438,442		7,537,228	
In EEFC Account	111,911		1,806,147	
In Unpaid dividend A/c.	2,400,673	21,140,991	2,085,313	27,763,978
TOTAL :		22,861,959		28,702,741
@ Fixed deposits with banks which have an original maturity of more than 12 months				
NOTE 18 : SHORT TERM LOANS AND ADVANCES				
Unsecured Considered Good				
Advances recoverable in cash or in kind or for value to be received.		7,918,071		7,154,284
Advances for expenses		2,612,104		6,070,690
Advances for raw materials		3,015,068		2,533,385
Advances to Employees		4,577,284		5,213,760
Balance with Government authorities				
(a) Central Excise	2,661,887		2,478,788	
(b) VAT Credit Receivable	4,995,760		5,252,805	
(c) Service Tax Credit Receivable	2,153,628	9,811,275	3,754,854	11,486,447
Prepaid Expenses		2,090,336		1,373,433
TOTAL :		30,024,138		33,831,999
NOTE 19 : OTHER CURRENT ASSETS				
Interest Accrued on Deposit, Bond		118,363		74,377
Rent Receivable		-		110,629
TOTAL :		118,363		185,006
NOTE 20 : REVENUE FROM OPERATIONS				
(A) Sales of Products				
Sales of Manufactured Goods				
a) Bearings	560,810,058		705,375,866	
b) Bearing Components	151,640,339	712,450,397	157,657,643	863,033,509
Sales of Trade Goods		160,247,344		158,387,253
Wind Electric Power Income		7,744,152		7,236,841
(B) Other Operating Revenues				
a) Sales of scrap	6,161,665		7,850,460	
b) Job-work Income	464,716		1,073,504	
c) Duty Drawback & other export incentives	10,677,026		15,449,188	
		17,303,407		24,373,152
		897,745,300		1,053,030,755
Less : - Excise duty		35,428,187		35,839,078
TOTAL :		862,317,113		1,017,191,677





Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 21 : OTHER INCOME				
Interest Income		1,359,838		1,021,718
[Tax Deducted at Source Rs. 53699 (Previous Year Rs. 98778)]				
Dividend Income		14,149		10,254
From Long Term Investment				
Foreign Exchange Rate Diff. Income		6,484,095		11,500,711
Rent Income		120,000		120,000
Profit on sale of Fixed Assets		171,452		199,999
Miscellaneous income		285,684		545,795
TOTAL :		8,435,218		13,398,477
NOTE 22 : MATERIALS CONSUMED				
Opening Stock		70,632,191		79,112,067
Add: Purchases		219,172,636		367,567,627
		289,804,827		446,679,694
Less: Sales		3,313,533		7,672,392
		286,491,294		439,007,302
Less: Closing Stock		56,900,184		70,632,191
TOTAL :		229,591,110		368,375,111
Materials Consumed Comprises :				
a) Steel Bars & Tubes		71,176,205		104,924,477
b) Races		47,062,871		85,408,745
c) Cages		26,612,770		44,899,854
d) S.M. Race & Forged Rings		39,903,363		53,404,373
e) Other materials		44,835,901		79,737,662
TOTAL :		229,591,110		368,375,111
NOTE 23 : PURCHASE OF TRADED GOODS				
Purchase of Traded goods		134,921,946		126,884,551
TOTAL :		134,921,946		126,884,551
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK -IN-TRADE.				
Inventories at the end of the year				
Finished goods	138,817,662		114,837,275	
Semi-finished goods	206,646,092		227,373,051	
Stock - in - Trade	9,944,697	355,408,451	3,543,193	345,753,519
Inventories at the beginning of the year				
Finished goods	114,837,275		65,121,465	
Semi-finished goods	227,373,051		195,028,106	
Stock - in - Trade	3,543,193	345,753,519	2,908,185	263,057,756
Net (increase)/ decrease		(9,654,932)		(82,695,763)



Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 25 : EMPLOYEE BENEFIT EXPENSES				
Salary, wages & bonus		134,949,610		120,480,964
Contribution to Provident and other Fund (Refer Note No.)		9,683,255		8,931,143
Staff Welfare expenses		2,731,504		2,378,400
TOTAL :		147,364,369		131,790,507
NOTE 26 : FINANCE COSTS				
Interest expenses on :				
(i) Borrowings From Bank	9,286,504		8,084,069	
(ii) Creditors	2,707,182		2,949,087	
(ii) Others	12,340	12,006,026	43,513	11,076,669
TOTAL :		12,006,026		11,076,669
NOTE 27 : OTHER EXPENSES				
Stores & Spares consumed		61,059,478		72,702,235
Packing materials consumed		17,091,946		19,708,399
Job work charges		98,248,711		135,505,129
Power & Fuel		11,204,290		12,232,352
Rent		276,406		288,732
Repairs and Maintenance - Machinery		1,388,981		1,363,282
Repairs and Maintenance - Building		2,530,788		3,191,337
Repairs and Maintenance - Others		274,974		304,870
Insurance		1,138,555		862,735
Rates and Taxes		67,261		92,459
Communication		736,050		697,880
Travelling Exp.		7,124,632		5,830,829
Sales commission		18,041,719		19,812,059
Sales promotion		2,491,902		4,163,082
Sales-tax		12,209,469		14,717,921
Discount		6,967,968		6,135,908
Payment to Auditors (Refer Note below)		750,000		725,000
Service Tax		261,301		336,706
Other Misc.Expenses		56,251,438		64,839,683
TOTAL :		298,115,869		363,510,598
Payment to Auditors comprises (net of service tax)				
For Statutory Audit		375,000		350,000
For Taxation Matter		315,000		315,000
For Other Services		60,000		60,000
TOTAL :		750,000		725,000



NOTE 28 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
1. Contingent liabilities not provided for in respect of :

- [i] The claim of the agent of M/s. Accurate Engineering Company for the commission on the sales effected by the Company is not accepted. The matter is under dispute in the court and the amount is not ascertainable.
- [ii] Bank guarantees outstanding as at 31st March,2013 for which the Company has given counter guarantees amounting to Rs. 1,62,12,061/- (Previous year Rs. 1,15,41,801/-).
- [iii] Income Tax demand of Rs. 11,45,530/- (Previous year Rs. 72,34,520/-) raised by the Income Tax department at the time of Assessment. The said demand is disputed by the company. The company has paid Rs. 11,45,530/- (Previous year Rs. 21,70,400/-) 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 balance are subject to adjustment if any.

4. BUY BACK OF SHARES

Up to March 31, 2010, the Company had bought back and extinguished total 53,200 equity shares of Rs. 10 each at an average price of Rs. 54.99 per share, utilizing a sum of Rs. 29,35,463/- (inclusive of brokerage and applicable taxes total amount Rs.9,869/- The amount of Rs.23,93,594/- paid towards buy back of shares, in excess of the face value, had been charged to General Reserve Account. The Company had also transferred Rs 5,32,000/-from free reserves to Capital Redemption Reserve Account, which represents the nominal value of shares bought back during the previous year.

5. Value of raw materials and components consumed:

	2012-13		2011-12	
	% of total Consumption	Value Rs.	% of total Consumption	Value Rs.
Imported at landed cost	0.34	789,538	2.76	10,185,464
Indigeneously obtained	99.66	228,801,572	97.24	358,189,647
	100.00	229,591,110	100.00	368,375,111

6. The stores and spares consumed:

Imported at landed cost	–	–	–	–
Indigeneously obtained	100.00	61,059,478	100.00	72,702,235
	100.00	61,059,478	100.00	72,702,235

7. CIF Value of Imports

	Rs.	Rs.
Raw materials	73,735	9,362,006
Capital goods	–	–

8. Expenditure in foreign currency in respect of

- Travelling	1,333,969	780,004
- Sales Commission	323,925	286,341
- Marketing & Sales Pramotion Exp.	–	140,060
- Professional charges Exp.	561,178	–
- Seminar Expenses	–	47,496
- Subscription Expenses	164,408	–

9. Earnings in foreign exchange

Export of goods calculated on F.O.B. basis	385,953,388	463,719,303
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Notes forming parts of the financials statements for the year ended 31st March, 2013

10. DETAILS OF SEGMENT REPORTING:

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

(1) PRIMARY SEGMENT:

Particulars	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	<u>Bearing</u>	<u>Bearing</u>	<u>Power</u>	<u>Power</u>	<u>Total</u>	<u>Total</u>
1. SEGMENT REVENUE	863,008,179	1,023,353,313	7,744,152	7,236,841	870,752,331	1,030,590,154
Other Unallocated Revenue	-	-	-	-	-	-
TOTAL	863,008,179	1,023,353,313	7,744,152	7,236,841	870,752,331	1,030,590,154
Less: Inter Segment Revenue	-	-	7,744,152	7,236,810	7,744,152	7,236,841
Net Income from Operation	863,008,179	1,023,353,313	-	-	863,008,179	1,023,353,313
2. SEGMENT RESULTS						
PROFIT/ (LOSS) BEFORE TAX & INTEREST	45,688,733	99,354,633	3,930,371	3,477,559	49,619,104	102,832,192
LESS : Interest	-	-	-	-	12,006,026	11,076,669
Other unallocated Expenses					-	-
TOTAL PROFIT BEFORE TAX	45,688,733	99,354,633	3,930,371	3,477,559	37,613,078	91,755,523
3. CAPITAL EMPLOYED						
(SEGMENT ASSETS-SEGMENT LIABILITIES)						
Segment Assets	842,905,850	824,179,052	9,463,289	12,912,152	852,369,139	837,091,204
Add: Common assets	-	-	-	-	-	-
TOTAL ASSETS	842,905,850	824,179,052	9,463,289	12,912,152	852,369,139	837,091,204
Segment Liabilities	322,980,473	323,061,327	-	4,324	322,980,473	323,065,651
Add: Common Liabilities	-	-	-	-	7,881,208	13,442,318
TOTAL LIABILITIES	322,980,473	323,061,327	-	4,324	330,861,681	336,507,969
SEGMENT CAPITAL EMPLOYED	519,925,377	501,117,725	9,463,289	12,907,828	521,507,458	500,583,235

(2) GEOGRAPHICAL SEGMENTS :

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

Revenue	Rs.	
	2012-13	2011-12
Within India	451,316,166	526,378,512
Overseas	385,953,388	459,203,172
TOTAL:	837,269,554	985,581,684

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

	2012-13	2011-12	2012-13	2011-12
	Within India	770,621,515	803,427,474	16,861,449
Overseas	81,747,624	33,663,730	763,275	-
TOTAL:	852,369,139	837,091,204	17,624,724	21,414,715





Notes forming parts of the financials statements for the year ended 31st March, 2013

11. EARNINGS PER SHARE		2012-13	2011-12
Basic Earnings per Share	Rs.	7.77	18.31
Diluted Earnings per Share	Rs.	7.77	18.31
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:

		2012-13	2011-12
Profit	Rs.	27,027,501	63,676,448
The number of shares outstanding during the period:	Nos.	3477800	3477800

12. DEFERRED TAX LIABILITIES / (ASSETS):

Particulars		as at 31.03.2013 Rs.	as at 31.03.2012 Rs.
Deferred Tax Liabilities on account of Difference between book & Tax Depreciation		8,825,583	10,405,990
Deferred Tax Assets on account of Employees Benefits		(7,047,653)	(7,068,637)
		-	-
TOTAL :		(7,047,653)	(7,068,637)
		-	-
Deferred Tax Liabilities/(Assets) (Net)		1,777,930	3,337,353

13. 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.

14. Derivatives and Foreign Cuurrency 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.	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Currency	NIL	NIL	NIL	NIL	NIL	NIL
USD	NIL	NIL	NIL	NIL	NIL	NIL

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

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.	
	2012-13	2011-12	2012-13	2011-12
Payable				
USD	21,340	21,341	1,160,704	1,091,823
EURO	5,179	4,952	360,148	338,448
GBP	490	-	40,337	-
TOTAL			1,561,189	1,430,271



Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.	
	2012-13	2011-12	2012-13	2011-12
Receivable				
EURO	4,69,603	3,93,915	32,656,195	26,920,150
USD	9,02,618	1,31,814	49,091,429	6,743,580
TOTAL			81,747,624	33,663,730
BANK				
USD EEFC BANK ACCOUNT	–	8,555	–	437,653
EURO EEFC BANK ACCOUNT	1,609	20,025	111,911	1,368,494

15. REMITTANCE IN FOREIGN CUURENCY ON ACCOUNT OF DIVIDEND

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

	2012-13	2011-12
Number of share holder	1	1
Number of shares held	80000	80000
Amounts remitted	200000	200000
Year to which dividend relates	2011-12	2010-11

16. 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.

17. RELATED PARTY INFORMATION :

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

(1) Relationship

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

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

(b) Key Management Personnel

- | | |
|-------------------------|-------------------------|
| (i) Shri S M Thanki | (iii) Shri N C Vadgama |
| (ii) Shri R R Bambhania | (iv) Shri J R Bhogayata |

(c) Relative of Key Management Personnel

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

(d) Subsidiary Company

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

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



Notes forming parts of the financials statements for the year ended 31st March, 2013
(2) Transaction with Related Parties

Related Parties	(Amount in Rs.)							
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above		Referred in 1 (d) above	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
INCOME:								
(1) Sales of Goods & Mat.	12,728,072	18,784,511	-	-	-	-	130,192,988	215,941,705
(2) Job Work	359,716	1,073,504	-	-	-	-	-	-
(3) Tooling Charges	-	-	-	-	-	-	-	-
EXPENSES :								
(1) Purchase of Goods	30,676,646	194,015,015	-	-	-	-	-	-
(2) Remuneration	-	-	5,152,310	4,899,614	3,339,774	2,816,723	-	-
(3) Jobwork	32,259,794	45,147,980	-	-	-	-	-	-
(4) Interest	-	-	-	-	2,256,261	2,479,825	-	-
OUTSTANDING :								
Payable	15,498,179	19,931,632	383,600	363,600	20,978,978	18,904,215	-	-
Receivable	3,942,191	4,054,122	-	-	-	-	45,939,198	4,710,029

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

	2012-13	2011-12
Employer's Contribution to Provident Fund, E.S.I.	9,683,255	8,931,143

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	
	2012-13	2011-12	2012-13	2011-12
The amount recognised in the Balance Sheet are as follows :				
Present Value of obligation (Total Funded & Unfunded)	60,408,215	48,461,756	3,680,891	2,143,240
Fair value of plan assets	28,921,145	18,295,605	-	-
Unrecognised past service cost	-	-	-	-
Net liability in the Balance Sheet - (Un - funded)	31,487,070	30,166,151	3,680,891	2,143,240
The amount recognised in the Profit & Loss A/c are as follows :				
Current Service cost	3,015,378	2,084,629	1,873,301	1,764,830
Interest on obligation	3,876,940	2,547,949	171,459	112,546
Expected return on plan assets	-	-	-	-
Net actuarial losses (gains) recognised in year	6,922,228	3,776,720	(442,433)	890,508
past service cost	-	-	-	-
Losses (gains) on curtailment and settlements	-	-	-	-
Total included in 'employee benefit expenses'	11,833,896	7,583,444	1,602,327	2,764,884
Actual return on plan assets	1,980,650	825,854	-	-



Notes forming parts of the financials statements for the year ended 31st March, 2013

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

	2012-13	2011-12	2012-13	2011-12
Opening defined benefit obligation	48,461,756	39,290,801	2,143,240	1,406,826
Prior period adjustment	-	-	-	-
Service cost	3,015,378	2,488,747	1,873,301	1,764,830
Interest Cost	3,876,940	3,143,264	171,459	112,546
Actuarial losses (gains)	6,922,228	6,054,253	(442,433)	890,508
Benefits Paid	1,868,087	2,515,309	64,676	2,031,470
closing defined benefit obligation	60,408,215	48,461,756	3,680,891	2,143,240

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

Opening fair value of plan assets	18,295,605	12,054,802	-	-
Expected Return	1,980,650	1,227,527	-	-
Actuarial gains and (losses)	-	-	-	-
Contribution by Employer	10,513,596	7,528,585	-	-
benefits paid	1,868,706	2,515,309	-	-
Closing fair value of plan assets	28,921,145	18,295,605	-	-

Principal actuarial assumptions at the balance sheet date

Discount rate per annum as at 31 st march, 2013	8.00%	8.00%	8.00%	8.00%
Expected return per annum on plan assets as at 31.03. 2013	9.25%	9.15%	0.00%	0.00%
Salary Escalation per Annum	5.00%	5.00%	5.00%	5.00%
Retirement Age	60 years	60 years	60 years	60 years
Mortality	LIC 1994-96 Ultimate		LIC 1994 -96Ultimate	
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.

19. Previous year figures

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

20. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 & 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with Section 212 of the companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiary has been included in the Consolidated Financial statements.

21. 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

DHIRUBHAIH. DAND
Proprietor
M. No. 017117

Place : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhania Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013





**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO THE SUBSIDIARIES**

For the year ended 31st March, 2013

1	Name of the Company	ACCURATE ENGINEERING INC. U.S.A.
2	Financial Year of the Susidiary Company	31st March, 2013
3	No. of Shares held in Susidiary of Company as on the above date	50,000 Equity Shares of \$ 1 Each
4	% holding (Equity)	100%
5	% holding (Prefernce)	NIL
6	The net aggregate of Profit (Losses) of the Susidiary Company so far as they concern the members of the Company	
	a) Dealt with in the Accounts of the Company for the year ended 31st March, 2013	NIL
	b) Not dealt with in the Accounts of the Company for the year ended 31st March, 2013	\$ 27,205
7	The net aggregate of Profit (Losses) of the Susidiary Company for the previous financial year since it became a subsidiary company so far as they concern the members of the Company	
	a) Dealt with in the Accounts of the Company for the year ended 31st March, 2012	NIL
	b) Not dealt with in the Accounts of the Company for the year ended 31st March, 2012	\$ 41,994
8	Changes in the interest of the Company between the end of the financial year of the subsidiary company and of the Company's Financial year ended 31st March, 2013	NIL
9	Material changes between the end of the Financial year of the subsidiary company and the company's Financial year ended 31st March, 2013	N.A. as the year end of the Company and being the same as at 31st March, 2012
	(a) Fixed Assets (b) Investments (c) Money Lent	
	(d) Money borrowed other than those for meeting current liabilities	

For and on behalf of the Board of Directors

N. C. Vadgama	Chairman & Executive Director
S. M. Thanki	Managing Director
R. R. Bambhania	Joint Managing Director
J. R. Bhogayta	Executive Director



AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

**Independent Auditors' Report
To The Board of Directors 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 subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, 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.

Management's Responsibility for the Consolidated Financial Statements:

2. Management is responsible for the preparation of these consolidated financial statements 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
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 control relevant to the Group's preparation and presentation 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 management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 / consolidated financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters:

6. We did not audit the financial statements / consolidated financial statements of subsidiary, whose financial statements reflect total assets (net) of Rs. 9,06,21,409/- as at March 31, 2013, total revenues (net) of Rs. 15,67,87,655/- and net cash flows amounting to Rs. 67,75,308/- for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditor whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

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

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

**PLACE : JUNAGADH
DATE : 30th May, 2013**



Consolidated Balance Sheet as at 31.03.2013

Particulars	Note No.	31-03-2013		31-03-2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
(a) Share Capital	3	34,778,000		34,778,000	
(b) Reserves and Surplus	4	498,216,840	532,994,840	475,624,792	510,402,792
2. Non-current liabilities					
(a) Long-term borrowings	5	2,145,900		3,142,299	
(b) Deferred Tax liabilities/(Assets) (Net)	6	(2,519,768)		(214,811)	
(c) Long-term Provisions	7	2,760,669	2,386,801	1,607,430	4,534,918
3. Current Liabilities					
(a) Short term borrowings	8	77,102,025		81,829,244	
(b) Trade payables	9	178,487,025		168,504,654	
(c) Other current liabilities	10	42,114,570		40,107,102	
(d) Short term provisions	11	55,152,518	352,856,138	63,060,899	353,501,899
TOTAL			888,237,779		868,439,609
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12	114,615,558		117,309,746	
(ii) Intangible assets	12	27,203,412		28,251,351	
(b) Non-current investments	13	3,058,673		3,058,673	
(c) Long-term loans and advances	14	17,491,871	162,369,514	14,647,146	163,266,916
2. Current assets					
(a) Inventories	15	430,654,600		433,408,857	
(b) Trade receivables	16	226,525,033		200,664,287	
(c) Cash and Cash equivalents	17	38,546,131		37,082,544	
(d) Short-term loans and advances	18	30,024,138		33,831,999	
(e) Other current assets	19	118,363	725,868,265	185,006	705,172,693
TOTAL			888,237,779		868,439,609

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 : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhania Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013



Consolidated Statement of Profit and Loss for the Year ended 31.03.2013

Particulars	Note No.	31-03-2013		31-03-2012	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations	20	888,897,112		1,066,527,807	
II Other Income	21	8,449,887		13,410,168	
III Total Revenue (I + II)			897,346,999		1,079,937,975
IV Expenses					
Cost of Materials Consumed	22	229,591,110		368,375,111	
Purchases of Stock in Trade	23	134,921,946		129,718,003	
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	(9,654,932)		(70,277,866)	
Employee benefits expense	25	155,933,759		139,024,760	
Finance Costs	26	12,170,488		11,114,394	
Depreciation	12	21,671,053		20,662,141	
Other expense	27	310,386,809		386,691,626	
Total Expense			855,020,233		985,308,169
V Profit before exceptional and extraordinary items and tax (III-IV)			42,326,766		94,629,806
VI Exceptional Items			-		-
MTM Gains on derivative contracts for ineffective hedge					
VII. Profit before extraordinary items and tax (V-VI)			42,326,766		94,629,806
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			42,326,766		94,629,806
X Tax Expense					
(1) Current tax		12,899,477		32,765,123	
(2) Deferred tax		(2,304,957)	10,594,520	(4,241,703)	28,523,420
XI Profit for the period from continuing operations (IX - X)			31,732,246		66,106,386
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the year (XI + XIV)			31,732,246		66,106,386
XVI Earnings per equity share:					
(1) Basic			9.12		19.01
(2) Diluted			9.12		19.01
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

DHIRUBHAIH. DAND
Proprietor
M. No. 017117

Place : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhanian Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013**

PARTICULARS	2012-2013		2011-2012	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before extraordinary items and tax		42,326,766	94,629,806	
Adjustments for:				
Depreciation	21,671,053		20,662,141	
Finance Cost	12,170,488		11,114,394	
(Profit) / Loss on sale of Assets/shares	(171,452)		374,534	
Interest/Dividend Income	(1,373,987)		(1,031,972)	
Increase (decrease) in foreign exchange translation reserve	(3,036,920)		(101,696)	
		29,259,182		31,017,401
Operating Profit before working capital changes		71,585,948		125,647,207
Adjustments for : (increase)/decrease in operating assets :				
Inventories	2,754,257		(68,367,150)	
Trade Receivable	(25,860,746)		(20,983,117)	
Short Term loans & Advances	3,807,861		8,145,209	
Long Term Loans & Advances	(2,844,725)		(470,394)	
Other Current Assets	66,643		214,802	
Adjustments for : increase/(decrease) in operating liabilities				
Trade payables	9,982,371		1,818,324	
Other Current Liabilities	2,007,468		(1,567,350)	
Short Term Provisions	3,015,537		29,412,601	
Long Term Provisions	1,153,239	(5,918,095)	(22,754,608)	(74,551,683)
Cash generated from operations		65,667,853		51,095,524
Direct taxes paid		(19,650,255)		(28,913,946)
NET CASH FROM OPERATING ACTIVITIES :		46,017,598		22,181,578
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(17,928,927)		(20,521,412)
Purchase of Investments		-		(354,017)
Sale of Fixed Assets		-		925,000
Sale of Investments		-		-
Interest/Dividend Received		1,373,987		1,031,972
Net Cash used in investing activities		(16,554,940)		(18,918,457)
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long Term Borrowings (net)		(996,399)		2,055,741
Net Increase / Decrease in Short term Borrowings		(4,727,219)		899,537
Dividend Paid		(8,694,500)		(8,694,500)
Dividend Tax Paid		(1,410,465)		(1,410,465)
Finance Cost		(12,170,488)		(11,114,394)
Net Cash used in financial activities		(27,999,071)		(18,264,081)
Net increase in cash and cash equivalents(A+B+C)		1,463,587		(15,000,960)
Cash and Cash equivalents at the beginning of the year		37,082,544		52,083,504
Cash and Cash equivalents at the end of the year Note : 19		38,546,131		37,082,544
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 : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhanja Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013



Notes forming part of the Consolidated Financial Statement as at 31st March, 2013.

1. BACKGROUND

1.1 Overview :

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

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

1.2 Basis of Consolidation :

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

'Accurate' is a wholly owned subsidiary of 'Austin'. 'Accurate' provides Sale of Goods as well as Marketing and distribution Services for the finished products of 'Austin'.

1.3 Principles of Consolidation :

The Consolidated Financial Statements of the Group have been prepared based on a line-by-line consolidation of Profit & Loss Account & Balance Sheet.

All inter company balances and transactions within the group are eliminated on consolidation in terms of AS – 21.

The accompanying financial statements for the year ended 31st March, 2013, 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, 1956.

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 and other incidental expenses.

Depreciation on assets is provided on the basis of Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. 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.

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 and ESIC, which are defined contribution schemes, are charged to the Profit & Loss Account.

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 Profit & Loss account and are not deferred.

f. Excise :

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

g. Dividend :

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

h. Contingent liability :

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

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

i. Investment :

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

j. Export Incentives :

Export Incentives relating to DEPB Licenses and Duty drawback 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.

I. Earnings Per Share :

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

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

m. Provisions :

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

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

n. Cash and cash equivalents :

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

o. Taxation :

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

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

The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax rules that have enacted or substantially 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, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 3 : SHARE CAPITAL				
AUTHORISED :				
40,00,000 Equity Shares of Rs.10 each		40,000,000		40,000,000
ISSUED, SUBSCRIBED AND PAID UP :				
34,77,800 Equity Shares of Rs.10 each fully paid up. *		34,778,000		34,778,000
(Previous Year 34,77,800 Equity Shares of Rs. 10 each fully paid up.)				
TOTAL :		34,778,000		34,778,000

* 53200 Equity Shares of Rs. 10 each brought back during the period of five years immediately preceding the reporting date, total amount of share capital Rs. 532000/-

* 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 proportion 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				
Opening Balance	48,149,239		38,149,239	
Add: Transfer from Profit & Loss A/c	4,000,000	52,149,239	10,000,000	48,149,239
		143,204,124		139,204,124
Foreign Exchange Translation Reserve		(3,202,453)		(165,533)
Surplus				
Opening Balance	336,586,201		290,584,780	
Add. Profit for the year	31,732,246		66,106,386	
	368,318,447		356,691,166	
Less:-				
- Dividend on Equity shares	5,216,700		8,694,500	
- Tax on distributed profit on Equity shares	886,578		1,410,465	
- Transfer to General Reserve	4,000,000	358,215,169	10,000,000	336,586,201
TOTAL :		498,216,840		475,624,792



Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 5: LONG TERM BORROWINGS				
<u>SECURED</u>				
(A) Deferred Payment Loan				
from HDFC Bank (Refer Note : 10)		1,466,079		2,195,686
(excluding current maturity)				
(B) Capital Lease Obligation (Refer Note : 10)		679,821		946,613
TOTAL :		2,145,900		3,142,299

* Borrowings under Item (A) is Secured against Hypothecation of Vehicles

NOTE 6: DEFERRED TAX LIABILITIES

Deferred Tax Liabilities on account of				
Diferance between Book & Tax Depreciation		9,022,473		10,666,407
Deferred Tax Assets on Account of				
Employees Benefits & Accrued expenes		(11,542,241)		(10,881,218)
Deferred Tax Liabilities / (Assets)		(2,519,768)		(214,811)

NOTE 7: LONG TERM PROVISIONS

Leave Salary Provision		2,760,669		1,607,430
TOTAL :		2,760,669		1,607,430

NOTE 8: SHORT TERM BORROWINGS**SECURED**

Working Capital Loan				
from Bank of Baroda *		71,663,025		81,829,244
Loan from Bank		5,439,000		—
TOTAL :		77,102,025		81,829,244

* 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.





Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 09 : TRADE PAYABLES				
Trade Payables		178,487,025		168,504,654
TOTAL :		178,487,025		168,504,654

* 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. 383,600/-.(Previous year Rs. 363,600/-) .

NOTE 10: OTHER CURRENT LIABILITEIS

Current maturity of long term borrowings

Deferred Payment loan from HDFC Bank		1,646,071		1,114,757
Current portion of Lease		277,335		290,640
Creditors for Capital Goods		24,828,579		22,885,087
Advance Payment From Customers		3,219,216		4,220,739
Deffered Revenue		7,598,990		7,147,717
Other payables		–		239,672
Unpaid Dividend		2,400,673		2,085,313
Service Tax Payable		–		5,799
T.D.S., T.C.S. Payable		2,143,706		2,117,378
TOTAL :		42,114,570		40,107,102

* Payable on Purchase of Fixed Assets include amount due to H.U.F. of Directors. Rs. 1,42,31,561/- (Previous Year Rs. 1,28,44,371/-).

NOTE 11 : SHORT TERM PROVISIONS

Proposed Dividend		5,216,700		8,694,500
Provisions for Tax Proposed Dividend		886,578		1,410,465
Provisions for Income Tax (Net of Advance Tax & T.D.S.)		754,477		7,676,708
Bonus Provision		15,887,470		14,577,265
Gratuity Provision		31,487,070		30,166,151
Leave Salary Provision		920,223		535,810
TOTAL :		55,152,518		63,060,899



Notes forming parts of the financials statements for the year ended 31st March, 2013

NOTE 12 : Fixed Assets

SR. NO.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01/04/2012 Rs.	Addition During the year Rs.	Sales/Trans. During the year Rs.	Balance as at 31/03/2013 Rs.	Provided Upto 01/04/2012 Rs.	Provided During the year Rs.	Adjustment on account of Sales Rs.	Total as at 31/03/2013 Rs.	Balance as at 31/03/2013 Rs.	Balance as at 31/03/2012 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	47,433,596	3,343,858	-	50,777,454	21,065,928	1,651,356	-	22,717,284	28,060,170	26,367,668
4	Plant & Machinery	153,828,358	5,943,263	691,390	159,080,231	103,643,407	9,033,695	691,389	111,985,713	47,094,518	50,184,951
5	Plant & Machinery (100% Depreciation)	2,774,089	-	-	2,774,089	2,774,089	-	-	2,774,089	-	-
6	Electric Installation	9,861,931	36,175	-	9,898,106	9,805,480	56,859	-	9,862,339	35,767	56,451
7	Tools Dies & Measuring Instruments	38,290,601	1,930,168	-	40,220,769	33,749,322	1,365,789	-	35,115,111	5,105,658	4,541,279
8	Furniture & Fixture	13,470,800	3,203,470	-	16,674,270	8,711,782	992,032	-	9,703,814	6,970,456	4,759,018
9	Office & Factory Equipments	8,040,662	630,640	-	8,671,302	3,224,246	378,340	-	3,602,586	5,068,716	4,816,416
10	Vehicles	22,047,227	2,165,018	-	24,212,245	9,538,501	2,563,765	-	12,102,266	12,109,979	12,508,726
11	Computers	10,294,687	555,003	-	10,849,690	8,573,598	809,129	-	9,382,727	1,466,963	1,721,089
12	Wind Electric Power Converter	35,307,710	-	-	35,307,710	23,121,841	3,650,817	-	26,772,658	8,535,052	12,185,869
	Sub Total (A)	341,517,940	17,807,595	691,390	358,634,145	224,208,194	20,501,782	691,389	244,018,587	114,615,558	117,309,746
B	INTANGIBLE ASSETS										
1	'aec' TRADE MARK	40,861,000	-	-	40,861,000	13,892,740	817,220	-	14,709,960	26,151,040	26,968,260
2	Computer Software	2,121,259	121,332	-	2,242,591	838,168	352,051	-	1,190,219	1,052,372	1,283,091
	Sub Total (B)	42,982,259	121,332	-	43,103,591	14,730,908	1,169,271	-	15,900,179	27,203,412	28,251,351
	TOTAL (A + B)	384,500,199	17,928,927	691,390	401,737,736	238,939,102	21,671,053	691,389	259,918,766	141,818,970	145,561,097
	PREVIOUS YEAR	365,997,607	21,574,129	3,071,537	384,500,199	220,048,964	20,662,141	1,772,003	238,939,102	145,561,097	145,948,643
C	CAPITAL WORK IN PROGRESS (BUILDING)									-	-

NOTE 13 : NON CURRENT INVESTMENTS (AT COST)

Long Term Investments :

PARTICULARS	2012-2013			2011-2012		
	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
(B) QUOTED:						
Equity Share (Fully Paid)						
A.J.Brothers Ltd.	3,800	10	57,000	3,800	10	57,000
Ahmedabad Gases Ltd.	3,900	10	39,000	3,900	10	39,000
Antifriction Brg.Corpn.	177	10	7,130	177	10	7,130
Asahi Fibres Ltd.	3,000	10	30,000	3,000	10	30,000
Asian Bearings Ltd.	100	10	1,525	100	10	1,525
Bagri Min & Chem Ltd.	2,600	10	26,000	2,600	10	26,000
Bhupendra Cap. & Fin.Ltd.	1,700	10	68,000	1,700	10	68,000
Cosboard Ind. Ltd.	1,400	10	19,600	1,400	10	19,600
Damania Cap.Markets Ltd.	9,300	10	279,000	9,300	10	279,000

Notes forming parts of the financials statements for the year ended 31st March, 2013
NOTE 13 : NON CURRENT INVESTMENTS (AT COST) (Contd....)

PARTICULARS	2012-2013			2011-2012		
	No. of Shares	Face Value Rs.	Rs.	No. of Shares	Face Value Rs.	Rs.
Fag Bearings Ltd. Share	100	10	53,650	100	10	53,650
Gujarat Meditech Ltd.	900	10	9,000	900	10	9,000
Hindustan Agri Ltd.	700	10	7,000	700	10	7,000
Indo Dutch Protiens Ltd.	700	10	7,000	700	10	7,000
Kongarar Textiles Ltd.	600	10	27,000	600	10	27,000
NHC Food. Ltd.	525	10	15,000	525	10	15,000
NRB Bearings share	100	2	4,593	100	2	4,593
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
Wintac Limited	700	10	70,000	700	10	70,000
Reliance Industries Ltd. Share	124	10	173,913	124	10	173,913
SKF Bearing Ltd. Share	300	10	104,601	300	10	104,601
Stiefel Und.Schuh (I) Ltd.	400	10	4,000	400	10	4,000
Supriya Pharma Ltd.	500	10	10,000	500	10	10,000
Thambi Modern Spng.Mills	600	10	30,000	600	10	30,000
Timken India Ltd.	50	10	7,144	50	10	7,144
Tina Electronics Ltd.	1,100	10	11,000	1,100	10	11,000
Valley Abresive Ltd.	1,500	10	15,000	1,500	10	15,000
Eimco Elecon (I) Limited	100	10	18,446	100	10	18,446
Elecon Engineering Company Limited	100	2	7,218	100	2	7,218
Gujarat State Petronet Ltd.	200	10	19,690	200	10	19,690
Hindalco Industries Limited	200	1	28,820	200	1	28,820
IDFC limited	100	10	10,717	100	10	10,717
Neyveli Lignite Limited	1200	10	117,342	1,200	10	117,342
Steel Authority of India Limited	200	10	21,786	200	10	21,786
Tata Communication Limited	200	10	39,186	200	10	39,186
Tata Spng	100	10	29,759	100	10	29,759
Tata Steel Limited	100	10	44,491	100	10	44,491
The Shipping Corporation of India Limited	200	10	16,562	200	10	16,562
(C) DEBENTURE:						
Essar Oil Ltd.	4,100	105	430,500	4,100	105	430,500
(D) GOVERNMENT SECURITIES :						
National Saving Certificate (Pledged as security to excise dept)			51,000			51,000
TOTAL :			3,058,673			3,058,673
Aggregate Book Value of Investment						
- Unquoted			1,050,000			1,050,000
- Quoted Market Value Rs. 1642870/- (Previous year Rs. 1728307/-)			1,957,673			1,957,673
- Government Securities			51,000			51,000
TOTAL :			3,058,673			3,058,673



Notes forming parts of the financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 14 : LONG TERM LOANS AND ADVANCES				
<u>Unsecured Considered Good</u>				
Advances recoverable in cash or in kind or for value to be received.		2,170,400		2,347,091
Sundry Deposits		4,410,952		4,457,323
Advance Income Tax (Net of Provision for taxation)		3,090,519		—
Advances & Deposit to Related Parties		3,600,000		3,600,000
Advances for capital expenditure		505,000		707,732
Other Loans		3,715,000		3,535,000
TOTAL :		17,491,871		14,647,146
NOTE 15 : INVENTORIES				
[Valued as stated in the accounting policies in Note No. 1(iii)]				
Raw materials		55,732,703		66,837,917
Raw materials - Goods-in-transit		1,167,481		3,794,274
Work - in - progress @ (Refer Note below)		206,646,092		227,373,051
Finished goods		115,082,789		79,772,378
Finished goods - Goods-in-transit		23,734,873		35,064,897
Goods on Consignment With Customer		5,599,964		5,207,551
Stock -in -trade		9,944,697		3,543,193
Stores and spares		8,244,930		7,318,403
Packing materials		4,501,071		4,497,193
TOTAL :		430,654,600		433,408,857
Note : Details of Inventory of work - in - progress				
a) Steel Bars & Tubes		3,835,721		5,225,549
b) Races		168,606,657		171,755,557
c) Cages		2,886,988		4,505,474
d) S.M. Race & Forged Rings		12,733,630		18,905,954
e) Other materials		18,583,096		26,980,517
TOTAL :		206,646,092		227,373,051
NOTE 16 : TRADE RECEIVABLES				
<u>Unsecured Considered Good</u>				
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		14,212,004		3,221,610
Other Trade Receivables		212,313,029		197,442,677
TOTAL :		226,525,033		200,664,287

Trade receivable due to partnership firms in which directors relatives are partners Rs. 3,42,191/- (Previous year Rs. 4,54,122/-).





Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 17 : CASH & CASH Equivalents				
Cash on Hand		1,720,968		938,763
Balance with Bank				
In Current Account	25,874,137		24,715,093	
In fixed deposit A/c @	8,438,442		7,537,228	
In EEFC Account	111,911		1,806,147	
In Unpaid dividend A/c.	2,400,673	36,825,163	2,085,313	36,143,781
TOTAL :		38,546,131		37,082,544

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

NOTE 18 : SHORT TERM LOANS AND ADVANCES

Unsecured Considered Good

Advances recoverable in cash or in kind or for value to be received.		7,918,071		7,154,284
Advances for expenses		2,612,104		6,070,690
Advances for raw materials		3,015,068		2,533,385
Advances to Employees		4,577,284		5,213,760
Balance with Government authorities				
(a) Central Excise	2,661,887		2,478,788	
(b) VAT Credit Receivable	4,995,760		5,252,805	
(c) Service Tax Credit Receivable	2,153,628	9,811,275	3,754,854	11,486,447
Prepaid Expenses		2,090,336		1,373,433
TOTAL :		30,024,138		33,831,999

NOTE 19 : Other Current assets

Interest Accrued on Deposit, Bond		118,363		74,377
Rent Receivable		-		110,629
TOTAL :		118,363		185,006

NOTE 20 : Revenue from Operations

(A) Sales of Products				
Sales of Manufactured Goods				
a) Bearings	587,390,057		754,711,996	
b) Bearing Components	151,640,339	739,030,396	157,657,643	912,369,639
Sales of Trade Goods		160,247,344		158,387,253
Wind Electric Power Income		7,744,152		7,236,841
(B) Other Operating Revenues				
a) Sales of scrap	6,161,665		7,850,460	
b) Job-work Income	464,716		1,073,504	
c) Duty Drawback & other export incentives	10,677,026		15,449,188	
		17,303,407		24,373,152
		924,325,299		1,102,366,885
Less : - Excise duty		35,428,187		35,839,078
TOTAL :		888,897,112		1,066,527,807



Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 21 : OTHER INCOME				
Interest Income		1,359,838		1,021,718
[Tax Deducted at Source Rs. 53699 (Previous Year Rs. 98778)]				
Dividend Income		14,149		10,254
From Long Term Investment				
Foreign Exchange Rate Diff. Income		6,484,095		11,500,711
Rent Income		120,000		120,000
Profit on sale of Fixed Assets		171,452		199,999
Miscellaneous income		300,353		557,486
TOTAL :		8,449,887		13,410,168
NOTE 22 : MATERIALS CONSUMED				
Opening Stock		70,632,191		79,112,067
Add: Purchases		219,172,636		367,567,627
		289,804,827		446,679,694
Less: Sales		3,313,533		7,672,392
		286,491,294		439,007,302
Less: Closing Stock		56,900,184		70,632,191
TOTAL :		229,591,110		368,375,111
Materials Consumed Comprises :				
a) Steel Bars & Tubes		71,176,205		104,924,477
b) Races		47,062,871		85,408,745
c) Cages		26,612,770		44,899,854
d) S.M. Race & Forged Rings		39,903,363		53,404,373
e) Other materials		44,835,901		79,737,662
TOTAL :		229,591,110		368,375,111
NOTE 23 : PURCHASE OF TRADED GOODS				
Purchase of Traded goods		134,921,946		129,718,003
TOTAL :		134,921,946		129,718,003
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK -IN-TRADE.				
Inventories at the end of the year				
Finished goods	138,817,662		114,837,275	
Semi-finished goods	206,646,092		227,373,051	
Stock - in - Trade	9,944,697	355,408,451	3,543,193	345,753,519
Inventories at the beginning of the year				
Finished goods	114,837,275		77,539,362	
Semi-finished goods	227,373,051		195,028,106	
Stock - in - Trade	3,543,193	345,753,519	2,908,185	275,475,653
Net (increase)/ decrease		(9,654,932)		(70,277,866)





Notes forming parts of the Consolidated financials statements for the year ended 31st March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
NOTE 25 : Employee Benefit Expenses				
Salary,wages & bonus		143,519,000		127,715,217
Contribution to Provident and other Fund		9,683,255		8,931,143
Staff Welfare expenses		2,731,504		2,378,400
TOTAL :		155,933,759		139,024,760
NOTE 26 : FINANCE COSTS				
Interest expenses on :				
(i) Borrowings From Bank	9,450,966		8,084,069	
(ii) Creditors	2,707,182		2,949,087	
(ii) Others	12,340	12,170,488	81,238	11,114,394
TOTAL :		12,170,488		11,114,394
NOTE 27 : OTHER EXPENSES				
Stores & Spares consumed		61,059,478		72,702,235
Packing materials consumed		17,091,946		19,708,399
Job work charges		98,248,711		135,505,129
Power & Fuel		11,204,290		12,232,352
Rent		472,714		461,928
Repairs and Maintenance - Machinery		1,388,981		1,363,282
Repairs and Maintenance - Building		2,530,788		3,191,337
Repairs and Maintenance - Others		274,974		304,870
Insurance		1,138,555		862,735
Rates and Taxes		862,308		808,653
Communication		736,050		697,880
Travelling Exp.		7,518,884		5,934,128
Sales commission		18,041,719		19,812,059
Marketing Expenses		9,847,300		20,975,404
Sales promotion		2,491,902		4,163,082
Sales-tax 12,209,469		14,717,921		
Discount 6,967,968		6,135,908		
Payment to Auditors (Refer Note below)		1,158,975		1,085,825
Bad - Debt Written Off		-		40,052
Service Tax		261,301		336,706
Other Misc.Expenses		56,880,496		65,651,741
TOTAL :		310,386,809		386,691,626
Payment to Auditors comprises (net of service tax)				
For Statutory Audit		783,975		710,825
For Taxation Matter		315,000		315,000
For Other Services		60,000		60,000
TOTAL :		1,158,975		1,085,825



Note 28 Additional Information to the Financial Statements

1. Contingent liabilities not provided for in respect of:

- [i] The claim of the agent of M/s. Accurate Engineering Company for the commission on the sales effected by the Company is not accepted. The matter is under dispute in the court and the amount is not ascertainable.
- [ii] Bank guarantees outstanding as at 31st March,2013 for which the Company has given counter guarantees amounting to Rs. 1,62,12,061/- (Previous year Rs. 1,15,41,801/-).
- [iii] Income Tax demand of Rs. 11,45,530 (Previous year Rs. 72,34,520/-) raised by the Income Tax department at the time of Assessment. The said demand is disputed by the company. The company has paid Rs.11,45,530/- (Previous year Rs. 21,70,400/-) 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.

2 BUY BACK OF SHARES

Up to March 31, 2010, the Company had bought back and extinguished total 53,200 equity shares of Rs. 10 each at an average price of Rs. 54.99 per share, utilizing a sum of Rs. 29 lacs (inclusive of brokerage and applicable taxes total amount Rs. 9,869/- - The amount of Rs. 24 lacs paid towards buy back of shares, in excess of the face value, had been charged to General Reserve Account. The Company had also transferred Rs 5 lacs from free reserves to Capital Redemption Reserve Account, which represents the nominal value of shares bought back during the previous year.

3. 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 Pvt. Ltd.
- (ii) SNR Enterprises
- (iii) Austin Traders
- (iv) Optimum Services Inc.
- (v) Accord Precision Products

(b) Key Management Personnel

- (i) Shri S M Thanki
- (ii) Shri N C Vadgama
- (iii) Shri J R Bhogayta
- (iv) Shri R R Bambhania
- (v) Shri B N Vadgama
- (vi) Shri H N Vadgama (SEPT. 12 & OCT. 12)

(c) Relative of Key Management Personnel

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

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

(2) Transaction with Related Parties

(Amount in Rs.)

Particulars	Related Parties					
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
INCOME						
(1) Sales of Goods & Mat.	12,728,072	18,784,511	-	-	-	-
(2) Job Work	359,716	1,073,504	-	-	-	-
EXPENSES						
(1) Purchase of Goods	30,676,646	194,015,015	-	-	-	-
(2) Remuneration	-	-	9,674,839	8,046,008	3,339,774	2,816,723
(3) Jobwork	32,259,794	45,147,980	-	-	-	-
(4) Interest	-	-	-	-	2,256,261	2,479,825
OUTSTANDING						
Payable	15,498,179	19,931,632	383,600	363,600	20,978,978	18,904,215
Receivable	3,942,191	4,054,122	-	-	-	-



4. DETAILS OF SEGMENT REPORTING :

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

(Amount in Rs.)

(1) PRIMARY SEGMENT :

Particulars	2012-13		2011-12		2012-13		2011-12	
	Bearing	Bearing	Power	Power	Total	Total	Total	Total
1. SEGMENT REVENUE	889,602,847	1,072,701,134	7,744,152	7,236,841	897,346,999	1,079,937,975		
Other Unallocated Revenue	-	-	-	-	-	-		
TOTAL	889,602,847	1,072,701,134	7,744,152	7,236,841	897,346,999	1,079,937,975		
Less: Inter Segment Revenue	-	-	7,744,152	7,236,841	7,744,152	7,236,841		
Net Income from Operation	889,602,847	1,072,701,134	-	-	889,602,847	1,072,701,134		
2. SEGMENT RESULTS								
PROFIT/(LOSS) BEFORE TAX & INTEREST	50,566,883	102,266,641	3,930,371	3,477,559	54,497,254	105,744,200		
LESS: Interest	-	-	-	-	12,170,488	11,114,394		
Other unallocated Expenses	-	-	-	-	-	-		
TOTAL PROFIT BEFORE TAX	50,566,883	102,266,641	3,930,371	3,477,559	42,326,766	94,629,806		
3. CAPITAL EMPLOYED								
(SEGMENT ASSETS-SEGMENT LIABILITIES)								
Segment Assets	878,774,490	855,527,457	9,463,289	12,912,152	888,237,779	868,439,609		
Add: Common assets	-	-	-	-	2,519,768	214,811		
TOTAL ASSETS	878,774,490	855,527,457	9,463,289	12,912,152	890,757,547	868,654,420		
Segment Liabilities	351,659,429	348,142,339	-	4,324	351,659,429	348,146,663		
Add: Common Liabilities	-	-	-	-	6,103,278	10,104,965		
TOTAL LIABILITIES	351,659,429	348,142,339	-	4,324	357,762,707	358,251,628		
SEGMENT CAPITAL EMPLOYED	527,115,061	507,385,118	9,463,289	12,907,828	532,994,840	510,402,792		

(2) GEOGRAPHICAL SEGMENTS :

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

Revenue	2012-13	2011-12
Within India	451,316,166	526,378,512
Overseas	412,533,387	508,539,302
TOTAL:	863,849,553	1,034,917,814

(b) Assets base on geographical location:

Particulars	Carrying Amount of Segment assets		Addition to Fixed Assets and Intangible Assets	
	2012-13	2011-12	2012-13	2011-12
Within India	768,349,915	803,427,474	16,861,449	21,414,715
Overseas	119,887,864	65,012,135	1,067,478	159,414
TOTAL:	888,237,779	868,439,609	17,928,927	21,574,129

5. Previous year figures

The company has regrouped / rearranged previous year figures in view of easy comparison with current year figures.

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

As per our Report of even date
For **DHIRUBHAI DAND & Co.,**
(Firm Registration No. 118190W)
Chartered Accountants

DHIRUBHAI H. DAND
Proprietor
M. No. 017117
Place : Junagadh
Date : 30th May, 2013

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director
S. M. Thanki Managing Director
R. R. Bambhania Joint Managing Director
J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30th May, 2013

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

(BASED ON AUDITED RESULT)

(Amount in Rs.)

S. N.	NAME OF THE SUBSIDIARY COMPANY	REPORTING CURRENCY	CAPITAL	RESERVES	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENT TURNOVER/ TOTAL REVENUE	PROFIT BEFORE TAXATION	PROFIT AFTER TAXATION	PROPOSED DIVIDEND	COUNTRY	
1	ACCURATE ENGINEERING INC. - U.S.A.	INR	2719500	13036086	90621409	90621409	NIL	156787655	1492432	1483489	NIL	U.S.A.
		US \$	50000	239678	1666141	1666141	NIL	2875255	27369	27205	NIL	





AUSTIN ENGINEERING COMPANY LIMITED

Village : Patla, Taluka : Bhesan, Oist.: Junagadh - 362 030.

FORM OF PROXY

DP ID** :	
CLIENT ID** :	

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

I/we _____ resident of _____

_____ being member(s) of

AUSTIN ENGINEERING COMPANY LTD. hereby appoint Mr./Ms. _____

of _____ or failing him Mr./Ms. _____

of _____ as my/our proxy to vote for me/us my/our behalf at the 35th Annual

General Meeting of the Company to be held on Monday, 23rd September, 2013 at 11-00 A.M.

Signed this _____ day of _____ 2013

Affix 1 Rupee Revenue Stamp
--

Signature of Member(s)

Notes:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. The proxy from duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting. "Applicable to the members whose shares are held on dematerialized form.



AUSTIN ENGINEERING COMPANY LIMITED

Village : Patla, Taluka : Bhesan, Oist.: Junagadh - 362 030.

ATTENDANCE SLIP

DP ID** :	
CLIENT ID** :	

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

Full Name of the member attending _____

Full Name of the joint-holder _____

To be filled in if the member does not attend the meeting)

Name of Proxy _____

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

I/we hereby record my presence at the 35th Annual General Meeting of the Company held at the Registered Office of the Company on Monday, 23rd September, 2013 at 11-00 A.M.

Signed this _____ day of _____ 2013

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 / TS 16949:2009**
(3rd edition, 2009-06-15)
Certificate Registr. No. **01 111 058896**
IATF Certificate No. **0123700**

TÜV Rheinland Cert GmbH certifies:

Certificate Holder:
Austin Engineering Company Limited
Village Patla, Taluka Bhesan
Via. Ranpur (Sorath) Post, Hadmatliya District,
Junagadh - 362 030, Gujarat, India.

Scope: **Manufacture of Antifiction Bearings for Automotive Application
-with product design and development-**

An audit was performed, Report No. 058896. Proof has been furnished that the requirements according to ISO / TS 16949:2009 are fulfilled.
The due date for all future audits is 12-05 (dd.mm).

Validity: The certificate is valid from 2011-07-04 until 2014-07-13.

2011-07-04



2-IAO-QMC-01003

J. V. Vindch

TÜV Rheinland Cert GmbH *)
Am Grauen Stein - 51105 Köln
Deutschland



Certificate

Standard **ISO 9001:2008**
Certificate Registr. No. **01 100 058896**

TÜV Rheinland Cert GmbH certifies:

Certificate Holder:
Austin Engineering Company Limited
Village Patla, Taluka Bhesan
Via. Ranpur (Sorath) Post, Hadmatliya District,
Junagadh - 362 030, Gujarat, India.

Scope: **Desing and Manufacture of Antifiction Bearings**

An audit was performed, Report No. 058896. Proof has been furnished that the requirements according to ISO 9001:2008 are fulfilled.
The due date for all future audits is 17-04 (dd.mm).

Validity: The certificate is valid from 2012-08-02 until 2015-06-14.
First certification 2009

2012-08-02

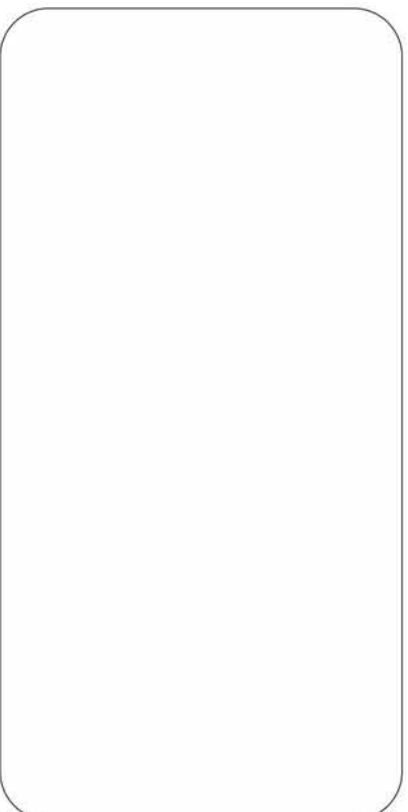


DSA-ZM-56-95-00

J. V. Vindch

TÜV Rheinland Cert GmbH *)
Am Grauen Stein - 51105 Köln

Book - Post



If undelivered, please return to :

AUSTIN ENGINEERING COMPANY LIMITED

Village : Patla, Taluka : Bhesan,

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