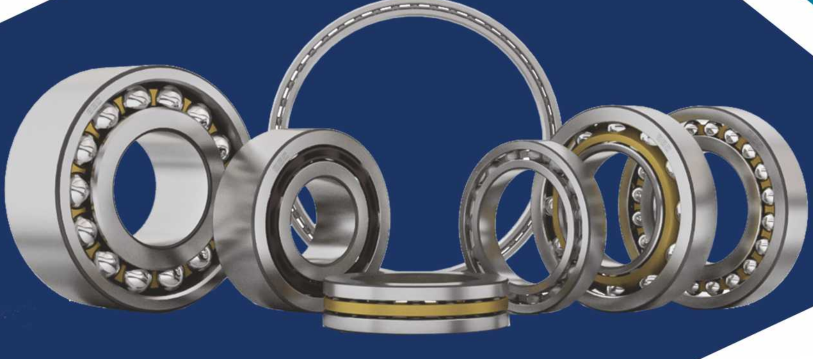
AUSTIN ENGINEERING COMPANY LIMITED

aec®

40th Annual Report 2017-18



Certificate

Standard	**ISO / TS 16949:2009** (3rd edition, 2009-06-15)
Certificate Registr. No. IATF Certificate No.	01 111 058896 0268606
Certificate Holder:	**Austin Engineering Co. Ltd.** Patla, Ta. Bhesan, Via Ranpur (Sorath), Post Hadmatiya, Dist. Junagadh - 362030, India
Scope:	Design and Manufacture of Cylindrical Roller Bearings
	Proof has been furnished by means of an audit that the requirements of ISO / TS 16949:2009 are met.
Issue date/Expiry date:	The certificate is valid from 2017-06-29 until 2018-09-14.
Release date:	2017-06-29

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln
Germany

2-IAO-QMC 01003

CIN: U72501KA1996PTC020653

Certificate

Standard	**ISO 9001:2008**
Certificate Registr. No.	**01 100 058896**
Certificate Holder:	**Austin Engineering Co. Ltd.** **Patla, Ta. Bhesan, Via Ranpur (Sorath),** **Post Hadmatiya, Dist. Junagadh – 362 030, India.**
Scope:	**Design and Manufacture of Cylinderical Roller and Antifriction Bearings.**
	Proof has been furnished by means of an audit that the requirements of ISO 9001:2008 are met. The due date for all future audits is 07 - 04 (dd.mm).
Validity:	The certificate is valid from **2017-07-26 until 2018-09-14.** First Certification 2009-06-15.

DAkkS
Deutsche
Akkreditierungsstelle
D-ZM-16031-04-00

2017-07-26

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 with the Identification No. 9105071022

CIN: U72501KA1996PTC020653

www.tuv.com

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AUSTIN ENGINEERING COMPANY LIMITED

40th ANNUAL REPORT
2017-2018

: BOARD OF DIRECTORS :

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

: AUDITORS :

BHISHAM H. ADVANI & ASSOCIATE.
Chartered Accountants
102, Suvidha Complex, JUNAGADH - 362 001.

: BANKERS :

BANK OF BARODA

: REGISTRAR & TRANSFER AGENT :

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

: REGISTERED OFFICE & WORKS :

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

: JUNAGADH OFFICE :

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

Visit at http://www.aec.com
E-mail : info@aec.com

NOTICE

NOTICE is hereby given that the **Fortieth Annual General Meeting** of the Company will be held on **Wednesday 26th September, 2018 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 31st March, 2018 together with report of the Board of Directors and Auditors thereon and;
   (ii) The Audited consolidated financial statement of the Company for the financial year ended on 31st March, 2018 together with report of Auditors thereon
2. To appoint a Director in place of Mr. Narottam C. Vadgama who, retires by rotation and being eligible offers himself for re- appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution :

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), M/S H. R Dewani & Co., Chartered Accountants, Junagadh (Firm Registration No. 140668W), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** in accordance with the provisions of section 196, 197 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Rajan Ramniklal Bambhania (DIN: 00146211) as Managing Director of the company for a period of 5(five) years, on expiry of his present term of office i.e. with effect from 01st August, 2018 on the term and conditions including remuneration as set out in the statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee to the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Rajan Ramniklal Bambhania, subject to the same not exceeding the limits specified under schedule V to the Companies Act,2013 or any statutory modification or re-enactment thereof.

   "**RESOLVED FURTHER THAT** the Board 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.
5. To consider and, if thought fit to pass, with or without modification/s the following resolution as Special Resolution:

   "**RESOLVED THAT** in accordance with the provisions of section 196, 197 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Narottam Chhaganlal Vadgama (DIN:00169209) on completing his age of 70 years as Whole-time Director in the capacity of Executive Director of the company for a period of 5(five) years with effect from 01st August, 2018 on the term and conditions including remuneration as set out in the statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee to the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Narottam Chhaganlal Vadgama, subject to the same not exceeding the limits specified under schedule V to the Companies Act,2013 or any statutory modification or re-enactment thereof.

   "RESOLVED FURTHER THAT the Board 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/-

R.R. Bambhania
Managing Director

Place: Patla, Dist. Junagadh
Date: 28th May, 2018

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM SELF/ HER SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
   - A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
   - Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority and under its seal as may be applicable
   - The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
   - A proxy form is being sent herewith.
2. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018 (Both days inclusive).
3. Any change in bank particulars and /or address are required to intimate to their depositary participant in case of holding of shares in electronic form or to the Company's Registrar and Share Transfer agents, Link In Time India Pvt. Ltd, C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 in case of holding of shares in physical mode.
4. 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.
5. 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.
6. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for the financial year ended on 31st March, 2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year ended on 31st March, 2018 is being sent in the permitted mode.
8. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for the financial year ended on 31st March, 2018 will also be available on the Company's website www.aec.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at rnt.helpdesk@linkintime.co.in to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
10. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
11. 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.
12. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Friday and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
13. (a) The Company has transferred the unpaid or unclaimed dividends declared upto the financial year 2009-10 from time to time, to the Investor Education and Protection Fund(IEPF) established by the Central Government. The Company has uploaded the details of the unclaimed and unpaid dividends amounts lying with the Company as on 19th September, 2017 (date of previous Annual General Meeting) on the website of the Company. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in.
14. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 31st October, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company at http:/www.aec.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

    (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. The concerned members/investors are advised to visit the web link: http://iepf.gov.in/IEPFA/refund.html or contact our R & T M/s Link Intime India Private Limited for lodging claim for refund of shares and / or dividend from the IEPF Authority.
15. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical

form.

16. Members holding shares in single name in physical form are advised to make a nomination in respect of their shareholding in the Company. The Nomination form can be downloaded from the Company's website (www.aec.com) under the section "Investor Relations".

17. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed Companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, the Company has proposed to send future communications in electronic mode at the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

18. INSTRUCTION FOR E-VOTING :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended till date, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the 40th 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.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Sunday, 23rd September, 2018 (9.00 am) and ends on Tuesday, 25th September, 2018 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, 19th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) 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.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.comand voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN 180821069 along with AUSTIN ENGINEERING COMPANY LIMITED on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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.comand 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.
- After receiving the login details, user would be able link the account(s) for witch they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

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

(B) OTHERS:

i. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company

ii. PCS Kaushik Shah of M/s K J Shah & Company, Practicing Company Secretary FCS 2420; CP No: 1414 of 305, Hrishikesh II, Opp. Municipal School, Near Navrangpura Bus Stop, Navrangpura, Ahmedabad 380009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

iii. The Scrutinizers shall, immediately after the conclusion of voting at the general meeting first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

iv. The results declared along with the scrutinizer's report shall be placed on the Company's website www.aec.com and on the website of CDSL https://www.evotingindia.com within three working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details :
AUSTIN ENGINEERING COMPANY LIMITED
Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India
CIN: L27259GJ1978PLC003179
E-mail ID: info@aec.com

Registrar and Transfer Agent :
LINK INTIME INDIA PRIVATE LIMITED
C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083
Phone No.: 91 22 49186000
Fax No.: 91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

E-Voting Agency: Central Depository Services (India) Limited
E-mail ID: helpdesk.evoting@cdslindia.com

Scrutinizer: CS Kaushik Shah of K J Shah & Company
Practicing Company Secretary
E-mail ID: **kjshahco@gmail.com**

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

Particulars	Mr. N. C. Vadgama
Date of Birth	15.11.1947
Appointed on	27.07.1978
Qualifications	D.M.E.
Expertise in Specific Functional Areas	Engineering
Directorships held in other Public Companies (excluding foreign companies)	Creative Castings Limited
Membership/ Chairmanship of Committees across public Companies	No
Shareholding	134000

By order of the Board of Director

Sd/-

R.R. Bambhania
Managing Director

Place : Patla, Dist. Junagadh
Date : 28th May, 2018

ANNEXURE TO THE NOTICE
(Explanatory statement pursuant to section102 of the companies Act, 2013)

Item No. 4 & 5:

The members of the Company at its 35th Annual General Meeting held on Monday, 23rd September, 2013 reappointed Mr. Narottam Chhaganlal Vadgama as Whole time Director and Mr. Rajan R Bambhania as Joint Managing Director (later re-designated as Managing Director vide members approval at its annual general meeting held on 29th September, 2016 for remaining terms) for a period of 5 (five) years and their terms are expiring on 31st July, 2018.

Mr. Narottam Chhaganlal Vadgama has attained the age of 70 years and still, he is the guiding force to the Company. Pursuant to section 196(3) read with the relevant rules, any appointment of Whole time Director after attaining the age of 70 years shall be made by the members on passing special resolution. Your approval is therefore sought as recommended by Nomination and Remuneration Committee.

The Board of Directors on recommendation of Nomination and Remuneration Committee re-appointed Mr. Rajan R Bambhania as Managing Director for a period of 5(five) years w.e.f 01st August, 2018 .

The terms proposed for both of them are detailed here under:

1. Tenure of Appointment shall be 5(five) years w.e.f . 01st August, 2018.
2. Remuneration: Rs. 95,000/- (Rs. Ninety-Five Thousand Only) per month in the scale of Rs. 95,000-5000-120000.
3. In addition to the above remuneration, they will be entitled to any benefits, allowances, or perquisites as may be determined by the Board of Directors and Remuneration Committee within the overall ceiling limit as per the Companies Act, 2013.
4. The Board of Directors or Remuneration Committee is authorised to fix, alter and/or vary from time to time the quantum/periodically/ composition of the remuneration payable to them including the mode of payment, in such a manner and to such extent not exceeding the limit specified in the Companies Act, 2013 and schedule thereto or such other provisions as may be applicable in this regard, as in force from time to time.
5. All Whole-time Directors shall not be paid any setting fees for attending the meeting of the Board of Directors or Committee thereof.
6. None of the directors except Mr. Narottam Chhaganlal Vadgama and Mr. Rajan R Bambhania may be deemed to be concerned or interested in the said resolution.
7. The above statement may be treated as an abstract of the term and memorandum of interest under section 190 of the “ACT”

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 40th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31,2018 along with previous year figure is summarized as here under:

STAND ALONE (Rs. In Lakhs)

	Year ended 31st March, 2018	Year ended 31st March, 2017
Gross profit before Interest Depreciation and Tax	69.69	(109.75)
Less: Interest and Depreciation	173.74	214.27
Profit / (Loss) before Tax	**(104.05)**	**(324.02)**
Less: Provision for Taxation	-	-
Deferred Tax (Assets) / Liabilities	20.24	(52.90)
Profit / (Loss) after Tax	**(124.29)**	**(271.12)**
Add: Other Comprehensive Income	(6.91)	(0.30)
Total Comprehensive Income	**(131.20)**	**(271.42)**

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

The performance of the Company during the year under review remains fair as compared to the last year. The Company has negligible increase in revenue from operation but there is an increase in non-operational revenue. This has ultimately reduced the loss of the Company during the period under review. The total other income during the year under review was Rs. 126.93 Lakhs as against Rs. 44.38 Lakhs in the last year. The total revenue from operations during the year under review was Rs. 7617.08 Lakhs as against Rs. 7425.76 Lakhs in the previous year. The Company had made a net loss of Rs 124.29 Lakhs as against Rs. 271.12 Lakhs in the previous year.

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

DIVIDEND:

In view of loss, your Directors regrets to recommend any dividend for financial year ended 31st March, 2018.

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, 2018.

SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2018 was Rs 34778000/- During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity. The shareholding of Directors in the Company, as on March 31, 2018, 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. N. C. Vadgama, a Director of the Company retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his appointment for your approval.

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

- Mr. Narottam C Vadgama (Whole-time Director)
- Mr. Rajan R Bambhania (Managing Director and CEO)
- Mr. Jeshankar R Bhogayta (Whole-time Director- Upto 17/07/18)
- Mr. Siddik A Kotal (Chief Financial Officer)
- Ms. Pooja Kadam (Company Secretary up to 28/05/18)

NOTING OF APPRECIATION OF SERVICES:

The Board places on record its appreciation for guidance and valuable services provided by (1) Mr. Jeshankar R Bhogayta, the Whole-time Director who resigns as Director and WTD with effect from 17th July, 2018 due to his family occupancy and (2) Mr. Dipsing B. Nakum, an Independent Director who ceased to be the Director in the Company with effect from 10th March, 2018 on account of his death and (3) Mr. Dhirajlal Valambhia, an additional director in Independent Capacity who resigns as Director with effect from 14th August, 2018 on account of his preoccupancy.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

COMPOSITION OF VARIOUS COMMITTEES:

The details of various committees constituted by the Board as per the Regulation 18, 19 and 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

MEETINGS:

During the year Five Board Meetings, Four Audit Committee Meetings, One Nomination and Remuneration Committee Meeting, One Stakeholders Relationship Committee Meeting and One separate Meeting of Independent Directors were held. The details of the same are given in the Corporate Governance Report. The intervening gaps between the Board meetings were within the period prescribed under the Companies Act, 2013 in compliance to secretarial standards SS-1 issued by ICSI.

INDEPENDENT DIRECTORS:

The Independent Directors met on 30th April, 2018 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

DIRECTOR DISCLOSURE:

None of the Directors of your Company is disqualified as per provisions of Section 164 (2) of the companies Act, 2013 for financial year ended on 31st March, 2018. Your Directors have made necessary disclosures, as required under Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

AUDITORS AND AUDITORS' REPORT:

STATUTORY AUDITORS:

M/S B.H. Advani & Associates, Chartered Accountants, Junagadh, were appointed as statutory auditor of the Company for a period of five years pursuant to the provision of section 139 of the Companies Act, 2013 at the Annual General Meeting held on 19th September, 2017 and their terms as Statutory Auditors expire upon conclusion of 44th Annual General Meeting. However on account of their pre-occupancy, they have shown their inability to continue as Auditor of the Company.

Your Directors, on recommendation of Audit Committee, has proposed to appoint M/S H. R. Dewani & Co., Chartered Accountants, (Firm Regn. No. 140668W) as Statutory Auditors of the Company for a period of 5 (Five) years to hold office from the conclusion of the ensuing 40th Annual General Meeting till the conclusion of 45th Annual General Meeting.

The Company has received a letter from M/S H. R. Dewani & Co., Chartered Accountants, Junagadh (Firm Regn. No. 140668W) 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 the appointment.

SECRETARIAL AUDITOR:

The Board had appointed Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary, to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended on March 31, 2018 is annexed herewith marked as Annexure "C" to this Report.

The Board of Directors at the recommendations of the Audit Committee appointed Mr. K J SHAH of K J Shah & Company, Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2018-19.

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 2018-19.

INDIAN ACCOUNTING STANDARDS (IND AS) :

Indian Accounting Standards (IND AS) have become applicable to your Company with effect from 1st April, 2017 pursuant to Rule 4 (1) (iii) (a) of Companies (Indian Accounting Standards) Rules, 2015. Accordingly, your Company has prepared Financial Statements for the year ended on March 31, 2018 in accordance with IND AS, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other recognized accounting practices and policies to the extent applicable.

DISCLOSURES:

AUDIT COMMITTEE:

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

Mr. B. D. Joshi [Chairman of committee]

Mr. J. B. Jagani [Member]

Mr. D. B. Nakum [Member upto10th March, 2018]

Mr. Dhirajlal Valambhia [Member from 28th May, 2018]

All the members of Audit Committee are independent directors.

WHISTLE BLOWER POLICY:

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

DIRECTORS APPOINTMENT AND REMUNERATIONS POLICY:

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

RELATED PARTY TRANSACTIONS:

All transactions entered into by the company with "Related Parties" during the period under review were in the ordinary course of business at prevailing market rates. All related party transactions were placed before the Audit Committee and recommended to the Board for their approval. The particulars of contracts or arrangements made with related party pursuant to section 188 of the Companies Act, 2013 is furnished vide Annexure "A" in form AOC-2 as per Companies Act, 2013 and it forms the part of this report. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at www.aec.com.

RISK MANAGEMENT POLICY:

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

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

In view of non-applicability of formation of Risk Management Committee, the Company has not formed the said committee.

MATERIAL CHANGES AND COMMITMENTS:

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

ANNUAL RETURN:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

QUALIFICATIONS AND RESERVATIONS ON AUDIT REPORT:

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

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

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

PARTICULARS OF EMPLOYEES AND REMUNERATIONS:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as Annexure "E", forming part of this Report.

As per Section 136 (1) of the Companies Act, 2013, the report and accounts are being sent to the shareholders of the Company, excluding the statement of particulars of employees under the said proviso. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial department at the Registered Office of the Company.

SUBSIDIARY COMPANY:

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

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

A statement as required in the prescribed form AOC-1 pursuant to section 129 (3) of the Companies Act, 2013 is given in the Annexure "F" and it forms the part of this report.

CONSOLIDATED FINANCIAL STATEMENTS:

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

CORPORTAE GOVERNANCE:

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

INSURANCE:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

FRAUDS REPORTING:

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

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGMENT:

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

By order of the Board of Director

Sd/-

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

Date : 28th May, 2018 **Managing Director**

ANNEXURE "A"

Form No. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis :**
   (a) Name(s) of the related party and nature of relationship: N.A.
   (b) Nature of contracts/arrangements/transactions: N.A.
   (c) Duration of the contracts/arrangements/transaction: N.A.
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
   (e) Justification for entering into such contracts or arrangements or transaction: N.A.
   (f) Date(s) of approval by the Board: N.A.
   (g) Amount paid as advances, if any: N.A.
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: N.A.
2. **Details of material contracts or arrangement or transactions at arm's length basis :**

Name of the Party	Nature of relation/ interest	Nature of transaction	Duration of Contracts	Date of approval by Board	Value of transaction entered into during the year
Max precision Bearings Pvt. Ltd	Related Party	Sales	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	2129913
Max precision Bearings Pvt. Ltd	Related Party	Job Work	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	635344
Max precision Bearings Pvt. Ltd	Related Party	Purchase	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	11836413
Austin Engineering Company-USA	Related Party	Sales	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	83419463
Accord Precision Products	Related Party	Sales	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	773
Accumax Engineering Company	Related Party	Sales	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	292986
Optimum Services Inc	Related Party	Sales	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	43350
Optimum Services Inc	Related Party	Purchase	1st April,2017 to 31st March,2018	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of Board is not applicable	13066734

Note: The Company has not entered into any material contract with "Related Parties" during financial year 31st March, 2018

By order of the Board of Director

Sd/-

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

Date : 28th May, 2018 **Managing Director**

ANNEXURE "B"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on Financial year ended on 31.03.2018

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

I REGISTRATION & OTHER DETAILS :

i	CIN	:	L27259GJ1978PLC003179
ii	Registration Date	:	27.07.1978
iii	Name of the Company	:	AUSTIN ENGINEERING CO. LTD.
iv	Category/Sub-category of the Company	:	Medium Scale
v	Address of the Registered office & contact details	:	Village : PATLA, Taluka : BHESAN, District : JUNAGADH 362 030 (Gujarat)
vi	Whether listed company	:	BOMBAY STOCK EXCHANGE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	:	**Link Intime India Private Ltd.** C-101, 247 Park, L. B. S. Marg, Vikhroli (West), MUMBAI 400 083 Maharashtra Phone : 022 - 49186000 Fax No. 022 - 49186060

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufactures of All Kind of Bearings and Components	356.3	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES :

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Austin Engineering Company (Formerly known as Accurate Engineering Inc.)	N.A.	Subsidiary	100%	2(87)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity) :

Category of Shareholders	No. of Shares held at the beginning of the year 31.03.2017				No. of Shares held at the beginning of the year 31.03.2018				% change during the year	
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**		
A. Promoters										
(1) Indian										
a) Individual/HUF	1175079		1175079	33.79	1174789		1174789	33.78	-0.01	
b) Central Govt. or State Govt.										
c) Bodies Corporates										
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	1175079		1175079	33.79	1174789		1174789	33.78	-0.01	
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other…										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**1175079**		**1175079**	**33.79**	**1174789**		**1174789**	**33.78**	**-0.01**	

Category of Shareholders	No. of Shares held at the beginning of the year 31.03.2017				No. of Shares held at the beginning of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		3500	3500	0.10		3400	3400	0.10	0.00
b) Banks/FI		3400	3400	0.10		0	0	0.00	-0.10
C) Cenntral govt	0	0	0	0	70688	0	70688	2.03	2.03
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	**0**	**6900**	**6900**	**0.20**	**70688**	**3400**	**74088**	**2.13**	**1.93**
(2) Non Institutions									
a) Bodies corporates	144231	0	144231	4.15	86712	100	86812	2.50	-1.65
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1115723	305602	1421325	40.87	1193828	240701	1434529	41.25	0.38
ii) Individuals shareholders holding nominal share capital in excess of **Rs. 1 lakhs**	**474092**	**13100**	**487192**	**14.01**	**456286**	**13100**	**469386**	**13.50**	**-0.51**
c) Others (specify) NRI,s	33093	9100	42193	1.21	17115	4700	21815	0.63	-0.59
Foreign Company	80000		80000	2.30	80000	0	80000	2.30	0.00
Trusts	18100	0	18100	0.52	18100	0	18100	0.52	0.00
Hindu Undivied Family	102780		102780	2.95	118281		118281	2.95	
SUB TOTAL (B)(2):	**1968019**	**327802**	**2295821**	**66.01**	**1970322**	**258601**	**2228923**	**63.64**	**-2.37**
Total Public Share-holding(B)=(B)(1)+(B)(2)	**1968019**	**334702**	**2302721**	**66.21**	**2041010**	**262001**	**2303011**	**65.77**	**-0.44**
C. Shares held by									
Custodian for GDRs									
& ADRs									
Grand Total (A+B+C)	**3143098**	**334702**	**3477800**	**100.00**	**3215799**	**262001**	**3477800**	**100.00**	

(ii) **SHARE HOLDING OF PROMOTERS**

S.N.	Shareholders Name	Shareholding at the begginning of the year 31.03.2017			Shareholding at the end of the year 31.03.2018			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	NAROTTAM C VADGAMA	134000	3.853		134000	3.853		
2	RAMNIKLAL N BAMBHANIA	120000	3.450		120000	3.450		
3	JESHANKER R BHOGAYTA	75500	2.171		75500	2.171		
4	HIREN N VADGAMA	44000	1.265		44000	1.265		
5	JIGNESH S THANKI	6000	0.173		6000	0.173		
6	NAROTTAM C VADGAMA-HUF	15500	0.446		15500	0.446		
7	SHASHIKANT M THANKI-HUF	12000	0.345		12000	0.345		
8	RAMNIKLAL N BAMBHANIA-HUF	16000	0.460		16000	0.460		
9	JESHANKER R BHOGAYTA - HUF	57800	1.662		146410	4.210		
10	ANILA S THANKI	166816	4.797		166816	4.797		
11	ALPA J THANKI	25000	0.719		25000	0.719		
12	PINAK S THANKI	20000	0.575		20000	0.575		
13	FALGUNI P THANKI	1600	0.046		1600	0.046		
14	PURVI S THANKI	20000	0.575		20000	0.575		
15	INDUMATI N VADGAMA	62400	1.794		62400	1.794		
16	HIREN N VADGAMA	805	0.023		805	0.023		
17	DARSHNA H VADGAMA	25600	0.736		25600	0.736		
18	BHAVIN N VADGAMA	42000	1.208		42000	1.208		
19	JAYENDRA C VADGAMA	3400	0.098		3400	0.098		
20	REKHA J VADGAMA	4000	0.115		4000	0.115		
21	JASHUMATI R BAMBHANIA	52000	1.495		52000	1.495		
22	RAJAN R BAMBHANIA	60300	1.734		60300	1.734		
23	RUTA R BAMBHANIA	89558	2.575		89558	2.575		
24	ANISHI J BHOGAYTA	24150	0.694		0	0.000		
25	ARUSHI J BHOGAYTA	24050	0.692		0	0.000		
26	PRAVINA J BHOGAYTA	31900	0.917		31900	0.917		
27	BHOGAYTA INV. CO. PVT. LTD.	40700	1.170		0	0.000		
	Total	**1175079**	**33.79**		**1174789**	**33.78**		-0.008

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.N.		Share holding at the beginning of the Year i.e 1st April, 2017		Trasanctions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2018	
		No. of shares	% of total shares of the company	Date of Trasanctions	No. of shares	Reason	No of shares	% of total shares of the company
	At the beginning of the year	**1175079**	**33.788**				**1174789**	**33.788**
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. llotment/ transfer/bonus /sweat equity etc)							
1	BHOGAYTA JESHANKER RAMJIBHAI HUF	57800					57800	1.662
				23 Jun 2017	2000	TRANSFER	59800	1.719
				30 Jun 2017	1000	TRANSFER	60800	1.748
				07 Jul 2017	2710	TRANSFER	63510	1.826
				18 Aug 2017	6000	TRANSFER	69510	1.999
				08 Sep 2017	4000	TRANSFER	73510	2.114
				13 Oct 2017	4050	TRANSFER	77560	2.230
				16 Mar 2018	68850	TRANSFER	146410	4.210
2	BHOGAYATA INVESTMENT CO PVT LTD	40700	1.1703	09 Mar 2018	40700	TRANSFER	0	0.000
3	ANISHI JESHANKER BHOGAYATA	24150	0.694	09 Mar 2018	24150	TRANSFER	0	0.000
4	ARUSHI JESHANKER BHOGAYTA	24050	0.692	09 Mar 2018			24050	0.692
				23 Jun 2017	(3000)	SALE	21050	0.605
				30 Jun 2017	(3000)	SALE	18050	0.519
				11 Aug 2017	(6000)	SALE	12050	0.346
				01 Sep 2017	(4000)	SALE	8050	0.231
				06 Oct 2017	(4050)	SALE	4000	0.115
				16 Mar 2018	(4000)	TRANSFER	0	0.000
	At the end of the year (or on the date of separation, if separated during the year)	**1175079**	**33.788**				**1174789**	**33.788**

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

S.N.		Share holding at the beginning of the Year i.e 1st April, 2017		Trasanctions During the year				
		No. of shares	% of total shares of the company	Date of Trasanctions	No. of shares	Reason	No of shares	% of total shares of the company
	At the beginning of the year	**405545**	**11.661**					
1	Anil Kumar Goel	**105100**	**3.022**					
				12 Jan 2018	(5100)	Sale	100000	
				19 Jan 2018	(20000)	Sale	80000	
	AT THE END OF THE YEAR						**80000**	**2.300**
2	AEC Europe SRL	**80000**	**2.300**					
	AT THE END OF THE YEAR						**80000**	**2.300**
3	Dheeraj Kumar Lohia	**79000**	**2.272**					
				07 Apr 2017	510	Purchase	79510	
				16 Jun 2017	2036	Purchase	81546	
				30 Jun 2017	11375	Purchase	92921	
				07 Jul 2017	10000	Purchase	102921	
				29 Sep 2017	350	Purchase	103271	
				27 Oct 2017	2599	Purchase	105870	
				15 Dec 2017	50	Purchase	105920	
				22 Dec 2017	1686	Purchase	107606	

S.N.		Share holding at the beginning of the Year i.e 1st April, 2017		Trasanctions During the year				
		No. of shares	% of total shares of the company	Date of Trasanctions	No. of shares	Reason	No of shares	% of total shares of the company
				29 Dec 2017	4499	Purchase	112105	
				12 Jan 2018	3650	Purchase	115755	
				23 Feb 2018	10000	Purchase	125755	
				16 Mar 2018	144	Purchase	125899	
				31 Mar 2018	6150	Purchase	132049	
	AT THE END OF THE YEAR						**132049**	**3.797**
4	Muktilal Ganulal Paldiwal	**58824**	**1.691**					
				07 Jul 2017	(6900)	Sale	51924	
				19 Jan 2018	(3507)	Sale	48417	
				26 Jan 2018	(300)	Sale	48117	
	AT THE END OF THE YEAR						**48117**	**1.384**
5	Sharad Kanayalal Shah			15.07.2016	38664	Purchase	38664	
				14.10.2016	929	Purchase	39593	
	AT THE END OF THE YEAR						**39593**	**1.138**
6	Taradevi Muktilal Paldiwal	**39115**	**1.125**					
				07 Jul 2017	(1900)	Sale	37215	
				19 Jan 2018	(2000)	Sale	35215	
				26 Jan 2018	(899)	Sale	34316	
				02 Feb 2018	(200)	Sale	34116	
	AT THE END OF THE YEAR						**34116**	**0.981**
7	Choice Equity Broking Pvt.Ltd.	**28831**	**0.829**					
				07 Jul 2017	(100)	Sale	28831	
				14 Jul 2017	(8731)	Sale	28731	
				08 Dec 2017	(20000)	Sale	20000	
				05 Jan 2018	4555	Purchase	4555	
				12 Jan 2018	1395	Purchase	5950	
				26 Jan 2018	(5646)	Sale	304	
				09 Feb 2018	(144)	Sale	160	
				16 Feb 2018	(160)	Sale	0	
	AT THE END OF THE YEAR						0	**0.000**
8	MARS TELECOM SYSTEMS PVT. LTD.	18500	0.5319					
	Transfer			05 Jan 2018	(8719)	Sale	9781	
	Transfer			26 Jan 2018	(6000)	Sale	3781	
	AT THE END OF THE YEAR						**3781**	**0.109**
9	Dasaratha Ramaiyer Thyagarajan	25541	0.734	28.10.2016	1173	Sale	24368	
				04.11.2016	5803	Sale	18565	
				10.02.2017	1000	Sale	17565	
	AT THE END OF THE YEAR						**17566**	**0.505**
10	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	0	0.0000			0		
	Transfer			14 Jul 2017	31235	Purchase	31235	

S.N.		Share holding at the beginning of the Year i.e 1st April, 2017		Trasanctions During the year				
		No. of shares	% of total shares of the company	Date of Trasanctions	No. of shares	Reason	No of shares	% of total shares of the company
	Transfer			21 Jul 2017	14476	Purchase	45711	
	Transfer			28 Jul 2017	9257	Purchase	54968	
	Transfer			04 Aug 2017	4442	Purchase	59410	
	Transfer			11 Aug 2017	7176	Purchase	66586	
	Transfer			25 Aug 2017	4591	Purchase	71177	
	Transfer			01 Sep 2017	1575	Purchase	72752	
	Transfer			15 Sep 2017	5097	Purchase	77849	
	Transfer			22 Sep 2017	14454	Purchase	92303	
	Transfer			29 Sep 2017	(5933)	Sale	86370	
	Transfer			05 Jan 2018	(3442)	Sale	82928	
	Transfer			12 Jan 2018	(1861)	Sale	81067	
	Transfer			19 Jan 2018	(32837)	Sale	48230	
	Transfer			26 Jan 2018	(17710)	Sale	30520	
	Transfer			02 Feb 2018	(2137)	Sale	28383	
	Transfer			09 Feb 2018	(2934)	Sale	25449	
	AT THE END OF THE YEAR						**25449**	**0.732**
	At the end of the year (or on the date of separation, if separated during the year)						**460671**	**13.246**

(v) Shareholding of Directors & KMP

S.N.		Share holding at the beginning of the Year i.e 1st April, 2017		Trasanctions During the year			Cumulative Share holding at the end of the year i.e 31st March, 2018	
	For Each of the Directors & KMP	No. of shares	% of total shares of the Company	Date of Trasanctions	No. of shares	Reason	No of shares	% of total shares of the company
	At the beginning of the year	269800	7.758					
	At the end of the year (or on the date of separation, if separated during the year)						269800	7.758

V **INDEBTEDNESS**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	**69551129**	**NIL**	**NIL**	69551129
ii) Interest due but not paid	**NIL**	**NIL**	**NIL**	**NIL**
iii) Interest accrued but not due	**NIL**	**NIL**	**NIL**	**NIL**
Total (i+ii+iii)	**69551129**	**NIL**	**NIL**	69551129
Change in Indebtedness during the financial year				
Additions				
Reduction	**18610742**	**NIL**	**NIL**	18610742
Net Change	**18610742**	**NIL**	**NIL**	18610742
Indebtedness at the end of the financial year				
i) Principal Amount	**50940387**	**NIL**	**NIL**	50940387
ii) Interest due but not paid	**NIL**	**NIL**	**NIL**	**NIL**
iii) Interest accrued but not due	**NIL**	**NIL**	**NIL**	**NIL**
Total (i+ii+iii)	**50940387**	**NIL**	**NIL**	50940387

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No	Particulars of Remuneration				
		Narottam C Vadgama	**Rajan R Bambhania**	**Jeshanker R Bhogayta**	**Total**
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1140000	1140000	1140000	3420000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	154108	152359	153459	459926
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**1294108**	**1292359**	**1293459**	**3879926**
	Ceiling as per the Act	Calculated as per Section 198 of Companies Act, 2013			

B. Remuneration to other directors :

Sl. No	Particulars of Remuneration	Name of the Directors					
1	Independent Directors	Bhagwanji bhai D. Joshi	Bhavesh R. Sureja	Dipsing B. Nakum	Jagdish-chandra B. Jagani	Anila S. Thanki	**TOTAL**
	(a) Fee for attending board committee Meetings	10000	10000	5000	10000	7500	42500
	(b) Commission						
	(c) Others, please specify						
	Total (1)						
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission						
	(c) Others, please specify.						
	Total (2)	10000	10000	5000	10000	7500	42500
	Total (B)=(1+2)	10000	10000	5000	10000	7500	42500
	Total Managerial Remuneration*						**4643644**
	Overall Ceiling as per the Act.	Calculated as per Section 198 of the Companies Act, 2013					

* Being total of Managerial remuneration and Remuneration payable to other directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					
		CFO	**CEO**	**C S**	**C S**	**C S**	**Total**
		Siddik Kotal	**R. R. Bambhania**	**Poonam Vijayvargiya**	**bhagyashree K Vyas**	**Pooja K Kadam**	
1	**Gross Salary**				-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	**510916**		**58746**	**65377**	**57912**	**692951**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	**70767**		**0.00**	**0.00**	**0.00**	**70767**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission						
	as % of profit						
	others, specify						
5	Others, please specify						
	Total	**581683**	**0**	**58746**	**65377**	**57912**	**763718**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

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

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

ANNEXURE "C"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Austin Engineering Company Limited

Village: Patla, Taluka: Bhesan,

Dist: Junagadh 362 030

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Austin Engineering Company Limited (hereinafter called "the Company"). A Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that:

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statement of the Company.

d) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

e) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper broad-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, **Overseas Direct Investment and External Commercial Borrowings;**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (Not Applicable to the Company during the Audit Period) ;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period) ;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period) ;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period) ; and
    h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period) ;
6. Other laws specifically applicable to the Company (As per Annexure-I)

We have also examined compliance with the applicable clauses of the followings:-

i. The Listing Agreement entered into by the Company with BSE Limited (Bombay Stock Exchange);

ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);

iii. Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.
2. Redemption / buy-back of securities.
3. Merger / amalgamation / reconstruction etc.
4. Foreign technical collaborations.

Place : Ahmedabad
Date : 27th May, 2018

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

ANNEXURE – I

1. THE CENTRAL EXCISE ACT, 1961
2. EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
3. INCOME TAX ACT, 1961
4. THE GOODS AND SERVICES TAX (GST)
5. THE FACTORIES ACT, 1948
6. THE APPRENTICE ACT, 1961
7. THE CONTRACT LABOUR (REGULATION AND ABOLITION) ACT,1970
8. THE PAYMENT WAGES ACT, 1965
9. THE PAYMENT OF BONUS ACT
10. THE PAYMENT OF GRATUITY ACT
11. THE MINIMUM WAGES ACT , 1946
12. CUSTOMS ACT 1962
13. THE WORKMEN'S COMPENSATION ACT,1923
14. THE INDUSTRIAL (DEVELOPMENT AND REGULATION) ACT,1951
15. THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986

Place : Ahmedabad
Date : 27th May, 2018

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

ANNEXURE "D"

FORM A

(i) **CONSERVATION OF ENERGY :**

1. Energy Conservation measures taken:

   Regular preventive measures for the maintenance of Machinery & Electric equipments
2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy: **None**
3. Impact of measures in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods. The aforesaid measures have resulted in a saving in the consumption of electricity & Fuel.
4. Total Energy Consumption and Energy Consumption per unit of production as per prescribed Form A is not applicable as the Company is not covered under the list of specified industries and hence not given.

FORM B

1. **RESEARCH & DEVELOPMENT :**

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

  The R & D efforts of the Company are directed towards quality assurance, improvement/ up-gradation of existing product lines, minimizing dependence on scarce and imported raw materials, development of new products and subjecting them to stringent endurance tests.
- **Benefits derived as a result of the above R & D :**

  The benefits are improvement in the quality of the existing range of products, cost reduction, development of new products, energy saving, export promotion and import substitution.
- **Future plans of action :**

  R & D efforts are being planned as a continuous exercise to improve quality, reduce costs and try for import substitution as far as possible.
- **Expenditure on R & D :**

  Expenditure on R & D is not quantifiable at present since it is a continuous exercise, forming part of our Technical Department.

2. TECHNOLOGY, ADOPTION & ABSORPTION & INNOVATION :

The Company is making continuous efforts towards modernization and technology up-gradation and innovations.

Quality of earnings has improved substantially and is well accepted by OEM as import substitute.

Technology imported during last five years: Nil.

3. **FOREIGN EXCHANGE EARNING AND OUTGO :** **(Rs. in Lakhs)**

S.N.	FOREIGN EXCHANGE EARNINGS :	2017-18	2016-17
1	Exports of goods on FOB basis	2367.34	2111.94
	Total Foreign Exchange Earned	2367.34	2111.94
	FOREIGN EXCHANGE OUTGO:		
1	Import of CIF value of Raw Materials, Capital goods & Spares.	101.02	44.78
2	Traveling	13.62	15.55
3	Sales Commission	1.96	1.48
4	Foreign Marketing & Sales Promotion Expanses	7.32	2.28
5	Sample Expense	0.83	0.00
6	Mould charges	2.81	0.00
7	Bank Loan Interest (FCNR)	20.41	0.00
	Total Foreign Exchange Used	147.97	64.09

By order of the Board of Director

Sd/-

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

Date : 28th May, 2018 **Managing Director**

ANNEXURE "E"

PARTICULARS OF REMUNERATION:

1. The information required under section 197 of the act and rules made there-under, in respect of employees of the company, is follows :-
2. The ratio of remuneration of each director to the median remuneration of employees for the financial year ;

Executive Director	Ratio to median remuneration (as per MGT-9)
Mr. Narottam C Vadgama	7.51
Mr. Rajan R Bambhania	7.50
Mr. Jeshanker R Bhogayta	7.51

3. The percentage increase in remuneration of each Director, Chief Executive Officer ,Chief Financial Officer, Company Secretary, Manager if any, in the financial year ;

Name of Person	% Increase in Remuneration
Mr. Narottam C Vadgama	(0.03%)
Mr. Rajan R Bambhania	(0.02%)
Mr. Jeshanker Bhogayta	0.07%
Mr. Siddik A Kotal-CFO	(2.21%)
Ms.Poonam, Bhagyshree & Pooja-CS	(2.12%)

4. The percentage decrease in the median remuneration of employees in the financial year: 7.19%
5. The number of permanent employees on the rolls of the Company as at 31st March, 2018: 599.
6. The explanation in relationship between average increase in remuneration and company performance:

   The performance pay is link to organization performance. The question of increase does not arises, due to overall performance of company which is more or less stagnant.
7. Comparison of the remuneration of Key Managerial Personnel against the performance of the Company: **(Rs. In Lakhs)**

Particulars	Amount (MGT-9)
Remuneration of KMP during the financial year 2017-18 (aggregated)	46.44
Revenue from operation	7617.08
Remuneration (as % of revenue)	0.61%
Profit / (Loss) Before Tax(PBT)	(104.05)
Remuneration (as % of PBT)	(44.63)

8. Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies , the variation in the net worth of the company as at the close of the financial year and previous financial year;

Particulars	Unit	As at 31-03-2018	As at 31-03-2017	Variation
Closing rate of share at BSE	In Rs.	73.00	56.00	30.35
EPS (Standalone)	In Rs.	(3.57)	(7.80)	54.23
Market Capitalization	Rs./Lacs	2538.79	1947.57	30.35
Price Earnings Ratio(Standalone)	Ratio	N.A.	N.A.	N.A.

9. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:

   There is decrease in average salary of employee other than managerial remuneration to the tune of 10.66% as compared to decrease in managerial remuneration to the tune of 0.73%.
10. Comparison of each remuneration of Key Managerial Personnel against the performance of the Company; **(Rs. In Lakhs)**

Particulars	Chief Executive Officer (as per MGT-9)	Chief Financial Officer	Company Secretary
	Amount	Amount	Amount
Remuneration	12.92	5.82	1.82
Revenue	7617.08	7617.08	7617.08
Remuneration (as % of revenue)	0.16%	0.07%	0.02%
Profit / (Loss) before Tax (PBT)	(104.05)	(104.05)	(104.05)
Remuneration (as % of PBT)	(12.41)	(5.59) %	(1.74) %

11. The key parameters for any variable component of remuneration availed by Directors: N.A.
12. The ration of the remuneration of the highest paid to the director to that of the employees who are not directors but receive remuneration in excess of highest paid during the year: N.A.
13. Affirmation that the remuneration is as per the policy of the company :

    The Company's remuneration policy is driven by the success and performance of the individual employees and the company. The Company affirms remuneration is as per the remuneration policy of the company.

ANNEXURE "F"

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	AUSTIN ENGINEERING COMPANY (Formerly known as Accurate Engineering Inc)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	SAME PERIOD i.e. 01.04.17 TO 31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US $ AS AT 31.03.2018 1 US $ = 65.04 INR
4.	Share capital	$ 50000
5.	Other Equity	$ 108581
6.	Total assets	$ 587814
7.	Total Liabilities	$ 429234
8.	Investments	NIL
9.	Turnover	$ 1551516
10.	Profit/(Loss) before taxation	$ (24)
11.	Provision for taxation	$ (4750)
12.	Profit (Loss) after taxation	$ 4726
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

NOTES :

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

1. Names of subsidiaries which are yet to commence operations - **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year. **NIL**

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	N.A.
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.
i. No:	N.A.
ii. Amount of Investment in Associates/Joint Venture	N.A.
iii. Extend of Holding%	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
6. Profit/Loss for the year	N.A.
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	N.A.
1. Names of associates or joint ventures which are yet to commence operations.	N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year.N.A.

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

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

A Report on compliance with the principle of Corporate Governance as prescribed by the Securities and Exchange Board of India in Chapter IV read with schedule V of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [herein after referred as "SEBI (LODR) Regulations, 2015"] is as under.

2. BOARD OF DIRECTORS :

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and also exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and society's expectations.

The Company is managed by the Board of Directors consisting of highly qualified and experienced professionals from different fields, which formulates strategies, policies and reviews its performance periodically. The Chairman and Whole-time Directors manages the business of the Company under the overall supervision, guidance and control of the Board.

COMPOSITION:

Your Company endeavors to have a judicious mix of executive, non executive and independent directors, so as to have independence on the Board and separate its function of governance from that of management. Your Company also had a woman director which brings diversity on the Board.

As on 31st March, 2018, the Board comprised of 7 (Seven) Directors including non-executive independent directors

None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a Director as per Regulation 26 of SEBI (LODR) Regulations, 2015. Necessary disclosures have been made by each Director.

The Chairman of the Board is an Executive Director. He acts as a guide and philosopher to the Company rather than executing day to day affairs. The experiences of all directors have diverse expertise in the field of finance, economics, administration and management which strengthens the governance and management of the Company's affairs.

The details of Directors along with their attendance in the various meeting and their directorship are given here under :

Name of the Directors	No. of Board Meeting Attained During the year	Whether Attained AGM held on Sep 19, 2017	No. of other Director		No. of outside Committee(s)	
			Public	Private	Public	Private
Mr. N. C. Vadgama - Chairman & Executive Director	5	YES	1	--	--	--
Mr. R. R. Bambhania - Managing Director	5	YES	1	--	--	--
Mr. J. R. Bhogayta - Executive Director	5	NO	--	2	--	--
Mr. B. D. Joshi- Non Executive Independent Director	5	NO	--	1	--	--
Dr. B. R. Sureja- Non Executive Independent Director	5	NO	--	--	--	--
Mr. D. B. Nakum- Non Executive Independent Director (Upto 10/03/2018)	3	NO	--	--	--	--
Mr. Jagdish B. Jagani- Non Executive Independent Director	5	NO	--	--	--	--
Mrs. Anila S. Thanki Non Executive Woman Director	3	NO	--	--	--	--

BOARD MEETINGS AND PROCEDURES :

(A) Scheduling and selection of Agenda items for Board Meetings :

i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.

ii. Where it is not practicable to attach any document or the agenda is of confidential nature, the same is placed on the table with the approval of the Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.

iii. The agenda papers are prepared by the secretarial department and submitted to the Chairman and Managing Director for his approval.

Duly approved agenda papers are circulated amongst the Board Members.

iv. Detailed presentations are made at the Board / committee meetings covering Finance, major business segments and operations of the Company and on Auditors reports before taking on record the quarterly/half yearly/annual financial results of the Company.

v. As per the convenience of the Members of the Board, the Board Meetings are usually held at the Company's Registered Office at Village Patla, Taluka Bhesan, Dist. Junagadh.

vi. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide additional inputs to the items discussed by the Board as and when necessary.

(B) Recording minutes of proceedings at the Board Meeting :

The Minutes of the proceedings of each Board Meeting is recorded and the same is sent to all Directors for their comments, if any. The said minutes are getting approved usually before the next Board Meeting. Thereafter, the minutes are entered in the minute's book and the same are signed by the Chairman as prescribed in the Companies Act, 2013.

(C) Compliance :

The secretarial department is responsible for preparation of Agenda papers for the meetings and is required to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The said department has to ensure compliance to all the applicable provisions of the Companies Act, 2013, SEBI Guidelines, SEBI (LODR) Regulations, 2015, and other statutory requirements pertaining to capital market. The Board of Directors reviews quarterly compliance report confirming adherence to all applicable laws, rules, regulations and guidelines.

BOARD MEETINGS:

During the year 2017-2018, 5 (Five) Board Meetings were held on 27th May, 2017, 27th July, 2017, 13th September, 2017, 12th December, 2017, and 12th February, 2018. The Company has held at least one Board Meeting in every quarter and the gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was throughout present in all the meetings. Leave of absence was granted to concerned directors who could not attend the respective Board Meeting.

The details of attendance of Directors at the Board Meetings are as under

Date of Meeting	No. of directors Present
27th May, 2017	8
27th July, 2017	7
13th September, 2017	6
12th December, 2017	8
12th February, 2018	7

The Company did not have any material pecuniary relationship or transactions with the independent Non-Executive Directors during the year 2017-18.

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

Mr. N.C. Vadgama, Director retires by rotation at the ensuing Annual General meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of Mr. N. C. Vadgama a Director retiring by rotation being eligible for re-appointment at the ensuing Annual General Meeting of the Company is given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Separate meeting of Independent Directors :

Separate meeting of Independent Directors were held on 30thApril, 2018 to evaluate the performance of Non-Independent Directors and the Board as a whole as well as the performance of the Chairman of the Company. In that meeting, Independent Directors have reviewed the flow and availability of information from the Management to the Board.

(F) Code of Conduct :

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company at www.aec.com The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended 31st March, 2018.

The Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is posted on the website of the Company at www.aec.com

The Manager of the Company has been appointed as Compliance Officer and is responsible for adherence to "Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information."

(G) Whistle Blower Policy :

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behaviour / practices. Employees use this channel to report concerns related to discrimination, retaliation and harassment, and are assured of complete anonymity and confidentiality. During the year under review, no such cases were reported and no personnel have been denied access to the Audit Committee.

The details of such mechanism are communicated to all the directors and employees and the Whistle blower policy is also uploaded on the website of the Company at ww.aec.com.

(H) CEO / CFO Certificate :

The Managing Director/CEO and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of SEBI (LODR) Regulations, 2015.

1. COMMITTEES OF BOARD :

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the meetings of all the committees are placed before the Board for review.

There are three Board Committees constituted/ reconstituted as at date:

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders Relationship Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

(1) AUDIT COMMITTEE :

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

The terms of reference and role of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

Composition of Committee:

The Audit Committee of Directors comprises of three Non-Executive Independent directors viz. (1) Mr. B. D. Joshi (2) Mr. D. B. Nakum (Upto 10-03-2018) (3) Mr. J.B. Jagani who all have adequate financial and accounting knowledge.

Meeting and attendance of Audit Committee:

Four Audit Committee meetings were held on 27th May, 2017, 11th September, 2017, 10th December, 2017, and 10th February, 2018. The attendance of Audit Committee member is given hereunder:

Name of the Director	Category	Nos. of Meeting Attended
Mr. B. D. Joshi	Chairman of Committee	4
Mr. D. B. Nakum (Upto 10-03-2018)	Member of Committee	4
Mr. J. B. Jagani	Member of Committee	4

The Audit committee at its meeting held on 27th May, 2017 reviewed the Annual Accounts for the year 2017-2018 and recommended the same for approval of the Board of Directors.

The Audit Committee invites such of the executives and directors, as it considers appropriate to be present at its meetings. The Manager, the Accountant, the Statutory Auditors and the Internal Auditors are normally invited to this meeting.

Terms of Reference:

The Audit Committee reviews the financial statements of subsidiary of the Company and also performs the following functions:

- to review the audit plan and Company's external auditors report;
- to recommend appointment, remuneration and terms of appointment of auditors of the company;
- to review the financial statements of the Company before their submission to the Board;
- to review with management the quarterly financial statements of the Company before their submission to the Board;
- to review the co-operation given by the Company's officers to the external auditors;
- to discuss nature and scope of audit before audit commences with statutory auditors;
- to review the scope and results of internal audit procedures;
- to nominate external auditors for re-appointment;
- to review interested person transactions;
- to generally undertake such other functions and duties as may be required by statute or by the Listing manual, and by such amendments made thereto from time to time;
- It shall have the authority to investigate into any matter relating to accounts as referred to it by the Board and for this purpose; they shall have full access to information contained in "Accounting records" of the Company.

The minutes of Audit Committee Meetings are reviewed by the Board of Directors at the subsequent Board Meeting.

(2) NOMINATION AND REMUNERATION COMMITTEE :

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Section 178 of Companies Act, 2013, and Regulation 19 of SEBI (LODR) Regulations, 2015.

Composition of Committee:

The Company has set up a Nomination and Remuneration committee which consist of three Non-Executive Independent Directors namely (1) Mr. B.D. Joshi (2) Mr. D.B. Nakum (Upto 10-03-2018) (3) Mr. J. B. Jagani

The Company pays remuneration by way of salary and perquisites to their whole time directors and senior managerial personnel subject to the requisite approval from the Board of Directors of the Company or from the shareholders as and when required under the "act".

During the Financial Year 2017-18, Mr. N. C. Vadgama, Mr. R.R. Bambhania and Mr. J. R. Bhogayta, the whole time directors have been paid monthly remuneration of Rs. 95,000/- each. All other Directors have been paid Rs.10,000/- during the year as sitting fees.

The remuneration committee at its meeting held on 28th May, 2017 reviewed the performance and recommend remuneration package to the Managing/Whole-time Directors and also Senior Managerial Personnel of the Company

Terms of Reference:

The role of the Remuneration Committee is to facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

The Remuneration Committee will recommend to the Board a framework of remuneration for the Directors, key managerial personnel and other employees and determine specific remuneration packages for each Director.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.

Remuneration Policy:

The Non Executive Independent Directors of the Company are paid by way of sitting fees. There is no other pecuniary relationship or transaction by the Company with Non Executive Directors.

The Company pays remuneration to its Executive Chairman, Managing Directors and Whole-time Directors by way of Salary, perquisites and bonus. The remuneration is approved by the Board and is within the overall limits as approved by the shareholders.

The minutes of Nomination & Remuneration Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Details of sitting fees, remuneration etc. paid to Directors for the year ended 31st March, 2018 :

Name of the Directors	Remuneration paid to Directors	Sitting fees paid for attending Board/Audit Committee
Mr. N. C. Vadgama	95,000/- Per Month	--
Mr. R. R. Bambhania	95,000/- Per Month	--
Mr. J. R. Bhogayta	95,000/- Per Month	--
Mr. B. D. Joshi		10,000/-
Mr. B. R. Sureja		10,000/-
Mr. D. B. Nakum		5,000/-
Mr. J. B. Jagani		10000/-
Mrs.A. S. Thanki		7500/-

NOTE: The Non-Executive Directors are not entitled to any remuneration except sitting fees for attending Board/Committee meetings. As regards to Executive Directors, they are entitled to remuneration as per terms of appointment.

(3) STAKEHOLDER RELATIONSHIP COMMITTEE :

The constitution and terms of reference of Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

Composition of Committee:

The Shareholders/Investors Grievance Committee was constituted to look into the redressal of shareholders/investors grievances, if any, like transfer/transmission/demat of shares, loss of shares certificate, non-receipt of annual report, dividends etc.

Scope of Committee:

The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Composition of Committee is as follow:

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

One meeting of Share holder/Investor Grievances Committee was held on 13th April, 2017.

The Committee places a certificate of Registrar & Transfer Agent about the details of complaints received and their disposal during the quarter.

Redressal of Investor Grievances:

The Company and its Registrar & Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.

The Company has received nil no of complaint from shareholders during the Financial Year 2017-18.

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

2. GENERAL BODY MEETINGS :

The last Three Annual General Meetings of the Company were held are given below:

Financial Year	Date	Location of the Meeting	Time
2014-15	22/09/2015	Village: PATLA, Tal: BHESAN Dist: JUNAGADH 362 030	11:00 a.m.
2015-16	29/09/2016	Village: PATLA, Tal: BHESAN Dist: JUNAGADH 362 030	11:00 a.m.
2016-17	19/09/2017	Village: PATLA, Tal: BHESAN Dist: JUNAGADH 362 030	11:00 a.m.

All resolutions moved at the last Annual General Meeting were passed in the manner of "Poll" by the requisite majority of members since the Company has given a facility of e-voting to their members as being mandated by the SEBI.

The followings are the Special Resolutions passed at the previous three Annual General Meetings.

Whether AGM Held on	Special Resolution Passed	Summary
1. 22.09.2015	YES	To approve revised monthly salary in pursuance to section 188 in respect of Mr. Hiren Vadgama-VP (Operation) Vadgama.
	YES	To approve revised monthly salary in pursuance to section 188 in respect of Mr. Jignesh Thanki-VP (Engineering)
	YES	To enter into related party transaction with Accurate Engineering INC., USA pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Max Precision Bearings Private Limited pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Accumax Engineering Company, a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with Eminent Trading (India) LLP, pursuant to section 188(1) of the Companies Act, 2013.
	YES	To enter into related party transaction with United Trading Co., a registered partnership firm pursuant to section 188(1) of the Companies Act, 2013.
2. 29.09.2016	YES	To re-designate Mr. R.R. Bambhania from Jt Managing Director to Managing Director
	YES	To insert or add new clause and re- Number the clause of Articles of Association Of Company
3. 19.09.2017	YES	To appoint Mr. Jagdish Jagani as Non- Executive Independent Director
		To enter into related party transaction with Austin Engineering Inc., USA pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with Max Precision Bearings Private Limited pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with Austin Traders pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with Accord Precision Products pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with Optimum Services Inc. pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with SNR Enterprises pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with Accumax Engineering Company pursuant to section 188(1) of the Companies Act, 2013.
		To enter into related party transaction with Eminent Trading (India) LLP pursuant to section 188(1) of the Companies Act, 2013
		To enter into related party transaction with United Trading Company pursuant to section 188(1) of the Companies Act, 2013.

Postal Ballot:

During the year under review, no Resolutions were passed through Postal Ballot process.

Special resolutions proposed to be conducted through Postal Ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Any Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

Procedure for Postal Ballot:

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made there under, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility has been provided to all members, to enable them to cast their votes electronically. The Company engaged the services of CDSL for the purpose of providing e-voting facility to all its members. The members had the option to vote either by physical ballot or e-voting.

DISCLOSURES:

- During the year under review, besides the transactions mentioned elsewhere in the annual report, there were no significant related party transactions or pecuniary transactions by the Company with its promoter, directors, management and subsidiaries for the year ended on 31st March, 2018 that had a potential conflict with the interests of the Company at large.
- The Audit Committee is briefed of the related party transactions undertaken by the Company in the ordinary course of business the material individual transactions which were not in the normal course of business and material individual transactions with related parties or others, which were not at arm's length basis together with management's justification for the same.
- The Senior Management has made disclosures to the Board relating to all material, financial and commercial transactions stating that they did not have personal interest that could result in the conflict with the interest of the Company at large.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company except to the extent of delayed filing.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- The Managing Director (CEO) have certified to the Board in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 pertaining to CEO certification for the financial year ended on 31st March, 2018.
- As required the financial statements for the period ended 31st March, 2018 have been prepared in compliance to IND-AS.

4. MEANS OF COMMUNICATION :

- The Company does not send its half-yearly reports to each shareholder as the same is not required to be sent legally.
- The quarterly, half-yearly and full year results are regularly submitted to the stock exchange in accordance with the listing agreement and are published in newspapers like Indian Express and Financial Express.
- The website of the Company is www.aec.com

5. GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting:

Date & Time: Wednesday, 26th September, 2018 at 11.00 a.m.

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

- Financial year : 2017-18 (1st April to 31st March)
- Date of Book Closure : 19th September, 2018 to 26th September, 2018 (Both days inclusive)
- Listing on Stock Exchange: Bombay Stock Exchange Limited

The annual listing fees for the year 2018-19 have been paid to the aforesaid stock Exchange.

Stock Code: 522005 (BSE) ISIN No. INE759F01012

- **Market Price Data :**

The monthly high and low shares traded on the Bombay Stock Exchange Limited during financial year 2017-18.

Month	Year	High (Rs.)	Low (Rs.)	Month	Year	High (Rs.)	Low (Rs.)
April	2017	68.70	58.00	October	2017	67.40	58.00
May	2017	67.00	53.80	November	2017	66.35	58.00
June	2017	60.85	51.00	December	2017	85.50	59.50
July	2017	75.50	58.00	January	2018	148.40	81.00
August	2017	72.00	61.00	February	2018	122.00	86.80
September	2017	70.95	58.00	March	2018	92.70	70.00

- **Registrar & Share Transfer Agents :**

LINK INTIME INDIA PRIVATE LIMITED

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

Phone No.: 022 49186000, Fax No.: 022 49186060

Email: rnt.helpdesk@linkintime.co.in

- **Share Transfer Systems :**

Presently, the share transfer received in physical form are processed and the share certificate are returned within a period 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

- **Distribution Pattern of shareholding as on 31st March, 2018 :**

No. of Equity Shares Held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	4156	88.0136	622867	17.9098
501- 1000	263	5.5697	211085	6.0695
1001- 2000	121	2.5625	182280	5.2412
2001- 3000	38	0.8047	97080	2.7914
3001- 4000	37	0.7836	134291	3.8614
4001- 5000	25	0.5294	118274	3.4008
5001- 10000	38	0.8047	251653	7.2360
10001 and above	44	0.9318	1860270	53.4898
Grand Total	**4722**	**100.00**	**3477800**	**100.00**
Physical Mode	1062	22.49	262001	7.53
Electronic Mode	3660	77.51	3215799	92.47

Shareholding Pattern as on 31st March, 2018 :

Category	Number of Shares	% of Holding
Indian Promoters/Relatives	1174789	33.78
Resident Individuals & Corporate	2274296	65.39
Fin. Institutions/Banks/Mutual Fund	6900	0.20
NRIs 21815	0.63	
TOTAL	**3477800**	**100.00**

- **Dematerialization of equity shares and liquidity :**

The Company's equity shares are compulsorily dematerialized with effect from 17.10.2002. The Company's ISIN No. INE759F01012. Any shareholder, desirous of dematerialization of their shares, is required to approach any Depository Participant for opening of account or for any operational clarification; the Share Certificates are required to be sent to the Company through Depository Participant only.

Nearly 92.46% of total equity shares of the Company are held in dematerialized form with following depository.

NSDL: 2001249 Shares (57.54%) CDSL: 1214550 Shares (34.92%) as at 31st March, 2018

- **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments conversion date and likely impact on equity:**

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

- Plant Location :

  Village : PATLA, Taluka: BHESAN,

  District : JUNAGADH 362 030 (Gujarat)

  Phone : 02873 - 252223 / 252267 / 252268

  Fax : 02873-252225 & 0285-2661505

  E-mail : info@aec.com

- **Address for Correspondence :**

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

LINK INTIME INDIA PRIVATE LIMITED

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

Phone No.: 91 22 49186000, Fax No.: 91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

For general correspondence write to:

Austin Engineering Co. Ltd.

Village : PATLA, Taluka: BHESAN

District : JUNAGADH 362 030 (Gujarat)

Phone : 02873 - 252223 / 252267 / 252268

Fax : 02873-252225 & 0285-2661505

Email : info@aec.com

6. **CEO and CFO CERTIFICATION :**

The CEO's and CFO's certification of the financial statements and a declaration that all Board Members and senior management have affirmed compliance with the Company's Code of Business Ethics for the year ended 31 March, 2018 is attached with this report.

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD:

We, Mr. R. R. Bambhania, Managing Director and Mr. Siddik Kotal, Chief Financial Officer of Austin Engineering Company Limited, certify that:

1. We have reviewed the financial statements for the year 31st March, 2018 and to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the Auditors and to the Audit Committee:
   a) that there are no significant changes in internal control over financial reporting during the year;
   b) that there are no significant changes in accounting policies during the year;
   c) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

	Rajan R. Bambhania	**Siddik Kotal**
Date : 28th May, 2018	**Sd/-**	**Sd/-**
Place : Junagadh	**Managing Director**	**Chief Financial Officer**

7. **DECLARATION BY CEO UNDER REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOURSE REQURIMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:**

In accordance with Regulation 26 Of SEBI (LODR) Regulations, 2015 with the Stock Exchange, I hereby confirm that, all Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial year ended on 31st March, 2018.

FOR AUSTIN ENGINEERING CO. LTD
Sd/-

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

Date : 28th May, 2018 **Managing Director**

7. AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQURIMENTS) REGULATIONS, 2015

To,

The Members,

AUSTIN ENGINEERING CO. LTD

We have examined the compliance of conditions of Corporate Governance by AUSTIN ENGINEERING COMPANY LIMITED during the year ended on 31st March, 2018 as stipulated in Regulation 27 of the SEBI (LODR) Regulations, 2015 of the said Company with the stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances remaining unattended/pending for a period exceeding one month as on 31st March, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR B. H.ADVANI & ASSOCIATES
Chartered Accountants
Sd/-

Place : Junagadh. **BHISHAM H. ADVANI**
Dated : May 28, 2018. **PARTNER**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW - ECONOMY & BEARING INDUSTRY:

India is passing through the sweeping changes in the global economy, where "stagnancy" is not welcome and "localization" acquired a new meaning and focus across the borders. "Skill-India", "Start-up India", "Smart City", "Digital India" created challenges along with the opportunities. The government is committed to develop the infrastructure in a major way with clear focus on the development of roads, mass transportation, affordable houses, rural development and electrification and clear energy.

The Indian bearing markets did not witness any major structural changes but expected to have positive future. The bearing industry is a technology driven and a high capital intensive. The market is normally met through domestic production and imports. Organized sector companies including the world majors meet the needs of Indian market through a mix of domestic manufacturing and imports. It is again further divided into Original Equipment Manufacturer (OEM) and User Market.

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

OPPORTUNITIES:

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

THREATS:

Bearing industry being capital intensive, there is always a threat of under utilization of expensive resources to be used and lesser absorption of fixed cost faced by the Company. Moreover, facing competition from Chinese Markets due to dumping of cheap bearings is area of serious concern for the Company.

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

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

The shortage of appropriately skilled labour across is emerging as a significant and complex challenge to the company's growth and future.

Your Company continues to focus on quality and technology innovations besides further developing application engineering and R & D capabilities to strengthen the competitiveness.

STRENGTH:

The Directors of the Company are well experienced and technically qualified with well succession plan. The Company is in this line of business for more than three decades and enjoys high reputation in the name of its brand and in the market. The Company has wide market network with established customer base. The Company is able to obtain skilled workmen at comparatively lower cost.

SEGMENT WISE PERFORMANCE:

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

Particulars	2016-17 Bearing	2017-18 Bearing	2016-17 Power	2017-18 Power	2016-17 Total	2017-18 Total
1. Segment Revenue	707,721,770	770,473,819	8,554,484	39,26,858	716,276,254	770,473,819
2. Segments Results (PBT)	(29,750,683)	(6,463,992)	(7,073,517)	23,85,904	(32,783,557)	(104,05,300)
3. Capital Employed	507,506,512	491,933,788	7,282,057	40,21,151	530,716,722	512,478,498

INTERNAL CONTROL SYSTEMS :

An important aspect of Good Corporate Governance is a well-defined "Internal Control" and "Internal Audit" system. Therefore your Company views internal audit as a continuous process to keep management regularly appraised about the existence, adequacy and effectiveness of control systems and processes in the operations of the organization.

The Company has a sound system of internal controls for financial reporting of various transactions and compliance with relevant laws, rules and regulations. The Company has well documented policies, procedures and authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the business.

The Internal Audit Department has extensive audit programs for the year. The post audit checks and reviews are also carried out to ensure follow up on the observations made by the Audit Committee. The Audit Committee reviews the internal audit reports and the adequacy of internal controls periodically and takes corrective action as and when necessary.

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

FINANCE:

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

Your company has been consistently practicing prudent finance and working capital management. The strong focus on working capital and liquidity management has helped timely generation of sufficient internal cash flow to invest in long-term strategic objectives of the company.

BUSINESS STRATEGY AND OUTLOOK:

"AECL" is the leading manufacturer of all types of anti-friction bearings and it offers wide range of varieties to the different segments of people.

The Company blend optimism with caution as it looks ahead to short term future. Easing of inflation and liquidity will set better chance for investment and consumption.

At the company level, the majority of product range is the import substitute and there is likelihood to increase our sale on export front. A number of steps for strict cost control and improving efficiency and production at all levels have been taken which is expected to further enhance the performance of company in the years to come. At the core of "AECL", technical up gradation and advancement is a perpetual effort soliciting involvement of the top management which itself endeavors to encourage new development, continuous quality improvement and strong desire to prove that your company's technology is proficient to compete with any top technologically advanced organization and thus, resulting in unshakeable customer confidence in India and abroad for "AEC" bearings.

The Company is trying to focus on sharpening its competitiveness and offering various product- mixes which is totally market driven.

The Company restricts its export domain only to the most quality-conscious market like the United States and European Union which accounts majority of its revenue. We have 100% subsidiary in USA which also acts on marketing front. What may come as a surprise to the most is that, despite our very modest size, we have the widest range of bearings in the domestic market, weighing from 50 Gms to over 500 Kgs.

We manufacture bearings for demanding applications. It is among a handful of customized bearing manufacturer worldwide producing bearings of 1800mm diameter.

Ours special bearing range includes:

1. Steel Plant bearings
2. Mining Equipment.
3. Material handling equipment.
4. Bearings for cement, sugar, paper and other continuous process industry
5. Special bearings for high speed heavy duty turbines (used in power plants)
6. Oilfield applications
7. Agro-machinery
8. Gear Box
9. Motor/Pumps

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company believes that the quality of its employees is the key to its success in the long run and therefore is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adapt to contemporary technological advancements. Industrial relations during the year continued to be cordial. The company is committed to maintain good relations through negotiations and meetings and it encourages its employees to be "entrepreneurial" and focus on experimenting and being innovative.

The performance linked bonus and rewards were instituted, which not only helped to improve productivity but also brought the culture of healthy competitive performance within the organization. The gap between existing and desired skills has been filled up in the employees through training and development.

Your Company firmly believes that Human Resource Development strategies and practices will continue to provide sustained competitive advantage. The management of your Company deeply appreciates the spirit and commitment of its dedication of its employees.

CAUTIONARY STATEMENT:

Certain statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied therein. Important factors that could make a difference include raw material availability and prices thereof, cyclical demand and pricing in the company's principal markets, changes in government regulations and tax regime, economic developments within India and the countries in which the company conducts business and other incidental factors. The Company will not be in any way responsible for any actions based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
AUSTIN ENGINEERING CO. LTD.

Report on The Standalone Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of Austin Engineering Company Limited ("the company") which comprise of the Balance Sheet as at **31st March,2018,** the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as " Ind AS Financial Statements").

Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, profit or loss (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued their under. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuing their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and the Ind AS , of the state of affairs (financial position) of the Company as at 31st March, 2018, its loss (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the '**Annexure - A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that :

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;

   b. in our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;

   d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified u/s 133 of the Act and rules made there under, as applicable;

e. on the basis of written representations received from the directors, as on **March 31, 2018**, taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2018**, from being appointed as a director in terms of section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure – B'**; and

g. with respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) the company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 on Contingent Liabilities to *the standalone Ind AS financial statements*;

   ii) the company did not have any long term contracts including derivative contracts; for which there were any material foreseeable losses;

   iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Junagadh.
Dated : May 28, 2018.

FOR B. H.ADVANI & ASSOCIATES
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
PARTNER
Membership No. 102464

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2018, we report that:

1. In respect of its Fixed Assets:

   (a) The company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets. (other than in respect of tools, dies, furniture & fixture).

   (b) The fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the company.

2. In respect of its Inventories:

   (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management.

   (b) No material discrepancies were noticed on physical verification of stocks by the management as compared to the books records.

3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.(a)As stated above, no such loan has been granted by the company hence clause (a) related to terms and condition of loans is not applicable to the Company.(b)As stated above, no such loan has been granted by the company hence clause (b) related to repayment of loan and interest are also not applicable to the Company.(c)As stated above, no such loan has been granted by the company hence clause (c) related to overdue amount more than 90 days is also not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

6. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.

7 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues to the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance.According to the information and explanations given to us and based on the records of the Company examined by us, no undisputed amount of Statutory dues were outstanding, as at **March 31, 2018** for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no material dues of Income Tax, Sales-Tax, Value Added Tax, Service-Tax, Custom Duty and cess which have not been deposited with the appropriate authorities on account of any dispute.

   However, according to information and explanations given to us, the following dues of Central Excise as at **March 31, 2018** have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	72,71,011	Financial year 2009-10, 2010-11 & 2012-13	CESTAT, WZB - Ahmedabad
Central Excise Act, 1944	Excise Duty and Penalty	57,41,418	Financial year 2012-13 to 2016-17	CCEC (A) - Rajkot

   *Net of amounts paid under protest.

8. The company has not made any default in repayment of loans or borrowing to bank. The Company does not have any loans or borrowing from a financial institution, Government or any debentures holder during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not raised any term loan during the year.

10. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of any such instance by the management.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Junagadh.
Dated : May 28, 2018.

FOR B. H.ADVANI & ASSOCIATES
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
PARTNER
Membership No. 102464

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **AUSTIN ENGINEERING CO. LIMITED**. ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place : Junagadh.
Dated : May 28, 2018.

FOR B. H.ADVANI & ASSOCIATES
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
PARTNER
Membership No. 102464

Standalone Balance Sheet as at 31.03.2018

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	**ASSETS**				
1	**Non-current assets**				
	(a) Property, plant and equipment	**4**	**8,20,34,870**	8,98,48,878	9,70,21,822
	(b) Capital work-in-progress	**4.1**	**-**	-	1,45,000
	(c) Other intangible assets	**4.2**	**2,29,04,730**	2,40,49,918	2,50,39,052
	(d) Financial assets				
	- Investments in Subsidiary	**5**	**22,71,600**	22,71,600	22,71,600
	- Other investments	**5.1**	**14,58,470**	14,32,922	14,27,150
	- Other financial assets	**6**	**1,20,28,134**	92,01,616	95,06,123
	(e) Other non current assets	**7**	**5,05,847**	10,69,564	5,29,519
	(f) Deferred Tax Asset	**8**	**1,65,23,559**	1,82,38,775	1,29,35,906
	Sub-total-Non-Current Assets		**13,77,27,210**	**14,61,13,273**	**14,88,76,172**
2	**Current assets**				
	(a) Inventories	**9**	**47,30,18,620**	48,43,50,347	51,42,20,015
	(b) Financial assets				
	- Trade receivables	**10**	**17,89,63,696**	19,02,06,010	20,06,26,217
	- Cash and cash equivalents	**11**	**3,13,34,029**	1,94,91,046	1,48,04,047
	- Other financial assets	**12**	**2,50,64,602**	1,56,53,008	1,88,33,885
	(c) Other current assets	**13**	**1,24,57,130**	1,33,92,834	1,26,89,333
	Sub-total - Current Assets		**72,08,38,077**	**72,30,93,245**	**76,11,73,497**
	TOTAL - ASSETS		**85,85,65,287**	**86,92,06,518**	**91,00,49,669**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity Share capital	**14**	**3,47,78,000**	3,47,78,000	3,47,78,000
	(b) Other equity	**15**	**47,77,00,498**	49,08,20,567	51,79,62,709
	Sub-total - Equity		**51,24,78,498**	**52,55,98,567**	**55,27,40,709**
2	**LIABILITIES**				
	Non-current liabilities				
	(a) Financial liabilities				
	- Borrowings	**16**	**-**	9,95,124	13,06,616
	- Other financial liabilities	**17**	**3,62,003**	3,21,780	2,86,027
	(b) Provisions	**18**	**6,01,40,973**	4,93,87,540	4,33,99,233
	(c) Other non-current liabilities		**-**	-	-
	Sub-total - Non-current liabilities		**6,05,02,976**	**5,07,04,444**	**4,49,91,876**
3	**Current liabilities**				
	(a) Financial liabilities				
	- Borrowings	**19**	**5,05,39,316**	6,75,74,328	8,34,77,042
	- Trade payables	**20**	**19,18,62,421**	17,32,36,223	16,22,22,569
	- Other financial liabilities	**21**	**2,56,03,814**	3,30,45,346	3,13,97,854
	(b) Provisions	**22**	**1,20,62,695**	1,07,05,246	98,83,573
	(c) Other current liabilities	**23**	**55,15,567**	83,42,364	2,53,36,046
	Sub-total - Current liabilities		**28,55,83,813**	**29,29,03,507**	**31,23,17,084**
	TOTAL - EQUITY AND LIABILITIES		**85,85,65,287**	**86,92,06,518**	**91,00,49,669**

See Accompaning Notes to the standalone financial statements

As per our Report attached of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partnar
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

Standalone Statement of Profit and Loss for the Year ended 31.03.2018

	Particulars	Note No.	2017-18 Rs.	2017-18 Rs.	2016-17 Rs.	2016-17 Rs.
I	Revenue from operations	24	76,17,08,113		74,25,76,445	
II	Other Income	25	1,26,92,564		44,37,932	
III	**Total Revenue (I +II)**			77,44,00,677		74,70,14,377
IV	Expenses					
	Cost of Materials Consumed	26	26,92,27,480		20,07,05,267	
	Purchase of Trade Goods	27	10,21,36,911		10,35,36,054	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	28	2,03,72,064		3,26,85,383	
	Excise duty		83,72,677		3,57,46,701	
	Employee benefits expense	29	15,34,41,524		15,39,46,913	
	Finance Costs	30	63,27,212		1,01,42,144	
	Depreciation	4, 4.2	1,10,46,683		1,12,84,531	
	Other expense	31	21,38,81,426		23,13,69,201	
	Total Expense			78,48,05,977		77,94,16,193
V	Profit / (Loss) before tax (III -IV)			(1,04,05,300)		(3,24,01,816)
VI	**Tax expense:**					
	(1) Current tax		-		-	
	(2) Deferred tax		20,24,078	20,24,078	(52,89,522)	(52,89,522)
VII	**Profit / (Loss) for the year (V - VI)**			(1,24,29,378)		(2,71,12,294)
	operations (IX - X)					
VIII	**Other Comprehensive Income**					
	(a) Items that will not be reclassified to Statement of Profit and Loss			(9,99,553)		(43,195)
	(b) Income tax relating to items that will not be reclassified to Statement of Profit and Loss			3,08,862		13,347
	(c) Items that will be reclassified to Statement of Profit and Loss			-		-
	(d) Income tax relating to items that will be reclassified to Statement of Profit and Loss			-		-
IX	**Total comprehensive income for the year**			(1,31,20,069)		(2,71,42,142)
	operations (IX - X)					
X	**Earnings per equity share:**					
	Basic & Diluted	32		(3.57)		(7.80)
	See Accompaning Notes to the standalone financial statements					

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partnar
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars	2017-18 Rs.	2017-18 Rs.	2016-17 Rs.	2016-17 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) before tax		**(1,04,05,300)**		(3,24,01,816)
	Adjustments for:				
	Depreciation and amortization expenses	**1,10,46,683**		1,12,84,531	
	Finance Cost	**63,27,212**		1,01,42,144	
	(Profit)/ Loss on sale of Assets/shares	**1,66,364**		54,030	
	Interest/Dividend Income	**(10,79,485)**		(13,52,324)	
	Provision for Expected Credit Loss Allowance	**(1,13,559)**	**1,63,47,215**	(1,05,254)	2,00,23,127
	Operating Profit before working capital changes		**59,41,915**		(1,23,78,689)
	Adjustments for (increase)/decrease in				
	Inventories	**1,13,31,727**		2,98,69,668	
	Trade Receivable & Other Financial assets	**19,44,279**		1,37,06,338	
	Other Current Assets	**9,35,704**		(7,03,501)	
	Other Non Current Assets	**(22,62,801)**		(2,35,538)	
	Adjustments for : (decrease) / increase in				
	Trade payables & Other Financial assets	**1,11,84,666**		1,26,61,146	
	Other Current Liabilities	**(28,26,797)**		(1,69,93,682)	
	Provisions	**1,10,85,781**		67,61,013	
	Other Non Current Liabilities	**40,223**		35,753	
			3,14,32,782		4,51,01,197
	Cash flow from/(used in) operations		**3,73,74,697**		3,27,22,508
	Income taxes paid		**-**		-
	NET CASH FROM OPERATING ACTIVITIES :		**3,73,74,697**		3,27,22,508
B	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Payment for Property, Plant & Equipments, Intangible assets		**(29,68,137)**		(36,30,483)
	Purchase of Investments		-		-
	Proceeds from sale of Property, Plant & Equipments		**7,14,286**		5,99,000
	Sale of Investments		**-**		-
	Interest/Dividend Received		**10,79,485**		13,52,324
	Net Cash generated from / (used in) investing activities (B)		**(11,74,366)**		(16,79,159)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds of non current Borrowings		**-**		-
	Repayment of non current Borrowings		**(9,95,124)**		(3,11,492)
	Net Increase / (Decrease) in Current Borrowings		**(1,70,35,012)**		(1,59,02,714)
	Dividend Paid		**-**		-
	Dividend Tax Paid		**-**		-
	Finance Cost		**(63,27,212)**		(1,01,42,144)
	Net Cash generated from / (used in) financing activities		**(2,43,57,348)**		(2,63,56,350)
	Net increase in cash and cash equivalents (A+B+C)		**1,18,42,983**		46,86,999
	Cash and Cash equivalents at the beginning of the year		**1,94,91,046**		1,48,04,047
	Cash and Cash equivalents at the end of the year Note: 11		**3,13,34,029**		1,94,91,046

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard Ind AS - 7 - "Statement of Cash Flow".

See Accompaning Notes to the standalone financial statements

As per our Report attached of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partnar
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital (Refer Note 14)

As at 01-04-2016	Movement during the year	As at 31-03-2017	Movement during the year	As at 31-03-2018
3,47,78,000	NIL	3,47,78,000	NIL	3,47,78,000

B. Other Equity (Refer Note 15)

Particulars	Reserve and Surplus						Item of other Comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Cash Subsidy Reserve	Capital Redemption Reserve	Retained Earnings		
Opening Balance as at April 01,2016	7,92,427	8,67,95,000	6,01,49,239	29,35,458	5,32,000	36,67,58,585	-	**51,79,62,709**
Profit / (Loss) for the year	-	-	-	-	-	(2,71,12,294)	-	**(2,71,12,294)**
Other Comprehensive Income for the year (net of Income tax)	-	-	-	-	-	-	(29,848)	**(29,848)**
Closing balance as at March 31, 2017	7,92,427	8,67,95,000	6,01,49,239	29,35,458	5,32,000	33,96,46,291	(29,848)	**49,08,20,567**
Profit / (Loss) for the year	**-**	**-**	**-**	**-**	**-**	**(1,24,29,378)**	**-**	**(1,24,29,378)**
Other Comprehensive Income for the year (net of Income tax)	**-**	**-**	**-**	**-**	**-**	**-**	**(6,90,691)**	**(6,90,691)**
Closing balance as at March 31, 2018	**7,92,427**	**8,67,95,000**	**6,01,49,239**	**29,35,458**	**5,32,000**	**32,72,16,913**	**(7,20,539)**	**47,77,00,498**

See Accompaning Notes to the standalone financial statements

As per our Report attached of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partnar
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

Notes to the Standalone Financial Statements

1. GENERAL INFORMATION

Austin Engineering Company Limited ("the Company") is a public limited domiciled in India The Company is engaged in manufacturing and selling all types of Bearings and its components under trademark "aec". The company is also engaged in generating of power from wind energy. The company caters to both domestic and international markets.

The Company's shares are listed with BSE.

2. SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian accounting standard) Rules, 2015 as amended and notified under section 133 of the companies act 2013 (the "Act") and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupees, except when otherwise stated. The Company's financial statements up to and for the year ended 31st March, 2017 were prepared in accordance with the Standards as per companies (financial standards) Rule, 2006, notified under section 133 of the companies act, 2013 and other relevant provisions of the act which was the previous GAAP ("IGAAP). These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 2 (T) below for the details of first-time adoption exemptions availed by the Company.

B. BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirement of Ind AS prescribed under section 133 of the companies act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique in estimating the fair value of an asset or a liability, the Company takes in to account the Characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for sharebased payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value, in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date :
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly ; and
- Level 3 inputs are unobservable inputs for the asset or liability."

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act 2013. Based on the nature of its business, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

C. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue on sale of products, net of discount, rebate, returns etc. The following specific recognition criteria must also be met before revenue is recognized.

Sales of goods

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales include gross of manufacturing taxes excise duty, sales tax and value added tax wherever applicable. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend Income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Other income is recognized on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

D. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable fromthe tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of profit and loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognized upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

The company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS i.e. 1 April-2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in schedule II to the companies Act, 2013. In respect of additions to property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than Rs.5,000/- are depreciated fully during the year of purchase.

The company review the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

E. INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation is recognized on a Straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss when the asset is derecognized.

For transition to Ind AS, the company has elected to continue with carrying value of all its intangible assets recognized as of 1 April 2016 (transition date) measured as per the previous GAAP as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

Intangible Assets amortized as follows:

a) Trademark is amortized over the useful life estimated by the management. - Over a period of 50 years.

b) Computer Software is amortized over the useful life estimated by the management. - Over a period of 5 years.

F. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognized impairment loss is limited to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

G. LEASES

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease areclassified as operating leases.

Where the company is lessor

Rental income from operating leases is recognized on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on straight-line basis over the lease term.

Where the company is lessee

Payments made under operating lease are charged to the statement of Profit and Loss on straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor'sexpected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

Leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance Leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

H. INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on first in first out ('FIFO') basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

All items of inventories which are unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

I. EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows :

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income ; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual level and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

J. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

Current Tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the India Income Tax Act,1961.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognized in the statement of profit and loss, except when they are related to item that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

K. FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in statement of Profit and Loss in the period in which they arise except for ;

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to statement of Profit and Loss on repayment of the monetary items.

L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and contingent assets are not recognized but are disclosed in the notes.

M. EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for driving basis earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

N. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

O. GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognized by the company where there is reasonable assurance that the grants will be received and all the attached conditions will be complied with. Revenue grants are recognized in the Statement of Profit and Loss in the same period, in which the related costs are incurred are accounted for.

Government grants relating to Property, plant and equipment are recognized / presented as deferred income and released to the statement of Profit and Loss over the expected useful lives of the assets concerned.

P. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

a) Financial Assets

(i) Initial recognition and measurement.

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through statement of profit and loss at fair value through statement of profit and loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories :

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI :

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met :

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flow represents SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income(OCI).

Debt instrument at FVTPL :

FVTPL is a residual category for debt instrument.

Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognized the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

(iv) Investment in Subsidiary :

The Company's investment in equity instruments of Subsidiary are accounted for at cost as per Ind AS 27, including adjustment for fair value of obligations, if any, in relation to such Subsidiary.

b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any)that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below :

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods or services provided to the company which are unpaid at the end of the reporting period. Trade and other payable are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables filling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

Other financial liabilities at fair value through profit or loss :

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

De-recognition of financial liabilities :

A financial liability is de-recognition when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivatives and hedging activities :

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re measured to their fair value at the end of each reporting period. The accounting forsubsequent changes in fair value depends on whether the derivatives is designated as a hedging instrument, if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designated their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings.

The company documents at the beginning of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The company documents is risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The fair value of hedging derivative is classified as a non current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The company uses foreign exchange forwards contracts to hedge its exposure to movements in foreign exchange rate. This foreign exchange forward contracts is not used for trading or speculation purposes. The accounting policies for forward contracts is based on whether it meet the criteria for designation as effective cash flow hedges. To designate the forward contract as an effective cash flow hedge, the company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contracts with a cumulative change in the fair value of the hedged item.

For forward contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the share holders' fund (under the head "hedging reserve ") and are reclassified into the statement of profit & loss upon the occurrence of the hedged transactions.

The company recognizes gains or losses from changes in fair value of forward contracts that are not designated as effective cash flow hedges for accounting purposes in the profit and loss account in the period the fair value changes occur.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Impairment of financial assets

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognized lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

Q. FAIR VALUE MEASUREMENT :

The company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities ;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

R. CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balance (with an original maturity of twelve months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

S. SEGMENT

Operating segments are reported in a manner consists with the internal reporting provided to the management of the company.

Identification of segments

The Company's management examines the Company's performance both from a product and geographic perspective. The Company's operating businesses are organize and managed separately according to the nature of products, with each segments representing a strategic business unit that offers different products and serves different markets. The analysis of the geographical segments is based on the areas in which major operating divisions of the Company operate.

Intersegment transfers

The company accounts for intersegment sales on the basis of price charged for inter segment transfers.

Allocation of common cost

Common allocable costs are allocated to each segment according to the relevant contribution of each segment to the total common cost.

Unallocated items

Unallocated items include general corporate income and expenses items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statement of the Company as a whole.

T. FIRST TIME ADOPTION – MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS

Overall principle

The Company has adopted Indian accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April 2017 with a transition date of 1 April 2016. These consolidated financial statements for the year ended 31 March 2018 are the first Consolidated financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended 31 March 2017, the Company prepared its Consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (herein after referred to as ("Previous GAAP") used for its statutory reporting requirement in India immediately before adopting Ind AS. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. Accordingly the Company has prepared financial statements which comply with Ind AS for the year ended 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the opening balance sheet of the Company was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

The note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

The company has prepared the opening standalone Balance Sheet as per Ind AS as of

1 April, 2016 (the transition date) by,

- Recognising all assets and liabilities whose recognition is required by Ind AS,
- Not recognizing items of assets or liabilities which are not permitted by Ind AS,
- By reclassifying items from previous GAAP to Ind AS as required under Ind AS and
- Applying Ind AS in measurement of recognized assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the company as detailed below. Since, the financial statements are the first financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

(i) Deemed cost for property, plant and equipment and intangible assets

The company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as of 1 April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

(ii) Deemed cost for investments in Subsidiary

The Company has elected to continue with the carrying value of all of its investments in subsidiary recognized as of 1 April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

(iii) Determining whether an arrangement contains a lease

The company has opted to apply the Appendix C of Ind AS 17 – Determining whether an Arrangement contains a Lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.

(iv) De-recognition of financial assets and financial liabilities

The company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2016 (the transition date).

(v) Designation of previously recognized financial instruments

The company has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(vi) Impairment of financial assets

The company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without un due cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind Ass, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the company is required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factor that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

(ii) Impairment of Investment in Subsidiary

Determining whether the investments in subsidiary are impaired, requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodities prices, capacity utilization of plants, operating margins, discount rates and other factors of underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

(iii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(v) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility".

(vi) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold & Lease hold Land	Building	Plantand Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Wind Mill machinery	Total
Deemed cost as at April 01,2016	**1,68,279**	**5,39,37,207**	**22,98,54,008**	**1,80,35,279**	**2,24,96,382**	**1,04,93,640**	**1,06,91,484**	**3,53,93,044**	**38,10,69,323**
Additions	-	2,65,487	21,50,079	4,350	9,37,751	2,20,691	48,625	-	**36,26,983**
Disposals	-	-	-	-	9,19,666	-	-	-	**9,19,666**
Gross Carrying amount as at March 31, 2017	**1,68,279**	**5,42,02,694**	**23,20,04,087**	**1,80,39,629**	**2,25,14,467**	**1,07,14,331**	**1,07,40,109**	**3,53,93,044**	**38,37,76,640**
Addition	-	1,11,933	19,77,416	30,772	-	3,81,668	3,07,307	-	**28,09,096**
Disposals	-	-	-	-	27,60,129	-	-	-	**27,60,129**
Gross Carrying amount as at March 31,2018	**1,68,279**	**5,43,14,627**	**23,39,81,503**	**1,80,70,401**	**1,97,54,338**	**1,10,95,999**	**1,10,47,416**	**3,53,93,044**	**38,38,25,607**
Accumulated depreciation									
Balance as at April 01,2016	**-**	**2,80,03,613**	**17,88,88,890**	**1,23,74,112**	**1,50,85,476**	**85,56,148**	**1,02,35,250**	**3,09,04,012**	**28,40,47,501**
Depreciation for the year	-	14,90,995	48,74,733	9,75,812	16,94,649	5,94,235	2,90,285	2,26,188	**1,01,46,897**
Depreciation for disposal	-	-			2,66,636				**2,66,636**
Balance as at March 31,2017	**-**	**2,94,94,608**	**18,37,63,623**	**1,33,49,924**	**1,65,13,489**	**91,50,383**	**1,05,25,535**	**3,11,30,200**	**29,39,27,762**
Depreciation for the year	-	14,44,867	53,05,331	9,77,107	12,00,689	4,68,240	1,20,032	2,26,188	**97,42,454**
Depreciation for disposal	-				18,79,479				**18,79,479**
Balance as at March 31,2018	**-**	**3,09,39,475**	**18,90,68,954**	**1,43,27,031**	**1,58,34,699**	**96,18,623**	**1,06,45,567**	**3,13,56,388**	**30,17,90,737**
Net carrying amount									
As at March 31,2018	**1,68,279**	**2,33,75,152**	**4,49,12,549**	**37,43,370**	**39,19,639**	**14,77,376**	**4,01,849**	**40,36,656**	**8,20,34,870**
As at March 31,2017	**1,68,279**	**2,47,08,086**	**4,82,40,464**	**46,89,705**	**60,00,978**	**15,63,948**	**2,14,574**	**42,62,844**	**8,98,48,878**
As atApril1,2016	**1,68,279**	**2,59,33,594**	**5,09,65,118**	**56,61,167**	**74,10,906**	**19,37,492**	**4,56,234**	**44,89,032**	**9,70,21,822**
Useful Life of the asset (in Years)	**N/A**	**30Years**	**15Years**	**10 Years**	**8years**	**5 Years**	**3Years**	**22 Years**	
Method of Depreciation	**N/A**							**Straight Line method**	

Note :

a) **The company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2016 measured as per the previous GAAP and use that as its deemed cost as at the date of transition.**

b) **Property, plant & equipment have been mortgage / hypothecated as security against bowrrowing of the Company as at 31 March 2018.**

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

4 .1 CAPITAL WORK IN PROGRESS

COMPUTER SOFTWARE

Particulars	AMOUNT
Balance as at April 01,2016	1,45,000
Additions	-
Transfer to Assets	1,45,000
Balance as at March 31,2017	-
Additions	-
Transfer to Assets	-
Balance as at March 31,2018	-

4 .2 INTANGIBLE ASSETS

Particulars	'aec'TRADE MARK	COMPUTER SOFTWARE	Total
Deemed cost as at April 01,2016	4,08,61,000	40,81,056	4,49,42,056
Additions	-	1,48,500	1,48,500
Disposals	-	-	-
Gross Carrying amount as at March 31, 2017	4,08,61,000	42,29,556	4,50,90,556
Addition	**-**	**1,59,041**	**1,59,041**
Disposals	**-**	**-**	**-**
Gross Carrying amount as at March 31, 2018	**4,08,61,000**	**43,88,597**	**4,52,49,597**
Accumulated depreciation			
Balance as at April 01,2016	1,69,57,315	29,45,689	1,99,03,004
Depreciation for the year	8,17,220	3,20,414	11,37,634
Depreciation fon disposal	-	-	-
Balance as at March 31,2017	1,77,74,535	32,66,103	2,10,40,638
Depreciation for the year	**8,17,220**	**4,87,009**	**13,04,229**
Depreciation fon disposal	**-**	**-**	**-**
Balance as at March 31,2018	**1,85,91,755**	**37,53,112**	**2,23,44,867**
Net carrying amount			
As at March 31,2018	2,22,69,245	6,35,485	2,29,04,730
As at March 31,2017	2,30,86,465	9,63,453	2,40,49,918
As at April 1,2016	2,39,03,685	11,35,367	2,50,39,052
Useful Life of the asset (in Years)	50 Years	5 Years	
Method of Depreciation	**Straight Line method**		

5 INVESTMENTS IN SUBSIDIARY

Particulars	Face Value	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Non Current Investment in Equity Instruments							
Unquoted (At cost or deemed cost):							
AUSTIN ENGINEERING COMPANY	**US $ 1**	**25000**	**11,42,950**	25000	11,42,950	25000	11,42,950
(Formerly known as Accurate Enginnering Inc.)							
AUSTIN ENGINEERING COMPANY	**US $ 1**	**25000**	**11,28,650**	25000	11,28,650	25000	11,28,650
(Formerly known as Accurate Enginnering Inc.)							
(Additional share application money given)							
Total Investment in subsidiary company (at cost)			**22,71,600**		22,71,600		22,71,600

5.1 OTHER INVESTMENTS (Non current)

Non Current Investment in Equity Instruments

(A) Unquoted (At cost or deemed cost):

Equity Shares (full paid)

Particulars	Face Value	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Kowa Spining Ltd.	10	60,000	10,50,000	60,000	10,50,000	60,000	10,50,000
Bagri Min & Chem Ltd.	10	2,600	26,000	2,600	26,000	2,600	26,000
Damania Cap.Markets Ltd.	10	9,300	2,79,000	9,300	2,79,000	9,300	2,79,000
Indo Dutch Protiens Ltd.	10	700	7,000	700	7,000	700	7,000
Kongarar Textiles Ltd.	10	600	27,000	600	27,000	600	27,000
Orissa Luminaries Ltd.	10	2,000	20,000	2,000	20,000	2,000	20,000
Pennar Aqua Exports Ltd.	10	7,700	77,000	7,700	77,000	7,700	77,000
Stiefel Und.Schuh (I) Ltd.	10	400	4,000	400	4,000	400	4,000
Tina Electronics Ltd.	10	1,100	11,000	1,100	11,000	1,100	11,000

(B) Quoted (At cost or deemed cost):

A.J.Brothers Ltd.	10	3,800	57,000	3,800	57,000	3,800	57,000
Antifriction Brg.Corpn.	10	100	6,500	100	6,500	100	6,500
Asahi Fibres Ltd.	10	3,000	30,000	3,000	30,000	3,000	30,000
Asian Bearings Ltd.	10	100	1,525	100	1,525	100	1,525
Bhupendra Cap. & Fin.Ltd.	10	1,700	68,000	1,700	68,000	1,700	68,000
Gujarat Meditech Ltd.	10	900	9,000	900	9,000	900	9,000
Hindustan Agri Ltd.	10	700	7,000	700	7,000	700	7,000
Supriya Pharma Ltd.	10	500	10,000	500	10,000	500	10,000
Thambi Modern Spng.Mills	10	600	30,000	600	30,000	600	30,000
Valley Abresive Ltd.	10	1,500	15,000	1,500	15,000	1,500	15,000

(C) Government Securities

National Saving Certificate			51,000		51,000		51,000
(Pledged as security to Excise Dept.)							
Aggregate Value of Unquated Investment - at cost			15,01,000		15,01,000		15,01,000
Aggregate Value of Quated Investment - at cost			2,34,025		2,34,025		2,34,025
Aggregate Value of Government Securities - at cost			51,000		51,000		51,000
Total Other Investments (A , B, C)			17,86,025		17,86,025		17,86,025
Fair value amount (FVTOCI)			-3,27,555		-3,53,103		-3,58,875
Total Other Investments (Non current) Measured at FVTOCI			14,58,470		14,32,922		14,27,150

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
6. OTHER FINANCIAL ASSETS (NON - CURRENT)			
Unsecured considered good :			
Advance to related Party	**1,23,916**	1,23,916	1,23,916
Advance Income Tax	**48,78,900**	49,12,171	49,73,495
Sundry Deposits	**40,85,390**	20,87,896	21,75,426
Other Loans	**29,39,928**	20,77,633	22,33,286
Total	**1,20,28,134**	92,01,616	95,06,123
7. OTHER NON CURRENT ASSETS			
Advance for Capital expenditure	**5,05,847**	10,69,564	5,29,519
Total	**5,05,847**	10,69,564	5,29,519

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount
8. DEFERRED TAX ASSETS / (Liabilities)		
Deferred Tax Expenses		
A. Origination and reversal of temporary differences	**20,24,078**	(52,89,522)
Tax Expenses for the year charged to Statement of Profit & Loss	**20,24,078**	**(52,89,522)**
B. Amount recognised in Other comprehensive income		
Remeasurement of the defined benefit plans	**(3,16,756)**	(15,131)
Fair Value of Non Current Investment	**7,894**	1,784
Total B.	**(3,08,862)**	**(13,347)**

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
Deferred Tax assets			
On account of Employees Benefits	**1,60,11,788**	1,79,18,756	1,57,76,445
Unabsorbed Depreciation Allowance	**42,93,303**	42,67,794	7,59,884
Allowance for doubtful receivable	**5,58,583**	5,93,673	6,26,197
On account of Tangible & Intagible Assets	**1,11,859**	99,430	88,382
On accounts of Financial Assets	**15,39,558**	15,07,782	15,90,188
Others	**1,01,214**	1,09,108	1,10,892
Total Deferred Tax assets	**2,26,16,305**	2,44,96,543	1,89,51,988
Deferred Tax Liabilitities			
On account of Depreciation	**(60,79,299)**	(62,43,266)	(60,00,525)
Others	**(13,447)**	(14,502)	(15,557)
Total Deferred Tax Liabilitities	**(60,92,746)**	(62,57,768)	(60,16,082)
Deferred Tax assets (Net)	**1,65,23,559**	1,82,38,775	1,29,35,906

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars		As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
9.	**INVENTORIES**			
	Inventories : (at lower of cost and Net realisable value)			
	Raw materials	**6,31,08,560**	5,65,10,767	5,05,39,378
	Raw materials - Goods-in-transit	**23,08,806**	9,24,570	34,31,103
	Semi Finished goods	**21,71,12,904**	24,00,13,488	23,89,38,342
	Finished goods	**12,95,70,385**	14,17,19,806	16,88,85,140
	Finished goods - Goods-in-transit	**3,87,09,282**	2,11,67,664	2,11,69,250
	Stock-in-trade	**72,62,280**	1,01,25,957	1,67,19,566
	Stores and spares	**94,22,171**	91,43,718	85,82,496
	Packing materials	**55,24,232**	47,44,377	59,54,740
	Total	**47,30,18,620**	48,43,50,347	51,42,20,015

Inventories have been hypothecated as security against bank borrowings of the company as at 31st March, 2018.

10.	**TRADE RECEIVABLE (CURRENT)**			
	Unsecured			
	Considered Good	**18,07,71,410**	19,21,27,283	20,26,52,744
	Considered Doubtful	**-**	-	-
		18,07,71,410	19,21,27,283	20,26,52,744
	Less : Expected Credit Loss Allowance	**18,07,714**	19,21,273	20,26,527
	Total	**17,89,63,696**	19,02,06,010	20,06,26,217

Notes :

Trade receivable includes receivable from related party in which directors and/ or their relatives are interested Rs. 726,732/-

(Previous Year Rs. 10,335/-)

In determining the allowance for doubtfull trade receivables, the Company has used practical expedient by computing the expected credit loss allowance for trade receivables.

Trade receivables have been hypothecated as security against bank borrowings.

The concentration of credit risk is limiteddue to the fact that the customer base is largeand unrelated.

	Particulars	As at 31-03-2018 Amount	Amount	As at 31-03-2017 Amount	Amount	As at 01-04-2016 Amount	Amount
11.	**CASH AND CASH EQUIVALENT**						
	Cash On Hand		**15,38,762**		18,31,975		15,08,789
	Balance with Banks						
	In Current account	**1,33,36,239**		12,96,209		6,50,256	
	In Fixed Deposit account	**1,49,40,174**		1,43,87,106		1,03,83,615	
	In EEFC Account	**-**		-		6,637	
	In Dividend Account ##	**15,18,854**	**2,97,95,267**	19,75,756	1,76,59,071	22,54,750	1,32,95,158
	Total		**3,13,34,029**		1,94,91,046		1,48,04,047

Represents restricted bank balance on account of unclaimed dividends.

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars		As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
12.	**OTHER FINANCIAL ASSETS (CURRENT)**			
	Unsecured, CONSIDERED GOOD			
	Advances Recoverable in Cash or in Kind for value to be received	**36,02,873**	59,23,421	68,78,590
	Balance with government authorities	**2,14,61,729**	97,29,587	1,19,55,295
	Total	**2,50,64,602**	1,56,53,008	1,88,33,885
13.	**OTHER CURRENT ASSETS**			
	Unsecured, CONSIDERED GOOD			
	Advance for Raw Materials	**45,86,873**	48,90,669	33,06,360
	Advance for Expenses	**25,29,319**	18,52,079	26,35,478
	Advance to Employees	**39,22,945**	44,24,485	31,17,988
	Prepaid Expenses	**13,50,806**	21,47,215	35,34,374
	Interest Accrued on Fixed Deposit	**67,187**	78,386	95,133
	Total	**1,24,57,130**	1,33,92,834	1,26,89,333

	Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
14.	**EQUITY SHARE CAPITAL**						
	Authorised Share Capital :	**40,00,000**	**4,00,00,000**	40,00,000	4,00,00,000	40,00,000	4,00,00,000
	Equity shares of RS. 10/- each						
	Issued, subscribed and paid up capital :						
	Equity shares of RS. 10/- fully paid	**34,77,800**	**3,47,78,000**	34,77,800	3,47,78,000	34,77,800	3,47,78,000

a) Reconciliation of number of equity shares and equity share capital

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	34,77,800	3,47,78,000	34,77,800	3,47,78,000	34,77,800	3,47,78,000
Addition during the year	-	-	-	-	-	-
Reduction during the Year	-	-	-	-	-	-
Balance as at the end of the year	34,77,800	3,47,78,000	34,77,800	3,47,78,000	34,77,800	3,47,78,000

b) No shareholders holding more than 5 % shares in the Company.

c) Terms / rights attached to shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share.

Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

The dividend where proposed by the Boardof Directors is subject to approval of the shareholders in the ensuing Annual General Meeting .

d) For the period of five years immediately preceding the date of Balance Sheet,

- The Company has not allotted any shares as fullypaid up without receipt of cash,
- The Company has not brought back any shares,
- The Company has not issued any shares by way of bonus shares

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
15. OTHER EQUITY			
General Reserve	**6,01,49,239**	6,01,49,239	6,01,49,239
Retained Earnings	**32,72,16,913**	33,96,46,291	36,67,58,585
Other Comprehensive Income	**(7,20,539)**	(29,848)	-
Other Reserves			
Capital Reserve	**7,92,427**	7,92,427	7,92,427
Cash Subsidy Reserve	**29,35,458**	29,35,458	29,35,458
Securities Premium Account	**8,67,95,000**	8,67,95,000	8,67,95,000
Capital Redemption Reserve	**5,32,000**	5,32,000	5,32,000
Total	**47,77,00,498**	49,08,20,567	51,79,62,709
16. BORROWINGS (NON - CURRENT)			
TERM LOANS:			
Secured Loan from BANK OF BARODA	**-**	5,94,047	-
Deferred Payment Loan from ICICI BANK	**-**	4,01,077	13,06,616
Total	**-**	9,95,124	13,06,616
17. OTHER FINANCIAL LIABILITIES (NON CURRENT)			
Provision for Decommissioning Liability for asset	**362003**	3,21,780	2,86,027
Total	**362003**	3,21,780	2,86,027
18. PROVISIONS (NON - CURRENT)			
Provisionfor Gratuity	**5,49,54,430**	4,55,37,752	3,95,11,116
Provisionfor Leave Encashment	**51,86,543**	38,49,788	38,88,117
Total	**6,01,40,973**	4,93,87,540	4,33,99,233
19. BORROWINGS (CURRENT)			
Secured loan			
Working Capital Loan repayable on demand from bank	**5,05,39,316**	6,75,74,328	8,34,77,042
Total	**5,05,39,316**	6,75,74,328	8,34,77,042

Working capital loan from Bank is secured against Hypothecation of all stocks, bill discounted and book debts and all movable machinery including stores & spares. Equitable mortgage of all land and building of the Company.

20. TRADE PAYABLES			
Due to Micro and Small Enterprise ##	-	-	-
Due to Others (Other than acceptance)	**19,18,62,421**	17,32,36,223	16,22,22,569
Total	**19,18,62,421**	17,32,36,223	16,22,22,569

The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprise Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

Trade payables includes amount due to Directors of Rs. 287,700/- (Previous year Rs. 287,700/-).

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
21. OTHER FINANCIAL LIABILITIES (CURRENT)			
Current Maturity of long term borrowings	4,01,071	9,81,677	10,42,911
Creditors for Capital Goods	2,18,18,007	2,87,74,540	2,64,80,455
Unpaid Dividend	15,18,854	19,75,756	22,54,750
T.D.S., T.C.S., G.S.T. Payable	15,24,002	13,13,373	16,19,738
Derivative Liabilities	3,41,880	-	-
Total	2,56,03,814	3,30,45,346	3,13,97,854

Creditors for Capital Goods include amount due to H.U.F. Of directors Rs. 15,470,310/- (Previous year Rs.16,421,095/-).

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
22. PROVISIONS (CURRENT)			
Provision for Gratuity	1,15,05,461	1,00,96,223	91,36,243
Provision for Leave Encashment	5,57,234	6,09,023	7,47,330
Total	1,20,62,695	1,07,05,246	98,83,573
23. OTHER CURRENT LIABILITIES			
Advance Payment from Customer	55,15,567	83,42,364	2,53,36,046
Total	55,15,567	83,42,364	2,53,36,046

Particulars	2017-2018 Amount	2017-2018 Amount	2016-2017 Amount	2016-2017 Amount
24. REVENUE FROM OPERATIONS				
Sales of Products				
Sales of Mfg. Goods				
BEARINGS	50,68,33,263		49,55,01,237	
BEARINGS COMPONENTS	10,78,71,740	61,47,05,003	8,97,15,045	58,52,16,282
Sales of Trade Goods		12,69,79,866		13,80,81,519
Wind Electric Power Income		39,26,858		85,54,484
Other Operating Revenues				
Sales of Scrap	28,47,823		27,86,350	
Job- Work Income	10,39,199		4,13,336	
Duty Drawback & Other Export Incentive	1,22,09,364	1,60,96,386	75,24,474	1,07,24,160
Total		76,17,08,113		74,25,76,445

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars		2017-2018 Amount	2016-2017 Amount
25.	OTHER INCOME		
	Interest Income	10,79,285	13,52,124
	Dividend Income	200	200
	Foreign Exchange Rate Diff. Income	97,27,053	8,18,103
	Rent Income	1,38,894	1,32,300
	Vat tax refund	-	3,31,890
	Excess Provision of Bonus Written back	4,94,019	-
	Income Tax Refund	23,990	-
	Profit on sale of Fixed Assets	84,394	-
	Unwinding of Interest income on deposit & loan	9,43,129	2,66,686
	Miscellaneous Income	2,01,600	15,36,629
	Total	1,26,92,564	44,37,932
26.	COST OF MATERIALS CONSUMED		
	Opening Stock	5,74,35,337	5,39,70,481
	Add: Purchases	28,04,59,781	20,51,90,066
		33,78,95,118	25,91,60,547
	Less: Sales	32,50,272	10,19,943
		33,46,44,846	25,81,40,604
	Less: Closing Stock	6,54,17,366	5,74,35,337
	Total	26,92,27,480	20,07,05,267
	Materials Consumed Comprises :		
	a) Steel Bars & Tubes	82,79,558	2,77,52,207
	b) Races & Forged Rings	18,66,01,233	11,10,90,673
	c) Cages	2,97,57,233	1,78,58,817
	d) Other materials	4,45,89,456	4,40,03,570
	Total	26,92,27,480	20,07,05,267
27.	PURCHASE OF TRADE GOODS		
	Purchase of Trade Goods	10,21,36,911	10,35,36,054
	Total	10,21,36,911	10,35,36,054

	Particulars	2017-2018 Amount	2017-2018 Amount	2016-2017 Amount	2016-2017 Amount
28.	CHANGES IN INVENTORIES OF FINSHED GOODS, WORK IN PROGRESS AND STOCK -IN-TRADE				
	Invetories at the end of the year				
	Finished goods	16,82,79,667		16,28,87,470	
	Semi-finished goods	21,71,12,904		24,00,13,488	
	Stock - in - Trade	72,62,280	39,26,54,851	1,01,25,957	41,30,26,915
	Invetories at the beginning of the year				
	Finished goods	16,28,87,470		19,00,54,390	
	Semi-finished goods	24,00,13,488		23,89,38,342	
	Stock - in - Trade	1,01,25,957	41,30,26,915	1,67,19,566	44,57,12,298
	Net (increase)/ decrease		2,03,72,064		3,26,85,383

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars	2017-2018 Amount	2016-2017 Amount
29. EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	12,91,89,018	13,26,42,044
Contribution for Provident Fund	1,09,04,596	1,16,50,661
Gratuity - Employees* [Refer Note 41]	1,00,47,488	72,80,526
StaffWelfare Expenses	33,00,422	23,73,682
Total	15,34,41,524	15,39,46,913
30. FINANCE COST		
Interest Expenses on borrowings	34,31,762	70,83,199
Interest Expenses on Creditors	28,51,714	30,13,339
Interest Expenses for Others	43,736	45,606
Total	63,27,212	1,01,42,144
31. OTHER EXPENSES		
Stores & Spares consumed	4,50,75,864	3,86,35,301
Packing materials consumed	1,38,05,108	1,41,27,086
Job work charges	7,33,72,629	7,17,78,016
Power & Fuel	1,03,66,195	1,02,07,823
Rent	11,85,556	12,13,782
Repairs and Maintenance - Machinery	16,23,800	19,07,084
Repairs and Maintenance - Building	11,34,426	11,86,193
Repairs and Maintenance - Others	5,44,577	4,72,052
Insurance	13,28,020	13,64,544
Excise Duty #	(96,46,482)	21,68,631
Rates and Taxes	1,85,557	86,003
Communication	6,86,592	7,30,709
Travelling Exp.	59,22,738	71,59,355
Directors' Sitting Fees	42,500	47,500
Loss on Sale of Assets	2,50,758	54,030
Donation	3,12,000	3,65,000
Sales commission	1,54,82,769	1,68,22,921
Sales promotion	23,70,861	22,76,165
Sales-tax / VAT	26,77,015	1,28,75,325
Provision for Expected Credit Loss	(1,13,559)	(1,05,255)
Loss on Derivative Contract	3,41,880	-
Payment to Auditors @	65,000	8,40,320
Other Misc. Expenses	4,68,67,622	4,71,56,616
Total	21,38,81,426	23,13,69,201

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

@ Payment to Auditors comprises (net of service tax credit)

For Statutory Audit	65,000	3,78,750
For Taxation Matter	-	4,00,970
For OtherServices	-	60,600
Total	65,000	8,40,320

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Particulars	2017-2018 Amount	2016-2017 Amount
32. EARNINGPER SHARES		
Basic & Diluted		
A. Profit /(Loss) after tax	**(1,24,29,378)**	(2,71,12,294)
B. Number of equity shares (in Nos.)	**34,77,800**	34,77,800
C. Basic and diluted EPS [A/B]	**(3.57)**	(7.80)
D. Face value per share	**10.00**	10.00

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
33. CONTINGENT LIABILITIES			
BANK GURANTEES	**1,03,30,640**	3,61,12,504	3,02,99,651
CENTRAL EXCISE DEMAND	**1,40,50,385**	1,23,95,149	82,60,498
(Paid against total demand)	**10,37,956**	9,32,117	6,42,040

Particulars	2017-2018 Amount	2016-2017 Amount
34. CIF VALUE OF IMPORTS		
Raw Materials	**1,00,50,175**	42,08,080
Spare Parts	**51,926**	52,876
Capital Goods	**-**	2,17,296
35. EXPENDITURE IN FOREIGN CURRENCY		
In respect of :		
Travelling Expenses	**13,61,533**	15,54,543
Sales Commission Exp.	**1,95,919**	1,48,329
Bank Loan Interest (FCNR)	**20,41,488**	-
Sample Exp.	**83,353**	-
Mould Charges	**2,81,009**	-
Marketing & Sales Pramotion Exp.	**7,32,414**	2,27,693
36. EARNING IN FOREIGN EXCHANGE (calculated on F.O.B. value)		
Export of Goods	**23,67,33,842**	21,11,94,121
Backing Test Charges Income	**63,300**	-

Particulars	2017-2018 % of total Consumption	2017-2018 Value in ₹	2016-2017 % of total Consumption	2016-2017 Value in ₹
37. Value of raw materials and components consumed				
Imported at landed cost	**3.58**	**96,29,519**	2.14	42,99,542
Indigeneously obtained	**96.42**	**25,95,97,961**	97.86	19,64,05,725
	100.00	**26,92,27,480**	100.00	20,07,05,267
38. The stores and spares consumed :				
Imported at landed cost	**0.18**	**79,074**	0.20	76,451
Indigeneously obtained	**99.82**	**4,49,96,790**	99.80	3,85,58,850
	100.00	**4,50,75,864**	100.00	3,86,35,301

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

39. DETAILS OF SEGMENT REPORTING:

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

(1) PRIMARY SEGMENT:

	Particulars	2017-18 Bearing	2016-17 Bearing	2017-18 Power	2016-17 Power	2017-18 Total	2016-17 Total
1.	SEGMENT REVENUE	77,04,73,819	73,84,59,893	39,26,858	85,54,484	77,44,00,677	74,70,14,377
	Other Unallocated Revenue	-	-	-	-	-	-
	Total	77,04,73,819	73,84,59,893	39,26,858	85,54,484	77,44,00,677	74,70,14,377
	Less: Inter Segment Revenue	-	-	39,26,858	85,54,484	39,26,858	85,54,484
	Net Income from Operation	77,04,73,819	73,84,59,893	-	-	77,04,73,819	73,84,59,893
2.	SEGMENT RESULTS PROFIT/(LOSS) BEFORE INTEREST & TAX	(64,63,992)	(2,93,29,776)	23,85,904	70,70,104	(40,78,088)	(2,22,59,672)
	LESS : Interest	-	-	-	-	63,27,212	1,01,42,144
	Other unallocated Expenses	-	-	-	-	-	-
	TOTAL PROFIT/(LOSS) BEFORE TAX	(64,63,992)	(2,93,29,776)	23,85,904	70,70,104	(1,04,05,300)	(3,24,01,816)
3.	CAPITAL EMPLOYED (SEGMENT ASSETS-SEGMENT LIABILITIES)						
	Segment Assets	83,72,79,723	84,36,12,453	47,62,005	73,55,290	84,20,41,728	85,09,67,743
	Add: Common assets	-	-	-	-	1,65,23,559	1,82,38,775
	TOTAL ASSETS	83,72,79,723	84,36,12,453	47,62,005	73,55,290	85,85,65,287	86,92,06,518
	Segment Liabilities	34,53,45,935	34,32,59,872	7,40,854	3,48,079	34,60,86,789	34,36,07,951
	Add: Common Liabilities	-	-	-	-	-	-
	TOTAL LIABILITIES	34,53,45,935	34,32,59,872	7,40,854	3,48,079	34,60,86,789	34,36,07,951
	SEGMENT CAPITAL EMPLOYED	49,19,33,788	50,03,52,581	40,21,151	70,07,211	51,24,78,498	52,55,98,567

(2) GEOGRAPHICAL SEGMENTS:

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

Revenue	2017-18	2016-17
Within India	47,34,25,286	50,55,99,987
Overseas	26,82,59,583	21,76,97,814
Total:	74,16,84,869	72,32,97,801

(b) Assets base on geographical location:

Particulars	Carrying Amount of Segmant Assets		Addition to Fixed Assets and Intangible Assets	
	2017-18	2016-17	2017-18	2016-17
Within India	79,51,89,800	80,68,22,491	29,68,137	37,75,483
Overseas	6,33,75,487	6,23,84,027	-	-
Total:	85,85,65,287	86,92,06,518	29,68,137	37,75,483

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

40. Derivatives and Foreign Currency exposures :

The Company uses forward contract to mitigate its risks associated with foreign currency fluctuations having underlying transaction in relation to Sale of goods. The company does not enter into any forward contract which is intended for trading or speculative purposes.

The details of forward contracts outstanding at the year end is as follows :-

Particulars	Number of Contracts		Amount in foreign currency		Equivalent amount in Rs.	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
Currency	**NIL**	NIL	**NIL**	NIL	**NIL**	NIL
U S D	**NIL**	NIL	**NIL**	NIL	**NIL**	NIL

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

Particulars	Amount in foreign currency		Equivalent amount in Rs.	
	2017-18	2016-17	**2017-18**	2016-17
Within India	**79,51,89,800**	80,68,22,491	**29,68,137**	**37,75,483**
Payable				
USD	17,029	9,285	**11,07,620**	6,02,058
EURO	**34,499**	34,647	**27,81,410**	23,99,243
TOTAL			**38,89,030**	30,01,301
Receivable				
EURO	**5,88,218**	5,34,800	**4,74,23,462**	3,70,33,600
USD	**2,65,983**	3,90,977	**1,73,00,620**	2,53,50,428
TOTAL			**6,47,24,082**	6,23,84,028
BANK				
USD EEFC BANK ACCOUNT	**-**	-	**-**	-
EURO EEFC BANK ACCOUNT	**-**	-	**-**	-

41. EMPLOYEES BENEFITS

Disclosures in respect of Defined Contribution Plan, recognised as expenses for the year

	2017-18	2016-17
Employer's contribution to Provident Fund (includes pension fund)	**1,09,04,596**	1,16,50,661

Disclosure in respect of Defined Benefit Plans in respect of Gratuity .

The present value of obligation and defined benefit plan is determined based on actuarial valuation report.

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to maximum of Rs. 20 lakhs per employee. The vesting period for gratuity as payable under The Payment of Gratuity Act is 5 years.

Valuation are performed on certail basic set of pre- determined assumptions which may vary over time. Thus, the company is exposed to various risks in providing the above benefit which are as follows :

Interest Rate risk : The plan exposes the Company to the risk of fall in interest risk. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk : This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The company has used certain mortality and attrition assumptions in valuation of the liability. The Company isexposed to the risk of actual experience turning out to be worse compared to.

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payent of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulation requiring higher gratuity payouts (e.g. increase in the maximum limit on gratuity of Rs. 20,00,000).

Asset Liability mismatching or Market Risk : The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities / fall in interest rate.

Investment Risk : The probability or likelihood of occurance of losses relative to the expected return on any particular investment.

	Gratuity	
	2017-18	2016-17
Present Value of obligation (Total Funded & Unfunded)	**9,53,25,849**	8,78,96,808
Fair value of plan assets	**2,88,65,958**	3,22,62,833
Unrecognised past service cost	**-**	-
Net liability in the Balance Sheet - (Un - funded)	**6,64,59,891**	5,56,33,975
Changes in the present value of Obligation	**2017-18**	2016-17
Present Value of Obligation as at the beginning	**8,78,96,808**	8,18,89,507
Current Service cost	**34,99,139**	34,88,728
Interest Expenses or Cost	**59,72,755**	63,82,843
Re-measurement (or Actuarial) (gain)/ Loss arising from		
Change in financial assumption	**17,14,577**	21,641
Experience variance (i.e. actual expenses vs assumption)	**(8,83,230)**	(5,25,640)
past service cost	**27,67,915**	-
Benefits Paid	**(56,42,115)**	(33,60,271)
Present Value of Obligation as at the end	**9,53,25,849**	8,78,96,808
Changes in the fair value of plan assets	**2017-18**	2016-17
Opening fair value of plan assets	**3,22,62,833**	3,32,42,148
Investment Income	**21,92,321**	25,91,045
Return on plan assets, excluding amount recognised in net interest expenses	**(1,93,754)**	(4,55,032)
Contribution by Employer	**2,46,673**	2,44,943
benefits paid	**(56,42,115)**	(33,60,271)
Closing fair value of plan assets	**2,88,65,958**	3,22,62,833
Expenses recognised in Income Statement	**2017-18**	2016-17
Current Service cost	**34,99,139**	34,88,728
Net Interest Cost	**37,80,434**	37,91,798
past service cost	**27,67,915**	-
Losses (gains) on curtailment and settlements	**-**	-
Expenses recognised in Income Statement	**1,00,47,488**	72,80,526

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

Other Comprehensive Income	2017-18	2016-17
Actuarial (gains)/ Losses		
Change in financial assumption	17,14,577	21,641
Experience variance (i.e. actual expenses vs assumption)	(8,83,230)	(5,25,640)
Return on plan assets, excluding amount recognised in net interest expenses	1,93,754	4,55,032
Component of defined benefit costs recognised in other comprehensive income	10,25,101	(48,967)

Principal actuarial assumptions at the balance sheet date	2017-18	2016-17
Discount rate per annum	7.55%	6.80%
Salary Escalation per Annum	5.00%	4.00%
Retirement Age	60 years	60 years
Mortality Rate (as % of IALM 2006-08)	100.00%	100.00%
Attrition / Withdrawal Rates	1.00%	1.00%

SENSITIVITY ANALYSIS

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensivity analysis is given below :

Particulars	31/03/2018	31/03/2017
Defined Benefit Obligation (base)	9,53,25,849	8,78,96,808

Particulars	31/03/2018		31/03/2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / +1 %)	10,26,81,841	8,87,71,162	9,51,34,534	8,14,79,391
(% change compared to base due to sensivity)	7.70%	-6.90%	8.20%	-7.30%
Salary Growth Rate (- / +1 %)	8,87,29,063	10,26,02,678	8,14,00,902	9,50,13,788
(% change compared to base due to sensivity)	6.90%	7.60%	-7.40%	8.10%
Attrition Rate (-/ + 50 % of attrition rates)	9,47,43,846	9,58,84,874	8,72,58,274	8,85,09,321
(% change compared to base due to sensivity)	-0.60%	0.60%	-0.70%	0.70%
Mortality Rate (- / + 10 % of mortality rates	9,52,64,216	9,53,87,219	8,78,30,750	8,79,62,579
(% change compared to base due to sensivity)	-0.10%	0.10%	-0.10%	0.10%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation fo the prior period.

Disclosure in respect of Present Value of Obligation in respect of Leave Encashment.

The present value of obligation is determined based on actuarial valuation report.

	Leave Encashment	
Changes in the present value of Obligation	2017-18	2016-17
Present Value of Obligation as at the beginning	44,58,811	46,35,447
Current Service cost	13,44,878	18,21,839
Interest Expenses or Cost	3,02,984	3,61,307
Re-measurement (or Actuarial) (gain)/ Loss arising from		
Change in financial assumption	1,29,828	(10,939)
Experience variance (i.e. actual expenses vs assumption)	18,60,889	43,792
past service cost	-	-
Benefits Paid	(23,53,613)	(23,92,635)
Present Value of Obligation as at the end	57,43,777	44,58,811

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

	Leave Encashment	
Expenses recognised in Income Statement	**2017-18**	2016-17
Current Service cost	**13,44,878**	18,21,839
Net Interest Cost	**3,02,984**	3,61,307
Expected return on plan assets	**-**	-
Re-measurement (or Actuarial) (gain)/ Loss arising from		
Change in financial assumption	**1,29,828**	(10,939)
Experience variance (i.e. actual expenses vs assumption)	**18,60,889**	43,792
past service cost	**-**	-
Expenses recognised in Income Statement	**36,38,579**	22,15,999
Actual return on plan assets	**-**	-
Principal actuarial assumptions at the balance sheet date	**2017-18**	2016-17
Discount rate per annum	**7.55%**	6.80%
Expected return per annuam on plan assets	**0.00%**	0.00%
Salary Growth rate per Annum	**4.00%**	5.00%
Normal Retirement Age	**60 years**	60 years
Mortality Rate (as % of IALM 2006-08)	**100.00%**	100.00%
Attrition / Withdrawal Rates	**1.00%**	1.00%

SENSITIVITY ANALYSIS

Significant actuarial assumptions for the determination of the leave lability are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensivity analysis is given below :

Particulars	**31/03/2018**	**31/03/2017**
Present Value of Obligation (Base)	**57,43,777**	**44,58,811**

Particulars	**31/03/2018**		**31/03/2017**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / +1 %)	**62,51,360**	**52,97,635**	48,68,165	41,01,254
(% change compared to base due to sensivity)	**8.80%**	**-7.80%**	9.20%	-8.00%
Salary Growth Rate (- / +1 %)	**52,83,374**	**62,59,291**	40,88,944	48,75,689
(% change compared to base due to sensivity)	**-8.00%**	**9.00%**	-8.30%	9.30%
Attrition Rate (-/ + 50 % of attrition rates)	**57,01,034**	**57,84,539**	44,18,428	44,97,280
(% change compared to base due to sensivity)	**-0.70%**	**0.70%**	-0.90%	0.90%
Mortality Rate (- / + 10 % of mortality rates	**57,39,693**	**57,47,843**	44,55,088	44,62,517
(% change compared to base due to sensivity)	**-0.10%**	**0.10%**	-0.10%	0.10%

Please note that the sensitivity analysis present above may not be representative of the actual change in the present value of obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation fo the prior period.

42. RELATED PARTY DISCLOSURES

(1) Names of Related parties and nature of relationship

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

- **(i) Max Precision Bearings P. Ltd.**
- **(ii) Accumax Engineering Company**
- **(iii) Accord Precision Products**
- **(iv) Optimum Services Inc.**

(b) Key Management Personnel

- **(i) Shri N C Vadgama**
- **(ii) Shri R R Bambhania**
- **(iii) Shri J R Bhogayta**
- **(iv) Shri S A Kotal**
- **(v) Ms. P K Kadam (from 27.12.2017)**
- **(vi) Ms. P Vijayvargiya (upto 20.06.2017)**
- **(vii) Ms. B K Vyas (from 07.09.2017 to 27.12.2017)**

Notes forming parts of the Stendalone financials statements for the year ended 31st March, 2018

(c) Relative of Key Management Personnel
(i) Shri N. C. Vadgama HUF
(ii) Shri R. N. Bambhania HUF
(iii) Shri J. R. Bhogayata HUF
(iv) Shri Hiren N. Vadgama
(v) Shahid S. Kotal

(d) Subsidiary Company
(i) Austin Engineering Company (formerly known as Acurate Engineering Inc.) - U.S.A.

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

(2) Transaction with Related Parties

Particulars	Related Parties							
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Referred in 1(d) above	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
INCOME								
(1) Sales of Goods	**24,67,022**	14,07,798	**-**	-	**-**	-	**8,34,19,463**	5,36,37,695
(2) Job Work	**6,35,344**	4,03,336	**-**	-	**-**	-	**-**	-
EXPENSES								
(1) Purchase of Goods	**2,49,03,147**	1,58,68,830	**-**	-	**-**	-	**-**	67,550
(2) Remuneration	**-**	-	**46,43,644**	46,77,737	**23,93,206**	26,06,303	**-**	-
(3) Jobwork	**5,83,87,943**	3,83,23,609			**-**	-	**-**	-
(4) Interest	**-**	-	**-**	-	**23,45,686**	24,76,702	**-**	-
(5) Dividend Paid	**-**	-	**-**	-	**-**	-	**-**	-
OUTSTANDING								
Payable	**2,13,49,165**	2,01,04,105	**3,42,491**	3,42,371	**2,01,02,968**	2,30,37,081	**1,04,549**	1,69,792
Receivable	**7,26,732**	10,335	**2,51,600**	3,00,000	**-**	8,00,000	**1,56,18,673**	23,00,540
Advances	**-**	-	**-**	-	**-**	-	**1,23,916**	1,23,916

43. FINANCIAL INSTRUMENT

A. Financial Instruments by category

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Measured at amortised cost (A)						
Investments in Subsidiary	22,71,600	22,71,600	22,71,600	22,71,600	22,71,600	22,71,600
Other financial assets	3,70,92,736	3,70,92,736	2,48,54,624	2,48,54,624	2,83,40,008	2,83,40,008
Trade Receivables	17,89,63,696	17,89,63,696	19,02,06,010	19,02,06,010	20,06,26,217	20,06,26,217
Cash and cash equiivalents	3,13,34,029	3,13,34,029	1,94,91,046	1,94,91,046	1,48,04,047	1,48,04,047
Total financial assets at amortised cost (A)	24,96,62,061	24,96,62,061	23,68,23,280	23,68,23,280	24,60,41,872	24,60,41,872
Measured at fair value through Other Comprehensive Income (B)						
Non- Current Other Investments	17,86,025	14,58,470	17,86,025	14,32,922	17,86,025	14,27,150
Measured at fair value through Profit and Loss (C)	-	-	-	-	-	-
Total Financial assets (A + B + C)	**25,14,48,086**	**25,11,20,531**	**23,86,09,305**	**23,82,56,202**	**24,78,27,897**	**24,74,69,022**
Financialliabilities						
Measured at amortised cost						
Long term Borrowings	-	-	9,95,124	9,95,124	13,06,616	13,06,616
Short term Borrowings	5,05,39,316	5,05,39,316	6,75,74,328	6,75,74,328	8,34,77,042	8,34,77,042
Trade Payables	19,18,62,421	19,18,62,421	17,32,36,223	17,32,36,223	16,22,22,569	16,22,22,569
Other financial liabilities	2,59,65,817	2,59,65,817	3,33,67,126	3,33,67,126	3,16,83,881	3,16,83,881
Total financial liabilities carried at amortised cost	**26,83,67,554**	**26,83,67,554**	**27,51,72,801**	**27,51,72,801**	**27,86,90,108**	**27,86,90,108**

B. Financial Risk Management

The Company has established the risk management policies to ensure timely identification and evaluation of risks, settings acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and trasnparency.

The Compay's activities expose it to credit risk, liquidity risk and market risk .

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings / Aging analysis	Diversification of counter parties, investment limits, check on counter parties basis credit rating and number of overdue days.
Liquidity Risk	Other Liabilities	Maturity analysis	Maitaining sufficient cash / cash equivalents.
Market Risk	Financial assets and liabilities	Sensivity analysis	Constant evaluation and proper risk management policies.

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

(a) Credit risk

Credit risk refers to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the Financial assets represents trade receivables, work in progress and other receivables. In respect of trade receivables, the Company used a provision matrix to compute theexpected credit loss allowances for trade receivables in accordance with the expected credit loss (ECL) policy of the Company. The Company regularly reviews trade receivables and necessary provisions, wherever required are made in the financial statements.

(b) Liquidity risk

Liquidity risk is that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell as financial asset quckly at close to its fair value.

The Company manages liquidity risk by maintaining adequte reserves and banking facilities by continuously monitoring forcast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of significant financial liabilities are as follows :

Particulars	Less than 1 year	More than 1 year	Total
As on 31st March, 2018			
Borrowings	5,05,39,316	-	5,05,39,316
Trade payables	19,18,62,421	-	19,18,62,421
Other Financial Liabilities	2,56,03,814	3,62,003	2,59,65,817
As on 31st March, 2017			
Borrowings	6,75,74,328	9,95,124	6,85,69,452
Trade payables	17,32,36,223	-	17,32,36,223
Other Financial Liabilities	3,30,45,346	3,21,780	3,33,67,126
As on 1st April, 2016			
Borrowings	8,34,77,042	13,06,616	8,47,83,658
Trade payables	16,22,22,569	-	16,22,22,569
Other Financial Liabilities	3,13,97,854	2,86,027	3,16,83,881

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result fromchanges in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Company is earning in foreign currency and consequently, the company is exposed to foreing exchange risk. The Company evalutes exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

(d) Capital management

The Company's capital management objective is to maximise the total shareholders' return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensure optimal credit risk profile to maintain / enhance credit rating.

The Company determined the amount of capital required on the basis of annual operating plan and long term strategic plans. The funding requirements are met through internal accruals and long term / short term borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of theoverall debt portfolio of the Company.

The following table summarises the capital of the Company.

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Equity*	51,24,78,498	52,55,98,567	55,27,40,709
Long Term Debt	-	9,95,124	13,06,616
	51,24,78,498	**52,65,93,691**	**55,40,47,325**
Tangible and other assets	10,49,39,600	11,38,98,796	12,22,05,874
Working Capital	43,52,54,264	43,01,89,738	44,88,56,413
Others (Net) (Liabilities)	(2,77,15,366)	(1,74,94,843)	(1,70,14,962)
	51,24,78,498	**52,65,93,691**	**55,40,47,325**

* Equity Includes capital and all reserves of the Company that are managed as capital.

44. Lease commitments :

Obligation towards operating leases (As lessee)

The Company has entered into operating lease arrangements for vehicles and office premises.

Rent expenses of Rs. 1,115,956 /-(Previous Year Rs. 1,144,182/-) in respect of obligation under non cancellable operating leases have been recognised in the Statement of Profit and Loss.

The total of future minimum lease payments under non cancellable operating leases for the following periods :

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount
a: Not later than one year	**2,35,200**	2,35,200
b: Later than one year but not later than five years	**15,15,801**	25,00,179

45. In the opinion of the Board of Directors, Current assets and other non current assets have a value on realisation in ordinary course of business at lease equal to the amount at which they are stated.

46. Confirmation of debit / credit balances have not been received and hence these balances are subject to adjustment if any.

47. Previous year figures :

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

48. Figures rounded off to nearest rupee. All the figures includig previous year figures have been rounded off to nearest rupee.

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partner
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

FIRST TIME ADOPTION IND AS RECONCILIATION STANDALONE FINANCIAL STATEMENT

A. Reconciliation of Balance Sheet

	Particulars	Note No.	As at 31st March 2017			As at 1stApril 2016		
			Amountas per previous GAAP	Effect of transition to Ind As	Amount as per Indas	Amountasper previous GAAP	Effect of transition to Ind As	Amount as per Indas
A	**ASSETS**							
1	**Non-current assets**							
(a)	Property, plant and equipment	4	**8,98,01,944**	46,934	8,98,48,878	**9,69,71,475**	50,347	9,70,21,822
(b)	Capital work-in-progress	4.1	**-**	-	-	**1,45,000**	-	1,45,000
(c)	Other intangible assets	4.2	**2,40,49,918**	-	2,40,49,918	**2,50,39,052**	-	2,50,39,052
(d)	Financial assets							
	- Iinvestments in Subsidiary	5	**22,71,600**	-	22,71,600	**22,71,600**	-	22,71,600
	- Other investments	5.1	**17,86,025**	(3,53,103)	14,32,922	**17,86,025**	(3,58,875)	14,27,150
	- Other financial assets	6	**1,40,81,171**	(48,79,555)	92,01,616	**1,46,52,364**	(51,46,241)	95,06,123
(e)	Other non financial assets	7	**10,69,564**	-	10,69,564	**5,29,519**	-	5,29,519
(f)	Deferred Tax Asset	8	**1,59,28,153**	23,10,622	1,82,38,775	**1,05,35,804**	24,00,102	1,29,35,906
	Sub-total- Non-Current Assets		**14,89,88,375**	**(28,75,102)**	**14,61,13,273**	**15,19,30,839**	**(30,54,667)**	**14,88,76,172**
2	**Current assets**							
(a)	Inventories	9	**48,43,50,347**	-	48,43,50,347	**51,42,20,015**	-	51,42,20,015
(b)	Financial assets							
	- Trade receivables	10	**19,21,27,283**	(19,21,273)	19,02,06,010	**20,26,52,744**	(20,26,527)	20,06,26,217
	- Cash and cash equivalents	11	**1,94,91,046**	-	1,94,91,046	**1,48,04,047**	-	1,48,04,047
	- Other financial assets	12	**1,56,53,008**	-	1,56,53,008	**1,88,33,885**	-	1,88,33,885
(c)	Other current assets	13	**1,33,92,834**	-	1,33,92,834	**1,26,89,333**	-	1,26,89,333
	Sub-total- Current Assets		**72,50,14,518**	**(19,21,273)**	**72,30,93,245**	**76,32,00,024**	**(20,26,527)**	**76,11,73,497**
	TOTAL- ASSETS		**87,40,02,893**	**(47,96,375)**	**86,92,06,518**	**91,51,30,863**	**(50,81,193)**	**91,00,49,669**

B EQUITY AND LIABILITIES

	Particulars	Note No.	As at 31st March 2017			As at 1stApril 2016		
			Amountas per previous GAAP	Effect of transition to Ind As	Amount as per IndAs	Amountas per previous GAAP	Effect of transition to Ind As	Amount as per Ind As
B	EQUITY AND LIABILITIES							
1	Equity							
(a)	Equity Share capital	14	**3,47,78,000**	-	3,47,78,000	**3,47,78,000**	-	3,47,78,000
(b)	Other equity	15	**49,59,38,722**	(51,18,155)	49,08,20,567	**52,33,29,930**	(53,67,221)	51,79,62,709
	Sub-total– Equity		**53,07,16,722**	(51,18,155)	52,55,98,567	**55,81,07,930**	(53,67,221)	**55,27,40,709**
2	LIABILITIES							
	Non-current liabilities							
(a)	Financial liabilities							
	- Borrowings	16	**9,95,124**	-	9,95,124	**13,06,616**	-	13,06,616
	- Other financial liabilities	17	**-**	3,21,780	3,21,780	**-**	2,86,027	2,86,027
(b)	Provisions	18	**4,93,87,540**		4,93,87,540	**4,33,99,233**	-	4,33,99,233
(c)	Other non-current liabilities		**-**	-	-	**-**	-	-
	Sub-total - Non-current liabilities		**5,03,82,664**	3,21,780	5,07,04,444	**4,47,05,849**	2,86,027	**4,49,91,876**
3	Current liabilities							
(a)	Financial liabilities							
	- Borrowings	19	**6,75,74,328**	-	6,75,74,328	**8,34,77,042**	-	8,34,77,042
	- Trade payables	20	**16,48,44,390**	83,91,833	17,32,36,223	**14,33,84,762**	1,88,37,807	16,22,22,569
	- Other financial liabilities	21	**4,13,87,710**	(83,42,364)	3,30,45,346	**5,67,33,900**	(2,53,36,046)	3,13,97,854
(b)	Provisions	22	**1,90,97,079**	(83,91,833)	1,07,05,246	**2,87,21,380**	(1,88,37,807)	98,83,573
(c)	Other current liabilities	23	**-**	83,42,364	83,42,364	**-**	2,53,36,046	2,53,36,046
	Sub-total - Current liabilities		**29,29,03,507**	-	29,29,03,507	**31,23,17,084**	-	**31,23,17,084**
	TOTAL - EQUITY AND LIABILITIES		**87,40,02,893**	(47,96,375)	86,92,06,518	**91,51,30,863**	(50,81,194)	**91,00,49,669**

B. Reconciliation of total comprehensive income for the year ended March 31, 2017

	PARTICULARS	Note No.	Amount as per previous GAAP	Effect of transition to Ind As	Amount as per Ind As
I	Revenue from operations	24	71,21,05,008	3,04,71,437	74,25,76,445
II	Other Income	25	41,71,246	2,66,686	44,37,932
III	**Total Revenue (I +II)**		71,62,76,254	3,07,38,123	74,70,14,377
IV	Expenses				
	Cost of Materials Consumed	26	20,07,05,267	-	20,07,05,267
	Purchase of Trade Goods	27	10,35,36,054	-	10,35,36,054
	Changes in inventories of finished goods, work in progress and Stock-in- trade	28	3,26,85,383	-	3,26,85,383
	Excise duty		-	3,57,46,701	3,57,46,701
	Employee benefits expense	29	15,39,95,880	(48,967)	15,39,46,913
	Finance Costs	30	1,01,06,391	35,753	1,01,42,144
	Depreciation	4, 4.2	1,12,81,118	3,413	1,12,84,531
	Other expense	31	23,67,49,718	(53,80,517)	23,13,69,201
	Total Expense		74,90,59,811	3,03,56,383	77,94,16,194
V	Profit / (Loss) before tax (III -IV)		(3,27,83,557)	3,81,740	(3,24,01,817)
VI	**Tax expense:**				
	(1) Current tax		-	-	-
	(2) Deferred tax		(53,92,349)	1,02,827	(52,89,522)
VII	**Profit / (Loss) for the year (V - VI)**		(2,73,91,208)	2,78,913	(2,71,12,295)
VIII	**Other Comprehensive Income**		-	(29,848)	(29,848)
IX	**Total comprehensive income for the year**		(2,73,91,208)	2,49,065	(2,71,42,143)

C. Effects of IND AS adoption on Total Equity

Particulars	Note No.	As at 31st March 2017 Amount	As at 1st April, 2016 Amount
Net Worth under IGAAP		53,07,16,722	55,81,07,930
Provision for Allowance under expected credit loss	2	(19,21,273)	(20,26,527)
Amortisation of deposits and loans at present value	3	(48,79,555)	(51,46,241)
Dismantling costs for windmill	4	(2,86,027)	(2,86,027)
Unwinding of dismantlings costs	4	49,581	85,334
Depreciation on windmill	4	(38,400)	(34,987)
Fair value of investments (MTM)	5	(3,53,103)	(3,58,875)
Deferred tax impact	4	23,10,622	24,00,102
Net worth under IND AS		52,55,98,567	55,27,40,709

D. Effects of IND AS adoption on Cash Flows for year ended 31 MARH 2017.

Particulars	Amount as per previous GAAP	Effect of transition to Ind As	Amount as per Ind As
Net cash generated from /(used in) operative activities	3,26,86,755	35,753	3,27,22,508
Net cash generated from /(used in) investing activities	(16,79,159)	-	(16,79,159)
Net cash generated from /(used in) financing activities	(2,63,20,597)	(35,753)	(2,63,56,350)
Net increase / (decrease) in cash and cash equivalents	46,86,999	-	46,86,999
Cash and Cash equivalents at the beginning of the year	1,48,04,047	-	1,48,04,047
Cash and Cash equivalents at the end of the year	1,94,91,046	-	1,94,91,046

Notes :

1 The previous GAAP figures have been reclassified to conform to Ind AS presentation.

2 Recognition of expected credit losses :

The Company has recognised a loss allowance for expected credit losses on financial assets in accordance with the requirements of Ind AS 109 restrospectively. However, as permitted by Ind AS 101 , it has used reasonable and supportable information that is available without undue cost or effort to determined the credit risk at the date that financial instruments were initially recognised.

3 Financial assets as amortised cost :

Certain financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognised at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening retained earnings.

4 Dismantle cost for Wind Mill Machinery

The company has installed Wind Mill machinery on lease hold land. Under previous GAAP , there is no provision for dismantle cost for asset installed on lease hold land. The company has recognosed dismantle cost of wind mill machinery in accordance with the requiements of IND AS restrospectively. The amount recognised for dismantle cost, depreciation on amout capitalised and unwinding amount for dimantle cost upto transition date been adjusted to the opening retained earnings.

5 Fair value of Non current Investments :

Under previous GAAP the Non Current Investments (other than Investments in subsidiary) are initially recognised at its cost , including related transaction costs. Under IND AS, the subsequent measurement of said investments are valued at market value of the reporting date at Fair market Value through Other Comprehensive Income (FVTOCI). The difference as on transition date been adjusted to the opening retained earnings.

6 Deferred Tax as per Balance Sheet approach :

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the periond. Under IND AS , Deferred Tax is recognised following Balance Sheet approach on the temporary differences between the carrying amount of asset of liability in the Balance Sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

7 Defined benefit liabilities :

Under IND AS , Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognised in other comprehensive income instead of profit or loss in previous GAAP .

8 Other Comprehensive Income :

Under IND AS, all items of income and expenses recognised in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss but are shown in the statement of profit and loss and “Other Comprehensive Income” includes remeasurements of defined benefit plans and fair valuation of non current investments. The concept of other comprehensive income did not exist under previous GAAP.

INDEPENDENT AUDITORS' REPORT

To

The Members of
Austin Engineering Company Limited

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of AUSTIN ENGINEERING COMPANY LIMITED (the 'Company') and its subsidiary (the Company and the subsidiary collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Change in Equity and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements the of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

   We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS Financial Statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors , as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the separate Ind AS financial statements and on the other financial information of the subsidiary as noted below, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of 'the Group' as at March 31st, 2018 their consolidated profit/ loss, consolidated changes in equity and their consolidated cash flow for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

   As required by Section 143(3) of the Act, we report that :

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements.

   b. In our opinion, proper Books of Account as required by law relating to preparation of the aforesaid Consolidated Ind AS

Financial Statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified u/s 133 of the Act, read with relevant Rules issued there under.

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – *Refer* Note 33 on Contingent Liabilities *to the consolidated Ind AS Financial Statements;*

   ii) The group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Other Matters

7 . We have not audited the Ind AS financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 38,233,836/- as at March 31, 2018, total revenue of Rs. 100,057,251/- and net cash flows amounting to Rs. (12,56,387/-) for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind As financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosure included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited Ind AS financial statements certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion is not qualified in respect of the above matters.

PLACE : Junagadh.
DATE : May 28, 2018.

FOR B H ADVANI & ASSOCIATES
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
PARTNER
M. NO. 102464

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of **AUSTIN ENGINEERING CO. LIMITED,** ("the Company"). The Subsidiary Company is not incorporated in India under Companies Act, 2013 and accordingly, we have reported on adequacy of internal control over financial reporting only in case of the Holding Company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE : Junagadh.
DATE : May 28, 2018.

FOR B H ADVANI & ASSOCIATES
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
PARTNER
M. NO. 102464

Consolidated Balance Sheet as at 31.03.2018

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	**ASSETS**				
1	**Non-current assets**				
	(a) Property, plant and equipment	4	8,22,90,919	9,01,76,450	9,75,10,939
	(b) Capital work-in-progress	4.1	-	-	1,45,000
	(c) Other intangible assets	4.2	2,29,04,730	2,40,49,918	2,50,39,052
	(d) Financial assets				
	- Other investments	5	14,58,470	14,32,922	14,27,150
	- Other financial assets	6	1,21,77,094	90,77,700	93,82,207
	(e) Other non current assets	7	5,05,847	10,69,564	5,29,519
	(f) Deferred Tax Asset	8	1,77,45,217	1,91,40,440	1,59,80,255
	Sub-total - Non-Current Assets		13,70,82,277	14,49,46,994	15,00,14,122
2	**Current assets**				
	(a) Inventories	9	47,30,18,620	48,43,50,347	51,42,20,015
	(b) Financial assets				
	- Trade receivables	10	18,76,47,398	19,73,25,588	22,25,88,677
	- Cash and cash equivalents	11	4,35,14,906	3,08,65,149	1,79,76,412
	- Other financial assets	12	2,50,64,602	1,56,53,008	1,88,33,885
	(c) Other current assets	13	1,24,57,130	1,33,92,834	1,26,89,333
	Sub-total - Current Assets		74,17,02,656	74,15,86,926	78,63,08,322
	TOTAL - ASSETS		87,87,84,933	88,65,33,920	93,63,22,444
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity Share capital	14	3,47,78,000	3,47,78,000	3,47,78,000
	(b) Other equity	15	48,56,95,890	49,83,69,680	52,94,56,533
	Sub-total - Equity		52,04,73,890	53,31,47,680	56,42,34,533
2	**LIABILITIES**				
	Non-current liabilities				
	(a) Financial liabilities				
	- Borrowings	16	-	9,95,124	13,06,616
	- Other financial liabilities	17	3,62,003	3,21,780	2,86,027
	(b) Provisions	18	6,01,40,973	4,93,87,540	4,33,99,233
	(c) Other non-current liabilities		-	-	-
	Sub-total - Non-current liabilities		6,05,02,976	5,07,04,444	4,49,91,876
3	**Current liabilities**				
	(a) Financial liabilities				
	- Borrowings	19	5,64,54,360	7,34,10,641	9,01,76,372
	- Trade payables	20	19,81,63,500	17,71,95,937	17,65,39,634
	- Other financial liabilities	21	2,56,03,814	3,30,27,608	3,13,85,500
	(b) Provisions	22	1,20,62,695	1,07,05,246	98,83,573
	(c) Cuurent Tax Liabilities (Net)		8,131	-	-
	(d) Other current liabilities	23	55,15,567	83,42,364	1,91,10,956
	Sub-total - Current liabilities		29,78,08,067	30,26,81,796	32,70,96,035
	TOTAL - EQUITY AND LIABILITIES		87,87,84,933	88,65,33,920	93,63,22,444

See Accompaning Notes to the Consolidated financial statements

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partner
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

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

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

Consolidated Statement of Profit and Loss for the Year ended 31.03.2018

	Particulars	Note No.	2017-18 Rs.	2017-18 Rs.	2016-17 Rs.	2016-17 Rs.
I	Revenue from operations	24	78,03,91,469		75,62,37,216	
II	Other Income	25	1,18,15,898		56,09,099	
III	**Total Revenue (I +II)**			79,22,07,367		76,18,46,315
IV	Expenses					
	Cost of Materials Consumed	26	26,92,27,480		20,06,37,717	
	Purchase of Trade Goods	27	10,24,06,840		10,35,36,054	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	28	2,03,72,064		3,26,85,383	
	Excise duty		83,72,677		3,57,46,701	
	Employee benefits expense	29	16,05,50,132		16,40,23,628	
	Finance Costs	30	67,17,252		1,05,19,155	
	Depreciation	4, 4.2	1,12,99,226		1,16,08,991	
	Other expense	31	22,34,48,277		23,60,18,811	
	Total Expense			80,23,93,948		79,47,76,439
V	Profit / (Loss) before tax (III -IV)			(1,01,86,581)		(3,29,30,124)
VI	**Tax expense:**					
	(1) Current tax		8,061		6,706	
	(2) Deferred tax		17,09,689	17,17,750	(31,48,478)	(31,41,772)
VII	**Profit / (Loss) for the year (V - VI)**			(1,19,04,331)		(2,97,88,352)
VIII	**Other Comprehensive Income**			-		
	(a) Items that will not be reclassified to Statement of Profit and Loss			(9,99,553)		(43,195)
	(b) Income tax relating to items that will not be reclassified to Statement of Profit and Loss			3,08,862		13,347
	(c) Items that will be reclassified to Statement of Profit and Loss			-		-
	(d) Income tax relating to items that will be reclassified to Statement of Profit and Loss			-		-
IX	**Total comprehensive income for the year**			(1,25,95,022)		(2,98,18,200)
X	**Earnings per equity share:**					
	Basic & Diluted	32		(3.42)		(8.57)

See Accompaning Notes to the Consolidated financial statements

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partner
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

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

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars	2017-18 Rs.	2017-18 Rs.	2016-17 Rs.	2016-17 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) before tax		**(1,01,86,581)**		(3,29,30,124)
	Adjustments for:				
	Depreciation and amortization expenses	**1,12,99,226**		1,16,08,991	
	Finance Cost	**67,17,252**		1,05,19,155	
	(Profit)/ Loss on sale of Assets/shares	**1,66,364**		54,030	
	Interest/Dividend Income	**(10,79,485)**		(13,52,324)	
	Increase (decrease) in foreign exchange translation reserve	**(83,133)**		(12,55,437)	
	Provision for Expected Credit Loss Allowance	**(1,72,826)**	**1,68,47,398**	(14,858)	1,95,59,557
	Operating Profit before working capital changes		**66,60,817**		(1,33,70,567)
	Adjustments for (increase)/decrease in				
	Inventories	**1,13,31,727**		2,98,69,668	
	Trade Receivable & Other Financial assets	**4,39,422**		2,84,58,824	
	Other Current Assets	**9,35,704**		(7,03,501)	
	Other Non Current Assets	**(25,35,677)**		(2,35,538)	
	Adjustments for : (decrease) / increase in				
	Trade payables & Other Financial assets	**1,35,43,769**		22,98,411	
	Other Current Liabilities	**(28,26,797)**		(1,07,68,592)	
	Provisions	**1,10,85,781**		67,61,013	
	Other Non Current Liabilities	**40,223**		35,753	
			3,20,14,152		5,57,16,038
	Cash flow from/(used in) operations		**3,86,74,969**		4,23,45,471
	Income taxes paid		**-**		(7,296)
	NET CASH FROM OPERATING ACTIVITIES :		**3,86,74,969**		4,23,38,175
B	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Payment for Property, Plant & Equipments, Intangible assets		**(31,50,326)**		(38,04,384)
	Purchase of Investments		**-**		-
	Proceeds from sale of Property, Plant & Equipments		**7,14,286**		5,99,000
	Sale of Investments		**-**		-
	Interest/Dividend Received		**10,79,485**		13,52,324
	Net Cash generated from / (used in) investing activities (B)		**(13,56,555)**		(18,53,060)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds of non current Borrowings		**-**		-
	Repayment of non current Borrowings		**(9,95,124)**		(3,11,492)
	Net Increase / (Decrease) in Current Borrowings		**(1,69,56,281)**		(1,67,65,731)
	Dividend Paid		**-**		-
	Dividend Tax Paid		**-**		-
	Finance Cost		**(67,17,252)**		(1,05,19,155)
	Net Cash generated from / (used in) financing activities		**(2,46,68,657)**		(2,75,96,378)
	Net increase in cash and cash equivalents(A+B+C)		**1,26,49,757**		1,28,88,737
	Cash and Cash equivalents at the beginning of the year		**3,08,65,149**		1,79,76,412
	Cash and Cash equivalents at the end of the year Note: 11		**4,35,14,906**		3,08,65,149

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard Ind AS - 7 - "Statement of Cash Flow".

See Accompaning Notes to the Consolidated financial statements

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partner
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital (Refer Note 14)

As at 01-04-2016	Movement during the year	As at 31-03-2017	Movement during the year	As at 31-03-2018
3,47,78,000	NIL	3,47,78,000	NIL	3,47,78,000

B. Other Equity (Refer Note 15)

Particulars	Reserve and Surplus							Item of otherComprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Cash Subsidy Reserve	Capital Redemption Reserve	Retained Earnings	Foreign Currency translation Reserve		
Opening Balanceas at April 01,2016	7,92,427	8,67,95,000	6,01,49,239	29,35,458	5,32,000	37,99,36,718	(16,84,309)	-	**52,94,56,533**
Profit / (Loss) for the year	-	-	-	-	-	(2,97,88,352)		-	**(2,97,88,352)**
Other Comprehensive Income for the year (net of Income tax)/ changes during the year	-	-	-	-	-	-	(12,68,653)	(29,848)	**(12,98,501)**
Closing balance as at March 31, 2017	7,92,427	8,67,95,000	6,01,49,239	29,35,458	5,32,000	35,01,48,366	(29,52,962)	(29,848)	**49,83,69,680**
Profit / (Loss) for the year	**-**	**-**	**-**	**-**	**-**	**(1,19,04,331)**		**-**	**(1,19,04,331)**
Other Comprehensive Income for the year (net of Income tax)	**-**	**-**	**-**	**-**	**-**	**-**	**(78,768)**	**(6,90,691)**	**(7,69,459)**
Closing balance as at March 31, 2018	**7,92,427**	**8,67,95,000**	**6,01,49,239**	**29,35,458**	**5,32,000**	**33,82,44,035**	**(30,31,730)**	**(7,20,539)**	**48,56,95,890**

See Accompaning Notes to the Consolidated Financial Statements

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partner
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

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

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

Notes to the Consolidated Financial Statements

1. **GENERAL INFORMATION**

Austin Engineering Company Limited ("the Company" or "the Parent") is one of the India's leading bearing manufacturing company in India. The Parent and its subsidiary Austin Engineering Company (formerly known as Accurate Engineering Inc.) (together referred to as "the Group") deals with a various types of Bearings and its components. The Group caters to both domestic and international markets.

The Company's shares are listed with BSE.

2. **SIGNIFICANT ACCOUNTING POLICIES**

A. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian accounting standard) Rules, 2015 as amended and notified under section 133 of the companies act 2013 (the "Act") and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupees, except when otherwise stated. The Group's financial statements up to and for the year ended 31st March, 2017 were prepared in accordance with the Standards as per companies (financial standards) Rule, 2006, notified under section 133 of the companies act, 2013 and other relevant provisions of the act which was the previous GAAP ("IGAAP). These are the first Ind AS consolidated financial statement of the Group. The date of transition to Ind AS is 1 April 2016. Refer note 2 (T) below for the details of first-time adoption exemptions availed by the Group.

B. **BASIS OF PREPARATION AND PRESENTATION**

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirement of Ind AS prescribed under section 133 of the companies act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique in estimating the fair value of an asset or a liability, the Company takes in to account the Characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for sharebased payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value, in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date :
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly ; and
- Level 3 inputs are unobservable inputs for the asset or liability."

  All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act 2013. Based on the nature of its business, the group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

C. **BASIS OF CONSOLIDATION**

The Consolidated Financial Statementincorporatethe financial statements of the company and entities controlled by the company and its subsidiary. Control is achieved where the Company:

- Has power over the investee
- Is exposed to, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The company reassess whether or not it controls an investee if facts and circumstances indicate that elements of control listed above.

When the company has less than majority of the voting rights of an investee, it has power over the investee when such voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders; meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidy and ceases when the company loses control of thesubsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

D. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue on sale of products, net of discount, rebate, returns etc. The following specific recognition criteria must also be met before revenue is recognized.

Sales of goods

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales include gross of manufacturing taxes excise duty, sales tax and value added tax wherever applicable. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend Income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Other income is recognized on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

E. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable fromthe tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of profit and loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognized upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

The company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS i.e. 1 April-2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in schedule II to the companies Act, 2013. In respect of additions to property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than Rs.5,000/- are depreciated fully during the year of purchase.

The company review the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

F. INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation is recognized on a Straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss when the asset is derecognized.

For transition to Ind AS, the company has elected to continue with carrying value of all its intangible assets recognized as of 1 April 2016 (transition date) measured as per the previous GAAP as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

Intangible Assets amortized as follows:

a) Trademark is amortized over the useful life estimated by the management. - Over a period of 50 years.

b) Computer Software is amortized over the useful life estimated by the management. - Over a period of 5 years.

G. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognized impairment loss is limited to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

H. LEASES

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease areclassified as operating leases.

Where the company is lessor

Rental income from operating leases is recognized on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on straight-line basis over the lease term.

Where the company is lessee

Payments made under operating lease are charged to the statement of Profit and Loss on straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’sexpected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

Leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance Leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

I. INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on first in first out ('FIFO') basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

All items of inventories which are unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

J. EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows :

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income ; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual level and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

K. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

Current Tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the India Income Tax Act,1961.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognized in the statement of profit and loss, except when they are related to item that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

L. FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in statement of Profit and Loss in the period in which they arise except for ;

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to statement of Profit and Loss on repayment of the monetary items.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and contingent assets are not recognized but are disclosed in the notes.

N. EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for driving basis earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

O. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

P. GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognized by the company where there is reasonable assurance that the grants will be received and all the attached conditions will be complied with. Revenue grants are recognized in the Statement of Profit and Loss in the same period, in which the related costs are incurred are accounted for.

Government grants relating to Property, plant and equipment are recognized / presented as deferred income and released to the statement of Profit and Loss over the expected useful lives of the assets concerned.

Q. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

a) Financial Assets

(i) Initial recognition and measurement.

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through statement of profit and loss at fair value through statement of profit and loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories :

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI :

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met :

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flow represents SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income(OCI).

Debt instrument at FVTPL :

FVTPL is a residual category for debt instrument.

Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or

FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognized the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any)that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below :

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods or services provided to the company which are unpaid at the end of the reporting period. Trade and other payable are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables filling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

Other financial liabilities at fair value through profit or loss :

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

De-recognition of financial liabilities :

A financial liability is de-recognition when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivatives and hedging activities :

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivatives is designated as a hedging instrument, if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designated their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings.

The company documents at the beginning of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The company documents is risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The fair value of hedging derivative is classified as a non current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The company uses foreign exchange forwards contracts to hedge its exposure to movements in foreign exchange rate. This foreign exchange forward contracts is not used for trading or speculation purposes. The accounting policies for forward contracts is based on whether it meet the criteria for designation as effective cash flow hedges. To designate the forward contract as an effective cash flow hedge, the company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contracts with a cumulative change in the fair value of the hedged item.

For forward contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the share holders' fund (under the head "hedging reserve ") and are reclassified into the statement of profit & loss upon the occurrence of the hedged transactions.

The company recognizes gains or losses from changes in fair value of forward contracts that are not designated as effective cash flow hedges for accounting purposes in the profit and loss account in the period the fair value changes occur.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Impairment of financial assets

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognized lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

R. FAIR VALUE MEASUREMENT :

The company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities ;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

S. CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balance (with an original maturity of twelve months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

T. SEGMENT

Operating segments are reported in a manner consists with the internal reporting provided to the management of the company.

Identification of segments

The Company's management examines the Company's performance both from a product and geographic perspective. The Company's operating businesses are organize and managed separately according to the nature of products, with each segments representing a strategic business unit that offers different products and serves different markets. The analysis of the geographical segments is based on the areas in which major operating divisions of the Company operate.

Intersegment transfers

The company accounts for intersegment sales on the basis of price charged for inter segment transfers.

Allocation of common cost

Common allocable costs are allocated to each segment according to the relevant contribution of each segment to the total common cost.

Unallocated items

Unallocated items include general corporate income and expenses items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statement of the Company as a whole.

U. FIRST TIME ADOPTION – MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS

Overall principle

The Company has adopted Indian accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April 2017 with a transition date of 1 April 2016. These consolidated financial statements for the year ended 31 March 2018 are the first Consolidated financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended 31 March 2017, the Company prepared its Consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (herein after referred to as ("Previous GAAP") used for its statutory reporting requirement in India immediately before adopting Ind AS. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. Accordingly the Company has prepared financial statements which comply with Ind AS for the year ended 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the opening balance sheet of the Company was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

The note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

The company has prepared the opening consolidated Balance Sheet as per Ind AS as of

1 April, 2016 (the transition date) by,

- Recognising all assets and liabilities whose recognition is required by Ind AS,
- Not recognizing items of assets or liabilities which are not permitted by Ind AS,
- By reclassifying items from previous GAAP to Ind AS as required under Ind AS and
- Applying Ind AS in measurement of recognized assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the company as detailed below. Since, the financial statements are the first financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

(i) Deemed cost for property, plant and equipment and intangible assets

The company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as of 1 April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

(ii) Determining whether an arrangement contains a lease

The company has opted to apply the Appendix C of Ind AS 17 – Determining whether an Arrangement contains a Lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.

(iii) De-recognition of financial assets and financial liabilities

The company has applied the de-recognitionrequirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2016 (the transition date).

(iv) Designation of previously recognized financial instruments

The company has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(v) Impairment of financial assets

The company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without un due cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind Ass, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the company is required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factor that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

(ii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility".

(v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold & Lease hold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Wind Mill Machinery	Total
Deemed cost as at April 01,2016	1,68,279	5,39,37,207	22,98,54,008	1,81,38,984	2,24,96,382	1,04,93,640	1,28,70,520	3,53,93,044	38,33,52,064
Additions	-	2,65,487	21,50,079	1,18,144	9,37,751	2,20,691	1,08,732	-	38,00,884
Disposals	-	-	-	-	9,19,666	-	-	-	9,19,666
Gross Carrying amount as at March 31'2017	1,68,279	5,42,02,694	23,20,04,087	1,82,57,128	2,25,14,467	1,07,14,331	1,29,79,252	3,53,93,044	38,62,33,282
Addition	-	1,11,933	19,77,416	30,772	-	3,81,668	4,89,496	-	29,91,285
Disposals	-	-	-	-	27,60,129	-	-	-	27,60,129
Gross Carrying amount as at March 31'2018	1,68,279	5,43,14,627	23,39,81,503	1,82,87,900	1,97,54,338	1,10,95,999	1,34,68,748	3,53,93,044	38,64,64,438
Accumulated depreciation									
Balance asat April 01,2016	-	2,80,03,613	17,88,88,890	1,25,04,253	1,50,85,476	85,56,148	1,18,98,733	3,09,04,012	28,58,41,125
Depreciation for the year	-	14,90,995	48,74,733	10,24,600	16,94,649	5,94,235	5,76,943	2,26,188	1,04,82,343
Depreciation for disposal	-	-			2,66,636				2,66,636
Balance as at March 31,2017	-	2,94,94,608	18,37,63,623	1,35,28,853	1,65,13,489	91,50,383	1,24,75,676	3,11,30,200	29,60,56,832
Depreciation for the year	-	14,44,867	53,05,331	10,26,515	12,00,689	6,72,544	1,20,032	2,26,188	99,96,166
Depreciation for disposal	-				18,79,479				18,79,479
Balance as at March 31,2018	-	3,09,39,475	18,90,68,954	1,45,55,368	1,58,34,699	98,22,927	1,25,95,708	3,13,56,388	30,41,73,519
Net carrying amount									
As at March 31,2018	1,68,279	2,33,75,152	4,49,12,549	37,32,532	39,19,639	12,73,072	8,73,040	40,36,656	8,22,90,919
As at March 31,2017	1,68,279	2,47,08,086	4,82,40,464	47,28,275	60,00,978	15,63,948	5,03,576	42,62,844	9,01,76,450
As at April 1,2016	1,68,279	2,59,33,594	5,09,65,118	56,34,731	74,10,906	19,37,492	9,71,787	44,89,032	9,75,10,939
Useful Life of the asset (in Years)	N/A	30Years	15Years	10 Years	8years	5 Years	3Years	22 Years	
Method of Depreciation	N/A	Straight Line method							

Note :

a) The company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2016 measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

b) Property, plant & equipment have been mortgage / hypothecated as security against bowrrowing of the Company as at 31 March 2018.

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

4 .1 CAPITAL WORK IN PROGRESS

COMPUTER SOFTWARE

Particulars	AMOUNT
Balance as at April 01,2016	1,45,000
Additions	-
Transfer to Assets	1,45,000
Balance as at March 31,2017	-
Additions	-
Transfer to Assets	-
Balance as at March 31,2018	-

4 .2 INTANGIBLE ASSETS

Particulars	'aec'TRADE MARK	COMPUTER SOFTWARE	Total
Deemed cost as at April 01,2016	4,08,61,000	40,81,056	4,49,42,056
Additions	-	1,48,500	1,48,500
Disposals	-	-	-
Gross Carrying amount as at March 31, 2017	4,08,61,000	42,29,556	4,50,90,556
Addition	**-**	**1,59,041**	**1,59,041**
Disposals	**-**	**-**	**-**
Gross Carrying amount as at March 31, 2018	**4,08,61,000**	**43,88,597**	**4,52,49,597**
Accumulated depreciation			
Balance as at April 01,2016	1,69,57,315	29,45,689	1,99,03,004
Depreciation for the year	8,17,220	3,20,414	11,37,634
Depreciation fon disposal	-	-	-
Balance as at March 31,2017	1,77,74,535	32,66,103	2,10,40,638
Depreciation for the year	**8,17,220**	**4,87,009**	**13,04,229**
Depreciation fon disposal	**-**	**-**	**-**
Balance as at March 31,2018	**1,85,91,755**	**37,53,112**	**2,23,44,867**
Net carrying amount			
As at March 31,2018	2,22,69,245	6,35,485	2,29,04,730
As at March 31,2017	2,30,86,465	9,63,453	2,40,49,918
As at April 1,2016	2,39,03,685	11,35,367	2,50,39,052
Useful Life of the asset (in Years)	50 Years	5 Years	
Method of Depreciation	**Straight Line method**		

5 **OTHER INVESTMENTS (Non current)**
Non Current Investment in Equity Instruments
(A) Unquoted (At cost or deemed cost):
Equity Shares (full paid)

Particulars	Face Value	As at 31-03-2018 No. of Shares	As at 31-03-2018 Amount	As at 31-03-2017 No. of Shares	As at 31-03-2017 Amount	As at 01-04-2016 No. of Shares	As at 01-04-2016 Amount
(A) Unquoted (At cost or deemed cost): Equity Shares (full paid)							
Kowa Spining Ltd.	10	60,000	10,50,000	60,000	10,50,000	60,000	10,50,000
Bagri Min & Chem Ltd.	10	2,600	26,000	2,600	26,000	2,600	26,000
Damania Cap.Markets Ltd.	10	9,300	2,79,000	9,300	2,79,000	9,300	2,79,000
Indo Dutch Protiens Ltd.	10	700	7,000	700	7,000	700	7,000
Kongarar Textiles Ltd.	10	600	27,000	600	27,000	600	27,000
Orissa Luminaries Ltd.	10	2,000	20,000	2,000	20,000	2,000	20,000
Pennar Aqua Exports Ltd.	10	7,700	77,000	7,700	77,000	7,700	77,000
Stiefel Und.Schuh (I) Ltd.	10	400	4,000	400	4,000	400	4,000
Tina Electronics Ltd.	10	1,100	11,000	1,100	11,000	1,100	11,000

(B) Quoted (At cost or deemed cost):

A.J.Brothers Ltd.	10	3,800	57,000	3,800	57,000	3,800	57,000
Antifriction Brg.Corpn.	10	100	6,500	100	6,500	100	6,500
Asahi Fibres Ltd.	10	3,000	30,000	3,000	30,000	3,000	30,000
Asian Bearings Ltd.	10	100	1,525	100	1,525	100	1,525
Bhupendra Cap. & Fin.Ltd.	10	1,700	68,000	1,700	68,000	1,700	68,000
Gujarat Meditech Ltd.	10	900	9,000	900	9,000	900	9,000
Hindustan Agri Ltd.	10	700	7,000	700	7,000	700	7,000
Supriya Pharma Ltd.	10	500	10,000	500	10,000	500	10,000
Thambi Modern Spng.Mills	10	600	30,000	600	30,000	600	30,000
Valley Abresive Ltd.	10	1,500	15,000	1,500	15,000	1,500	15,000

(C) Government Securities

National Saving Certificate			51,000		51,000		51,000
(Pledged as security to Excise Dept.)							
Aggregate Value of Unquated Investment - at cost			15,01,000		15,01,000		15,01,000
Aggregate Value of Quated Investment - at cost			2,34,025		2,34,025		2,34,025
Aggregate Value of Government Securities - at cost			51,000		51,000		51,000
Total Other Investments (A , B, C)			17,86,025		17,86,025		17,86,025
Fair value amount (FVTOCI)			(3,27,555)		(3,53,103)		(3,58,875)
Total Other Investments (Non current) Measured at FVTOCI			14,58,470		14,32,922		14,27,150

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
6. OTHER FINANCIAL ASSETS (NON - CURRENT)			
Unsecured considered good :			
Advance Income Tax	**48,78,900**	49,12,171	49,73,495
Sundry Deposits	**40,85,390**	20,87,896	21,75,426
Other Loans	**29,39,928**	20,77,633	22,33,286
Total	**1,19,04,218**	90,77,700	93,82,207
7. OTHER NON CURRENT ASSETS			
Advance for Capital expenditure	**5,05,847**	10,69,564	5,29,519
Total	**5,05,847**	10,69,564	5,29,519

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount
8. DEFERRED TAX ASSETS / (Liabilities)		
Deferred Tax Expenses		
A. Origination and reversal of temporary differences	**17,09,689**	(31,48,478)
Tax Expenses for the year charged to Statement of Profit & Loss	**17,09,689**	**(31,48,478)**
B. Amount recognised in Other comprehensive income		
Remeasurement of the defined benefit plans	**(3,16,756)**	(15,131)
Fair Value of Non Current Investment	**7,894**	1,784
Total B.	**(3,08,862)**	**(13,347)**

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
Deferred Tax assets			
On account of Employees Benefits	**1,60,11,788**	1,79,18,756	1,57,76,445
Unabsorbed Depreciation Allowance	**42,93,303**	42,67,794	7,59,884
Allowance for doubtful receivable	**6,08,992**	6,56,179	6,71,832
On account of Tangible & Intagible Assets	**1,11,859**	99,430	88,382
On accounts of Financial Assets	**27,63,298**	24,14,180	46,29,960
Others	**1,01,214**	1,09,108	1,10,892
Total Deferred Tax assets	**2,38,90,454**	2,54,65,447	2,20,37,395
Deferred Tax Liabilitities			
On account of Depreciation	**(61,31,790)**	(63,10,505)	(60,41,583)
Others	**(13,447)**	(14,502)	(15,557)
Total Deferred Tax Liabilitities	**(61,45,237)**	(63,25,007)	(60,57,140)
Deferred Tax assets (Net)	**1,77,45,217**	1,91,40,440	1,59,80,255

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
9. INVENTORIES			
Inventories : (at lower of cost and Net realisable value)			
Raw materials	**6,31,08,560**	5,65,10,767	5,05,39,378
Raw materials - Goods-in-transit	**23,08,806**	9,24,570	34,31,103
Semi Finished goods	**21,71,12,904**	24,00,13,488	23,89,38,342
Finished goods	**12,95,70,385**	14,17,19,806	16,88,85,140
Finished goods - Goods-in-transit	**3,87,09,282**	2,11,67,664	2,11,69,250
Stock-in-trade	**72,62,280**	1,01,25,957	1,67,19,566
Stores and spares	**94,22,171**	91,43,718	85,82,496
Packing materials	**55,24,232**	47,44,377	59,54,740
Total	**47,30,18,620**	48,43,50,347	51,42,20,015

Inventories have been hypothecated as security against bank borrowings of the company as at 31st March, 2018.

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
10. TRADE RECEIVABLE (CURRENT)			
Unsecured			
Considered Good	**18,97,00,588**	19,89,35,175	22,42,06,943
Considered Doubtful	**-**	6,15,980	6,30,135
	18,97,00,588	19,95,51,155	22,48,37,078
Less : Provision for Doubtful	**-**	6,15,980	6,30,135
	18,97,00,588	19,89,35,175	22,42,06,943
Less : Expected Credit Loss Allowance	**20,53,190**	22,25,567	22,48,401
Total	**18,76,47,398**	19,73,25,588	22,25,88,677

Notes :

Trade receivable includes receivable from related party in which directors and/ or their relatives are interested Rs. 726,732/-

(Previous Year Rs. 10,335/-)

In determining the allowance for doubtfull trade receivables, the Company has used practical expedient by computing the expected credit loss allowance for trade receivables.

Trade receivables have been hypothecated as security against bank borrowings.

The concentration of credit risk is limiteddue to the fact that the customer base is largeand unrelated.

Particulars	As at 31-03-2018 Amount	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount	As at 01-04-2016 Amount
11. CASH AND CASH EQUIVALENT						
Cash On Hand		**15,38,762**		18,31,975		15,08,789
Balance with Banks						
In Current account	**2,55,17,116**		1,26,70,312		38,22,621	
In Fixed Deposit account	**1,49,40,174**		1,43,87,106		1,03,83,615	
In EEFC Account	**-**		-		6,637	
In Dividend Account ##	**15,18,854**	**4,19,76,144**	19,75,756	2,90,33,174	22,54,750	1,64,67,623
Total		**4,35,14,906**		3,08,65,149		1,79,76,412

Represents restricted bank balance on account of unclaimed dividends.

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
12. OTHER FINANCIAL ASSETS (CURRENT)			
Unsecured, CONSIDERED GOOD			
Advances Recoverable in Cash or in Kind for value to be received	**36,02,873**	59,23,421	68,78,590
Balance with government authorities	**2,14,61,729**	97,29,587	1,19,55,295
Total	**2,50,64,602**	1,56,53,008	1,88,33,885
13. OTHER CURRENT ASSETS			
Unsecured, CONSIDERED GOOD			
Advance for Raw Materials	**45,86,873**	48,90,669	33,06,360
Advance for Expenses	**25,29,319**	18,52,079	26,35,478
Advance to Employees	**39,22,945**	44,24,485	31,17,988
Prepaid Expenses	**13,50,806**	21,47,215	35,34,374
Interest Accrued on Fixed Deposit	**67,187**	78,386	95,133
Total	**1,24,57,130**	1,33,92,834	1,26,89,333

Particulars	As at 31-03-2018 No. of Shares	As at 31-03-2018 Amount	As at 31-03-2017 No. of Shares	As at 31-03-2017 Amount	As at 01-04-2016 No. of Shares	As at 01-04-2016 Amount
14. EQUITY SHARE CAPITAL						
Authorised Share Capital :	**40,00,000**	**4,00,00,000**	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Equity shares of RS. 10/- each						
Issued, subscribed and paid up capital :						
Equity shares of RS. 10/- fully paid	**34,77,800**	**3,47,78,000**	34,77,800	3,47,78,000	34,77,800	3,47,78,000

a) Reconciliation of number of equity shares and equity share capital

Particulars	As at 31-03-2018 No. of Shares	As at 31-03-2018 Amount	As at 31-03-2017 No. of Shares	As at 31-03-2017 Amount	As at 01-04-2016 No. of Shares	As at 01-04-2016 Amount
Balance as at the beginning of the year	34,77,800	3,47,78,000	34,77,800	3,47,78,000	34,77,800	3,47,78,000
Addition during the year	-	-	-	-	-	-
Reduction during the Year	-	-	-	-	-	-
Balance as at the end of the year	34,77,800	3,47,78,000	34,77,800	3,47,78,000	34,77,800	3,47,78,000

b) No shareholders holding more than 5 % shares in the Company.

c) Terms / rights attached to shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share.

Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

The dividend where proposed by the Boardof Directors is subject to approval of the shareholders in the ensuing Annual General Meeting .

d) For the period of five years immediately preceding the date of Balance Sheet,

- The Company has not allotted any shares as fullypaid up without receipt of cash,
- The Company has not brought back any shares,
- The Company has not issued any shares by way of bonus shares

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
15. OTHER EQUITY			
General Reserve	**6,01,49,239**	6,01,49,239	6,01,49,239
Retained Earnings	**33,82,44,035**	35,01,48,366	37,99,36,718
Foreign Exchange Translation Reserve	**(30,31,730)**	(29,52,962)	(16,84,309)
Other Comprehensive Income	**(7,20,539)**	(29,848)	-
Other Reserves			
Capital Reserve	**7,92,427**	7,92,427	7,92,427
Cash Subsidy Reserve	**29,35,458**	29,35,458	29,35,458
Securities Premium Account	**8,67,95,000**	8,67,95,000	8,67,95,000
Capital Redemption Reserve	**5,32,000**	5,32,000	5,32,000
Total	**48,56,95,890**	49,83,69,680	52,94,56,533
16. BORROWINGS (NON - CURRENT)			
TERM LOANS:			
Secured Loan from BANK OF BARODA	**-**	5,94,047	-
Deferred Payment Loan from ICICI BANK	**-**	4,01,077	13,06,616
Total	**-**	9,95,124	13,06,616
17. OTHER FINANCIAL LIABILITIES (NON CURRENT)			
Provision for Decommissioning Liability for asset	**3,62,003**	3,21,780	2,86,027
Total	**3,62,003**	3,21,780	2,86,027
18. PROVISIONS (NON - CURRENT)			
Provisionfor Gratuity	**5,49,54,430**	4,55,37,752	3,95,11,116
Provisionfor Leave Encashment	**51,86,543**	38,49,788	38,88,117
Total	**6,01,40,973**	4,93,87,540	4,33,99,233
19. BORROWINGS (CURRENT)			
Secured loan			
Working Capital Loan repayable on demand from bank	**5,05,39,316**	6,75,74,328	8,34,77,042
Loan from Bank	**59,15,044**	58,36,313	66,99,330
Total	**5,64,54,360**	7,34,10,641	9,01,76,372

Working capital loan from Bank is secured against Hypothecation of all stocks, bill discounted and book debts and all movable machinery including stores & spares. Equitable mortgage of all land and building of the Company.

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
20. TRADE PAYABLES			
Due to Micro and Small Enterprise ##	-	-	-
Due to Others (Other than acceptance)	**19,81,63,500**	17,71,95,937	17,65,39,634
Total	**19,81,63,500**	17,71,95,937	17,65,39,634

The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprise Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

Trade payables includes amount due to Directors of Rs. 287,700/- (Previous year Rs. 287,700/-).

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
21. OTHER FINANCIAL LIABILITIES (CURRENT)			
Current Maturity of long term borrowings	**4,01,071**	9,81,677	10,42,911
Creditors for Capital Goods	**2,18,18,007**	2,87,74,540	2,64,80,455
Unpaid Dividend	**15,18,854**	19,75,756	22,54,750
T.D.S., T.C.S., G.S.T. Payable	**15,24,002**	13,13,373	16,19,738
Derivative Liabilities	**3,41,880**	-	-
Total	**2,56,03,814**	3,30,45,346	3,13,97,854

Creditors for Capital Goods include amount due to H.U.F. Of directors Rs. 15,470,310/- (Previous year Rs.16,421,095/-).

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
22. PROVISIONS (CURRENT)			
Provision for Gratuity	**1,15,05,461**	1,00,96,223	91,36,243
Provision for Leave Encashment	**5,57,234**	6,09,023	7,47,330
Total	**1,20,62,695**	1,07,05,246	98,83,573
23. OTHER CURRENT LIABILITIES			
Advance Payment from Customer	**55,15,567**	83,42,364	2,53,36,046
Total	**55,15,567**	83,42,364	2,53,36,046

Particulars	2017-2018 Amount	2017-2018 Amount	2016-2017 Amount	2016-2017 Amount
24. REVENUE FROM OPERATIONS				
Sales of Products				
Sales of Mfg. Goods				
BEARINGS	**52,55,16,619**		50,91,62,008	
BEARINGS COMPONENTS	**10,78,71,740**	**63,33,88,359**	8,97,15,045	59,88,77,053
Sales of Trade Goods		**12,69,79,866**		13,80,81,519
Wind Electric Power Income		**39,26,858**		85,54,484
Other Operating Revenues				
Sales of Scrap	**28,47,823**		27,86,350	
Job- Work Income	**10,39,199**		4,13,336	
Duty Drawback & Other Export Incentive	**1,22,09,364**	**1,60,96,386**	75,24,474	1,07,24,160
Total		**78,03,91,469**		75,62,37,216

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	2017-2018 Amount	2016-2017 Amount
25. OTHER INCOME		
Interest Income	10,79,285	13,52,124
Dividend Income	200	200
Foreign Exchange Rate Diff. Income	88,50,346	8,88,882
Rent Income	1,38,894	1,32,300
Vat tax refund	-	3,31,890
Excess Provision of Bonus Written back	4,94,019	-
Income Tax Refund	23,990	-
Profit on sale of Fixed Assets	84,394	-
Unwinding of Interest income on deposit & loan	9,43,129	2,66,686
Miscellaneous Income	2,01,641	26,37,017
Total	1,18,15,898	56,09,099
26. COST OF MATERIALS CONSUMED		
Opening Stock	5,74,35,337	5,39,70,481
Add : Purchases	28,04,59,781	20,51,22,516
	33,78,95,118	25,90,92,997
Less: Sales	32,50,272	10,19,943
	33,46,44,846	25,80,73,054
Less: Closing Stock	6,54,17,366	5,74,35,337
Total	26,92,27,480	20,06,37,717
Materials Consumed Comprises :		
a) Steel Bars & Tubes	82,79,558	2,77,52,207
b) Races & Forged Rings	18,66,01,233	11,10,90,673
c) Cages	2,97,57,233	1,78,58,817
d) Other materials	4,45,89,456	4,39,36,020
Total	26,92,27,480	20,06,37,717
27. PURCHASE OF TRADE GOODS		
Purchase of Trade Goods	10,24,06,840	10,35,36,054
Total	10,24,06,840	10,35,36,054

Particulars	2017-2018 Amount	2017-2018 Amount	2016-2017 Amount	2016-2017 Amount
28. CHANGES IN INVENTORIES OF FINSHED GOODS, WORK IN PROGRESS AND STOCK -IN-TRADE				
Invetories at the end of the year				
Finished goods	16,82,79,667		16,28,87,470	
Semi-finished goods	21,71,12,904		24,00,13,488	
Stock - in - Trade	72,62,280	39,26,54,851	1,01,25,957	41,30,26,915
Invetories at the beginning of the year				
Finished goods	16,28,87,470		19,00,54,390	
Semi-finished goods	24,00,13,488		23,89,38,342	
Stock - in - Trade	1,01,25,957	41,30,26,915	1,67,19,566	44,57,12,298
Net (increase)/ decrease		2,03,72,064		3,26,85,383

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	2017-2018 Amount	2016-2017 Amount
29. EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	13,62,97,626	14,27,18,759
Contribution for Provident Fund	1,09,04,596	1,16,50,661
Gratuity - Employees	1,00,47,488	72,80,526
Staff Welfare Expenses	33,00,422	23,73,682
Total	16,05,50,132	16,40,23,628
30. FINANCE COST		
Interest Expenses on borrowings	38,21,802	74,60,210
Interest Expenses on Creditors	28,51,714	30,13,339
Interest Expenses for Others	43,736	45,606
Total	67,17,252	1,05,19,155
31. OTHER EXPENSES		
Stores & Spares consumed	4,50,75,864	3,86,35,301
Packing materials consumed	1,38,05,108	1,41,27,086
Job work charges	7,33,72,629	7,17,78,016
Power & Fuel	1,03,66,195	1,02,07,823
Rent	15,83,044	16,56,270
Repairs and Maintenance - Machinery	16,23,800	19,07,084
Repairs and Maintenance - Building	11,34,426	11,86,193
Repairs and Maintenance - Others	5,44,577	4,72,052
Insurance	13,28,020	13,64,544
Excise Duty #	(96,46,482)	21,68,631
Rates and Taxes	2,42,122	2,48,126
Communication	9,77,259	11,26,097
Travelling Exp.	72,85,659	83,56,095
Directors' Sitting Fees	42,500	47,500
Loss on Sale of Assets	2,50,758	54,030
Donation	3,12,000	3,65,000
Sales commission	2,02,94,440	1,68,22,921
Sales promotion	23,70,861	22,76,165
Maketing Expenses	1,00,153	7,92,090
Sales-tax / VAT	26,77,015	1,28,75,325
Provision for Expected Credit Loss	(1,72,826)	(14,858)
Loss on Derivative Contract	3,41,880	-
Payment to Auditors @	65,000	16,35,563
Other Misc.Expenses	4,94,74,275	4,79,31,757
Total	22,34,48,277	23,60,18,811

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

@ Payment to Auditors comprises (net of service tax credit)

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	2017-2018 Amount	2016-2017 Amount
For Statutory Audit	65,000	11,73,993
For Taxation Matter	-	4,00,970
For Other Services	-	60,600
Total	65,000	16,35,563
32. EARNING PER SHARES		
Basic & Diluted		
A. Profit/(Loss) after tax	(1,19,04,331)	(2,97,88,352)
B. Number of equity shares (in Nos.)	34,77,800	34,77,800
C. Basic and diluted EPS [A/B]	(3.42)	(8.57)
D. Face value per share	10.00	10.00

Particulars	As at 31-03-2018 Amount	As at 31-03-2017 Amount	As at 01-04-2016 Amount
33. CONTINGENT LIABILITIES			
BANK GURANTEES	1,03,30,640	3,61,12,504	3,02,99,651
CENTRAL EXCISE DEMAND	1,40,50,385	1,23,95,149	82,60,498
(Paid against total demand)	10,37,956	9,32,117	6,42,040

34. DETAILS OF SEGMENT REPORTING:

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

(1) PRIMARY SEGMENT:

Particulars	2017-18 Bearing	2016-17 Bearing	2017-18 Power	2016-17 Power	2017-18 Total	2016-17 Total
1. SEGMENT REVENUE	78,82,80,509	75,32,91,831	39,26,858	85,54,484	79,22,07,367	76,18,46,315
Other Unallocated Revenue	-	-	-	-	-	-
Total	78,82,80,509	75,32,91,831	39,26,858	85,54,484	79,22,07,367	76,18,46,315
Less: Inter Segment Revenue	-	-	39,26,858	85,54,484	39,26,858	85,54,484
Net Income from Operation	78,82,80,509	75,32,91,831	-	-	78,82,80,509	75,32,91,831
2. SEGMENT RESULTS						
PROFIT/(LOSS) BEFORE INTEREST & TAX	(58,55,233)	(2,94,81,073)	23,85,904	70,70,104	(34,69,329)	(2,24,10,969)
LESS : Interest	-	-	-	-	67,17,252	1,05,19,155
Other unallocated Expenses	-	-	-	-	-	-
TOTAL PROFIT/(LOSS) BEFORE TAX	(58,55,233)	(2,94,81,073)	23,85,904	70,70,104	(1,01,86,581)	(3,29,30,124)
3. CAPITAL EMPLOYED						
(SEGMENT ASSETS-SEGMENT LIABILITIES)						
Segment Assets	85,62,77,711	86,00,38,190	47,62,005	73,55,290	86,10,39,716	86,73,93,480
Add : Common assets	-	-	-	-	1,77,45,217	1,91,40,440
TOTAL ASSETS	85,62,77,711	86,00,38,190	47,62,005	73,55,290	87,87,84,933	88,65,33,920
Segment Liabilities	35,75,70,189	35,30,38,161	7,40,854	3,48,079	35,83,11,043	35,33,86,240
Add : Common Liabilities	-	-				
TOTAL LIABILITIES	35,75,70,189	35,30,38,161	7,40,854	3,48,079	35,83,11,043	35,33,86,240
SEGMENT CAPITAL EMPLOYED	49,87,07,522	50,70,00,029	40,21,151	70,07,211	52,04,73,890	53,31,47,680

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

(2) GEOGRAPHICAL SEGMENTS:

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

Revenue	2017-18	2016-17
Within India	47,34,25,286	50,55,99,987
Overseas	28,69,42,939	23,13,58,585
Total:	76,03,68,225	73,69,58,572

(b) Assets base on geographical location:

Particulars	Carrying Amount of Segmant Assets		Addition to Fixed Assets and Intangible Assets	
	2017-18	2016-17	2017-18	2016-17
Within India	79,51,89,800	80,68,22,491	29,68,137	37,75,483
Overseas	8,35,95,053	7,97,11,429	1,82,189	1,73,901
Total:	87,87,84,853	88,65,33,920	31,50,326	39,49,384

35. RELATED PARTY DISCLOSURES

(1) Names of Related parties and nature of relationship

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

(i) Max Precision Bearings P. Ltd.
(ii) Accumax Engineering Company
(iii) Accord Precision Products
(iv) Optimum Services Inc.

(b) Key Management Personnel

(i) Shri N C Vadgama
(ii) Shri R R Bambhania
(iii) Shri J R Bhogayta
(iv) Shri Bhavin N. Vadgama
(v) Shri S A Kotal
(vi) Ms. P K Kadam (from 27.12.2017)
(vii) Ms. P Vijayvargiya (upto 20.06.2017)
(viii) Ms. B K Vyas (from 07.09.2017 to 27.12.2017)

(c) Relative of Key Management Personnel

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

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

(2) Transaction with Related Parties

Particulars	Related Parties					
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
INCOME						
(1) Sales of Goods	24,67,022	14,07,798	-	-	-	-
(2) Job Work	6,35,344	4,03,336	-	-	-	-
EXPENSES						
(1) Purchase of Goods	2,49,03,147	1,58,68,830	-	-	-	-
(2) Remuneration	-	-	1,01,18,845	1,03,10,777	23,93,206	26,06,303
(3) Jobwork	5,83,87,943	3,83,23,609			-	-
(4) Interest	-	-	-	-	23,45,686	24,76,702
(5) Dividend Paid	-	-	-	-	-	-
OUTSTANDING						
Payable	2,13,49,165	2,01,04,105	3,42,491	3,42,371	2,01,02,968	2,30,37,081
Receivable	7,26,732	10,335	2,51,600	3,00,000	-	8,00,000
Advances	-	-	-	-	-	-

Notes forming parts of the Consolidated Financials Statements for the year ended 31st March, 2018

36. FINANCIAL INSTRUMENT

A. Financial Instruments by category

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Measured at amortised cost (A)						
Other financial assets	3,72,41,696	3,72,41,696	2,47,30,708	2,47,30,708	2,82,16,092	2,82,16,092
Trade Receivables	18,76,47,398	18,76,47,398	19,73,25,588	19,73,25,588	22,25,88,677	22,25,88,677
Cash and cash equiivalents	4,35,14,906	4,35,14,906	3,08,65,149	3,08,65,149	1,79,76,412	1,79,76,412
Total financial assets at amortised cost (A)	26,84,04,000	26,84,04,000	25,29,21,445	25,29,21,445	26,87,81,181	26,87,81,181
Measured at fair value through Other Comprehensive Income (B)						
Non-Current Other Investments	17,86,025	14,58,470	17,86,025	14,32,922	17,86,025	14,27,150
Measured at fair value through Profit and Loss (C)	-	-	-	-	-	-
Total Financial assets (A + B + C)	**27,01,90,025**	**26,98,62,470**	**25,47,07,470**	**25,43,54,367**	**27,05,67,206**	**27,02,08,331**
Financial liabilities						
Measured at amortised cost						
Long term Borrowings	-	-	9,95,124	9,95,124	13,06,616	13,06,616
Short term Borrowings	5,64,54,360	5,64,54,360	7,34,10,641	7,34,10,641	9,01,76,372	9,01,76,372
Trade Payables	19,81,63,500	19,81,63,500	17,71,95,937	17,71,95,937	17,65,39,634	17,65,39,634
Other financial liabilities	2,59,65,817	2,59,65,817	3,33,49,388	3,33,49,388	3,16,71,527	3,16,71,527
Total financial liabilities carried at amortised cost	**28,05,83,677**	**28,05,83,677**	**28,49,51,090**	**28,49,51,090**	**29,96,94,149**	**29,96,94,149**

B. Financial Risk Management

The Company has established the risk management policies to ensure timely identification and evaluation of risks, settings acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and trasnparency.

The Compay's activities expose it to credit risk, liquidity risk and market risk .

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings / Aging analysis	Diversification of counter parties, investment limits, check on counter parties basis credit rating and number of overdue days.
Liquidity Risk	Other Liabilities	Maturity analysis	Maitaining sufficient cash / cash equivalents.
Market Risk	Financial assets and liabilities	Sensivity analysis	Constant evaluation and proper risk management policies.

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

(a) Credit risk

Credit risk refers to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the Financial assets represents trade receivables, work in progress and other receivables. In respect of trade receivables, the Company used a provision matrix to compute theexpected credit loss allowances for trade receivables in accordance with the expected credit loss (ECL) policy of the Company. The Company regularly reviews trade receivables and necessary provisions, wherever required are made in the financial statements.

(b) Liquidity risk

Liquidity risk is that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell as financial asset quckly at close to its fair value.

The Company manages liquidity risk by maintaining adequte reserves and banking facilities by continuously monitoring forcast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of significant financial liabilities are as follows :

Particulars	Less than 1 year	More than 1 year	Total
As on 31st March, 2018			
Borrowings	5,64,54,360	-	5,64,54,360
Trade payables	19,81,63,500	-	19,81,63,500
Other Financial Liabilities	2,56,03,814	3,62,003	2,59,65,817
As on 31st March, 2017			
Borrowings	7,34,10,641	9,95,124	7,44,05,765
Trade payables	17,71,95,937	-	17,71,95,937
Other Financial Liabilities	3,30,27,608	3,21,780	3,33,49,388
As on 1st April, 2016			
Borrowings	9,01,76,372	13,06,616	9,14,82,988
Trade payables	17,65,39,634	-	17,65,39,634
Other Financial Liabilities	3,13,85,500	2,86,027	3,16,71,527

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result fromchanges in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Company is earning in foreign currency and consequently, the company is exposed to foreing exchange risk. The Company evalutes exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

(d) Capital management

The Company's capital management objective is to maximise the total shareholders' return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensure optimal credit risk profile to maintain / enhance credit rating.

The Company determined the amount of capital required on the basis of annual operating plan and long term strategic plans. The funding requirements are met through internal accruals and long term / short term borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of theoverall debt portfolio of the Company.

The following table summarises the capital of the Company.

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Equity*	52,04,73,890	53,31,47,680	56,42,34,533
Long Term Debt	-	9,95,124	13,06,616
	52,04,73,890	**53,41,42,804**	**56,55,41,149**
Tangible and other assets	10,51,95,649	11,42,26,368	12,26,94,991
Working Capital	44,38,94,589	43,89,05,130	45,92,12,287
Others (Net) (Liabilities)	(2,86,16,348)	(1,89,88,694)	(1,63,66,129)
	52,04,73,890	**53,41,42,804**	**56,55,41,149**

* Equity Includes capital and all reserves of the Company that are managed as capital.

37. Lease commitments :

Obligation towards operating leases (As lessee)

The Company has entered into operating lease arrangements for vehicles and office premises.

Rent expenses of Rs. 1,513,444 /-(Previous Year Rs. 1,586,670/-) in respect of obligation under non cancellable operating leases have been recognised in the Statement of Profit and Loss.

The total of future minimum lease payments under non cancellable operating leases for the following periods :

Particulars	**As at 31-03-2018 Amount**	**As at 31-03-2017 Amount**
a: Not later than one year	**6,32,688**	**4,60,778**
b: Later than one year but not later than five years	**15,15,801**	**25,00,179**

38. Disclosure in terms of Schedule III of The Companies Act, 2013.

Particulars	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Other Comprehensive Income	
	As a % of consolidated net assets	Amount Rs.	As a % of consolidated net assets	Amount Rs.	As a % of consolidated net assets	Amount Rs.	As a % of consolidated net assets	Amount Rs.
1. Parent								
Austin Engineering Company Limited	98.52	51,27,69,532	(102.56)	(1,22,09,122)	(100.00)	(6,90,691)	(102.42)	(1,28,99,813)
2. Subsidiary								
Austin Engineering Company	1.92	99,75,958	2.56	3,04,791	-	-	2.42	3,04,791
(Formerly known as Accurate Engineering Inc.)								
Add /(Less) : Inter Company eliminations	(0.44)	(22,71,600)	-	-	-	-	-	-
Total	100.00	52,04,73,890	(100.00)	(1,19,04,331)	(100.00)	(6,90,691)	(100.00)	(1,25,95,022)

39. In the opinion of the Board of Directors, Current assets and other non current assets have a value on realisation in ordinary course of business at lease equal to the amount at which they are stated.

40. Confirmation of debit / credit balances have not been received and hence these balances are subject to adjustment if any.

41. Previous year figures :

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

42. Figures rounded off to nearest rupee. All the figures includig previous year figures have been rounded off to nearest rupee.

As per our Report of even date

For **B. H. ADVANI & Associates,**
Firm Registration No. 117127W
Chartered Accountants

BHISHAM H. ADVANI
Partner
M. No. 102464

Place : Junagadh
Date : May 28, 2018

S. A. Kotal
Chief Financial Officer

For and on behalf of the Board of Directors

N. C. Vadgama Chairman & Executive Director

R. R. Bambhania Managing Director

J. R. Bhogayta Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : May 28, 2018

FIRST TIME ADOPTION IND AS RECONCILIATION

A. Reconciliation of Balance Sheet

	Particulars	Note No.	As at 31st March 2017			As at 1stApril 2016		
			Amountas per previous GAAP	Effect of transition to Ind As	Amount as per Indas	Amountas per previous GAAP	Effect of transition to Ind As	Amount as per Indas
A	**ASSETS**							
1	**Non-current assets**							
(a)	Property, plant and equipment	4	**9,00,31,820**	1,44,630	9,01,76,450	**9,73,51,910**	1,59,029	9,75,10,939
(b)	Capital workin-progress	4.1	**-**	-	-	**1,45,000**	-	1,45,000
(c)	Other intangible assets	4.2	**2,40,49,918**	-	2,40,49,918	**2,50,39,052**	-	2,50,39,052
(d)	Financial assets							
	- Other investments	5	**17,86,025**	(3,53,103)	14,32,922	**17,86,025**	(3,58,875)	14,27,150
	- Other financial assets	6	**1,39,57,255**	(48,79,555)	90,77,700	**1,45,28,448**	(51,46,241)	93,82,207
(e)	Other non financial assets	7	**10,69,564**	-	10,69,564	**5,29,519**	-	5,29,519
(f)	Deferred Tax Asset	8	**1,67,67,312**	23,73,128	1,91,40,440	**1,35,34,583**	24,45,672	1,59,80,255
	Sub-total - Non-Current Assets		14,76,61,894	**(27,14,900)**	**14,49,46,994**	15,29,14,537	**(29,00,415)**	**15,00,14,122**
2	**Current assets**							
(a)	Inventories	9	**48,43,50,347**	-	48,43,50,347	**51,42,20,015**	-	51,42,20,015
(b)	Financial assets							
	- Trade receivables	10	**19,94,86,315**	(21,60,727)	19,73,25,588	**22,48,37,078**	(22,48,401)	22,25,88,677
	- Cash and cashequivalents	11	**3,08,65,149**	-	3,08,65,149	**1,79,76,412**	-	1,79,76,412
	- Other financial assets	12	**1,56,53,008**	-	1,56,53,008	**1,88,33,885**	-	1,88,33,885
(c)	Other current assets	13	**1,33,92,834**	-	1,33,92,834	**1,26,89,333**	-	1,26,89,333
	Sub-total - Current Assets		74,37,47,653	**(21,60,727)**	**74,15,86,926**	78,85,56,723	**(22,48,401)**	**78,63,08,322**
	TOTAL - ASSETS		89,14,09,547	**(48,75,627)**	**88,65,33,920**	94,14,71,260	**(51,48,816)**	**93,63,22,444**

B EQUITY AND LIABILITIES

	Particulars	Note No.	As at 31st March 2017			As at 1stApril 2016		
			Amountas per previous GAAP	Effect of transition to Ind As	Amount as per Indas	Amountas per previous GAAP	Effect of transition to Ind As	Amount as per Indas
B	**EQUITY AND LIABILITIES**							
1	**Equity**							
(a)	Equity Share capital	14	**3,47,78,000**	-	3,47,78,000	**3,47,78,000**	-	3,47,78,000
(b)	Other equity	15	**50,37,29,624**	(53,59,944)	49,83,69,680	**53,50,00,059**	(55,43,526)	52,94,56,533
	Sub-total - Equity		**53,85,07,624**	**(53,59,944)**	**53,31,47,680**	**56,97,78,059**	**(55,43,526)**	**56,42,34,533**
2	**LIABILITIES**							
	Non-current liabilities							
(a)	Financial liabilities							
	- Borrowings	16	**9,95,124**	-	9,95,124	**13,06,616**	-	13,06,616
	- Other financial liabilities	17	**-**	3,21,780	3,21,780	**-**	2,86,027	2,86,027
(b)	Provisions	18	**4,93,87,540**		4,93,87,540	**4,33,99,233**	-	4,33,99,233
(c)	Other noncurrent liabilities		**-**	-	-	**-**	-	-
	Sub-total - Non-current liabilities		**5,03,82,664**	**3,21,780**	**5,07,04,444**	**4,47,05,849**	**2,86,027**	**4,49,91,876**
3	**Current liabilities**							
(a)	**Financial liabilities**							
	- Borrowings	19	**7,34,10,641**	-	7,34,10,641	**9,01,76,372**	-	9,01,76,372
	- Trade payables	20	**16,86,17,127**	85,78,810	17,71,95,937	**15,75,73,495**	1,89,66,139	17,65,39,634
	- Other financial liabilities	21	**4,13,87,709**	(83,60,101)	3,30,27,608	**5,05,08,809**	(1,91,23,309)	3,13,85,500
(b)	Provisions	22	**1,91,03,782**	(83,98,536)	1,07,05,246	**2,87,28,676**	(1,88,45,103)	98,83,573
(c)	Other current liabilities	23	**-**	83,42,364	83,42,364	**-**	1,91,10,956	1,91,10,956
	Sub-total - Current liabilities		**30,25,19,259**	**1,62,537**	**30,26,81,796**	**32,69,87,352**	**1,08,683**	**32,70,96,035**
	TOTAL - EQUITY AND LIABILITIES		**89,14,09,547**	**(48,75,627)**	**88,65,33,920**	**94,14,71,260**	**(51,48,816)**	**93,63,22,444**

B. Reconciliation of total comprehensive income for the year ended March 31, 2017

	PARTICULARS	Note No.	Amount as per previous GAAP	Effect of transition to Ind As	Amount as per Ind As
I	Revenue from operations	24	72,57,65,779	3,04,71,437	75,62,37,216
II	Other Income	25	53,42,413	2,66,686	56,09,099
III	**Total Revenue (I +II)**		73,11,08,192	3,07,38,123	76,18,46,315
IV	Expenses				
	Cost of Materials Consumed	26	20,06,37,717	-	20,06,37,717
	Purchase of Trade Goods	27	10,35,36,054	-	10,35,36,054
	Changes in inventories of finished goods, work in progress and Stock-in- trade	28	3,26,85,383	-	3,26,85,383
	Excise duty		-	3,57,46,701	3,57,46,701
	Employee benefits expense	29	16,40,72,595	(48,967)	16,40,23,628
	Finance Costs	30	1,04,83,402	35,753	1,05,19,155
	Depreciation	4, 4.2	1,16,05,578	3,413	1,16,08,991
	Other expense	31	24,13,08,933	(52,90,122)	23,60,18,811
	Total Expense		76,43,29,662	3,04,46,777	79,47,76,439
V	Profit / (Loss) before tax (III -IV)		(3,32,21,470)	2,91,346	(3,29,30,124)
VI	**Tax expense:**				
	(1) Current tax		6,706	-	6,706
	(2) Deferred tax		(32,32,729)	84,251	(31,48,478)
VII	**Profit / (Loss) for the year (V - VI)**		(2,99,95,447)	2,07,095	(2,97,88,352)
VIII	**Other Comprehensive Income**		-	(29,848)	(29,848)
IX	**Total comprehensive income for the year**		(2,99,95,447)	1,77,247	(2,98,18,200)

C. Effects of IND AS adoption on Total Equity

Particulars	Note No.	As at 31st March 2017 Amount	As at 1st April, 2016 Amount
Net Worth under IGAAP		53,85,07,624	56,97,78,059
Provision for Allowance under expected credit loss	2	(22,25,568)	(22,48,402)
Amortisation of deposits and loans at present value	3	(48,79,555)	(51,46,241)
Dismantling costs for windmill	4	(2,86,027)	(2,86,027)
Unwinding of dismantlings costs	4	49,581	85,334
Depreciation on windmill	4	(38,400)	(34,987)
Fair value of investments (MTM)	5	(3,53,103)	(3,58,875)
Deferred tax impact	4	23,73,128	24,45,672
Net worth under IND AS		**53,31,47,680**	**56,42,34,533**

D. Effects of IND AS adoption on Cash Flows for year ended 31 MARH 2017.

Particulars	Amount as per previous GAAP	Effect of transition to Ind As	Amount as per Ind As
Net cash generated from /(used in) operative activities	4,23,02,422	35,753	4,23,38,175
Net cash generated from /(used in) investing activities	(18,53,060)	-	(18,53,060)
Net cash generated from /(used in) financing activities	(2,75,60,625)	(35,753)	(2,75,96,378)
Net increase / (decrease) in cash and cash equivalents	1,28,88,737	-	1,28,88,737
Cash and Cash equivalents at the beginning of the year	1,79,76,412	-	1,79,76,412
Cash and Cash equivalents at the end of the year	3,08,65,149	-	3,08,65,149

Notes :

1 **The previous GAAP figures have been reclassified to conform to Ind AS presentation.**

2 **Recognition of expected credit losses :**

The Company has recognised a loss allowance for expected credit losses on financial assets in accordance with the requirements of Ind AS 109 restrospectively. However, as permitted by Ind AS 101 , it has used reasonable and supportable information that is available without undue cost or effort to determined the credit risk at the date that financial instruments were initially recognised.

3 **Financial assets as amortised cost :**

Certain financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognised at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening retained earnings.

4 **Dismantle cost for Wind Mill Machinery**

The company has installed Wind Mill machinery on lease hold land. Under previous GAAP , there is no provision for dismantle cost for asset installed on lease hold land. The company has recognosed dismantle cost of wind mill machinery in accordance with the requiements of IND AS restrospectively. The amount recognised for dismantle cost, depreciation on amout capitalised and unwinding amount for dimantle cost upto transition date been adjusted to the opening retained earnings.

5 **Fair value of Non current Investments :**

Under previous GAAP the Non Current Investments (other than Investments in subsidiary) are initially recognised at its cost , including related transaction costs. Under IND AS, the subsequent measurement of said investments are valued at market value of the reporting date at Fair market Value through Other Comprehensive Income (FVTOCI). The difference as on transition date been adjusted to the opening retained earnings.

6 **Deferred Tax as per Balance Sheet approach :**

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the periond. Under IND AS , Deferred Tax is recognised following Balance Sheet approach on the temporary differences between the carrying amount of asset of liability in the Balance Sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

7 **Defined benefit liabilities :**

Under IND AS , Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognised in other comprehensive income instead of profit or loss in previous GAAP .

8 **Other Comprehensive Income :**

Under IND AS, all items of income and expenses recognised in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss but are shown in the statement of profit and loss and "Other Comprehensive Income" includes remeasurements of defined benefit plans and fair valuation of non current investments. The concept of other comprehensive income did not exist under previous GAAP.

AUSTIN ENGINEERING COMPANY LIMITED

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

CIN: L27259GJ1978PLC003179

Form No. MGT-11

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L27259GJ1978PLC003179

Name of the Company: Austin Engineering Company Limited
Registered Office: Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India.

Name of the member(s)	:
Registered Address	:
E-mail ID	:
Folio No./Client No.	:
DP ID	:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Wednusday, the 26th day of September, 2018 at 11.00 a.m. at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. Adoption of Annual Accounts of the Company as on 31st March, 2018 (Ordinary Resolution)
2. Re-appointment of Mr. Narottam C. Vadgama, who retires by rotation (Ordinary Resolution)
3. Appointment of M/S H. R. Dewani & Co, Chartered Accountants, Junagadh (Firm Registration No. 140668W), as Statutory Auditors of the Company and fixing there remuneration. (Ordinary Resolution)

SPECIAL BUSINESS:

4. Re-Appointment of Mr. Rajan, R. Bambhania, DIN 00146211 as Managing Director and remuneration payable to him. (Special Resolution)
5. Appointment of Mr. Narottam C. Vadgama, DIN 00169209 as Whole time Director and remuneration payable to him. (Special Resolution)

Notes : All details as per last exeept the date of AGM details to be inserted.

Signed this ____________________ day of ____________________ 2018.

Affix 1 Re. Revenue stamp

Signature of shareholder : ____________________

Signature of Proxy holder(s) : ____________________

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

AUSTIN ENGINEERING COMPANY LIMITED

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

CIN: L27259GJ1978PLC003179

ATTENDANCE SLIP

DP ID** :	**REGD. FOLIO NO.** :
CLIENT ID** :	**NO. OF SHARES HELD** :

Full Name of the member attending ______________________________

Full Name of the joint-holder ______________________________

(To be filled in if first named Joint - holder does not attend meeting)

Name of Proxy ______________________________

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

I hereby record my presence at the 40th Annual General Meeting held at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030 on Wednesday, 26nd September, 2018 at 11.00 a.m.

Signed this______________ day of______________2018

____

Signature of member/proxy

Notes :

Only Member / Proxy will be allowed to attend the meeting and they should bring with them the duly filled attendance slip.

** Applicable to the members whose shares are held on dematerialized form.

Certificate

Standard: **ISO 14001:2004**

Certificate 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.

DAkkS
Deutsche Akkreditierungsstelle
D-ZM-16031-04-00

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 with the Identification No. 9105071022

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Certificate

Standard **BS OHSAS 18001:2007**

Certificate Registr. No. **01 113 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.**

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

Validity: The certificate is valid from **2016-06-14 until 2019-02-03.**
First Certification 2013-02-04.

DAkkS
Deutsche Akkreditierungsstelle
D-ZM-16031-04-00

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 with the Identification No. 9105071022

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Village : Patla, Taluka : Bhesan,

Dist. Junagadh - 362 030