



# 38<sup>th</sup> Annual Report 2015-16

A decorative graphic at the bottom of the page features a series of interlocking gears in black, red, and grey, arranged in a semi-circular arc above a stylized grey silhouette of a group of people.

**AUSTIN ENGINEERING COMPANY LIMITED**

# Certificate

Standard: **ISO 14001:2004**

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

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

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

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

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

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



2016-06-14

TÜV Rheinland Cert GmbH  
Am Grauen Stein · 51105 Köln

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

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# AUSTIN ENGINEERING COMPANY LIMITED

## 38th ANNUAL REPORT 2015-2016

### **: BOARD OF DIRECTORS :**

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

### **: AUDITORS :**

DHIRUBHAI DAND & CO.

Chartered Accountants

4, Jayshree Nagar, JUNAGADH - 362 001.

### **: COMPANY SECRETARY :**

MS. N. D. PARIKH

### **: BANKERS :**

BANK OF BARODA

### **: REGISTRAR & TRANSFER AGENT :**

LINK INTIME INDIA PVT. LTD.

C-13, PANNALAL SILK MILLS COMPOUND, L. B. S. MARG,  
BHANDUP (WEST), MUMBAI -400078

Tel. : 022-25946970, Fax : 022-25946969 Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### **: REGISTERED OFFICE & WORKS :**

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

### **: JUNAGADH OFFICE :**

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

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

E-mail : [info@aec.com](mailto:info@aec.com)





## NOTICE

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

### ORDINARY BUSINESS:

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

### SPECIAL BUSINESS:

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

**By Order of the Board of Directors**

**SD/-**

**N. C. Vadgama**  
**Chairman**

**Place: Patla, Junagadh**

**Date: 30<sup>th</sup> May, 2016**

### Notes:

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



8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under **Regulation 30 of the LODR (erstwhile Clause 49)** with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
11. Members may also note that the Notice of the 38<sup>th</sup> Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.aec.com](http://www.aec.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
12. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
13. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
14. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.
15. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Friday and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
16. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 22<sup>nd</sup> September, 2015 (the date of last Annual General Meeting) on the website of the Company ([www.aec.com](http://www.aec.com)), as also on the website of Ministry of Corporate Affairs.
17. Members holding shares in single name and physical form are advised to make a nomination in respect of their shareholding in the Company. The Nomination form can be downloaded from the Company's website ([www.aec.com](http://www.aec.com)) under the section "Investor Relations".
18. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed Companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, the Company has proposed to send future communications in electronic mode at the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.
19. **INSTRUCTION FOR e-VOTING :**  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended till date, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the 38<sup>th</sup> Annual General Meeting (AGM) by electronic means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

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

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

**For Members holding shares in Demat Form and Physical Form**

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

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

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

#### (B) OTHERS:

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

#### **Company's Details:**

##### **AUSTIN ENGINEERING COMPANY LIMITED**

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

CIN: L27259GJ1978PLC003179

E-mail ID: [info@aec.com](mailto:info@aec.com)

#### **Registrar and Transfer Agent:**

##### **LINKINTIME INDIA PVT LTD**

C-13 Pannalal Silk Mills Compound

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

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

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

E-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **Scrutinizer: CS Kaushik Shah of K J Shah & Company**

Practicing Company Secretary

E-mail ID: [kjshahco@gmail.com](mailto:kjshahco@gmail.com)



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

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

By Order of the Board of Directors

SD/-  
N C Vadgama  
Chairman

Place : Patla, Junagadh

Date : 30<sup>th</sup> May, 2016**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

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

**Item No. 4:**

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

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

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

The Board recommends the said resolution for your approval.

**Item No. 5:**

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

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

The Board recommends the said resolution for your approval.

**Item No. 6**

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

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

The Board recommends the said resolution for your approval.





## DIRECTORS' REPORT

To the Members,

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

### FINANCIAL RESULTS :

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

#### STAND ALONE

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

### REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS :

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

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

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

#### DIVIDEND :

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

#### FIXED DEPOSITS :

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

#### SHARE CAPITAL :

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

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

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

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

#### NOTING OF CONDOLENCE AND APPRECIATION OF SERVICES :

The Board of Directors of the Company expresses their deep sense of condolences on untimely and sad demise of Mr. Shashikant M Thanki, the Managing Director of the Company. May his soul rest in heaven and pray to almighty to give courage to his family to bear such unbearable loss. The Board places on record its appreciation of guidance and valuable services provided by Mr. Shashikant M Thanki, during his long tenure as Managing Director of the Company.

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

#### BOARD EVALUATION :

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





**COMPOSITION OF VARIOUS COMMITTEES :**

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

**MEETINGS :**

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

**INDEPENDENT DIRECTORS :**

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

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

**DIRECTOR DISCLOSURE :**

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

**DIRECTORS RESPONSIBILITY STATEMENT :**

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

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

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

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

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

**SECRETARIAL AUDITOR :**

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

**INTERNAL FINANCIAL CONTROLS :**

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

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

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

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

**DISCLOSURES :****AUDIT COMMITTEE :**

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

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

All the members of Audit Committee are independent directors.

**WHISTLE BLOWER POLICY :**

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

**DIRECTORS APPOINTMENT AND REMUNERATIONS POLICY :**

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

**RELATED PARTY TRANSACTIONS :**

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





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

#### **RISK MANAGEMENT POLICY :**

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

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

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

#### **MATERIAL CHANGES AND COMMITMENTS :**

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

#### **ANNUAL RETURN :**

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

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

#### **QUALIFICATIONS AND RESERVATIONS ON AUDIT REPORT :**

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

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

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

#### **PARTICULARS OF EMPLOYEES AND REMUNERATIONS :**

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as **Annexure "D"**, forming part of this Report. As per Section 136(1) of the Companies Act, 2013, the report and accounts are being sent to the shareholders of the Company, excluding the statement of particulars of employees under the said proviso. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial department at the Registered Office of the Company.

#### **SUBSIDIARY COMPANY :**

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

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

#### **CONSOLIDATED FINANCIAL STATEMENTS :**

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

#### **CORPORATE GOVERNANCE :**

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

#### **INSURANCE :**

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

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :**

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

#### **FRAUDS REPORTING :**

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

#### **INDUSTRIAL RELATIONS :**

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

#### **ACKNOWLEDGMENT :**

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

**By Order of the Board of Directors**

**Place : Patla, Junagadh**  
**Date : 30<sup>th</sup> May, 2016**

**SD/-**  
**N C Vadgama**  
**Chairman**

