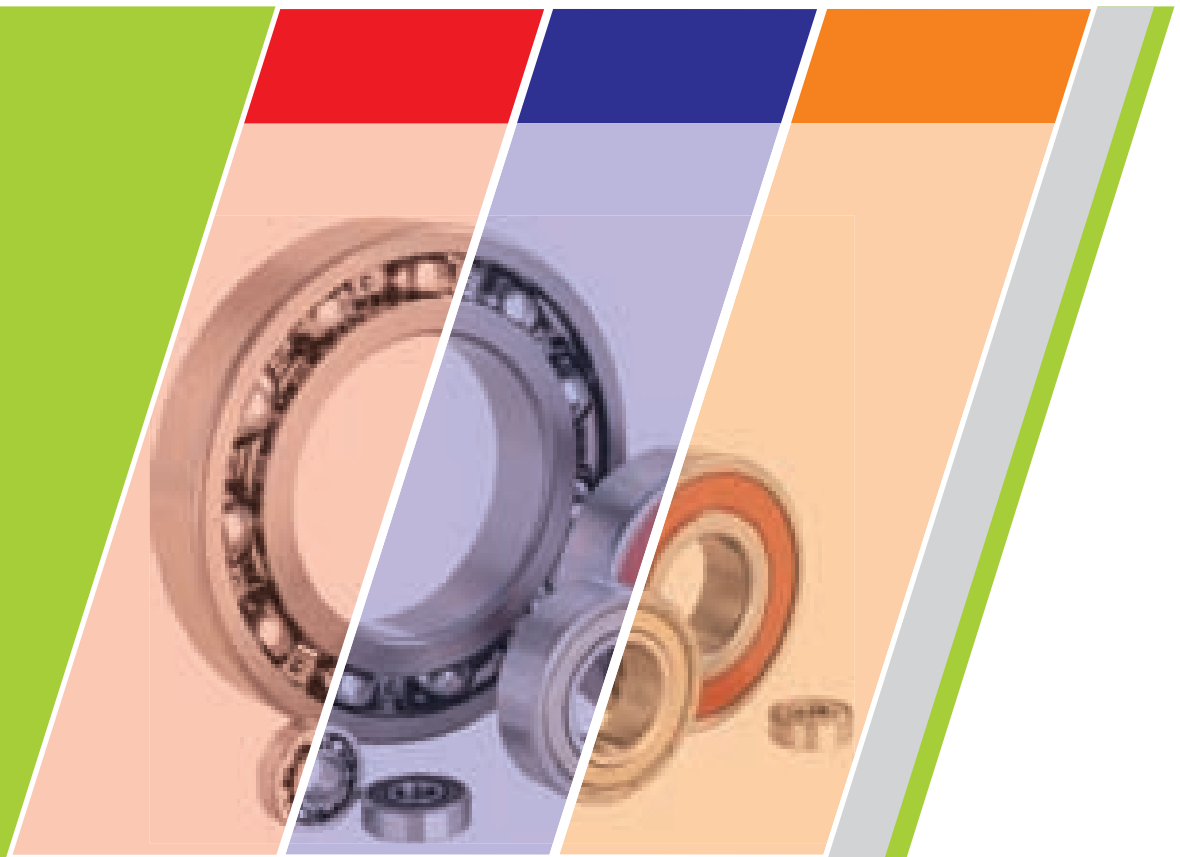




Austin Engineering Company Limited



36th Annual Report
2013-2014



AUSTIN ENGINEERING COMPANY LIMITED

36th ANNUAL REPORT

2013-2014

: 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 Independent Director
Dr. B. R. SUREJA	:	Non Executive Independent Director
Mr. K. J. MEHTA	:	Non Executive Independent Director
Mr. D. B. NAKUM	:	Non Executive Independent Director

: 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 **Thirty Sixth Annual General Meeting** of the Company will be held on **Tuesday, 9th September, 2014 at 11.00 a.m.** at the Registered Office of the Company at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at March 31, 2014, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Mr. R.R Bambhanja, who, retires by rotation and being eligible offers himself for re- appointment.
4. To appoint a Director in place of Mr. B.D Joshi, who, retires by rotation and being eligible offers himself for re- appointment
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013; M/s Dhirubhai Dand & Co., Chartered Accountants, (Firm Regn. No. 118190W) be and are hereby appointed as Auditors of the Company to hold office for a period of three (3) years from the conclusion of this Annual General Meeting till the conclusion of 39th Annual General Meeting at such remuneration plus service tax at the applicable rate, from time to time, plus traveling and out-of-pocket expenses incurred by them for the purpose of audit of the Company's accounts, exclusive of any remuneration, fees or charges payable to them for rendering any other services that may be rendered by them to the Company from time to time other than in the capacity of Auditors, as may be fixed by the Board of Directors."

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as also pursuant to Clause 49 of the Listing Agreement, **Mr. B. R Sureja (DIN: 00169883)**, a Non-Executive Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 1st April, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as also pursuant to Clause 49 of the Listing Agreement, **Mr. K J Mehta (DIN: 00169805)**, a Non-Executive Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 1st April, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as also pursuant to Clause 49 of the Listing Agreement, **Mr. D B Nakum (DIN: 00169830)**, a Non-Executive Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 1st April, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT, in super session of resolution passed under Section 372 (A) of the erstwhile Companies Act, 1956 and subject to the provisions of Section 186 of the Companies Act, 2013 and any rules made there under, and subject to such approvals, consents, sanctions and permissions, as may be necessary, approval of the Company be and is hereby accorded to (a) give loan to any person or body corporate (b) give any guarantee or provide security in connection with a loan made by any body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate(s) exceeding (i) 60% of the aggregate of paid-up share capital, free reserves and securities premium account; or (ii) 100% of free reserves and securities premium account, whichever is more provided that the aggregate amount of such loan, guarantee, security or acquisition outstanding at any time shall not exceed Rs. 5 Crore (Rupees Five Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board") or a Committee appointed by it or any person authorised by the Board or such Committee shall be entitled to decide and finalize the terms and conditions (including the amount or limit in respect of each transaction) in connection with such loan, guarantee, security or acquisition within the limit approved as aforesaid.

AND RESOLVED FURTHER THAT the Board, Committee or the person authorized as aforesaid shall be entitled to exercise all such powers and authorities and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary, relevant, usual, customary and/ or expedient for implementing and giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT so long as the aggregate outstanding amounts of the loan, guarantee, security or acquisition are at any time within the limit aforesaid, nothing herein contained shall be deemed to restrict the power of the Board to give fresh loans, guarantees or securities or to make fresh acquisitions without the need for any further prior approval for any fresh or additional loan, guarantee, security or acquisition or any variation, extension or renewal thereof or any alteration of any term or condition thereof."

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

"RESOLVED THAT in super session of the resolution passed under Section 293(1)(d) of the erstwhile Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) to borrow by way of loan / debentures (whether secured or unsecured) / bonds / deposits / fund based / non fund based limits / guarantee for the purpose of the business of the Company any sum or sums of money either in Indian or Foreign Currency from time to time from any Bank(s) or any Financial Institution(s) or any other Institution(s), firm(s), body corporate(s), or other person(s) or from any other source in India or outside India whatsoever in addition to the temporary loans obtained from the Company's Banker(s) in the ordinary course of business provided that the sum or sums so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate of rupees 10 Crores (Rupees Ten Crores only).

RESOLVED FURTHER THAT the Board of Directors or its committee thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in super session of the resolution passed under Section 293(1)(a) of the erstwhile Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) to create such charges, mortgages and hypothecation in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all or any of the movable and/or immovable properties of the Company, both present and future, in favour of the lender(s), agent and the trustees for securing the borrowings / financial assistance obtained/to be obtained from banks, public financial institutions, body(ies) corporate or any other party and/or to give a collateral security for the borrowings / guarantees of any group / associate Company or otherwise to charge the assets of the Company, for monies availed/to be availed by way of loans, (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or Secured/Un-Secured Premium Notes and/or floating rates notes/bonds/fund based/non fund based limits/guarantee or other debt instruments), issued/to be issued by the Company, from time to time, up to value not exceeding limit approved by shareholders under Section 180(1)(c) of the Companies Act, 2013 from time to time, together with interest, at the respective agreed rates, additional interest, compound interest, in case of default, accumulated interest, liquidated damages, commitment charges, premia prepayment, remuneration of the agent(s), trustee(s), premium if any on redemption, all other cost, charges and expenses including any increase as a result of devaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loan agreement, heads of agreement, debenture trust deeds or any other documents, entered into/to be entered into between the Company and the lenders, agents and trustees in respect of the said loans / borrowings / debentures / bonds and containing such specified terms and conditions and covenants in respect of enforcement of security(ies) as may be stipulated in their behalf and agreed to between the Board of Directors or Committee thereof and the lenders, agent(s), trustee(s).

RESOLVED FURTHER THAT Board of Directors or its Committee be and is hereby authorised to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as also pursuant to Clause 49 of the Listing Agreement, the period of office of Mr. Narottam C. Vadgama, the Chairman and Executive Director of the Company, who is a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 shall hence forth be made liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as also pursuant to Clause 49 of the Listing Agreement, the period of office of Mr. Shashikant M Thanki, the Managing Director of the Company, who is a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 shall hence forth be made liable to retire by rotation."

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "act", the consent of the members of the Company be and is hereby accorded to enter into the transactions for **sale** of bearings and/or components for the value not exceeding **Rs. 25 Crores per annum** for the period of 3 years with effect from 01st October, 2014 to **ACCURATE ENGINEERING INC. USA, the wholly owned subsidiary of the Company.**

RESOLVED FURTHER THAT that Board of directors of the Company be and is hereby authorised to do any acts, deeds etc for the said purpose."

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting and as detailed below for the period of 3 years with effect from 01st October, 2014 with **MAX PRECISION BEARINGS PRIVATE LIMITED, a Company incorporated under**

the erstwhile Companies Act, 1956.

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

RESOLVED FURTHER THAT that anyone of the Whole time directors of the Company be and is hereby authorized to enter into the said agreement on behalf of the Company."

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting for **sale** of bearings and/or components for the value not exceeding **Rs. 150/- Lacs per annum** for the period of 3 years with effect from 01st October, 2014 to **AUSTIN TRADERS, a partnership firm registered under the Indian Partnership Act, 1932**.

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

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting for getting **job work done** for the value not exceeding **Rs. 600/- Lacs per annum** for the period of 3 years with effect from 01st October, 2014 from **ACCORD PRECISION PRODUCTS , a partnership firm registered under the Indian Partnership Act, 1932**.

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

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting and as detailed below for the period of 3 years with effect from 01st October, 2014 with **OPTIMUM SERVICES INC., a partnership firm registered under the Indian Partnership Act, 1932**.

- i. For **purchase** of bearings and/or components for the value not exceeding **Rs.700/- Lacs per annum**.
- ii. For **Sale** of bearings and/or components for the value not exceeding **Rs. 50/- Lacs per annum**.
- iii. For **getting the job work done** on the material supplied by the Company (AECL) for the value not exceeding **Rs 100/-Lacs per annum**.
- iv. For **doing the job work** by the Company (AECL) for the value not exceeding **Rs 25/- Lacs per annum**.

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

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting for **sale** of bearings and/or components for the value not exceeding **Rs. 900/- Lacs per annum** for the period of 3 years with effect from 01st October, 2014 to **SNR ENTERPRISES, a partnership firm registered under the Indian Partnership Act, 1932**.

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

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

"RESOLVED THAT pursuant to section 188(1) of the Companies Act, 2013 read with Companies Rules 2014 and other applicable provisions if any of the "Act", the consent of the members of the Company be and is hereby accorded to enter into the transactions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting for **getting job work done** for the value not exceeding **Rs. 25/- Lacs per annum** for the period of 3 years with effect from 01st October, 2014 from **ACCUMAX ENGINEERING COMPANY, a partnership firm registered under the Indian Partnership Act, 1932**.

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

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. Shashikant M Thanki, Managing Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Director
Sd/-

N. C. Vadgama
Chairman

Place: Patla, Dist. Junagadh
Date: 27th May, 2014



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as may be applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from **Tuesday, 2nd September, 2014 to 9th September, 2014 (both days inclusive)** for annual closing and determining the entitlement of the shareholders to the final dividend for 2014.
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. The dividend of **Rs. 1.50/-** per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the **ensuing Annual General Meeting, is proposed to be paid on and from 7th October, 2014** to those shareholders, whose names appear on the Register of members of the Company on **2nd September, 2014**. In case of shares held in dematerialised form, the dividend there on, upon its declaration at the meeting, shall be paid to the beneficial owner as per the list provided by the depositories for the said purpose.
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
11. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website **www.aec-bearings.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
12. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at **austin@shareproservices.com** to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
13. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
14. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.
15. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Friday and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting
16. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be, as per Section 125 of the Companies Act, 2013, transferred to the Investor Education and Protection Fund established by the Central Government. pursuant to the provisions of the Investor Education and Protection Fund.
17. **GREEN INITIATIVE :**
The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

18. **INSTRUCTIONS FOR e-VOTING:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration)



Rules, 2014, the Company is pleased to provide e –voting facility which will enable the members to exercise their rights to vote at the 36th Annual General Meeting (AGM) by electronics means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for members for voting electronically are as under:

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on “Shareholders” tab.
- iii. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the **EVSN 140804036** along with **AUSTIN ENGINEERING COMPANY LIMITED** on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.

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



SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

- i. The e-Voting period commences on **02nd September, 2014 (9.00 a.m.) and ends on 04th September, 2014 (6.00 p.m.)**. During these period shareholders of the Company, holding shares either in physical form or in the dematerialized form, as on cutoff date of 12th August, 2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. PCS Kaushik Shah of M/s K J Shah & Company, Practising Company Secretary FCS 2420; CP No: 1414 of 301, "Sampanna" Complex, Opp. Havmour Restaurant, Navrangpura, Ahmedabad 380009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- v. The results declared along with the scrutinizer's report shall be placed on the Company's website www.aec-bearings.com and on the website of CDSL <https://www.evotingindia.com> within two working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details:**AUSTIN ENGINEERING COMPANY LIMITED**

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

CIN: L27259GJ1978PLC003179

E-mail ID: info@aecbearings.com**Registrar and Transfer Agent:****M/S SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**13-AB, Samhita Warehousing Complex, 2nd Floor,
Near Sakinaka Telephone Exchange, Andheri-Kurla Road,
Sakinaka, Andheri (East), MUMBAI 400 072**E-Voting Agency:** Central Depository Services (India) LimitedE-mail ID: helpdesk.evoting@cdslindia.com**Scrutinizer:** CS Kaushik Shah of K J Shah & Company

Practising Company Secretary

E-mail ID: kjshahco@gmail.com**BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AND DIRECTORS APPOINTED SINCE LAST A.G.M**

Particulars	Mr. B. D. Joshi	Mr. R. R. Bambhanja	Mr. B. R. Sureja	Mr. K. J. Mehta	Mr. D. B. Nakum
Date of Birth	23-11-1946	29-08-1976	27-10-1968	24-11-1934	15-04-1944
Appointed on	15-05-2009	01-02-2008	15-03-2003	15-03-2003	15-03-2003
Qualifications	M.Com, C.A, LLB	D.M.E	M.. D.	B.A., C.A. , LLB	B. Com.
Expertise in Specific Functional Areas	Banking	Engineering	Doctor	Banking	Banking
Directorships held in other Public Companies (excluding foreign companies)	No	Yes	No	No	No
Membership/Chairmanship of Committees across public Companies	No	No	No	No	No
Shareholding	No	60300	No	No	No

By order of the Board of Directors
Sd/-

Place: Patla, Dist. Junagadh

Date: 27th May, 2014.N C Vadgama
Chairman**ANNEXURE TO NOTICE**

(Explanatory Statement pursuant to section 102 of the Companies Act, 2013)

Item Nos. 6 to 8 :

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. B R Sureja, Mr. K J Mehta and Mr. D B Nakum as Independent Directors in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from 1 April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive



terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

Mr. B R Sureja, Mr. K J Mehta and Mr. D B Nakum, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

Mr. B R Sureja, Mr. K J Mehta and Mr. D B Nakum, are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member under Section 160 of the Act proposing the candidatures of each of Mr. B R Sureja, Mr. K J Mehta and Mr. D B Nakum, for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Friday and Sunday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

Mr. B R Sureja, Mr. K J Mehta and Mr. D B Nakum, are deemed to be interested in the resolutions set out respectively at Item Nos.6 to 8 of the Notice with regard to their respective appointments.

The Board of Directors recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Item No. 9 :

The Company had passed the resolution under Section 372A of the erstwhile Companies Act, 1956 and had authorized the Board of Directors to advance loan/ give guarantee/security/make investment up to 60% of the paid-up share capital and free reserves of the Company or 100% of the free reserves of the Company which ever is more.

Section 372A of the Companies Act, 1956 has been now replaced by Section 186 of Companies Act, 2013 with effect from 1st April, 2014.

The proposed resolution is therefore placed for the purpose of fulfilling the conditions laid down under Section 186 of the Companies Act, 2013 authorizing the Board of directors of the Company to make loan and investments up to 5 Crore.

Your Directors recommend the resolution for your approval. None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution

Item No 10 :

The members of the Company under section 293(1) (d) of the erstwhile Companies Act, 1956 had authorised Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed Rs. 10 Crores (Rupees Ten Crores only) in aggregate.

Section 180(1) (c) of the Companies Act, 2013 which has replaced Section 293(1) (d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. up to 11 September, 2014.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(c) of the Companies Act, 2013, to enable to the Board of Directors to borrow money the outstanding amount of which at any time shall not exceed in the aggregate of Rs 10 Crores (Rupees Ten Crores Only).

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Item No 11 :

The members of the Company under section 293(1)(a) of the erstwhile Companies Act, 1956 had authorised the Board of Directors to create charge on all or any of the movable or immovable properties of the Company subject to the limits up to 10 Crores (Rupees Ten Crores only)

Section 180(1)(a) of the Companies Act, 2013 which has replaced Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors shall create charge on all or any of the movable or immovable properties of the Company, except with the consent of the Company accorded by way of a **Special Resolution**. Further, as per a clarification issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of the notification of Section 180 of the Companies Act, 2013 i.e. up to 11 September, 2014.

Accordingly, it is, therefore, necessary for the members to pass a **Special Resolution** under Section 180(1)(a) of the Companies Act, 2013 for creation of security up to the limit specified in the resolution passed under Section 180(1)(c) of the Companies Act, 2013.

The Board of Directors recommends the above resolution for your approval

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Item No. 12 and 13 :

Mr. Narottam C Vadgama the Chairman and Executive Director and Mr. Shashikant M Thanki, the Managing Director of the Company were re-

