



AUSTIN ENGINEERING COMPANY LIMITED



CERTIFICATE

The **TÜV CERT** Certification Body
of **TÜV Anlagentechnik GmbH**

TUV Rheinland/Berlin-Brandenburg Group of Companies

certifies in accordance with TÜV CERT procedures that

Austin Engg. Co. Ltd.

**Patla, Tal. Bhesan,
Dist. Junagadh - 362 030, India**

has established and applies a quality system for
**Design and Manufacturing of Antifriction Bearings &
Components**

An audit was performed, Report No. **99553**

Proof has been furnished that the requirements according to

DIN EN ISO 9001:2000

are fulfilled.

The certificate is valid until **October 2005**

Certificate Registration No. **01 100 99553**



**TÜV Rheinland /
Berlin-Brandenburg**



S. Bhargava

**TÜV CERT Certification Body of
TÜV Anlagentechnik GmbH**

Cologne, 2002-10-21

AUSTIN ENGINEERING COMPANY LIMITED

26th ANNUAL REPORT 2003-2004

: BOARD OF DIRECTORS :

Mr. N. C. VADGAMA	:	Chairman & Executive Director
Mr. S. M. THANKI	:	Managing Director
Mr. R. N. BAMBHANIA	:	Joint Managing Director
Mr. J. R. BHOGAYTA	:	Executive Director
Mr. S. V. VAISHNAV	:	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
GOKUL CHAMBER, JUNAGADH - 362 001.

: COST AUDITORS :

S. B. PARIKH & CO.
Cost Accountants, VADODARA

: BANKERS :

BANK OF BARODA, JUNAGADH

: REGISTRAR & TRANSFER AGENT :

SHAREPRO SERVICES
SAYAM ESTATE, 3rd FLOOR, ABOVE BANK OF BARODA, CARDINAL GRACIOUS ROAD,
ANDHERI (E.) CHAKALA, MUMBAI - 400 009.

: REGISTERED OFFICE & WORKS :

VILLAGE : PATLA, TALUKA : BHESAN, DIST. : JUNAGADH - 362 030.

: JUNAGADH OFFICE :

101, G.I.D.C. ESTATE, VADAL ROAD, JUNAGADH - 362 003.

Visit us at <http://www.aec-bearings.com>

AUSTIN ENGINEERING COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Twenty Sixth 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 Wednesday, 22nd September, 2004 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 31st March, 2004 and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri S V Vaishnav, who retires by rotation and being eligible offers himself for re-appointment.
3. 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 authorise the Board of Directors to fix their remunerations.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution : -

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Exchange Board of India (Delisting of Securities) guidelines 2003 and any further amendments thereof if any in the said regards, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, Listing Agreement, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which Board of Directors of the Company be and is hereby authorised to agree to, if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to de-list the equity shares of the Company from the Ahmedabad Stock Exchange -Ahmedabad.

By order of the Board of Directors

Place : Patla, Dist. Junagadh
Date : 23rd June, 2004

N. C. VADGAMA
Chairman

AUSTIN ENGINEERING COMPANY LIMITED**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 15th September, 2004 to 22nd September, 2004 (both days inclusive).
3. 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.
4. Member/Proxies are requested to bring with them duly filled attendance slip for attending the meeting.
5. Those members who have so far not encashed their dividend for the year 1996-97 and 1997-98 should approach the Company for payment or otherwise the same will be transferred to Investor Education and Protection Fund on the expiry of the specified period.
6. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

Report  junction.com

AUSTIN ENGINEERING COMPANY LIMITED**ANNEXURE TO NOTICE**

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

ITEM NO. 4 :

Presently the Company's equity shares are listed on three Stock Exchanges in India viz., namely : The Stock Exchange Ahmedabad, The Stock Exchange Mumbai and The Delhi Stock Exchange Association Ltd.

There has been hardly any tradings of Company's equity shares on Ahmedabad Stock Exchange since last more than a decade and hence no useful purpose is served by continued listing. The Company has therefore proposed this resolution which will enable it to delist equity shares of the Company from the Ahmedabad Stock Exchange.

In line with the SEBI Regulations and the Listing Agreement entered into with the various stock exchanges, members approval is being sought by a Special Resolution for enabling voluntary delisting of its securities i.e. equity shares from the said Stock Exchange Ltd.

The Company is also separately giving special notice of the proposed enabling resolution for the said de-listing of its securities in one English Newspaper and one Newspaper circulating in the region of the Ahmedabad Stock Exchange.

The Company's securities i.e. equity shares will continue to be listed on the Mumbai Stock Exchange. The de-listing will take effect after all approvals, permissions and sanctions are received. The exact date on which de-listing will take effect will be suitably notified at that time.

The proposed de-listing of the Company's securities from the said stock exchange as and when the same takes place, will not adversely affect the investors, with the extensive networking of the stock exchange, Mumbai and the extension of their terminals to other cities as well, investors have access to on-line dealings in the Company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place on The Stock Exchange, Mumbai.

The Directors, therefore, recommend the resolution for your approval.

None of the Directors of the Company is, any way, concerned or interested in the resolution.

By order of the Board

Place : Patla, Dist.: Junagadh.
Date : 23rd June, 2004

N. C. VADGAMA
Chairman

AUSTIN ENGINEERING COMPANY LIMITED

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report with the audited accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS :

Rs.in lacs.

	2003-2004	2002-2003
Gross profit before Interest Depreciation and Tax	343.79	253.44
Less : Interest and Depreciation	235.41	281.75
Profit (Loss) before Tax	108.38	(28.31)
Less : Provision for Taxation	8.00	-
Deferred Tax Assets (Liabilities)	(45.30)	05.94
Profit (loss) after Tax.	55.08	(22.37)
Add : Balance brought forward from last year.	301.15	323.52
Less : Amortisation of Intengible Assets	90.38	-
Profit available for appropriations	<u>265.85</u>	<u>301.15</u>
Balance carried forwarded to next year	<u>265.85</u>	<u>301.15</u>

BEARING INDUSTRY REVIEW :

The Indian economy performed well in the year 2004, with all sectors viz. Agriculture Industry and services contributing to a good growth. The general index of individual performance (IIP) has also shown good growth. The domestic as well as export sales both in industrial and automobile sectors grow well and exceeded the industry performance.

The Company continues to emphasis on cost reduction and productivity which helped in improving profitability. The Company also has developed new sizes of Bearings to satisfy the buyers of new segment.

OPERATING RESULTS :

The Company has performed very well during the year under review. The Sales during the year were Rs. 3451.29 Lacs as against Rs. 2678.15 Lacs in the previous year. The sales thus registered an increase of 28.87 % . The company has earned net profit of Rs. 55.08 lacs during the year as against the net loss of Rs. 22.37 lacs in previous year. The prospect of the Company for the current year is good.

The Company continued to launch a numbers of new and higher value added products which will further strengthen the Company's competitiveness in the future.

Export sales predominantly to U.S. and European Market has increased by 48 % which showed positive growth in the year under review.

AUSTIN ENGINEERING COMPANY LIMITED

DIVIDEND :

To Conserve the resources, the Board of the Directors, regrets its inability to recommended dividend for the year under review.

FIXED DEPOSITS :

Fixed Deposits accepted by the Company were within the prescribed limits. No deposits were matured during the year under review.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Shri S V Vaishnav, a Director retires by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, your 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, 2004 and of the loss of the Company for that year.
- (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 retire at the conclusion of the ensuing Annual General Meeting. They are eligible for re-appointment and have furnished certificate to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224(B) of the Companies Act, 1956.

COST AUDITORS :

Pursuant to the provisions of section 233B of the Companies Act, 1956 necessary approval had been obtained from the Department of Company Affairs for the appointment of M/s.S.B.Parikh & Co. as Cost Auditors to Audit the Cost Accounts maintained by the Company for the year ending March 31, 2004.

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 Company Secretary at the Registered Office of the Company.

AUSTIN ENGINEERING COMPANY LIMITED

CORPORATE GOVERNANCE REPORT :

A separate section 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 with the Stock Exchanges, form Part of this Annual Report.

DELISTING :

In accordance with the approval granted by the shareholders at its Annual General Meeting of the Company held on 20th September, 2001, the delisting from the Stock Exchange at Delhi is in advance stage and the approval is expected to be received soon.

The Company's equity shares shall however continued to be listed on stock exchange, Mumbai (BSE), and NSDL which have nationwide trading terminals. The registration with CDSL is also in advance stage.

FORMATION OF SUBSIDIARY COMPANY :

To enhance the growth of Export of the Company, the Company has formed Wholly Owned Subsidiary at U.S.A. namely Accurate Engineering Inc. in the month of April, 2004.

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 OUT GO :

Information as per section 217(1) (E) of the Companies Act read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 is annexed to this report.

ACKNOWLEDGMENT :

The Directors wish to place on record their gratitude for the continued co-operation and patronage extended by the 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 and Government agencies. The Board of Directors wishes to express its appreciation for the efforts and contribution made by the employees at all levels during the year under report.

On behalf of the Board of Directors.

Place : Patla, Dist.:Junagadh.
Date : 23rd June, 2004

N. C. VADGAMA
Chairman

AUSTIN ENGINEERING COMPANY LIMITED

ANNEXURE (I)

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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 at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

(d) The aforesaid measures have resulted in a saving in the consumption of electricity & Fuel.

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

Specific areas in which R & D is carried out by the Company :

(i) The R & D efforts of the Company are directed towards quality assurance, improvement/upgradation 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.