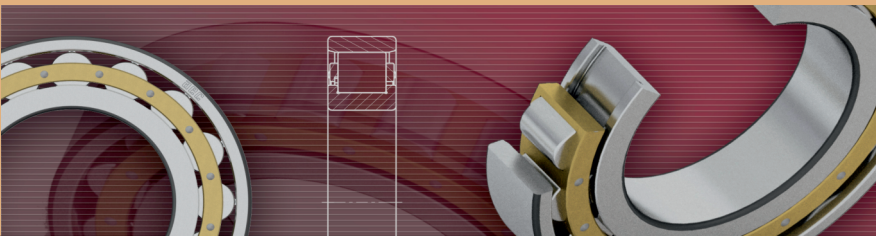


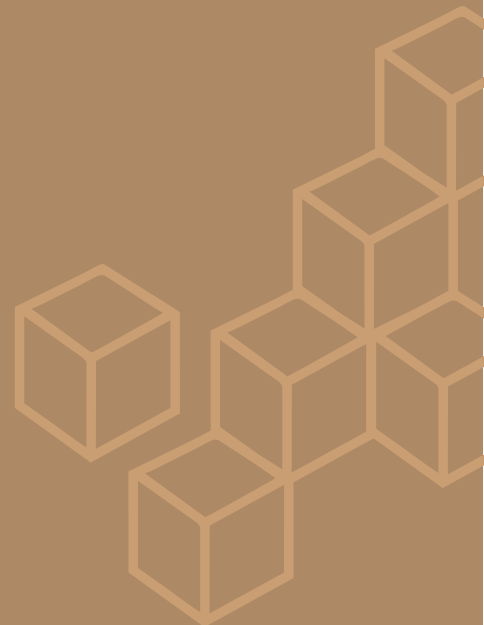
Austin Engineering Co. Ltd.

**44th
Annual
Report
2021-22**



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**Azadi Ka
Amrit Mahotsav**





AUSTIN ENGINEERING COMPANY LIMITED

44th ANNUAL REPORT 2021-2022

: BOARD OF DIRECTORS :

| | |
|------------------------------|--|
| Mr. HIREN N. VADGAMA | : Chairman & Executive Director |
| Mr. RAJAN R. BAMBHANIA | : Managing Director & CEO |
| Mr. BHAVESHKUMAR R. SUREJA | : Non Executive Independent Director |
| Mr. JAGDISHCHANDRA B. JAGANI | : Non Executive Independent Director |
| Mrs. ANILA S. THANKI | : Non Executive Non Independent Director |
| Mr. PALAK J. DOSHI | : Non Executive Independent Director |

: AUDITORS :

J. C. RANPURA & CO.
Chartered Accountants
Star Avenue, Dr. Radhakrishna Road,
Rajkot-360 001.

: COMPANY SECRETARY :

Mrs. HIRAL A SHAH

: 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, Vadad Road, JUNAGADH - 362 003 (Gujarat).

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

E-mail : info@aec.com





NOTICE

NOTICE is hereby given that the **Forty Four Annual General Meeting** of the Company will be held on **Wednesday, 28th September, 2022 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:

- To receive, consider, and adopt
 - The Audited standalone financial statement of the Company for the financial year ended on **31st March, 2022** together with report of the Board of Directors and Auditors thereon and;
 - The Audited consolidated financial statement of the Company for the financial year ended on **31st March, 2022** together with report of Auditors thereon.
- To appoint a Director in place of Mrs. Anila S. Thanki (**DIN No.00403759**) who, retires by rotation and being eligible offers himself for re- appointment

SPECIAL BUSINESS:

- To consider, and, if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, **Mr. Jagdishchandra B. Jagani (DIN 07645671)**, who holds office of an Independent Director up to this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member, signifying his intention to propose candidature of, **Mr. Jagdishchandra B. Jagani (DIN 07645671)** for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from **25th October, 2021.**”
“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution “

By Order of the Board of Directors

Place : Patla, Junagadh
Date : 30th May, 2022

Sd/-
Rajan R Bambhania
Managing Director

Notes:

- 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.
- The Register of Members and Share Transfer books of the Company will remain closed from **Thursday, 22nd September, 2022 to Wednesday, 28th September, 2022** (Both days inclusive).
- Any change in bank particulars and /or address are required to intimate to their depository participant in case of holding of shares in electronic form or to the Company's Registrar and Share Transfer agents, Link Intime India Pvt. Ltd, C-101 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 in case of holding of shares in physical mode.
- 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, 2022** is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
8. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for the financial year ended on **31st March, 2022** will also be available on the Company's website <http://www.aec.com> for their downloads. 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 up to the financial year 2013-14 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 28th September, 2021 (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 as 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 2020-21, 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 March, 2021. 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/iepf/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
(c) The amount outstanding in unpaid dividend account in respect of financial year 2015 and shares where dividend had remained unpaid for last consecutive seven years will be transferred to the 'Investor Education and Protection Fund' maintained with the Central Government. The Company has placed on its website <http://www.aec.com> the information on unclaimed dividends.
15. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019. 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 <http://www.aec.com> under the section "Investor Relations".
17. The Company proposed to dispense with the requirement of sending physical copy of annual report in permissible mode to the shareholders holding shares in physical mode as per **SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 Dated: 13.05.2022 on Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with MCA vide Circular dated May 05, 2022**
18. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed Companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, the Company has proposed to send future communications in electronic mode at the e-mail address provided by you to the depositories and made



available by them being the registered address. By opting to receive communication through electronic mode, you have the benefit of receiving communications promptly and avoiding loss in postal transit.

19. INSTRUCTION FOR E-VOTING:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended till date, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the 44th 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 INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **Sunday, 25th September, 2022 (9.00 am)** and ends on **Tuesday, 27th September, 2022 (5.00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Wednesday, 21st September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 5) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company |



| | |
|---|--|
| | <p>name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>6) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>7) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| _Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meetings for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.



- 6) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|---|---|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| 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. <ul style="list-style-type: none"> 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 (v). |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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 & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address info@aec.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.





2. For Demat shareholders : Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(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 two working 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 <http://www.aec.com> and on the website of CDSL <https://www.evotingindia.com> within two working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details:

AUSTIN ENGINEERING COMPANY LIMITED

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

CIN: L27259GJ1978PLC003179

E-mail ID: info@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 K J Shah of M/S K J Shah & Company

Practicing Company Secretary

E-mail ID: kjshahco@gmail.com





RESUME OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AND DIRECTORS APPOINTED SINCE LAST AGM

| Particulars | Mrs. Anila Thanki | Mr. J. B. Jagani |
|---|-------------------|--------------------|
| Date of Birth | 24.09.1956 | 01.01.1963 |
| Appointed on | 08.06.2016 | 25.10.2016 |
| Qualifications | B. Com | M.Com, L. L. B |
| Expertise in Specific Functional Areas | Administration | Accounts & Finance |
| Directorship held in other Public Companies (excluding Foreign Companies) | NO | NO |
| Membership/ Chairmanship of Committees across Public Companies | NO | NO |
| Shareholding | 166816 | NIL |

By Order of the Board of Directors

Place : Patla, Junagadh
Date : 30th May, 2022

Sd/-
Rajan R Bambhania
Managing Director

ANNEXURE TO THE NOTICE

(Explanatory statement pursuant to section 102 of the companies Act, 2013)

Item No. 3:

The Company appointed **Mr. Jagdishchandra B. Jagani (DIN 07645671)** as **Independent Director** on the Board of Directors of the Company at its Annual General Meeting held on **Tuesday, 19th September, 2017** for a term of 5 years pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. Pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors thereof, and in respect of whom the Company has received a notice under section 160 of the Company’s Act, 2013, **Mr. Jagdishchandra B. Jagani (DIN 07645671)** is proposed to be reappointed as an Independent Director not liable to retire by rotation, for a second term of five consecutive years commencing from **25th October, 2021**. The Company has also obtained the declaration from Mr. Jagdishchandra B. Jagani in respect of independence as required under the “act”

None of the directors, key managerial personnel or their relatives except **Mr. Jagdishchandra B. Jagani** is concerned or interested in the said resolution.

A copy of the draft Letter of appointment of **Mr. Jagdishchandra B. Jagani** as an Independent Director will be available for inspection without any fee for the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day, excluding Friday and Sunday up to the date of the meeting.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Members



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 44th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2022.

FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March, 2022 along with previous year figure is summarized as here under:

| Particulars | (Rs. In Lakhs) | |
|---|--|--|
| | Year ended 31 st March, 2022 | Year ended 31 st March, 2021 |
| Gross profit before Interest Depreciation and Tax | 290.76 | 105.02 |
| Less: Interest and Depreciation | 153.77 | 188.38 |
| Profit / (Loss) before Tax | 136.99 | (83.36) |
| Less: Provision for Taxation | 34.46 | (0.25) |
| Deferred Tax (Assets) / Liabilities | (39.60) | (8.09) |
| Profit / (Loss) after Tax | 142.13 | (75.02) |
| Add: Other Comprehensive Income | 19.59 | 25.27 |
| Total Comprehensive Income / Loss | 161.73 | (49.75) |

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS :

The sales (standalone) during the year were Rs. 8910.64 Lakhs as against Rs. 6834.76 Lakhs in the previous year. The sales has thus increased by 30.37% as compared to the last year. The Company made an export worth of Rs. 4279.69 during the current year as against Rs. 2816.54 in the previous year. Thus, the Company has increased sales by about 51.95% on export front. The Company made net profit of Rs. 142.13 Lakhs in the current year as against the net Loss of Rs. 75.02 Lakhs in the previous year. Thus, the Company has fared well both on sales and profitability front. The management of the Company has taken several steps to control various overheads which has also added to the profitability of the Company.

The Company has made sales of approximately Rs. 30.00 crores in the first quarter of the current year as compared to Rs. 17.62 crores in the first quarter of the previous year.

DIVIDEND :

In view of inadequacy of the profit, your director's regrets to recommend any dividend for the financial year ended 31st March, 2022

COVID-19 PANDEMIC & IMPACT ON OUR BUSINESS:

The Company has evaluated the impact of Covid 19 pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions, there is no material impact and adjustments required on its financial results.

However, the impact assessment of Covid -19 is a continuous process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and its impact, if any.

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.

SHARE CAPITAL:

The paid-up Equity Share Capital of the Company as on 31st March, 2022 was Rs. 3,47,78,000/- During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Anila S. Thanki, a Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The Board recommends his appointment for your approval.

As per recommendation of Nomination and Remuneration Committee, Mr. Jagdishchandra B. Jagani (DIN 07645671), will be reappointed as Independent Director for a Second Term of 5 years at this Annual General Meeting

Ms. Nirali Smit Doshi has resigned as Company Secretary with effect from 20/12/2021 and Mrs. Hiral Ankitkumar Shah was appointed as Company Secretary with effect from 01/02/2022.

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





- Mr. Rajan R Bambhania (Chief Executive Officer)
- Mr. Siddik A Kotal (Chief Financial Officer)
- Mrs. Hiral Shah (Company Secretary w.e.f. 01.02-2022)
- Ms. Nirali S. Doshi (Company Secretary up to. 20.12.2021)

BOARD PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

The Directors expressed their satisfaction with the evaluation process.

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 AND DECLARATIONS:

The Independent Directors met on **29th May, 2022** 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 perform their duties effectively and reasonably.

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 DISQUALIFICATIONS AND 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, 2022. Your directors have made necessary disclosures, as required under Companies Act, 2013. The Company has obtained certificate dated **25th April, 2022** from **Shahs & Associates**, peer reviewed firm of **Practicing Company Secretaries** in that regard. The certificate for Non-Disqualification of directors for the financial year ended on **31st March, 2022** is annexed herewith marked as **Annexure "B"** to this Report.

DIRECTORS RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained the Board hereby submits its responsibility Statement in accordance with the provisions of Section 134(5) of the Companies Act, 2013:

- a) In the preparation of the Annual Accounts for the year ended on 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had 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 31st March, 2022 and of the profit of the Company for the year ended on 31st March, 2022;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down Internal Financial Controls ("IFC") and that such Internal Financial Controls are adequate and were operating effectively;
- f) The Directors had 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. J C Ranpura & Co., Chartered Accountants, Rajkot, Gujarat (FRN 108647W) were appointed as Statutory Auditors of the Company for a period of Five (5) years from the **conclusion of the 42nd Annual General Meeting till conclusion of 47th Annual general meeting** by the member of the Company at their meeting held on **Monday, 28th September, 2020**.

The Auditors have confirmed that their continuation as Auditor 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 as Auditor.

SECRETARIAL AUDITOR:

The Board had appointed **M/s SHAHS & ASSOCIATES**, a peer reviewed firm of **Practicing Company Secretaries**, to conduct the Secretarial Audit for the financial year ended on **31st March, 2022**. The Secretarial Audit Report for the financial year ended on **31st March, 2022** is annexed herewith marked as **Annexure "A"** to this Report.

The Board of Directors on the recommendations of the Audit Committee appointed **M/s. SHAHS & ASSOCIATES**, a peer reviewed firm of **Practicing Company Secretaries**, to conduct the Secretarial Audit of the Company for the financial year **2022-23**.

There is no qualification, reservation or adverse remarks or disclaimer made by the Statutory Auditors and Secretarial Auditor in their report on the financial statement of the Company for the Financial Year ended on **31st March, 2022**.

INTERNAL AUDITOR:

The Board of Directors on the recommendations of the Audit Committee appointed **M/s. SUBHASH AKBARI & CO.**, Chartered Accountants, and Junagadh as Internal Auditors of the Company for the financial year **2022-23**.

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.

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. Bhaveshkumar R. Sureja [Chairman of committee]

Mr. Jagdishchandra B. Jagani [Member]

Mr. Palak J. Doshi [Member]

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** are 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 of the Company.

RELATED PARTY TRANSACTIONS AND POLICY:

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Act, in Form AOC – 2, is not applicable.

All related party transactions, entered into during the financial year under review, were on an arm's length basis and were in the ordinary course of business. Your Company has not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Act and SEBI Listing Regulations, as applicable till March 31, 2022.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <http://www.aec.com>.

RISK MANAGEMENT POLICY:

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

The Company follows well established and detailed risk assessment and minimization procedures, which are periodically reviewed by the top management. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.





In the opinion of the Board, none of the risks faced by the Company threaten its existence. The Company has also posted the policy in respect of transactions with "Related Parties" on its website.

In view of non-applicability of 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 WEB LINK:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, the Annual Return as on March 31, 2022 of the Company is available on Company's website and can be accessed at <http://www.aec.com>

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.**

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

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

PARTICULARS OF EMPLOYEES AND REMUNERATIONS:

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

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

SUBSIDIARY COMPANY:

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss account and other documents of **Austin Engineering Company** (Formerly known as Accurate Engineering Inc.), the wholly owned 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 <http://www.aec.com>.

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

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

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, read with Regulation 33 of SEBI Listing Regulation the Company has prepared Consolidated Financial statements of the Company and its wholly owned subsidiary **Austin Engineering Company** (Formerly known as Accurate Engineering Inc.) which forms part of this report

CORPORATE 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.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF:

Pursuant to the provisions of Section 125 of the Companies Act, 2013, the declared dividends which remained unpaid or unclaimed for a period of seven years, (FY 2013-14) were transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, notified by the Ministry of Corporate Affairs and subsequent amendment thereof, the Company has also transferred shares to IEPF Authority in respect of the dividend which had not been paid or claimed by shareholders for seven consecutive years or more.

The Company sent individual notices to the concerned shareholders, whose shares and dividend were liable to be transferred to IEPF Authority, to their latest available addresses. The Company displayed full details of such shareholders, dividend, and shares on its website at www.aec.com. The shareholders are requested to verify the details of the shares liable to be transferred as aforesaid.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaints Committee (ICC) in due compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.





Your directors state that during the year under review, no complaints relating to sexual harassment were received during the year nor any cases filed pursuant to the said Act.

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.

DETAILS OF APPLICATIONS MADE OR PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016:

During the year under review, there were no application made or proceedings pending in the name of the Company under Insolvency and Bankruptcy Code 2016.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON VALUATION AND ONE TIME SETTLEMENT (OTS) WHILE AVAILING LOAN FROM BANK AND FINANCIAL INSTITUTION:

During the year under review, there were no one time settlement of loan taken from banks and financial institution.

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

Place : Patla, Junagadh
Date : 30th May, 2022

Sd/-
Hiren N Vadgama
Chairman & Executive Director





ANNEXURE "A"

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2022

[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, Tal-Bhesan, Via-Ranpur Sorath

Post-Vishal Hadmatiya, JUNAGADH GJ 362030 IN

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"). The 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. **It is further stated that we have also relied up on the scanned documents and other papers in digital/ electronic mode submitted to us by the official of the Company.**

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 efficacy 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 **including thereon in digital/ electronic mode** 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, 2022 ("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board 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, 2022** 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, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (**Not Applicable 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 during the Audit Period**);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable 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 during the Audit Period**); and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (**Not Applicable during the Audit Period**);





6. Other laws specifically applicable to the Company (**As per Annexure-1**)

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

- i. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE).
- ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- iii. Secretarial Standards (SS-1 & 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.

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.

The 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. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
4. Merger / Amalgamation / Reconstruction etc.
5. Foreign Technical Collaborations.

For, SHAHS & ASSOCIATES
Company Secretaries

Sd/-
Kaushik Shah
Partner

FCS No 2420 CP No 1414
UDIN: F002420D000141834
Peer Review No. 833/2020

Place: Ahmedabad
Date: 25th April, 2022

ANNEXURE – I

1. THE GOODS AND SERVICE TAX (GST)
2. THE INCOME TAX ACT, 1961
3. THE COSTOMS ACT, 1962
4. THE FACTORIES ACT, 1948
5. THE APPRENTICE ACT, 1961
6. THE CONTRACT LABOUR (REGULATION AND ABOLITION) ACT,1970
7. THE PAYMENT WAGES ACT, 1965
8. THE PAYMENT OF BONUS ACT, 1965
9. THE PAYMENT OF GRATUITY ACT, 1972
10. THE MINIMUM WAGES ACT, 1946
11. THE EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT,
12. THE WORKMEN'S COMPENSATION ACT,1923
13. THE INDUSTRIAL (DEVELOPMENT AND REGULATION) ACT, 1951
14. THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986
15. COVID -19 GUIDELINES.

For, SHAHS & ASSOCIATES
Company Secretaries

Sd/-
Kaushik Shah
Partner

FCS No 2420 CP No 1414
Peer Review No.833/2020

Place : Ahmedabad
Date : 25th April, 2022



**ANNEXURE “B”****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members,
AUSTIN ENGINEERING COMPANY LIMITED
Village: Patla, Tal-Bhesan, Via-Ranpur Sorath
Post-Vishal Hadmatiya, JUNAGADH GJ 362030 IN

We have examined the relevant registers, records, forms, returns and disclosures including thereon in digital/ electronic mode received from the Directors of **Austin Engineering Company Limited** having **CIN L27259GJ1978PLC003179** and having registered office at Village:Patla, Tal-Bhesan, Via-Ranpur Sorath Post-Vishal Hadmatiya, Junagadh GJ 362030 In(hereinafter referred to as ‘the Company’), and as produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

| S.N. | Name of Director | DIN | Date of appointment in Company |
|------|-------------------------------------|------------|--------------------------------|
| 1 | HIREN NAROTTAM VADGAMA | 0000145992 | 10/08/2020 |
| 2 | RAJAN RAMNIKLAL BAMBHANIA | 0000146211 | 01/02/2008 |
| 3 | BHAVESH RATILAL SUREJA | 0000169883 | 15/03/2003 |
| 4 | ANILA SHASHIKANT THANKI | 0000403759 | 08/06/2016 |
| 5 | JAGDISHCHANDRA BHAGWANJIBHAI JAGANI | 0007645671 | 25/10/2016 |
| 6 | PALAK JAYESHBHAI DOSHI | 0008444518 | 13/05/2019 |

We further report that the ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

For, SHAHS & ASSOCIATES
Company Secretaries

Sd/-
Kaushik Shah
Partner

FCS No 2420 CP No 1414
UDIN: F002420D000141801
Peer Review No.833/2020

Place : Ahmedabad
Date : 25th April, 2022



**ANNEXURE “C”****FORM A****(i) CONSERVATION OF ENERGY :**

1. Energy Conservation measures taken:

1. 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. | <u>FOREIGN EXCHANGE EARNINGS :</u> | 2021-22 | 2020-21 |
|------|--------------------------------------|----------------|----------------|
| 1 | Exports of Goods on FOB basis | 3959.56 | 2926.24 |
| 2 | Backing Test Charges Income | 0.00 | 0.00 |
| | Total Foreign Exchange Earned | 3959.56 | 2926.24 |
| | <u>FOREIGN EXCHANGE OUTGO:</u> | | |
| 1 | Import of CIF Value of Raw Materials | 119.53 | 132.86 |
| 2 | Bank Loan Interest (FCNR) | 0.00 | 0.00 |
| | Total Foreign Exchange Used | 119.53 | 132.86 |

By order of the Board of Director

Place : Patla, Junagadh

Date : 30th May, 2022

Sd/-
Hiren N Vadgama
Chairman & Executive Director



ANNEXURE “D”

PARTICULARS OF REMUNERATION:

- The information required under section 197 of the act and rules made there-under, in respect of employees of the Company is follows:
- 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. Rajan R Bambhania * | 6.81 |
| Mr. Mr. Hiren N. Vadgama * | 13.91 |

- 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. Rajan R Bambhania * | (4.97) |
| Mr. Hiren N. Vadgama * | 1.99 |
| Mr. Siddik A Kotal-CFO * | 2.53 |
| Company Secretaries ** | 7.89 |

***Remuneration includes perquisites**

****In view of changes in CS during financial year, instead name wise, we have taken as a whole for comparison purpose.**

- The percentage increase in the median remuneration of employees in the financial year: **5.73%**
- The number of permanent employees on the rolls of the Company as at **31st March, 2022: 473**
- The explanation in relationship between average increase in remuneration and company performance:
In view of overall performance of the company, increment was made for employees on the basis of their performance.
- Comparison of the remuneration of Key Managerial Personnel against the performance of the Company: (Rs. In Lakhs)

| Particulars | Amount (As Per MGT-9) |
|--|-----------------------|
| Remuneration of KMP during the financial year 2021-22 (aggregated) | 46.28 |
| Revenue from operation | 8910.63 |
| Remuneration (as % of revenue) | 0.52% |
| Profit / (Loss) Before Tax (PBT) | 136.99 |
| Remuneration (as % of PBT) | 33.78% |

- 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 31-03-2022 | As at 31-03-2021 | Variation in % |
|----------------------------------|-------------|------------------|------------------|----------------|
| Closing rate of share at BSE | In Rs. | 53.80 | 38.10 | 41.21 |
| EPS (Standalone) | In Rs. | 4.09 | (2.16) | 289.35 |
| Market Capitalization | Rs. / Lakhs | 1871.06 | 1325.04 | 41.21 |
| Price Earnings Ratio(Standalone) | Ratio | 13.15 | (17.64) | 174.55 |

- Average percentiles 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 increase in average salary of employee other than managerial remuneration to the tune of 9.75% as compared to the increase in managerial remuneration to the tune of 19.23%. Thus, the increase in managerial remuneration is almost double as compared to the increase in average employee.

- 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 | 14.08 | 6.13 | 1.67 |
| Revenue | 8910.63 | 8910.63 | 8910.63 |
| Remuneration (as % of revenue) | 0.16% | 0.07% | 0.02% |
| (Loss) / Profit before Tax (PBT) | 136.99 | 136.99 | 136.99 |
| Remuneration (as % of PBT) | 9.28% | 4.31% | 1.22% |

- The key parameters for any variable component of remuneration availed by Directors: **N.A.**
- The rational 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.**
- 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 of the company. The Company affirms remuneration is as per the remuneration policy of the company.



**ANNEXURE “E”****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 US \$)

| 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. 01.04.2021 TO 31.03.2022 |
| 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 31.03.2022 1 US \$ = 75.81 INR |
| 4. | Share capital | \$ 50000 |
| 5. | Other Equity | \$ 51190.41 |
| 6. | Total assets | \$ 1314496.57 |
| 7. | Total Liabilities | \$ 1213306.17 |
| 8. | Investments | NIL |
| 9. | Turnover | \$ 2082927.20 |
| 10. | Profit/(Loss) before taxation | \$ 31597.22 |
| 11. | Provision for taxation | \$ (1744.78) |
| 12. | Profit (Loss) after taxation | \$ 33342 |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

NOTES :

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

- Names of subsidiaries which are yet to commence operations - **NIL**
- 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

| | | |
|----|--|------|
| | 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. |

By Order of the Board of Directors

Place : Patla, Junagadh

Date : 30th May, 2022

Sd/-

Hiren N Vadgama

Chairman & Executive Director





REPORT ON CORPORATE GOVERNANCE

The Board of Directors present the Company’s Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended for the financial year ended **March 31, 2022**.

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. Austin Engineering Company Limited (“AECL”) is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government. The Company’s governance framework and philosophy are based on the bedrock of ethics, values, and trust. As part of its growth strategy, AECL emulates the “best practices” that are followed in the domain of corporate governance globally.

Corporate Governance is an inclusive term that encompasses business ethics and awareness of the environmental and social interest of the communities in which an organization operates. The Corporate Governance framework typically comprises elements of legislation, regulation, self-regulation, and ethical business practices. There are various features of corporate governance like reporting, disclosure, risk management etc that are instrumental in upholding the basic values and tenets of corporate governance. The Company’s Philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, responsibility, accountability, and equity in all facets of its operations and in all its interactions with its stakeholders.

The Company believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees, and society at large

2. BOARD OF DIRECTORS:

Your Board of Directors closely monitors the performance of the company and the management approves the plans, reviews the strategy, and strives to achieve organizational growth. Your Board ensures statutory and ethical conduct and place high importance on the internal financial reporting. It shoulders the responsibility and holds itself accountable to the shareholders as well as other stakeholders for the long-term well-being of the Company.

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, 2022**, the Board comprised of 6 (Six) Directors including 3 (Three) 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. 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 28, 2021 | No. of other Director | | No. of outside Committee(s) | |
|--|---|---|-----------------------|---------|-----------------------------|---------|
| | | | Public | Private | Public | Private |
| Mr. H. N. Vadgama Chairman & Executive Director | 5 | YES | 1 | 2 | 0 | 0 |
| Mr. R. R. Bambhania Managing Director | 5 | YES | 1 | 3 | 0 | 0 |
| Dr. B. R. Sureja - Non-Executive Independent Director | 5 | YES | 1 | 0 | 2 | 0 |
| Mr. Jagdishchandra B. Jagani - Non-Executive Independent Director | 5 | YES | 0 | 0 | 0 | 0 |
| Mrs. Anila S. Thanki Non-Executive Woman Director | 5 | YES | 0 | 2 | 0 | 0 |
| Mr. Palak J Doshi Non-Executive Independent Director | 5 | YES | 1 | 0 | 3 | 0 |



BOARD MEETINGS AND PROCEDURES:**(A) Scheduling and selection of Agenda items for Board Meetings:**

- i. Dates of the board meetings are decided in advance. The board meetings are convened by giving appropriate 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 of the board meetings is drafted by the secretarial department along with the explanatory notes and these are submitted to the Chairman and Managing Director for their approval. All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision in the Board Meetings
- 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) Compliances:

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 2021-22, **(Five) 5** Board Meetings were held on **20th April, 2021, 30th June, 2021, 11th August, 2021, 13th November, 2021, and 14th February, 2022**. The Company has held at least one Board Meeting in every quarter and the gap between two Board Meetings have not exceed one hundred and twenty days except exemption provided during Covid-19 pandemic. 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 |
|---------------------------------|---------------------------------|
| 20 th April, 2021 | 6 |
| 30 th June, 2021 | 6 |
| 11 th August, 2021 | 6 |
| 13 th November, 2021 | 6 |
| 14 th February, 2022 | 6 |

The Company did not have any material pecuniary relationship or transactions with the Independent Non-Executive Directors during the year 2021-22.

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

Mrs. Anila S Thanki, a director retires by rotation at the ensuing Annual General meeting and being eligible, offers herself for re-appointment.

A brief resume and the profile of **Mrs. Anila S Thanki**, a director retiring by rotation, and being eligible for re-appointment at the ensuing Annual General Meeting of the Company are given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Disclosure regarding Directors for re-appointment of Independent Director:

On appointment/ reappointment of independent director, the Company issues a formal letter of appointment/ reappointment to the independent directors describing their duties, responsibilities etc. Pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors thereof, **Mr. Jagdishchandra B. Jagani (DIN 07645671)** is proposed to be reappointed as an Independent Director not liable to retire by rotation, for a second term of five consecutive years commencing from **25th October, 2021**.

A brief resume and the profile of **Mr. Jagdishchandra B. Jagani**, a director seeking re-appointment at the ensuing Annual General Meeting of the Company are also given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Separate meeting of Independent Directors:

Separate meeting of Independent Directors was held on **29th May, 2022** 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 <http://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, 2022**.

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 <http://www.aec.com>

Usually, the Company Secretary and sometimes in its place the Manager of the Company has been appointed as Compliance Officer and they are 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 well-defined ‘Whistle-Blower Policy’ and established vigil mechanism to provide for adequate safeguard against victimisation of Directors and employees who use the mechanism. The mechanism also provides for direct access to the Chairperson of Audit Committee in appropriate cases.

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 <http://www.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.

COMMITTEES MEETINGS AND PROCEDURES:

“AECL” governance structure comprises of Board of Directors, Committees of the Board, and the Management. The Company has rigorously stood by the core principles of corporate governance, which have been the edifice of its multi-fold governance model, with the Board of Directors (“Board”) and the Committees of the Board (“Committees”) at the apex, and the management structure at the operational level. The Board and its committees guide, support and complement the management team’s ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhances stakeholder value.

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 comprises of three Non-Executive Independent Directors viz. (1) Mr. Bhaveshkumar R. Sureja (2) Mr. Jagdishchandra B. Jagani (3) Mr. Palak J. Doshi who all have adequate financial and accounting knowledge.

Meeting and attendance of Audit Committee:

Four Audit Committee meetings were held on **28th June, 2021, 09th August, 2021, 11th November, 2021, and 12th February, 2022**. The attendance of Audit Committee member is given hereunder:

| Name of the Director | Category | Nos. of Meeting Attended |
|------------------------------|-----------------------|---------------------------------|
| Mr. Bhaveshkumar R. Sureja | Chairman of Committee | 4 |
| Mr. Jagdishchandra B. Jagani | Member of Committee | 4 |
| Mr. Palak J. Doshi | Member of Committee | 4 |

The Audit committee at its meeting held on **28th May, 2022** reviewed the Annual Accounts for the year 2021-22 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 the Company along with its subsidiary 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 and accord its approval for 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. Bhaveshkumar R. Sureja (2) Mr. Jagdishchandra B. Jagani (3) Mr. Palak J. Doshi.

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 may be required under the "act".

During the Financial Year 2021-22, Mr. Rajan R. Bambhania, the Managing Director of the Company have been paid monthly remuneration of **Rs. 95,000/-** and Mr. Hiren N. Vadgama, the Chairman & Executive Director of the Company have been paid monthly remuneration **Rs. 2,00,000/-** for the period served by them in the Company. All other Directors have been paid Rs. 2500/- as sitting fees for each meeting attended by them subject to a maximum Rs. 10,000/- in a year.

The remuneration committee at its meeting held on **26th May, 2022** 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 Directors 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 prescribed under the "act" and approved by the shareholders.

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

Details of remunerations, sitting fees, etc. paid to Directors for the year ended **31st March, 2022**.

| Name of the Directors | Remuneration paid to Directors | Sitting fees paid for attending Board/Audit Committee |
|------------------------------|---------------------------------------|--|
| Mr. Hiren N. Vadgama | 2,00,000/- Per Month | Nil |
| Mr. Rajan R. Bambhania | 95,000/- Per Month | Nil |
| Mr. Bhaveshkumar R. Sureja | Nil | 10,000/- |
| Mr. Jagdishchandra B. Jagani | Nil | 10,000/- |
| Mrs. Anila S. Thanki | Nil | 10,000/- |
| Mr. Palak J. Doshi | Nil | 10,000/- |

NOTE: The Non-Executive Directors are not entitled to any remuneration except sitting fees for attending Board/ Committee meetings. As regards to Whole-time 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 DIRECTORS & POSITION | CATEGORY |
|---|-----------------------|
| Mr. Bhaveshkumar R. Sureja -Independent Non-Exe. Director | Chairman of Committee |
| Mr. Hiren N. Vadgama -Chairman & Executive Director | Member of Committee |
| Mr. Rajan R. Bambhania - Managing Director | Member of Committee |

One meeting of Shareholder/Investor Grievances Committee was held on **28th April, 2022**.

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 2021-22.

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

1. 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 |
|----------------|------------|--|------------|
| 2018-19 | 26/09/2019 | Village: PATLA, Tal: BHESAN, Dist.: JUNAGADH 362 030 | 11:00 a.m. |
| 2019-20 | 28/09/2020 | Village: PATLA, Tal: BHESAN, Dist.: JUNAGADH 362 030 | 11:00 a.m. |
| 2020-21 | 28/09/2021 | 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 | Special Resolution Passed | Summary |
|------------------|---------------------------|---|
| 1. 26.09.2019 | YES | Remuneration payable to Mr. Hiren N. Vadgama, vice president – Operation holding office of place of profit. |
| | YES | Remuneration payable to Mr. Jignesh S. Thanki, vice president – Operation holding office of place of profit. |
| | YES | Re-Appointment of Mr. B. R. Sureja, holding as Independent Director for a period of 5 (Five) years. |
| 2. 28.09.2020 | YES | Appointment and/ or Remuneration of Mr. Hiren N. Vadgama as an Executive Director for a period of 5 (Five) years. |
| 3. 28.09.2021 | NIL | NOT APPLICABLE |

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, 2022 that had a potential conflict with the interests of the Company at large.



2. 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.
3. 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.
4. 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.
5. 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, 2022**.
6. As required the financial statements for the period ended 31st March, 2022 have been prepared in compliance to IND-AS.

3. 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 <http://www.aec.com>

4. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Date & Time: Tuesday, 28th September, 2022 at 11.00 a.m.

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

- Financial year: **2021-22 (1st April to 31st March)**
- Date of Book Closure: **22nd September, 2022 to 28th September, 2022** (Both days inclusive)
- Listing on Stock Exchange: Bombay Stock Exchange Limited

The annual listing fees for the year 2022-23 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 2021-22.

| Month | Year | High (Rs.) | Low (Rs.) | Month | Year | High (Rs.) | Low (Rs.) |
|-----------|------|------------|-----------|----------|------|------------|-----------|
| April | 2021 | 44.35 | 34.50 | October | 2021 | 63.95 | 51.25 |
| May | 2021 | 60.00 | 40.20 | November | 2021 | 71.50 | 52.00 |
| June | 2021 | 74.60 | 50.05 | December | 2021 | 83.60 | 56.00 |
| July | 2021 | 83.40 | 58.40 | January | 2022 | 82.30 | 63.65 |
| August | 2021 | 74.00 | 50.00 | February | 2022 | 78.40 | 53.10 |
| September | 2021 | 59.45 | 52.50 | March | 2022 | 60.50 | 48.00 |

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 the stipulated time as stipulated by the Regulator from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution Pattern of shareholding as on 31st March, 2022:

| No. of Equity Shares Held | Number of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|------------------------|-------------------|--------------------|-------------------|
| 1 - 500 | 3719 | 88.3163 | 528222 | 15.1884 |
| 501- 1000 | 218 | 5.1769 | 177040 | 5.0906 |
| 1001- 2000 | 111 | 2.6360 | 163602 | 4.7042 |
| 2001- 3000 | 36 | 0.8549 | 91348 | 2.6266 |
| 3001- 4000 | 28 | 0.6649 | 101191 | 2.9096 |
| 4001- 5000 | 23 | 0.5462 | 106391 | 3.0591 |
| 5001- 10000 | 30 | 0.7124 | 200787 | 5.7734 |
| 10001 and above | 46 | 1.0924 | 2109219 | 60.6481 |
| Grand Total | 4211 | 100.00 | 3477800 | 100.00 |
| Physical Mode | 750 | 17.81 | 179201 | 5.15 |
| Electronic Mode | 3461 | 82.19 | 3298599 | 94.85 |





- **Shareholding Pattern as on 31st March, 2022:**

| Category | Number of Shares | % of Holding |
|-------------------------------------|------------------|---------------|
| Indian Promoters/Relatives | 1182415 | 34.00 |
| Resident Individuals & Corporate | 2267959 | 65.21 |
| Fin. Institutions/Banks/Mutual Fund | 2900 | 00.08 |
| NRIs | 24526 | 00.71 |
| 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 **94.85%** of total equity shares of the Company are held in dematerialized form with following depository.

NSDL: 2015322 Shares (57.95%) CDSL: 1283277 Shares (36.90%) as at 31st March, 2022.

- **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 Website: <http://www.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 COMPANY LIMITED

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

5. 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, 2022** 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, 2022** 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 volatile 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 apprised 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

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Place : Patla, Junagadh
Date : 30th May, 2022

6. DECLARATION BY CEO UNDER REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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, 2022.

FOR AUSTIN ENGINEERING COMPANY LIMITED

Sd/-
R. R. Bambhania
Managing Director

Place : Patla, Junagadh
Date : 30th May, 2022

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

To

THE MEMBERS OF

AUSTIN ENGINEERING COMPANY LIMITED

We have examined the compliance of conditions of corporate governance by **AUSTIN ENGINEERING COMPANY LIMITED** during the year ended on 31st March, 2022 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, 2022.

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 **J C RANPURA & CO.**
Chartered Accountants
FRN: 108647W

Sd/-
(**Mehul J. Ranpura**)
Partner
Membership No. 128453
UDIN: 22128453ANRVHH5183

Place : Rajkot
Date : 30th May, 2022





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW- ECONOMY & BEARING INDUSTRY:

According to the latest research study, the demand of global Bearing Market size and share was approximately USD 121.6 Billion in 2021. The market is expected to grow above a CAGR of 8.2% and is anticipated to reach over USD 195.1 Billion by 2028. Advances in seal and lubrication technology, as well as the use of lightweight materials in high-performance goods, are creating enormous opportunities for manufacturers. The incorporation of electro-mechanical components directly into bearings improves performance while also reducing size and cost, which will boost the market growth.

The COVID-19 pandemic has reduced revenue-generating for mounted bearing manufacturers. The COVID-19 epidemic had a huge influence on the automotive industry, resulting in a considerable drop in automobile sales, a shortage of raw materials, and other issues. Several automotive firms are stepping up by reorganizing their supply chain, production, and services to deliver crucial medical goods. The pandemic caused a significant drop in demand for and investment in mounted bearings worldwide in the pandemic period.

Due to the unexpected halt in output, many businesses, including mining, construction, and food and beverage, struggled. Suspension of production and a focus on employee and worker health and safety has affected the supply chain of numerous businesses. Furthermore, the market's growth prospects in the pandemic period are projected to be hampered by falling demand for bearings from numerous end-use sectors as a result of the ongoing COVID-19 pandemic.

In terms of product, the ball bearings industry is expected to witness a tremendous growth in coming days due to the exceptional performance over wide temperature ranges. In terms of application, the automobile segment led the market, accounting for nearly 50% of total sales. A substantial proportion of this market can be ascribed to increased worldwide vehicle manufacturing. Furthermore, the demand for automobiles with technologically advanced solutions is increasing, resulting in an increase in vehicle manufacturing, which needs instrumented goods. The increase in demand for highly modern automobiles, as well as the resulting increase in vehicle capabilities, has increased the need for bearing in the automotive sector. Asia Pacific is expected to have the highest growth in the ball bearing market in the days to come.

The Indian economy is one of the world's fastest-growing economies backed by strong democracy and visionary leadership. The GDP of India is estimated at 11.5% in FY 2022 and 6.8% in FY 2023. The attempts by the Government to revitalize the manufacturing process of bearings within India to shift the interests towards local products enhance the growth of bearing market. Moreover, the upcoming Metro Rail projects across major cities of India including Coimbatore, Delhi-Meerut, Agra, Kanpur, and few others attract foreign investment for various machineries. Bearings are required for metro and light rail solutions to provide reduced mass, energy consumption, maintenance, and operating costs. Delhi Metro Rail Corporation uses axle bearings assemblies for use on eight prototype coaches. The recent success of Metro Rail projects like Lucknow Metro Rail Corporation attracts more foreign investors which in turn expand the market size. The Atmanirbhar Bharat package, increased spend for infrastructure projects, reduction in corporate tax rate to 15% for all new manufacturing units, waiver/ extension of time limit for interest on loans and the focus on improving ease of doing business should all help make India a sought-after manufacturing destination in Asia, with its large domestic market, reasonable labour costs and availability of skilled resources being the enablers for this shift. Recently, the Government has also announced Implementation of voluntary vehicle scrap policy for PVs and CVs, higher capital outlay for development of roads up 10% y-o-y, augmentation of public bus transport services, all of which should boost demand. Forecasts of a normal monsoon and liberal lending policies for the farming sector give positive signals of the rural markets coming back on track. However, recovery to pre-pandemic levels will take some time. Inflation has remained above comfort levels for a large part of the year. The government has made significant expenditure to protect the lives of the country's citizens as well as to revive the economy. With the fiscal deficit estimated at a high of 9.5%, spending support needed to encourage economic recovery may be constrained.

As it is known, the bearing industry is highly capital intensive and technology driven. The market is driven mainly by two key user segments namely automotive and industrial sectors. Organized sector companies including global bearing majors meet the needs of the Indian market through a mix of domestic manufacturing and imports. The business is further divided into Original Equipment Manufacturer (OEM) and End User Market. In terms of consumption, organized sector dominates the OEM market and industrial aftermarket demand, while the unorganized sector primarily caters to the low performance and lower end cost-sensitive segment of the aftermarket.

Your Company, with its overall reputation and its wide range of products will continue to deliver the performance and sustainable results to its customers.

OPPORTUNITIES:

The Indian Economy is presently growing positively and is expected to play a significant role in the global economy. 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" "The Atmanirbhar Yojana" creates various opportunities in this industry. Indian Railways is all set to upgrade with major spend allocated for key development projects. 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 the corresponding increase in the productivity to retain competitiveness 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 and the top management of the Company are well experienced and technically qualified and sound. 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 by way of amount Rupees in Lakhs.

| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
|---------------------------|---------|----------|---------|---------|---------|---------|
| Particulars | Bearing | Bearing | Power | Power | Total | Total |
| 1. Segment Revenue | 8952.46 | 6905.63 | 71.66 | 49.57 | 9024.12 | 6955.20 |
| 2. Segments Results (PBT) | 84.42 | (114.93) | 52.57 | 31.57 | 136.99 | (83.36) |
| 3. Capital Employed | 4980.29 | 4858.08 | 44.46 | 44.54 | 5254.63 | 5092.90 |

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 endeavours 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 1800 mm 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 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 COMPANY LIMITED
Junagadh.

Report on the Standalone Ind AS Financial Statements

Opinion

- 1 We have audited the accompanying standalone Ind AS financial statements of M/s. Austin Engineering Company Limited, Junagadh (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").
- 2 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 Companies Act, 2013(the"Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

- 1 We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

- 1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no any Key Audit Matters to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- 1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.
- 2 Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 3 In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

- 1 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





- 2 In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 3 The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

- 1 Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
- 2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure, and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 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, based on our audit 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 accounts of the branch office of the Company is audited by us and therefore this clause is not applicable.



- (d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) There are no such financial transactions or matters which have any adverse effect on the functioning of the Company;
- (g) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- (i) 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 A." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (j) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- (b) The Company did not have any long-term contracts including derivative contracts; for which there were any material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 49(xvi)(a) of the financial statements attached herewith, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person/s or entity/ies including foreign entity/ies ("Intermediaries"), with the understanding, whether recoded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries.
- (e) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 49(xvi)(b) of the financial statements attached herewith, no funds have been received by the Company from any person/s or entity/ies including foreign entity/ies ("Funding Party/ies"), with the understanding, whether recoded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party/ies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries.
- (f) Based on the audits procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub-clauses (i) and (ii) of clause (e) of Rule 11 contain any material mis-statement.
- (g) The final dividend paid by the Company during the current financial year in respect of the same declared for the previous financial year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

For **J C RANPURA & Co.**
Chartered Accountants
FRN: 108647W

(Mehul J. Ranpura)
Partner

Membership No. 128453
UDIN: 22128453ANRVHH5183

Place : Rajkot
Date : 30.05.2022





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

- 1 We have audited the internal financial controls over financial reporting of **M/s. Austin Engineering Company Limited, Junagadh** (hereinafter referred to as the “**Company**”) as of 31st March, 2022 in conjunction with my / our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

- 1 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. 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:

- 1 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 was established and maintained and if such controls operated effectively in all material respects.
- 2 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.
- 3 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:

- 1 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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:

- 1 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:

- 1 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, 2022 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.

For J C Ranpura & CO.,
Chartered Accountants
[FRN:108647W]

(Mehul J. Ranpura)
Partner

(Membership No. 128453)

UDIN: 22128453ANRVHH5183

Place : Rajkot
Date : 30.05.2022





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2022, we report that:

- (i) (a) (A) As certified by the management of the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.
- (B) As certified by the management of the Company, the Company is maintaining proper records showing full particulars of intangible assets.
- (b) As certified by the management of the Company, these property, plant, and equipment have been physically verified by the management during the year as there is a regular program of verification. Discrepancies, having regard to size of the Company, considered as minor, were noticed on such verification and the said discrepancies were appropriately recognized in the financial statements by way of writing off of its assets.
- (c) The Land on which Factory structure/shed is constructed or build is in the name of Amul Industries Private Limited, and the Company had renewed its Lease Agreement with the said company for a period of 5 years ended on September 2022. As certified by the management of the Company, the Factory Structure is in the name of the Company. However, we are not produced any evidence establishing that Factory Structure/Shed are in the name of the Company.
- (d) As certified by the management of the Company, the Company has not revalued its Property, Plant, and Equipment (including Right of Use assets) or intangible asset or both during the year, and hence, this clause is not applicable to the Company.
- (e) As certified by the management of the Company and as per information and explanations furnished during the course of audit, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As certified by the management of the Company, the inventory has been physically verified during the year by the management. We were not physically present at the time such verification and therefore, we are unable to comment as to whether the coverage and procedure of such verification by the management of the company are appropriate or not. As reported to us, discrepancies of 10% or more in the aggregate for each class of inventories were not noticed.
- (b) The Company has been, during the financial year 2021-22, sanctioned working capital limit in excess of five crore rupees, in aggregate from bank on the basis of security of current assets. As mention in note no. 49(ix) of the financial statement attached here with, the quarterly returns or statements filed by the Company with bank are in agreement with the books of account of the Company except the statement of trade receivables as on September, 2021 filed with bank was not in agreement with books of account and the reason for such non-agreement is given in the table in the said note.
- (iii) As certified by the management of the Company and from the books of account and other relevant records and on the basis of information and explanations furnished during the course of audit, the Company has not made investment in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties.
 - (a) As the Company has not provided loans, or provided advances in the nature of loans or stood guarantee, or provided security to any other entity, this clause is not applicable for the year under audit.
 - (b) As the Company has not made investments, or provided guarantee, or given any security, this clause is not applicable for the year under audit.
 - (c) As the Company has not granted any loans and advances in the nature of loans, this clause is not applicable for the year under audit.
 - (d) As the Company has not granted any loans and advances in the nature of loans, this clause is not applicable for the year under audit.
 - (e) As the Company has not granted any loans and advances in the nature of loans, this clause is not applicable for the year under audit.
 - (f) As the Company has not granted any loans and advances in the nature of loans, this clause is not applicable for the year under audit.
- (iv) As per information and explanation furnished and as certified by the management of the company, the company has complied with section 185 and 186 of the Companies Act, 2013, wherever applicable.
- (v) In our opinion, the Company has not accepted deposits, and therefore this clause is not applicable for the year under audit.
- (vi) We have been informed that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax,



provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, goods and services tax, cess, and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, goods and services tax, and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) As certified by the management of the Company, there were no transactions which have, during the financial year under audit, been surrendered or disclosed as income during the year in the tax assessment under the Income-tax Act, 1961.
- (ix)
 - (a) As per books and other relevant records given for audit, and as certified by the management of the Company, the Company has not taken any loans or other borrowings and therefore, this clause is not applicable for the year under audit.
 - (b) As certified by the management of the Company and as per books of account produced before us, the Company is not a declared willful defaulter by any bank or financial institution or other lender.
 - (c) The term loans were applied for the purpose for which they were obtained, this clause is not applicable for the year under audit.
 - (d) As per books of account produced before us, the Company has not utilised short-term funds for long term purposes, and therefore, this clause is not applicable for the year under audit.
 - (e) As certified by the management of the Company and on the basis of books of accounts examined by us, the Company has not taken any loans from any entity or person on account of or to meet the obligation of its subsidiaries, associates, or joint ventures.
 - (f) As certified by the management of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- (x)
 - (a) On the basis of the records examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments), and therefore, this clause is not applicable.
 - (b) On the basis of our verification of records and information furnished to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the requirement of sections 42 and 62 of the Companies Act, 2013 is not required to be complied with.
- (xi)
 - (a) On the basis of our examination of the books of account and other relevant records and information made available to us, prima facie, we have not noticed any fraud (i.e. intentional material misstatements resulting from fraudulent financial reporting and misappropriations of assets) on or by the company, during the year. Further, the management has represented to us that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. However, we are unable to determine/verify as to whether any such reporting has been made during the year or not.
 - (b) The auditor of the company has not filed any report under sub-section (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014.
 - (c) We have not received any whistle-blower complaints during the year under audit.
- (xii)
 - (a) This clause is not applicable to the Company as the Company is not Nidhi Company.
 - (b) This clause is not applicable to the Company as the Company is not Nidhi Company.
- (xiii) As certified by the management of the Company, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable Indian Accounting Standards.
- (xiv)
 - (a) As certified by the management of the Company, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have duly considered the reports of Internal Auditor for the period under audit.
- (xv) In our opinion and according to the information and the explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi)
 - (a) In our opinion and according to the information and the explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) As certified by the management of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
 - (c) This clause is not applicable to the Company.
 - (d) This clause is not applicable to the Company.





- (xvii) The Company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
- (xviii) This clause is not applicable for the financial year under audit.
- (xix) We are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) This clause is not applicable to the Company for the financial year under audit.
(b) This clause is not applicable to the Company for the financial year under audit.
- (xxi) In our opinion and according to information and explanation received by us during audit there has not been any qualifications or adverse remarks in CARO reports of the companies included in the consolidated Financial Statements.

For **J C Ranpura & CO.**,
Chartered Accountants
[FRN:108647W]

(Mehul J. Ranpura)
Partner

(Membership No. 128453)
UDIN: 22128453ANRVHH5183

Place : Rajkot
Date : 30.05.2022





Standalone Balance Sheet As At 31 March, 2022

(Rs. in Lakhs)

| Particulars | Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|----------|------------------------|------------------------|
| [A] ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 4 | 797.76 | 826.97 |
| (b) Capital work-in-progress | | - | - |
| (c) Investment Property | | - | - |
| (d) Goodwill | | - | - |
| (e) Other Intangibles assets | 5 | 204.63 | 211.96 |
| (f) Intangible assets under development | | - | - |
| (g) Biological Assets other than Bearer plants | | - | - |
| (h) Financial assets | | | |
| (i) Investments | 6 | 22.72 | 22.72 |
| (ii) Trade receivables | | - | - |
| (iii) Loans | 7 | 51.43 | 55.57 |
| (iv) Other financial asset | 8 | 50.48 | 46.24 |
| (i) Deferred tax assets (net) | 9 | 207.16 | 167.56 |
| (j) Other non current assets | 10 | 41.06 | 5.05 |
| Total non-current assets | | 1,375.23 | 1,336.07 |
| 2 Current assets | | | |
| (a) Inventories | 11 | 4,336.94 | 3,783.25 |
| (b) Financial assets | | | |
| (i) Investments | 12 | 150.59 | - |
| (ii) Trade receivables | 13 | 1,622.84 | 1,543.33 |
| (iii) Cash and cash equivalents | 14 | 786.16 | 1,272.85 |
| (iv) Bank balances other than (iii) above | | - | - |
| (v) Loans | 7 | - | - |
| (vi) Other (to be specified) | 8 | 318.41 | 135.47 |
| (c) Current tax asset (net) | 9 | - | - |
| (d) Other current assets | 10 | 188.03 | 634.92 |
| Total current assets | | 7,402.97 | 7,369.82 |
| TOTAL ASSETS | | 8,778.20 | 8,705.89 |
| [B] EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| Equity share capital | 15 | 347.78 | 347.78 |
| Other equity | 16 | 4,906.85 | 4,745.12 |
| | | 5,254.63 | 5,092.90 |
| Non-controlling interest | | - | - |
| Total equity | | 5,254.63 | 5,092.90 |
| Liabilities | | | |
| 1 Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | | - | - |
| Other financial liabilities | | - | - |
| Other non-current liabilities | 17 | 5.00 | 5.00 |
| Deferred tax liabilities (net) | | - | - |
| Long-term provisions | 18 | 914.82 | 873.84 |
| Total non-current liabilities | | 919.82 | 878.84 |
| 2 Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | 376.32 | 580.42 |
| Trade payables | 20 | 1,793.41 | 1,328.72 |
| Other financial liabilities | 21 | 3.26 | 6.13 |
| Other current liabilities | 22 | 19.13 | 471.90 |
| Current tax liabilities | | 19.21 | - |
| Short term provisions | 18 | 392.43 | 346.98 |
| Total current liabilities | | 2,603.75 | 2,734.15 |
| TOTAL EQUITY AND LIABILITIES | | 8,778.20 | 8,705.89 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

As per our report attached of even date

For **J C Ranpura & CO.**
Firm Registration No. 108647W
Chartered Accountants
UDIN: 22128453ANRVHH5183
MEHUL J. RANPURA
Partner
M. No. 128453

S. A. Kotal
Chief Financial Officer

Hiral A. Shah
Company Secretary

Place : Rajkot
Date : 30.05.2022

For and on behalf of the Board of Directors

R. R. Bambhania Managing Director

J. B. Jagani Non Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30.05.2022




Standalone Statement of Profit and Loss for the Year ended 31 March, 2022

(Rs. in Lakhs)

| Particulars | Note No. | 31 March, 2022 | 31 March, 2021 |
|--|----------|-----------------|-----------------|
| Revenue | | | |
| Revenue from operations | 23 | 8,910.64 | 6,834.76 |
| Other income | 24 | 113.48 | 120.44 |
| Total Income | | 9,024.12 | 6,955.20 |
| Expenses | | | |
| Cost of raw material and components consumed | 25 (a) | 3,747.08 | 2,202.00 |
| Purchases of traded goods | 25 (b) | 1,099.37 | 940.55 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 25 (c) | (456.34) | 492.49 |
| Employee benefits expense | 26 | 1,576.75 | 1,497.48 |
| Finance costs | 27 | 63.54 | 84.96 |
| Depreciation and amortisation expense | 28 | 90.23 | 103.42 |
| Other expenses | 29 | 2,766.49 | 1,717.67 |
| | | 8,887.13 | 7,038.56 |
| Profit before Exceptional Items and Tax | | 136.99 | (83.36) |
| Exceptional items | | - | - |
| Profit before Tax from Continuing Operations | | 136.99 | (83.36) |
| Tax expense | 30 | (5.14) | (8.34) |
| Profit (Loss) for the period from Continuing Operations | | 142.13 | (75.02) |
| Profit/(loss) from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit/(loss) from Discontinued operations (after tax) | | - | - |
| Net profit for the year | | 142.13 | (75.02) |
| Other Comprehensive Income | 31 | | |
| A i) Items that will not be reclassified to profit and loss | | 26.48 | 34.15 |
| ii) Income tax relating to items that will not be reclassified to profit or loss | | (6.88) | (8.88) |
| B i) Items that will be reclassified to profit or loss | | - | - |
| ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Other Comprehensive Income for the year | | 19.59 | 25.27 |
| Total Comprehensive Income for the year | | 161.73 | (49.75) |
| Earnings per equity share | 32 | | |
| Basic (Rs.) | | 4.09 | (2.16) |
| Diluted (Rs.) | | 4.09 | (2.16) |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are integral part of the financial statements. | | | |
| This is the statement of profit and loss referred to in our report of even date. | | | |

As per our report attached of even date

For and on behalf of the Board of Directors

For **J C Ranpura & CO.**
 Firm Registration No. 108647W
 Chartered Accountants
 UDIN: 22128453ANRVHH5183
MEHUL J. RANPURA
 Partner
 M. No. 128453

S. A. Kotal
 Chief Financial Officer

Hiral A. Shah
 Company Secretary

R. R. Bambhania Managing Director
J. B. Jagani Non Executive Director

Place : Rajkot
 Date : 30.05.2022

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
 Date : 30.05.2022





Standalone Cash Flow Statement for the year ended 31 March 2022

(₹ in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-----------------|-----------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 136.99 | (83.36) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 90.23 | 103.42 |
| Gain on disposal of fixed assets (net) | - | - |
| Deferred income on security deposit received | (8.00) | (7.03) |
| Interest income | (17.79) | (22.87) |
| Gain on fair valuation of financial instruments (net) | - | - |
| Dividend income | - | - |
| Gain on foreign currency transactions (net) | - | - |
| Finance costs | 63.54 | 84.96 |
| Preliminary expenses written off | - | - |
| Loss on sale of non current investments | (0.60) | - |
| Provision for doubtful advances/receivables | 16.39 | (1.16) |
| Movement in provision for employee benefits and others | - | - |
| Amounts/assets written off | - | - |
| Unclaimed balances and excess provisions written back | - | - |
| Mark to market of derivative asset | - | - |
| Operating profit before working capital changes | 280.77 | 73.96 |
| Movement in working capital | | |
| Decrease in non-current loans | 4.14 | 3.11 |
| Decrease in inventories | (553.69) | 562.17 |
| Decrease in Trade receivable and other financial assets | (278.85) | 103.79 |
| Decrease in other current assets | 431.64 | 345.54 |
| Decrease in Other Non Current Assets & Other Financial Assets | (40.25) | 2.83 |
| Increase in Trade payables & Other Financial Liabilities | 461.82 | 234.13 |
| Increase financial liabilities | - | 0.70 |
| Decrease in other current liabilities | (452.76) | (319.22) |
| Increase in Provisions | 106.02 | 24.65 |
| Cash flow from operating activities post working capital changes | (41.16) | 1,031.65 |
| Income tax paid (net) | - | 8.19 |
| Net cash flow from operating activities (A) | (41.16) | 1,039.84 |
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets (including capital work-in-progress) | (49.59) | (38.99) |
| Proceeds from sale/disposal of fixed assets | - | - |
| Purchase of intangible assets | (4.10) | (7.09) |
| Purchase of current and non-current investments | (200.00) | - |
| Proceeds from sale of investments | 50.01 | - |
| Assets held for sale | - | - |
| Movement in fixed deposits (net) | - | - |
| Interest received | 25.79 | 31.37 |
| Dividend received | - | - |
| Net cash flows used in investing activities (B) | (177.89) | (14.71) |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of capital (including securities premium and share application money) | - | - |
| Proceeds from long-term borrowings (net) | - | - |
| Repayment of short-term borrowings (net) | (204.10) | (38.52) |
| Movement in retained earnings | - | - |
| Finance cost paid | (63.54) | (67.64) |
| Dividend paid (including tax) | - | - |
| Net cash used in financing activities (C) | (267.64) | (106.16) |
| Increase in cash and cash equivalents (A+B+C) | (486.69) | 918.97 |
| Cash and cash equivalents at the beginning of the year | 1,272.85 | 353.88 |
| Cash and cash equivalents at the end of the year | 786.16 | 1,272.85 |

As per our report attached of even date

For **J C Ranpura & CO.**
 Firm Registration No. 108647W
 Chartered Accountants
 UDIN: 22128453ANRVHH5183
MEHUL J. RANPURA
 Partner
 M. No. 128453

S. A. Kotal
 Chief Financial Officer

Hiral A. Shah
 Company Secretary

Place : Rajkot
 Date : 30.05.2022

For and on behalf of the Board of Directors

R. R. Bambhania Managing Director

J. B. Jagani Non Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
 Date : 30.05.2022



Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

(₹ in Lakhs)

| As at 01-04-2020 | Movement during the year | As at 31-03-2021 | Movement during the year | As at 31-03-2022 |
|------------------|--------------------------|------------------|--------------------------|------------------|
| 347.78 | NIL | 347.78 | NIL | 347.78 |

B. Other Equity

(₹ in Lakhs)

| | Reserve and Surplus | | | | | | | Item of other Comprehensive income | Total |
|---|---------------------|----------------------------|-----------------|----------------------|----------------------------|--------------------|-------------------|------------------------------------|----------|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Cash Subsidy Reserve | Capital Redemption Reserve | Securities Premium | Retained Earnings | | |
| Balance as at 1 April 2020 | 7.92 | - | 621.49 | 29.35 | 5.32 | 3,324.17 | 867.95 | (55.08) | 4,801.13 |
| Profit for the year | - | - | - | - | - | (75.02) | - | - | (75.02) |
| OCI for the year | - | - | - | - | - | - | - | 25.27 | 25.27 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Tax on dividends | - | - | - | - | - | - | - | - | - |
| Transfer from/to retained earnings | - | - | - | - | - | - | - | - | - |
| Ind As Adjustments | - | - | - | - | - | (6.26) | - | - | (6.26) |
| Transferred from/to employee's stock options outstanding for lapsed options | - | - | - | - | - | - | - | - | - |
| Transfer from/to securities premium | - | - | - | - | - | - | - | - | - |
| On dilution of subsidiary | - | - | - | - | - | - | - | - | - |
| Adjustment on account change in nature of group entity* | - | - | - | - | - | - | - | - | - |
| Sahres issued by subsidiary companies | - | - | - | - | - | - | - | - | - |
| Amalgamation reserve and others | - | - | - | - | - | - | - | - | - |
| Gain on account of dilution of stake in joint venture entities | - | - | - | - | - | - | - | - | - |
| Loss on account of purchase of compound financial instrument | - | - | - | - | - | - | - | - | - |
| Translation reserve during the year | - | - | - | - | - | - | - | - | - |
| Application money pending allotment | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 7.92 | - | 621.49 | 29.35 | 5.32 | 3,242.89 | 867.95 | (29.81) | 4,745.12 |
| Profit for the year | - | - | - | - | - | 142.13 | - | - | 142.13 |
| OCI for the year | - | - | - | - | - | - | - | 19.59 | 19.59 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Tax on dividends | - | - | - | - | - | - | - | - | - |
| Transfer from/to retained earnings | - | - | - | - | - | - | - | - | - |
| Transferred from/to employee's stock options outstanding for lapsed options | - | - | - | - | - | - | - | - | - |
| Transfer from/to securities premium | - | - | - | - | - | - | - | - | - |
| On dilution of subsidiary | - | - | - | - | - | - | - | - | - |
| Adjustment on account change in nature of group entity* | - | - | - | - | - | - | - | - | - |
| Sahres issued by subsidiary companies | - | - | - | - | - | - | - | - | - |
| Amalgamation reserve and others | - | - | - | - | - | - | - | - | - |
| Gain on account of dilution of stake in joint venture entities | - | - | - | - | - | - | - | - | - |
| Loss on account of purchase of compound financial instrument | - | - | - | - | - | - | - | - | - |
| Translation reserve during the year | - | - | - | - | - | - | - | - | - |
| Application money pending allotment | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | 7.92 | - | 621.49 | 29.35 | 5.32 | 3,385.02 | 867.95 | (10.22) | 4,906.85 |



**Notes to the Standalone Financial Statements for the year ended 31st March, 2022.****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 **30th May, 2022**. 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 for the year ended **31st March, 2022** were prepared in accordance with the Ind AS, as per companies (financial standards) Rule, 2006, notified under section 133 of the companies act, 2013 and other relevant provisions of the act.

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 share based 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. 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, Goods and Service Taxes 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 from the 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.

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. Amortization 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 recognition 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 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 are classified 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's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

Leases where the company has transferred 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.

If a lessee elects to opt for the recognition exemption for either short-term leases or leases for which the underlying asset is of low value, the lessee shall recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The company has opted for above mentioned exemption for 2 of its leased assets on the basis of absolute assessment.

H. INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, applicable taxes not eligible for credit, less rebates and discounts. 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.

Inventories are valued at,

| Inventory | Method |
|----------------------|-----------------------|
| Raw materials | Weighted Average Cost |
| Stock - in - process | Weighted Average Cost |
| Finished goods | Weighted Average Cost |
| Stores and spares | Net Realisable Value |
| Fuel | Weighted Average Cost |

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 leave 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 is 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 recognize 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-recognized 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 falling 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-recognized 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 are 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 its 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 contract is not used for trading or speculation purposes. The accounting policies for forward contracts are 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.

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 judgment, 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 crystallizing 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 judgment is required in establishing fair values. Judgments 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 judgment 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.

For **J C RANPURA & CO.**
Chartered Accountants
FRN: 108647W

(Mehul J. Ranpura)
Partner

Membership No. 128453
UDIN: 22128453ANRVHH5183

Place : Rajkot
Date : 30.05.2022





Notes forming parts of the financials statements for the year ended 31st March, 2022

4 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

| Particulars | Freehold hold Land | Lease hold Land | Building | Plant and Equipments | Laboratory Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Computers | Wind Mill machinery | Total |
|---|--------------------|-----------------|---------------|----------------------|-----------------------|------------------------|---------------|-------------------|---------------|---------------------|-----------------|
| Gross carrying amount | | | | | | | | | | | |
| Balance as at 01 April 2020 | 0.72 | 0.96 | 543.42 | 2,514.50 | 2.61 | 182.54 | 244.69 | 125.08 | 113.98 | 353.93 | 4,082.44 |
| Additions, separately acquired | - | - | 0.55 | 33.08 | - | 0.16 | - | 2.70 | 2.50 | - | 38.99 |
| Adjustments during the year | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/assets written off | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 0.72 | 0.96 | 543.97 | 2,547.58 | 2.61 | 182.69 | 244.69 | 127.78 | 116.49 | 353.93 | 4,121.43 |
| Additions, separately acquired | - | - | 0.23 | 39.63 | 0.49 | 2.50 | - | 5.16 | 1.59 | - | 49.59 |
| Adjustments during the year | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/assets written off | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | 0.72 | 0.96 | 544.19 | 2,587.21 | 3.10 | 185.19 | 244.69 | 132.94 | 118.07 | 353.93 | 4,171.01 |
| Accumulated depreciation | | | | | | | | | | | |
| Balance as at 01 April 2020 | - | - | 336.08 | 1,989.26 | 0.00 | 157.88 | 185.88 | 105.17 | 110.09 | 318.09 | 3,202.44 |
| Charge for the year | - | 0.03 | 14.97 | 45.91 | 0.25 | 7.94 | 14.67 | 4.29 | 1.68 | 2.26 | 92.01 |
| Adjustments for disposals | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | - | 0.03 | 351.05 | 2,035.17 | 0.25 | 165.82 | 200.55 | 109.47 | 111.76 | 320.35 | 3,294.45 |
| Charge for the year | - | 0.02 | 14.71 | 46.65 | 0.26 | 3.63 | 7.35 | 2.53 | 1.40 | 2.26 | 78.80 |
| Adjustments for disposals | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | - | 0.05 | 365.76 | 2,081.82 | 0.51 | 169.45 | 207.90 | 111.99 | 113.16 | 322.61 | 3,373.26 |
| Net book value as at 1 April 2020 | 0.72 | 0.96 | 207.34 | 525.24 | 2.61 | 24.66 | 58.81 | 19.91 | 3.90 | 35.84 | 879.99 |
| Net book value as at 31 March 2021 | 0.72 | 0.93 | 192.92 | 512.41 | 2.36 | 16.88 | 44.14 | 18.31 | 4.72 | 33.58 | 826.97 |
| Net book value as at 31 March 2022 | 0.72 | 0.91 | 178.44 | 505.38 | 2.59 | 15.74 | 36.80 | 20.94 | 4.91 | 31.32 | 797.76 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

5 OTHER INTANGIBLE ASSETS

(Rs. in Lakhs)

| Particulars | 'aec' TRADE MARK | COMPUTER SOFTWARE | Total |
|---|-----------------------------|-------------------|---------------|
| Gross carrying amount | | | |
| Balance as at 01 April 2020 | 408.61 | 53.78 | 462.39 |
| Additions, separately acquired | - | 7.09 | 7.09 |
| Adjustments during the year | - | - | - |
| Disposals/assets written off | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2021 | 408.61 | 60.86 | 469.47 |
| Additions, separately acquired | - | 4.10 | 4.10 |
| Adjustments during the year | - | - | - |
| Disposals/assets written off | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2022 | 408.61 | 64.96 | 473.57 |
| Accumulated depreciation | | | |
| Balance as at 01 April 2020 | 202.26 | 43.85 | 246.11 |
| Charge for the year | 8.17 | 3.24 | 11.41 |
| Adjustments for disposals | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2021 | 210.43 | 47.08 | 257.52 |
| Charge for the year | 8.17 | 3.26 | 11.43 |
| Adjustments for disposals | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2022 | 218.61 | 50.34 | 268.95 |
| Net book value as at 31 March 2021 | 198.18 | 13.78 | 211.96 |
| Net book value as at 31 March 2022 | 190.00 | 14.62 | 204.63 |
| Useful Life of the asset (in Years) | 50.00 | 5.00 | |
| Method of Depreciation | Straight Line method | | |

6 INVESTMENTS IN SUBSIDIARY

| Particulars | Face Value | No. of Shares | | Amount in Lakhs | |
|---|------------|----------------|----------------|-----------------|----------------|
| | | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 |
| AUSTIN ENGINEERING COMPANY (Formerly known as Accurate Engineering Inc.) | US \$ 1 | 0.25 | 0.25 | 11.43 | 11.43 |
| AUSTIN ENGINEERING COMPANY (Formerly known as Accurate Engineering Inc.) (Additional share application money given) | US \$ 1 | 0.25 | 0.25 | 11.29 | 11.29 |
| | - | - | - | 22.72 | 22.72 |
| Less: Impairment | - | - | - | - | - |
| Less: Loss share from joint ventures accounted through equity method | - | - | - | - | - |
| Sub total (A) | - | - | - | 22.72 | 22.72 |
| In Associates (unquoted) | | | | | |
| In equity shares (face value of Rs. 10 each) | - | - | - | - | - |
| Less: Loss share from associates accounted through equity method | - | - | - | - | - |
| Sub total (B) | - | - | - | 22.72 | 22.72 |

^All equity shares, preference shares and debentures have face value Rs. 10 each unless otherwise stated.

1. Aggregate amount of Quoted Investments and their Market Value of Rs. Nil
2. Aggregate amount of Unquoted Investments of Rs. 22.72 Lakhs
3. Aggregate amount of impairment in value of Investments is Rs. Nil.





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March | 31 March | 31 March | 31 March |
|--|-------------------|-------------------|--------------------|--------------------|
| | 2022 Long-term | 2021 Long-term | 2022 Short-term | 2021 Short-term |
| 7. Loans | | | | |
| (a) Loans to Related Parties | - | - | - | - |
| (b) Loans to others | | | | |
| (Unsecured, considered good unless otherwise stated) | | | | |
| Security deposits | | | | |
| - considered good | 51.43 | 55.57 | - | - |
| - considered doubtful | - | - | - | - |
| Loans to joint ventures/operations and associates | - | - | - | - |
| Intercompany deposits | - | - | - | - |
| Loan to related parties | - | - | - | - |
| Loan to employees | - | - | - | - |
| | 51.43 | 55.57 | - | - |
| Less: provision for doubtful receivables | - | - | - | - |
| | 51.43 | 55.57 | - | - |
| 8. Other financial assets | | | | |
| (a) Security Deposits: | - | - | - | - |
| (b) Bank deposits for maturity more than 12 months: | - | - | - | - |
| (c) Other Financial Assets: | | | | |
| Income Tax Advances | 15.59 | 12.39 | - | - |
| Advances to related parties | - | - | - | - |
| Electric Power Income Receivable | - | - | 5.22 | 3.76 |
| Balance with government authorities | - | - | 294.26 | 114.87 |
| Advances recoverable | | | | |
| - considered good | 34.89 | 33.84 | 18.94 | 16.84 |
| - considered doubtful | - | - | - | - |
| | 50.48 | 46.24 | 318.41 | 135.47 |
| Less: provision for doubtful receivables | - | - | - | - |
| | 50.48 | 46.24 | 318.41 | 135.47 |

9. Taxes

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------|---------------|---------------|
| | Amount | Amount | Amount | Amount |
| a. Deferred Tax Liabilities on account of : | | | | |
| Difference between Books & Tax Depreciation | (69.10) | | (64.45) | |
| Others | - | | (0.01) | |
| OCI | (6.88) | | (8.88) | |
| | - | (75.98) | - | (73.34) |
| Deferred Tax Assets on Account of : | | | | |
| Employees Benefits | 256.89 | | 206.45 | |
| Business Loss & Unabsorbed Depreciation Allowance | 11.05 | | 13.36 | |
| Allowance for doubtful receivable | 4.26 | | 4.05 | |
| On account of Tangible & Intangible Assets | 1.30 | | 1.48 | |
| On accounts of Financial Assets | 5.01 | | 10.93 | |
| Others | 4.63 | | 4.63 | |
| MAT Credit Entitlement | - | | - | |
| | | 283.14 | | 240.90 |
| Total | | 207.16 | | 167.56 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March | 31 March | 31 March | 31 March |
|--|-------------------|-------------------|--------------------|--------------------|
| | 2022 Long-term | 2021 Long-term | 2022 Short-term | 2021 Short-term |
| b. Current tax asset (net) | - | - | - | - |
| Advance income tax (net of provision) | - | - | - | - |
| | - | - | - | - |
| 10. Other assets | | | | |
| (i) Capital Advances: | 41.06 | 5.05 | - | - |
| (ii) Advances other than Capital Advances: | | | | |
| (a) Security Deposits | | | | |
| (b) Advances to related Parties: | | | | |
| Advance to Key managerial Personals and their Relatives: | - | - | 4.00 | - |
| (c) Other Advances: | | | | |
| Advances to suppliers | - | - | 98.44 | 55.06 |
| Advance tax (Net of provisions) | - | - | - | - |
| Prepaid expenses | - | - | 26.66 | 23.60 |
| Advance to Employees | - | - | 32.19 | 33.17 |
| Amount Receivable from Bank Under Fwd Contract | - | - | - | 481.48 |
| (iii) Ohters: | | | | |
| Interest accrued PGVCL deposit | - | - | 0.89 | 0.51 |
| MAT Credit Entitlement | - | - | 25.84 | 41.09 |
| | 41.06 | 5.05 | 188.03 | 634.92 |
| Less: provision for doubtful receivables | - | - | - | - |
| | 41.06 | 5.05 | 188.03 | 634.92 |
| 11. Inventories | | | | |
| (Valued at cost, unless otherwise stated) | | | | |
| Raw material and components | | 695.50 | | 580.36 |
| Goods-in-transit | | - | | 3.07 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 695.50 | | 583.43 |
| Semi Finished Goods | | 2,034.46 | | 1,665.09 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 2,034.46 | | 1,665.09 |
| Finished goods | | 767.17 | | 1,014.51 |
| Goods-in-transit | | 564.84 | | 233.23 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 1,332.01 | | 1,247.73 |
| Traded goods | | 140.58 | | 137.89 |
| Goods-in-transit | | | | |
| Less : Provision for obsolete and slow moving | | | | |
| | | 140.58 | | 137.89 |
| Stores and spares | | 69.31 | | 91.73 |
| Less : Provision | | | | |
| Packing Materials | | 65.08 | | 57.37 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 65.08 | | 57.37 |
| | | 4,336.94 | | 3,783.25 |

Inventories have been hypothecated as security against bank borrowings of the company as at 31st March, 2022.





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | Number of units | | Amount | |
|---|------------------|------------------|------------------|------------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| 12. Current Investments | | | | |
| In mutual funds | | | | |
| SBI Floating Rate Debt Fund | 9.53 | - | 100.00 | - |
| SBI Saving Fund | 1.45 | - | 50.60 | - |
| Sub total (A) | - | - | 150.59 | - |
| In bonds (unquoted) | | | | |
| Sub total (B) | - | - | - | - |
| In equity instruments (unquoted) | | | | |
| 100 equity shares of Rs. 10 each of Escorts Investment Trust Limited | | - | | - |
| Sub total (C) | | - | | - |
| Total (A+B+C) | - | - | 150.59 | - |
| Aggregate amount of book value and market value of quoted investments | - | - | 150.59 | - |
| Aggregate amount of unquoted investments | - | - | - | - |
| Aggregate amount of impairment in value of investments | - | - | - | - |
| 13. Trade receivables | | | | |
| Secured : considered good | | | - | - |
| Unsecured : considered good | | | 1,639.23 | 1,558.92 |
| : considered doubtful | | | - | - |
| | | | 1,639.23 | 1,558.92 |
| Less: provision for doubtful receivables | | | 16.39 | 15.59 |
| | | | 1,622.84 | 1,543.33 |

| PARTICULARS | Outstanding from following periods from due date of payment | | | | | Total |
|-------------|---|----------------------|-----------|-----------|----------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |

13.1 Trade Receivables Ageing Schedule:

As on 31.03.2022

| | | | | | | |
|---|----------|-------|------|------|---------|----------|
| (a) Undisputed trade receivables Considered good | 1,665.03 | 28.96 | 7.12 | 0.04 | (61.92) | 1,639.23 |
| (b) Undisputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (c) Undisputed trade receivables Credit Impaired | - | - | - | - | - | - |
| (d) Disputed trade receivables Considered good | - | - | - | - | - | - |
| (e) Disputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (f) Disputed trade receivables Credit Impaired | - | - | - | - | - | - |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| PARTICULARS | Outstanding from following periods from due date of payment | | | | | Total |
|--|---|-------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 13.2 Trade Receivables Ageing Schedule: | | | | | | |
| As on 31.03.2021 | | | | | | |
| (a) Undisputed trade receivables Considered good | 1,449.73 | 21.45 | 39.08 | 10.39 | 38.27 | 1,558.92 |
| (b) Undisputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (c) Undisputed trade receivables Credit Impaired | - | - | - | - | - | - |
| (d) Disputed trade receivables Considered good | - | - | - | - | - | - |
| (e) Disputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (f) Disputed trade receivables Credit Impaired | - | - | - | - | - | - |

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|----------------|-----------------|
| 14. Cash and bank balances | | |
| Cash and cash equivalents | | |
| Balances with banks | | |
| Current accounts | 0.13 | 1.34 |
| Fixed Deposits | 308.76 | 293.13 |
| In Dividend Account | 3.26 | 6.13 |
| Cheques, Drafts on hands | - | - |
| Cash in hand | 4.73 | 7.49 |
| Others | | |
| Debit balance of cash credit accounts | 469.28 | 964.75 |
| Bank deposits with maturity less than 3 months | - | - |
| | 786.16 | 1,272.85 |
| 15. Equity share capital | | |
| Authorised capital | | |
| Equity shares of RS. 10/- each | 400.00 | 400.00 |
| | <u>400.00</u> | <u>400.00</u> |
| Issued, subscribed and paid-up capital | | |
| Equity shares of RS. 10/- fully paid | 347.78 | 347.78 |
| | <u>347.78</u> | <u>347.78</u> |

a) Shareholders holding more than 5 % shares in the company.

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

b) No Change in Equity shares and Equity Share Capital during the financial years 2021-22 and 2020-21.

c) 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 Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

- d) For the period of five years immediately preceding the date of Balance Sheet,
- The Company has not allotted any shares as fully paid 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

e) Details of Shareholding of Promoters :

| Shares held by promoters at the end of the year | | | % change |
|---|-----------------|-------------------|-----------------|
| Promoter Name | No. of Shares | % of total shares | during the year |
| [A] Shareholders Holding Equity Shares : | | | |
| Bhogayta Jeshanker Ramjibhai HUF | 1,46,410 | 4.21% | - |
| Ramniklal N Bambhania | 1,20,000 | 3.45% | - |
| Jeshankar R Bhogayata | 75,500 | 2.17% | - |
| Total | 3,41,910 | 9.83% | - |

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|-----------------|-----------------|
| 16. Other equity | | |
| Statement of profit and loss | | |
| As per last balance sheet | 3,242.89 | 3,324.17 |
| Add : Net profit for the year | 142.13 | (75.02) |
| Less : Appropriations | | |
| Transfer to debenture redemption reserve | - | - |
| Transfer to general reserve | - | - |
| Equity dividend | - | - |
| Tax on equity dividend | - | - |
| Preference dividend | - | - |
| Tax on preference dividend | - | - |
| Amalgamation reserve and others | - | - |
| Ind AS adjustments | - | (6.26) |
| Depreciation adjustment | - | - |
| Capital redemption reserve | - | - |
| Gain on account of disposal of interests | - | - |
| Loss on account of purchase of DE Shaw instrument | - | - |
| Total appropriations | - | (6.26) |
| Net surplus in statement of profit and loss | 3,385.02 | 3,242.89 |
| Other Reserve | | |
| General Reserve | | |
| As per last balance sheet | 621.49 | 621.49 |
| Add : Transferred from employee's stock options outstanding for lapsed options | - | - |
| Amount transferred from statement of profit and loss | | |
| | 621.49 | 621.49 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|----------------------|----------------------|
| Capital Reserve | | |
| As per last balance sheet | 7.92 | 7.92 |
| Amount transferred from statement of profit and loss | | |
| | 7.92 | 7.92 |
| Capital Redemption Reserve | | |
| As per last balance sheet | 5.32 | 5.32 |
| Amount transferred from statement of profit and loss | | |
| | 5.32 | 5.32 |
| Securities Premium Account | | |
| As per last balance sheet | 867.95 | 867.95 |
| Add : Additions on ESOP exercised | | |
| | 867.95 | 867.95 |
| Cash Subsidy Reserve | | |
| As per last balance sheet | 29.35 | 29.35 |
| Add: Amount transferred from statement of profit and loss | | |
| Less: Amount transferred to general reserve | | |
| | 29.35 | 29.35 |
| Other Comprehensive Income | (29.81) | (55.08) |
| Translation reserve during the year | 19.59 | 25.27 |
| | (10.22) | (29.81) |
| Total Reserves | 4,906.85 | 4,745.12 |
| 17. Other non-current liabilities | | |
| (a) Advances: | | |
| (b) Others: | | |
| Advance received | - | - |
| Deferred income | - | - |
| Provision for Decommissioning Liability - Windmill | 5.00 | 5.00 |
| Long term Prepaid Income | - | - |
| | 5.00 | 5.00 |
| Particulars | 31 March 2022 | 31 March 2021 |
| | Long-term | Long-term |
| 18A. Provisions | | |
| (a) Provision for Employee Benefits: | | |
| Provision for leave encashment | 35.94 | 39.54 |
| Provision for gratuity | 878.87 | 834.30 |
| Provision for other employee benefits | - | - |
| (b) Others: | | |
| Provision for contingency | - | - |
| Provision for warranty | - | - |
| | 914.82 | 873.84 |





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | Opening Balance | Additions Durig the Year | Amount used during the Year | Amount Reversed during the Year | Adjustments due to changes in discounting Rate | Closing Balance |
|--------------------------------|-----------------|--------------------------|-----------------------------|---------------------------------|--|-----------------|
| Provision for leave encashment | 39.54 | 15.80 | 19.40 | - | - | 35.94 |
| Provision for gratuity | 834.30 | 100.65 | - | 56.08 | - | 878.87 |
| | 873.84 | 116.46 | 19.40 | 56.08 | - | 914.80 |

| Particulars | 31 March 2022 Short-term | 31 March 2021 Short-term |
|---|--------------------------|--------------------------|
| 18B. Provisions | | |
| (a) Provision for Employee Benefits: | | |
| Provision for gratuity ST | 109.16 | 123.57 |
| Provision for Bonus | 88.24 | 86.15 |
| Provision for leave encashment ST | 5.07 | 5.85 |
| Provision for Salary ST | 82.23 | 81.94 |
| (b) Others: | | |
| Provision for Expense payable ST | 98.25 | 49.47 |
| Provision for tax ST | - | - |
| Provision for others - ST | 9.49 | - |
| | 392.43 | 346.98 |

| Particulars | Opening Balance | Additions Durig the Year | Amount used during the Year | Amount Reversed during the Year | Adjustments due to changes in discounting Rate | Closing Balance |
|-----------------------------------|-----------------|--------------------------|-----------------------------|---------------------------------|--|-----------------|
| Provision for gratuity ST | 123.57 | - | - | 14.41 | - | 109.16 |
| Provision for Bonus | 86.15 | 89.05 | 79.11 | 7.85 | - | 88.24 |
| Provision for leave encashment ST | 5.85 | - | - | 0.78 | - | 5.07 |
| Provision for Salary ST | 81.94 | 82.30 | - | 82.01 | - | 82.23 |
| Provision for Expense payable ST | 49.47 | 98.26 | - | 49.49 | - | 98.25 |
| Provision for others - ST | - | 9.49 | - | - | - | 9.49 |
| | 346.98 | 279.10 | 79.11 | 154.54 | - | 392.43 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|-----------------|-----------------|
| 19. Short-term borrowings | | |
| Secured | | |
| (a) Loan Repayable on demand: | | |
| (i) From Bank | | |
| Short term Loans | - | 278.78 |
| Cash credit / export packing credit & working capital demand loans | 376.32 | 301.64 |
| (i) From other parties | | |
| (b) Loan from Related Parties | - | - |
| (c) Deposits | - | - |
| (d) Others | - | - |
| | 376.32 | 580.42 |
| 20. Trade payables | | |
| Trade payables - acceptances | - | - |
| Trade Payables dues to micro and small enterprises | 169.56 | 65.83 |
| Trade Payables dues to other than micro and small enterprises | 1,462.55 | 1,107.54 |
| Creditors for Capital Goods | 161.30 | 155.35 |
| Trade payables - Other accrued liabilities | - | - |
| Other current liabilities - Expenses payable | - | - |
| | 1,793.41 | 1,328.72 |

20.1. Trade payable ageing schedule on 31-3-2022

(Amount in Lakhs)

| PARTICULARS | Outstanding from following periods from due date of payment | | | | Total |
|---------------------------|---|-------------|-------------|------------------|-----------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| a) MSME | 169.56 | - | - | - | 169.56 |
| b) Others | 1,450.03 | 4.26 | 0.03 | 169.53 | 1,623.85 |
| c) Disputed dues - MSME | - | - | - | - | - |
| d) Disputed dues - Others | - | - | - | - | - |
| Total | 1,619.59 | 4.26 | 0.03 | 169.53 | 1,793.41 |

20.2. Trade payable ageing schedule on 31-3-2021

(Amount in Lakhs)

| PARTICULARS | Outstanding from following periods from due date of payment | | | | Total |
|---------------------------|---|--------------|-------------|------------------|-----------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| a) MSME | 65.83 | - | - | - | 65.83 |
| b) Others | 1,082.35 | 15.54 | 0.14 | 164.86 | 1,262.89 |
| c) Disputed dues - MSME | - | - | - | - | - |
| d) Disputed dues - Others | - | - | - | - | - |
| Total | 1,148.18 | 15.54 | 0.14 | 164.86 | 1,328.72 |





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | Long-term 31 March 2022 | Long-term 31 March 2021 |
|---|----------------------------|----------------------------|
| 21. Other financial liabilities | | |
| Current maturities of long-term borrowings | - | - |
| Current maturities of finance lease obligation | - | - |
| Interest accrued but not due on borrowings | - | - |
| Interest accrued and due on borrowings | - | - |
| Security deposits | - | - |
| Unpaid dividends* | 3.26 | 6.13 |
| Payable to related parties | - | - |
| Employee related payables | - | - |
| Retention money | - | - |
| Matures/ Unclaimed Fixed Deposits and Interest thereon | - | - |
| Margin money payable | - | - |
| Other payables | - | - |
| | 3.26 | 6.13 |
| * not due for credit to 'Investor Education and Protection Fund' | | |
| 22. Other current liabilities | | |
| (a) Revenue recived in Advance: | | |
| (b) Other Advances: | | |
| Advances received | 3.21 | 38.77 |
| (c) Others | | |
| Statutory dues | 15.92 | 8.30 |
| Foreign Currency Payable | - | 411.97 |
| Deferred Premium on Fwd. Contract | - | 12.86 |
| Deferred revenue | - | - |
| Deferred income | - | - |
| | 19.13 | 471.90 |
| 23. Revenue from operations | | |
| Operating revenue | | |
| Revenue from export sales | 4,279.69 | 2,816.54 |
| Revenue from domestic sales | 3,076.86 | 2,655.84 |
| Sale of Traded Goods | 1,320.51 | 1,209.21 |
| Wind Electric Power Income | 71.66 | 49.57 |
| | 8,748.73 | 6,731.16 |
| Other operating revenue | | |
| Job- Work Income | 4.76 | 4.31 |
| Duty Draw back & Other Export Incentive | 112.70 | 66.02 |
| Scrap Sale | 44.46 | 33.27 |
| Others | - | - |
| | 161.91 | 103.60 |
| | 8,910.64 | 6,834.76 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| 24. Other income | | |
| Income from current investments | | |
| Dividend received* | - | - |
| | - | - |
| Interest from : | | |
| PGVCL Deposit Interest | 0.42 | 0.55 |
| FD Interest | 17.36 | 18.47 |
| VAT Refund Interest | - | 3.84 |
| Others | - | - |
| | 17.79 | 22.87 |
| Other income | | |
| Gain on Mutual Fund | 0.60 | - |
| Unclaimed balances and excess provisions written back | 3.28 | 5.95 |
| Foreign Exchange Rate Diff. Income | 55.97 | 34.38 |
| Rent Income | 1.75 | 1.67 |
| Mark to market of derivative asset ** | 22.99 | 16.77 |
| Unwinding of Interest income on deposit & loan | 8.00 | 7.03 |
| VAT Refund | - | 1.62 |
| Freight Charges | 0.47 | 3.55 |
| Discount on Purchase | 1.52 | 5.71 |
| Premium on Forward Contract | - | 20.78 |
| Interest charge to Debtors | 0.56 | - |
| Miscellaneous income | 0.55 | 0.10 |
| | 95.70 | 97.57 |
| | 113.48 | 120.44 |

* The Group did not received any dividend from the equity instruments designated as FVOCI.

| | | |
|--|-----------------|-----------------|
| 25. (a) Cost of material consumed | | |
| Opening Stock | 583.43 | 661.36 |
| Add : Purchases | 3,893.07 | 2,159.78 |
| | 4,476.50 | 2,821.14 |
| Less: Sales | 33.92 | 35.71 |
| | 4,442.59 | 2,785.43 |
| Less : Closing Stock | 695.50 | 583.43 |
| | 3,747.08 | 2,202.00 |
| 25. (b) Purchase of traded goods | | |
| Purchase of traded goods | 1,099.37 | 940.55 |
| | 1,099.37 | 940.55 |





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|-----------------|-----------------|
| 25. (c) Changes in inventories of work-in-progress, stock-in-trade and finished goods | | |
| Opening stock | | |
| Finished goods | 1,247.73 | 1,444.18 |
| Work-in-progress | 1,665.09 | 1,866.83 |
| Traded goods | 137.89 | 232.20 |
| | 3,050.71 | 3,543.20 |
| Closing stock | | |
| Finished goods | 1,332.01 | 1,247.73 |
| Work-in-progress | 2,034.46 | 1,665.09 |
| Traded goods | 140.58 | 137.89 |
| | 3,507.05 | 3,050.71 |
| Total (increase)/decrease in inventories | (456.34) | 492.49 |
| 26. Employee benefit expense* | | |
| Salaries, wages and bonus | 1,314.14 | 1,275.59 |
| Contribution to provident and other funds** | 114.90 | 91.94 |
| Gratuity Expense | 103.46 | 101.42 |
| Staff welfare | 44.25 | 28.53 |
| | 1,576.75 | 1,497.48 |
| * net of capitalisation | | |
| ** For descriptive notes on disclosure of defined benefit obligation refer note 49. | | |
| 27. Finance costs* | | |
| Interest Expenses on borrowings | 19.28 | 42.05 |
| Interest Expenses for Others | 17.77 | 17.32 |
| Bank Commission | 26.48 | 25.58 |
| | 63.54 | 84.96 |
| 28. Depreciation and amortisation ** | | |
| Depreciation on | | |
| Property, plant and equipment | 78.80 | 92.01 |
| Amortisation on | | |
| Intangible assets | 11.43 | 11.41 |
| Impairment | | |
| Goodwill | - | - |
| | 90.23 | 103.42 |
| ** Net of capitalisation | | |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-----------------|-----------------|
| 29. Other expenses | | |
| Foreign Currency Loss | 56.65 | - |
| Stores & Spares consumed | 467.22 | 313.80 |
| Packing materials consumed | 212.62 | 125.14 |
| Job work charges | 936.41 | 517.86 |
| Power & Fuel | 104.54 | 85.05 |
| Rent | 15.60 | 12.45 |
| Repairs and Maintenance - Machinery | 28.62 | 6.60 |
| Repairs and Maintenance - Building | 8.74 | 4.63 |
| Repairs and Maintenance - Furniture | 0.25 | 0.01 |
| Repairs and Maintenance - Others | 4.43 | 1.61 |
| Insurance | 15.46 | 14.52 |
| Interest on TDS | 0.03 | 0.00 |
| Rates and Taxes | 0.75 | 0.91 |
| Communication | 3.93 | 4.92 |
| Travelling Exp. | 23.92 | 12.38 |
| Outward Transportation | 77.32 | 57.12 |
| Loss on Sale of Shares | - | - |
| Donation | 4.45 | 4.45 |
| Sales commission | 131.38 | 122.38 |
| Sales promotion | 2.54 | 3.07 |
| Covid - 19 | 1.91 | 2.23 |
| Service tax | - | - |
| GST late Fees | 0.01 | - |
| G. S. T. Exp. | 3.46 | 3.08 |
| Interest on GST | 0.06 | 0.02 |
| Provision for Expected Credit Loss | 16.39 | (1.16) |
| Bad debts W/o | 25.23 | 2.34 |
| Realised Gain/Loss on Derivatives | - | 0.76 |
| Payment to Auditors (for Statutory Audit) | 2.25 | 2.25 |
| Audit Committees- Sitting Fees | 0.40 | 0.40 |
| Vehicle Exepenses | 79.90 | 59.15 |
| Other Misc.Expenses | 542.01 | 361.71 |
| | 2,766.49 | 1,717.67 |
| 30. Tax expense | | |
| Current tax | 34.46 | - |
| Short/excess provision for income tax earlier years | - | (0.25) |
| Minimum alternate tax credit entitlement | - | - |
| Deferred tax | (39.60) | (8.09) |
| | (5.14) | (8.34) |





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| 31. OCI schedule | | |
| Other Comprehensive Income | | |
| (A) Items that will not be reclassified to profit or loss | | |
| (i) Re-measurement gains (losses) on defined benefit plans | 26.48 | (34.15) |
| Income tax effect | (6.88) | 8.88 |
| (ii) Net (loss)/gain on FVTOCI equity securities | - | - |
| Income tax effect | - | - |
| | <u>19.59</u> | <u>(25.27)</u> |
| (B) Items that will be reclassified to profit or loss | - | - |
| | <u>19.59</u> | <u>(25.27)</u> |
| 32. Earnings per equity share | | |
| The Group's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Parent. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive. | | |
| Net profit attributable to equity shareholders | | |
| Profit after tax | 142.13 | (75.02) |
| Profit attributable to equity holders of the parent adjusted for the effect of dilution | <u>142.13</u> | <u>(75.02)</u> |
| Nominal value of equity share (Rs.) | 347.78 | 347.78 |
| Weighted-average number of equity shares for basic EPS | 34.78 | 34.78 |
| Basic earnings per share (Rs.) | <u>4.09</u> | <u>(2.16)</u> |
| Nominal value of equity share (Rs.) | 347.78 | 347.78 |
| Weighted-average number of equity shares adjusted for the effect of dilution | 34.78 | 34.78 |
| Diluted earnings per share (Rs.) | <u>4.09</u> | <u>(2.16)</u> |
| 33. CONTINGENT LIABILITIES | | |
| BANK GURANTEES | 386.80 | 133.75 |
| CENTRAL EXCISE DEMAND | 146.86 | 146.86 |
| (Paid against total demand) | 10.81 | 10.81 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| 34. CIF VALUE OF IMPORTS | | |
| Raw Materials | 119.53 | 132.86 |
| Spare Parts | - | - |
| Capital Goods | - | - |
| 35. EXPENDITURE IN FOREIGN CURRENCY | | |
| In respect of : | | |
| Travelling Expenses | - | - |
| Sales Commission Exp. | - | - |
| Bank Loan Interest (FCNR) | - | - |
| Sample Exp. | - | - |
| Mould Charges | - | - |
| Marketing & Sales Promotion Exp. | - | - |
| 36. EARNING IN FOREIGN EXCHANGE (calculated on F.O.B. value) | | |
| Export of Goods | 3,959.56 | 2,926.24 |
| Backing Test Charges Income | - | - |

| Particulars | 2021-22 | | 2020-21 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | % of total Consumption | Amount | % of total Consumption | Amount |
| 37. Value of raw materials and components consumed | | | | |
| Imported at landed cost | 3.46 | 129.70 | 5.60 | 123.20 |
| Indigeneously obtained | 96.54 | 3,617.38 | 94.40 | 2,078.80 |
| | <u>100.00</u> | <u>3,747.08</u> | <u>100.00</u> | <u>2,202.00</u> |
| 38. The stores and spares consumed : | | | | |
| Imported at landed cost | 0.00 | - | 0.00 | - |
| Indigeneously obtained | 100.00 | 467.22 | 100.00 | 313.80 |
| | <u>100.00</u> | <u>467.22</u> | <u>100.00</u> | <u>313.80</u> |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

39. DETAILS OF SEGMENT REPORTING:

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

(1) PRIMARY SEGMENT:

| Particulars | 2021-22 Bearing | 2020-21 Bearing | 2021-22 Power | 2020-21 Power | 2021-22 Total | 2020-21 Total |
|---|--------------------|--------------------|------------------|------------------|------------------|------------------|
| 1. SEGMENT REVENUE | 8,952.46 | 6,905.63 | 71.66 | 49.57 | 9,024.12 | 6,955.20 |
| Other Unallocated Revenue | - | - | - | - | - | - |
| Total | 8,952.46 | 6,905.63 | 71.66 | 49.57 | 9,024.12 | 6,955.20 |
| Less: Inter Segment Revenue | - | - | 71.66 | 49.57 | 71.66 | 49.57 |
| Net Income from Operation | 8,952.46 | 6,905.63 | - | - | 8,952.46 | 6,905.63 |
| 2. SEGMENT RESULTS | | | | | | |
| PROFIT/(LOSS) BEFORE INTEREST & TAX | 147.96 | (29.97) | 52.57 | 31.57 | 200.53 | 1.60 |
| LESS : Interest | - | - | - | - | 63.54 | 84.96 |
| Other unallocated Expenses | - | - | - | - | - | - |
| TOTAL PROFIT/(LOSS) BEFORE TAX | 147.96 | (29.97) | 52.57 | 31.57 | 136.99 | (83.36) |
| 3. CAPITAL EMPLOYED (SEGMENT ASSETS-SEGMENT LIABILITIES) | | | | | | |
| Segment Assets | 8,498.88 | 8,465.88 | 49.45 | 49.72 | 8,548.32 | 8,515.61 |
| Add: Common assets | - | - | - | - | 229.88 | 190.28 |
| TOTAL ASSETS | 8,498.88 | 8,465.88 | 49.45 | 49.72 | 8,778.20 | 8,705.89 |
| Segment Liabilities | 3,518.58 | 3,607.80 | 4.99 | 5.18 | 3,523.57 | 3,612.98 |
| Add: Common Liabilities | - | - | - | - | - | - |
| TOTAL LIABILITIES | 3,518.58 | 3,607.80 | 4.99 | 5.18 | 3,523.57 | 3,612.98 |
| SEGMENT CAPITAL EMPLOYED | 4,980.29 | 4,858.08 | 44.46 | 44.54 | 5,254.63 | 5,092.90 |

(2) GEOGRAPHICAL SEGMENTS:

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

| Revenue | 2021-22 | 2020-21 |
|---------------|-----------------|-----------------|
| Within India | 4,667.00 | 4,071.26 |
| Overseas | 4,285.46 | 2,834.37 |
| Total: | 8,952.46 | 6,905.63 |

(b) Assets base on geographical location:

| Particulars | Carrying Amount of Segment Assets | | Addition to Fixed Assets and Intangible Assets | |
|---------------|-----------------------------------|-----------------|--|--------------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Within India | 7,746.46 | 8,054.92 | 53.69 | 46.08 |
| Overseas | 1,031.74 | 650.97 | - | - |
| Total: | 8,778.20 | 8,705.89 | 53.69 | 46.08 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

| Particulars | 2021-22 Amount | 2020-21 Amount |
|-------------|-------------------|-------------------|
|-------------|-------------------|-------------------|

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 Rs. in Lakhs | |
|-------------|---------------------|---------|----------------------------|---------|--------------------------------|---------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Currency | NIL | NIL | NIL | NIL | NIL | NIL |
| U S D | 0 | 0 | 0 | 0 | 0 | 0 |
| EURO | 3 | 4 | 1.2 | 5.5 | 103.74 | 481.48 |

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

| Particulars | Amount in foreign currency | | Equivalent amount Rs. in Lakhs | |
|------------------------|----------------------------|---------|--------------------------------|---------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Payable | | | | |
| USD | - | - | - | - |
| EURO | - | - | - | - |
| TOTAL | - | - | - | - |
| Receivable | | | | |
| EURO | 2.63 | 3.10 | 217.85 | 266.85 |
| USD | 10.99 | 5.10 | 819.45 | 375.18 |
| TOTAL | | | 1,037.30 | 642.03 |
| 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

| | 2021-22 | 2020-21 |
|---|---------|---------|
| Employer's contribution to Provident Fund (includes pension fund) | 148.28 | 109.25 |

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 certain 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 the value of the liability (as shown in financial statements).



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

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.

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 is exposed 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 Payment 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 occurrence of losses relative to the expected return on any particular investment.

| | Gratuity | |
|---|-----------------|-----------------|
| | 2021-22 | 2020-21 |
| Present Value of obligation (Total Funded & Unfunded) | 1,023.03 | 1,045.88 |
| Fair value of plan assets | 46.85 | 90.28 |
| Unrecognised past service cost | - | - |
| Net liability in the Balance Sheet - (Un - funded) | 976.17 | 955.60 |
| Changes in the present value of Obligation | 2021-22 | 2020-21 |
| Present Value of Obligation as at the beginning | 1,045.88 | 1,073.51 |
| Current Service cost | 38.59 | 38.60 |
| Interest Expenses or Cost | 67.93 | 70.80 |
| Re-measurement (or Actuarial) (gain)/ Loss arising from | | |
| Change in demographic assumption | - | - |
| Change in financial assumption | (25.25) | 6.77 |
| Experience variance (i.e. actual expenses vs assumption) | (5.59) | (45.62) |
| Past service cost | - | - |
| Benefits Paid | (98.53) | (98.19) |
| Present Value of Obligation as at the end | 1,023.03 | 1,045.88 |
| Changes in the fair value of plan assets | 2021-22 | 2020-21 |
| Opening fair value of plan assets | 90.28 | 179.09 |
| Investment Income | 5.86 | 11.81 |
| Return on plan assets, excluding amount recognised in net interest expenses | (4.36) | (4.70) |
| Contribution by Employer | 53.60 | 2.27 |
| benefits paid | (98.53) | (98.19) |
| Closing fair value of plan assets | 46.85 | 90.28 |
| Expenses recognised in Income Statement | 2021-22 | 2020-21 |
| Current Service cost | 38.59 | 38.60 |
| Net Interest Cost | 62.07 | 58.99 |
| Past service cost | - | - |
| Losses (gains) on curtailment and settlements | - | - |
| Expenses recognised in Income Statement | 100.66 | 97.59 |



Notes forming parts of the financials statements for the year ended 31st March, 2022

| | (Rs. in Lakhs) | |
|---|----------------|----------------|
| | 2021-22 | 2020-21 |
| Other Comprehensive Income | | |
| Actuarial (gains)/ Losses | | |
| Change in demographic assumption | - | - |
| Change in financial assumption | (25.25) | 6.77 |
| Experience variance (i.e. actual expenses vs assumption) | (5.59) | (45.62) |
| Return on plan assets, excluding amount recognised in net interest expenses | 4.36 | 4.70 |
| Component of defined benefit costs recognised in other comprehensive income | (26.48) | (34.15) |
| Principal actuarial assumptions at the balance sheet date | 2021-22 | 2020-21 |
| Discount rate per annum | 6.90% | 6.50% |
| Salary Escalation per Annum | 5.00% | 5.00% |
| Retirement Age | 60 years | 60 years |
| Mortality Rate (as % of IALM 2012-14) | 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 sensitivity analysis is given below :

| Particulars | 31/03/2022 | | 31/03/2021 | |
|--|------------|----------|------------|----------|
| Defined Benefit Obligation (base) | 1,023.03 | | 1,045.88 | |
| Particulars | 31/03/2022 | | 31/03/2021 | |
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / +1 %) | 1,088.44 | 963.95 | 1,117.97 | 981.09 |
| (% change compared to base due to sensitivity) | 6.40% | -5.80% | 6.90% | -6.20% |
| Salary Growth Rate (- / +1 %) | 964.22 | 1,087.00 | 981.56 | 1,116.17 |
| (% change compared to base due to sensitivity) | -5.70% | 6.30% | -6.10% | 6.70% |
| Attrition Rate (- / + 50 % of attrition rates) | 1,019.84 | 1,026.10 | 1,042.93 | 1,048.71 |
| (% change compared to base due to sensitivity) | -0.30% | 0.30% | -0.30% | 0.30% |
| Mortality Rate (- / + 10 % of mortality rates) | 1,022.68 | 1,023.38 | 1,045.56 | 1,046.19 |
| (% change compared to base due to sensitivity) | 0.00% | 0.00% | 0.00% | 0.00% |

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 for 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 | |
|--|------------------|---------|
| | 2021-22 | 2020-21 |
| Changes in the present value of Obligation | | |
| Present Value of Obligation as at the beginning | 45.39 | 57.25 |
| Current Service cost | 5.93 | 3.72 |
| Interest Expenses or Cost | 3.03 | 3.89 |
| Re-measurement (or Actuarial) (gain)/ Loss arising from | | |
| Change in demographic assumption | - | - |
| Change in financial assumption | (1.20) | 0.35 |
| Experience variance (i.e. actual expenses vs assumption) | 6.81 | 12.24 |
| past service cost | - | - |
| Benefits Paid | (20.18) | (32.07) |
| Present Value of Obligation as at the end | 39.77 | 45.39 |





Notes forming parts of the financials statements for the year ended 31st March, 2022

| Expenses recognised in Income Statement | (Rs. in Lakhs) | |
|--|----------------|----------|
| | 2021-22 | 2020-21 |
| Current Service cost | 5.93 | 3.72 |
| Net Interest Cost | 3.03 | 3.89 |
| Expected return on plan assets | - | - |
| Re-measurement (or Actuarial) (gain)/ Loss arising from | | |
| Change in Demographic assumption | - | - |
| Change in financial assumption | (1.20) | 0.35 |
| Experience variance (i.e. actual expenses vs assumption) past service cost | 6.81 | 12.24 |
| | - | - |
| Expenses recognised in Income Statement | 14.57 | 20.21 |
| Actual return on plan assets | - | - |
| Principal actuarial assumptions at the balance sheet date | 2021-22 | 2020-21 |
| Discount rate per annum | 6.90% | 6.50% |
| Expected return per annum on plan assets | 0.00% | 0.00% |
| Salary Growth rate per Annum | 5.00% | 5.00% |
| Normal Retirement Age | 60 years | 60 years |
| Mortality Rate (as % of IALM 2012-14) | 100.00% | 100.00% |
| Attrition / Withdrawal Rates | 1.00% | 1.00% |

SENSITIVITY ANALYSIS

Significant actuarial assumptions for the determination of the leave liability 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 sensitivity analysis is given below :

| Particulars | 31/03/2022 | 31/03/2021 |
|------------------------------------|------------|------------|
| Present Value of Obligation (Base) | 39.77 | 45.39 |

| Particulars | 31/03/2022 | | 31/03/2021 | |
|--|------------|----------|------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / +1 %) | 42.80 | 37.11 | 49.07 | 42.17 |
| (% change compared to base due to sensitivity) | 7.60% | -6.70% | 8.10% | -7.10% |
| Salary Growth Rate (- / +1 %) | 37.03 | 42.84 | 42.08 | 49.11 |
| (% change compared to base due to sensitivity) | -6.90% | 7.70% | -7.30% | 8.20% |
| Attrition Rate (- / + 50 % of attrition rates) | 39.57 | 39.93 | 45.21 | 45.57 |
| (% change compared to base due to sensitivity) | -0.50% | 0.40% | -0.40% | 0.40% |
| Mortality Rate (- / + 10 % of mortality rates) | 39.77 | 39.77 | 45.39 | 45.39 |
| (% change compared to base due to sensitivity) | 0.00% | 0.00% | 0.00% | 0.00% |

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 for the prior period.



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

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

(b) Key Management Personnel

- (i) Shri R R Bambhania (ii) Shri S A Kotal
- (iii) Ms. Nirali Doshi (upto 31.01.2022) (iv) Shri Hiren N. Vadgama
- (v) Mrs. Hiral A. Shah (from 01.02.2022)

(c) Relative of Key Management Personnel

- (i) Shri N. C. Vadgama HUF (ii) Shri R. N. Bambhania HUF
- (iii) Shri S. M. Thanki HUF (iv) Shahid S. Kotal
- (v) Shri Jignesh S. Thanki

(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 | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| INCOME | | | | | | | | |
| (1) Sales of Goods | 28.31 | 40.03 | - | - | - | - | 1,359.25 | 750.23 |
| (2) Job Work | 3.01 | 3.70 | - | - | - | - | - | - |
| EXPENSES | | | | | | | | |
| (1) Purchase of Goods | 13.06 | 21.59 | - | - | - | - | - | - |
| (2) Remuneration | - | - | - | - | - | - | - | - |
| (3) Salary | - | - | 46.28 | 42.82 | 8.45 | 12.28 | - | - |
| (4) Jobwork | 508.90 | 295.68 | - | - | - | - | - | - |
| (5) Interest | - | - | - | - | 16.31 | 13.51 | - | - |
| (6) Professional Fees | - | - | - | - | - | - | - | - |
| (7) Dividend Paid | - | - | - | - | - | - | - | - |
| OUTSTANDING | | | | | | | | |
| Payable | 140.92 | 45.72 | - | - | 150.97 | 125.06 | - | - |
| Receivable | - | - | - | - | - | - | 819.45 | 375.18 |
| Advances | - | - | - | - | - | - | - | - |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

43. FINANCIAL INSTRUMENT
A. Financial Instruments by category

| Particulars | As at 31-03-2022 | | As at 31-03-2021 | |
|--|------------------|-----------------|------------------|-----------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets | | | | |
| Measured at amortised cost (A) | | | | |
| Investments in Subsidiary | 22.72 | 22.72 | 22.72 | 22.72 |
| Other financial assets | 368.89 | 368.89 | 181.71 | 181.71 |
| Trade Receivables | 1,622.84 | 1,622.84 | 1,543.33 | 1,543.33 |
| Cash and cash equivalents | 786.16 | 786.16 | 1,272.85 | 1,272.85 |
| Total financial assets at amortised cost (A) | 2,800.60 | 2,800.60 | 3,020.60 | 3,020.60 |
| Measured at fair value through Other Comprehensive Income (B) | | | | |
| Non- Current Other Investments | 17.80 | - | 17.80 | - |
| Measured at fair value through Profit and Loss (C) | | | | |
| | - | - | - | - |
| Total Financial assets (A + B + C) | 2,818.40 | 2,800.60 | 3,038.40 | 3,020.60 |
| Financial liabilities | | | | |
| Measured at amortised cost | | | | |
| Long term Borrowings | - | - | - | - |
| Short term Borrowings | 376.32 | 376.32 | 580.42 | 580.42 |
| Trade Payables | 1,793.41 | 1,793.41 | 1,328.72 | 1,328.72 |
| Other financial liabilities | 397.43 | 397.43 | 351.98 | 351.98 |
| Total financial liabilities carried at amortised cost | 2,567.15 | 2,567.15 | 2,261.12 | 2,261.12 |

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 transparency.

The Company'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 | Maintaining sufficient cash / cash equivalents. |
| Market Risk | Financial assets and liabilities | Sensitivity 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 the expected 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 quickly at close to its fair value.



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast 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, 2022 | | | |
| Borrowings | 376.32 | - | 376.32 |
| Trade payables | 1,793.41 | - | 1,793.41 |
| Other Financial Liabilities | 3.26 | 5.00 | 8.26 |
| As on 31st March, 2021 | | | |
| Borrowings | 580.42 | - | 580.42 |
| Trade payables | 1,328.72 | - | 1,328.72 |
| Other Financial Liabilities | 6.13 | 5.00 | 11.13 |

(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 from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. 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 foreign exchange risk. The Company evaluates 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 the overall debt portfolio of the Company.

The following table summarises the capital of the Company.

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|------------------------------------|---------------------|---------------------|
| Equity * | 5,254.63 | 5,092.90 |
| Long Term Debt | - | - |
| | 5,254.63 | 5,092.90 |
| Tangible and other assets | 1,002.38 | 1,038.93 |
| Working Capital | 4,799.21 | 4,635.67 |
| Others assets /(Liabilities) (Net) | (546.97) | (581.70) |
| | 5,254.63 | 5,092.90 |

* 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 machines.

Rent expenses of Rs. 15,60,000 /-(Previous Year Rs. 12,44,955/-) in respect of obligation under non cancellable operating leases have been recognised in the Statement of Profit and Loss.





Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

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

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| a. Not later than one year | - | 1.18 |
| b. Later than one year but not later than five years | 15.60 | 11.27 |

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 least 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 attached of even date

For J C Ranpura & CO.
Firm Registration No. 108647W
Chartered Accountants
UDIN: 22128453ANRVHH5183
MEHUL J. RANPURA
Partner
M. No. 128453

S. A. Kotal
Chief Financial Officer

Hiral A. Shah
Company Secretary

Place : Rajkot
Date : 30.05.2022

For and on behalf of the Board of Directors

R. R. Bambhania Managing Director

J. B. Jagani Non Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30.05.2022



Additional Regulatory Information for the year ended 31 March 2022

- (i) Title Deed of Immovable Properties not held in the name of the Company As per Annexure 1
- (ii) The Company has not Classified any Property as Investment Property.
- (iii) The Company has not revalued its Property, Plant and Equipments.
- (iv) The Company has not revalued its Intangible Assets.
- (v) Disclosures relating to Loans and Advances in the nature of loans granted to promoters, directors, KMPs and the related parties:
- (a) repayable on demand
- (b) without specifying any terms or period of repayment

| Type of Borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans or Advances in the nature of loan outstanding |
|-------------------|---|---|
| 1 Promoters | - | - |
| 2 Directors | - | - |
| 3 KMPs. | 2,00,000.00 | - |
| 4 Related Parties | 1,46,786.00 | - |

- (vi) Capital-Work-in Progress (CWIP) :

- a CWIP ageing schedule

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

- b Details of CWIP overdue or costs of which exceeded its original plan

| CWIP | Amount in CWIP for a period of | | | | Total |
|------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |

- (vii) Intangible assets under development :

- a Ageing schedule of intangible assets under development

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

- b Details of CWIP of intangible assets overdue or costs of which exceeded its original plan

| CWIP | Amount in CWIP for a period of | | | | Total |
|------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |

- (viii) Details of Benami Property held

No proceedings are initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rule made thereunder.



**(ix) Disclosures regarding borrowings form banks or financial institutes:**

The Quarterly returns or statements of current assets filed by the company with bank or financial institutions are not in agreement with books of account and the reconciliation is as follows

| Quarter | As per Books | As per Statement | Difference | Reason |
|----------------|---------------------|-------------------------|-------------------|-----------------------------------|
| 1 | 5,629.00 | 5,629.00 | - | Trade Receivable of Subsidiary |
| 2 | 5,892.00 | 6,383.00 | (491.00) | company was included in statement |
| 3 | 6,465.00 | 6,465.00 | - | |
| 4 | 5,961.00 | 5,961.00 | - | |

(x) Willful Defaulter:

The board of directors of the Company is of the opinion that the Company has, till the date of signing of this financial statement, not been declared as willful defaulter by its banks or financial institution.

(xi) Relationship with Struck off Companies

On the basis of confirmation with the parties, the board of directors of the Company is of the opinion that the Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(xii) Details of Registration of charges or satisfaction with Registrar of Companies yet to be registered

No charges or its satisfaction is yet to be registered with Registrar of Companies.

(xiii) Compliance with number of layers of companies

On the basis of information received by us during the course of Audit, the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on numbers of layers) Rules, 2017.

(xiv) Disclosures of Ratios:

As per Annexure 2

(xv) Compliance with approved Scheme(s) of Arrangements:

The Company has not made any Scheme of Arrangements with competent Authority in terms of sections 230 to 237 of Companies Act, 2013.

(xvi) Utilisation of Borrowed Funds and Share Premiun :

- a The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) or has not provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- b The Company has not received any funds or not entered into any understanding that company invest or land the said amount for the benefits of Funding Party directly or indirectly or The company has not provide any guarantee on behalf of Ultimate Beneficiaries.





Annexure 1

| | Relevant line item in the balance sheet | Description of item of property | Gross Carrying value | Title deeds held in the name of | Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor or director | Property held since which date | Reason for not held in the name of the company |
|-----|---|---------------------------------|----------------------|---------------------------------|--|--------------------------------|--|
| [1] | PPE | - | - | - | - | - | - |
| [2] | Investment Property | - | - | - | - | - | - |
| [3] | PPE retired from active use and held for disposal | - | - | - | - | - | - |
| [4] | Others | - | - | - | - | - | - |

Annexure 2

| | Ratios | Numerators Current period [Previous period] | Denominators Current period [Previous period] | Current Period | Previous Period | % Variance | Reason for Variance |
|-----|----------------------------------|---|---|----------------|-----------------|---------------|------------------------|
| [a] | Current Ratio | 7,402.97 (7,369.82) | 2,603.75 2,734.15) | 2.84 | 2.70 | 5.48 | |
| [b] | Debt-Equity Ratio | 376.32 (580.42) | 5,254.63 5,092.90) | 0.07 | 0.11 | -37.16 | See Note 1 |
| [c] | Debt-Service Coverage Ratio | 311.05 (88.95) | 1,243.82 1,248.36) | 0.25 | 0.07 | 250.98 | See Note 2 |
| [d] | Return on Equity Ratio | 142.13 (75.02) | 5,173.76 5,120.90) | 0.03 | (0.01) | -287.52 | See Note 3 |
| [e] | Inventory Turnover Ratio | 3,747.08 (2,202.00) | 4,060.09 4,064.33) | 0.92 | 0.54 | 70.35 | See Note 4 |
| [f] | Trade Receivables Turnover Ratio | 8,910.64 (6,834.76) | 1,583.09 (1,600.94) | 5.63 | 4.27 | 31.84 | See Note 5 |
| [g] | Trade Payables Turnover Ratio | 4,992.44 (3,100.32) | 1,561.06 (1,139.08) | 3.20 | 2.72 | 17.50 | |
| [h] | Net Capital Turnover Ratio | 8,910.64 (6,834.76) | 4,799.21 (4,635.67) | 1.86 | 1.47 | 25.93 | See note 6 |
| [i] | Net Profit Ratio | 142.13 (75.02) | 8,910.64 6,834.76) | 0.02 | (0.01) | -245.32 | See Note 7 |
| [j] | Return on Capital employed | 174.05 (23.98) | 5,630.94 5,673.32) | 0.03 | (0.00) | -831.13 | See Note 8 |
| [k] | Return on investments | - | - | - | - | - | |





Notes:

- 1 The Company has Repaid the short term Loan and therefor the ratio has decreased.
- 2 During FY 2021-22 net profit has increased and interest Expense has decreased and there for the ratio has increased in FY 2021-22.
- 3 Net Profit has increased during FY 2021-22 and therefor the ratio has increased in FY 2021-22.
- 4 Due to increased in Cost of Goods sold the ratio has increased in FY 2021-22.
- 5 Net sales has increased in FY 2021-22 in comparison with FY 2020-21 and therefor the ratio has increased in FY 2021-22.
- 6 Due to increase in net sales and increase in working capital ratio has increase in FY 2021-22 in comparison with FY 2020-21.
- 7 During the FY 2021-22 Net sales has increased and net profit has also increased and therefor ratio has increased in FY 2021-22.
- 8 During FY 2021-22 Interest expense has decreased in comparison with FY 2020-21 and therefor the ratio has increase in FY 2021-22.

ANALYTICAL RATIOS :

WORKINGS:

(Amount in Lakhs)

| Sr No. | Particulars | 2021-22 | 2020-21 |
|-----------|---|-----------------|-----------------|
| 1 | Current Assets | 7,402.97 | 7,369.82 |
| 2 | Current Liabilities | 2,603.75 | 2,734.15 |
| 3 | Total Debt | | |
| | Current Borrowings | 376.32 | 580.42 |
| | NonCurrent Borrowings | - | - |
| | Total | 376.32 | 580.42 |
| 4 | Shareholder's Equity | 5,254.63 | 5,092.90 |
| 5 | Earnings available for debt service: | | |
| | Net profit After Tax | 142.13 | (75.02) |
| | Add: Non Cash operating Expense | 131.86 | 104.59 |
| | Add: Interest | 37.05 | 59.37 |
| | | 311.05 | 88.95 |
| 6 | Debt Service: | | |
| | Interest & Lease Rent payable | 37.05 | 59.37 |
| | Add: Principle Repayments | 1,206.77 | 1,188.99 |
| | | 1,243.82 | 1,248.36 |
| 7 | Return on Equity: | | |
| | Net profit after Tax | 142.13 | (75.02) |
| | Less: Preference Dividend | - | - |
| | | 142.13 | (75.02) |
| 8 | Average Shareholder Equity: | | |
| | Opening Shareholders Equity | 5,092.90 | 5,148.91 |
| | Closing Shareholders Equity | 5,254.63 | 5,092.90 |
| | Average | 5,173.76 | 5,120.90 |
| 9 | Cost of Goods Sold: | 3,747.08 | 2,202.00 |
| 10 | Average Inventory: | | |
| | Opening Inventory | 3,783.25 | 4,345.42 |
| | Closing Inventory | 4,336.94 | 3,783.25 |
| | Average | 4,060.09 | 4,064.33 |





WORKINGS: (Contd...)

(Amount in Lakhs)

| Sr No. | Particulars | 2021-22 | 2020-21 |
|-----------|---|-----------------|-----------------|
| 11 | Net credit Sales: | | |
| | Gross Credit Sales | 8,910.64 | 6,834.76 |
| | Less: Sales Return | - | - |
| | Net | 8,910.64 | 6,834.76 |
| 12 | Average Accounts Receivables: | | |
| | Opening Balance | 1,543.33 | 1,658.56 |
| | Closing Balance | 1,622.84 | 1,543.33 |
| | Average | 1,583.09 | 1,600.94 |
| 13 | Net Credit Purchase: | | |
| | Gross Credit Purchase | 4,992.44 | 3,100.32 |
| | Less: Purchase Return | - | - |
| | Net | 4,992.44 | 3,100.32 |
| 14 | Average Trade payable: | | |
| | Opening Balance | 1,328.72 | 949.44 |
| | Closing Balance | 1,793.41 | 1,328.72 |
| | Average | 1,561.06 | 1,139.08 |
| 15 | Net Sales: | | |
| | Total Sales | 8,910.64 | 6,834.76 |
| | Less: Sales Return | - | - |
| | Net | 8,910.64 | 6,834.76 |
| 16 | Working Capital | | |
| | Current Assets | 7,402.97 | 7,369.82 |
| | Less: Current Liabilities | 2,603.75 | 2,734.15 |
| | Net | 4,799.21 | 4,635.67 |
| 17 | Net Profit | 142.13 | (75.02) |
| 18 | Net Sales | 8,910.64 | 6,834.76 |
| 19 | Earning before Interest and Taxes: | | |
| | Net Profit After Tax | 142.13 | (75.02) |
| | Add: Tax Expense | (5.14) | (8.34) |
| | | 136.99 | (83.36) |
| | Add: Interest | 37.05 | 59.37 |
| | EBIT | 174.05 | (23.98) |
| 20 | Capital Employed: | | |
| | Net Worth | 5,254.63 | 5,092.90 |
| | Add: Total Debt | 376.32 | 580.42 |
| | Add: Deferred tax Liability | | |
| | Capital Employed | 5,630.94 | 5,673.32 |
| 21 | Ending value of Investments | 173.31 | 22.72 |
| | Less: Beginning value of Investments | 22.72 | 22.72 |
| | | 150.59 | - |
| 22 | Beginning Value of Investments | 22.72 | 22.72 |





INDEPENDENT AUDITOR'S REPORT

To,
The Members Of
M/s. AUSTIN ENGINEERING COMPANY LIMITED,
Junagadh.

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

- 1 We have audited the accompanying consolidated Ind AS financial statements of Austin Engineering Company Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **March 31, 2022**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").
- 2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at **March 31, 2022**, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

- 1 We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

- 1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no any Key Audit Matters to be communicated in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

- 1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.
- 2 Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 3 In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

- 1 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





- 2 In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 3 The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

- 1 Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
- 2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements.
- 3 Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- 4 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 5 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 6 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





Report on Other Legal and Regulatory Requirements

1 As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated 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 Branch audit of the Company is carried out by company's auditor and therefore, this clause is not applicable.
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) There are no such financial transactions or matters which have any adverse effect on the functioning of the Company;
- g) 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.
- h) On the basis of the written representations received from the directors of the Holding Company as on **March 31, 2022** 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, 2022** from being appointed as a director in terms of Section 164 (2) of the Act.
- i) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of Holding company.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 - i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose impact of pending litigations on the consolidated Ind AS financial position of the Group.
 - 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.

For **J C RANPURA & CO.**

Chartered Accountants

FRN: 108647W

(Mehul J. Ranpura)

Partner

Membership No. 128453

UDIN: 22128453ANSZSE9244

Place: Rajkot

Date: 30.05.2022





ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Austin Engineering Company Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

- 1 In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **AUSTIN ENGINEERING COMPANY LIMITED** (hereinafter referred to as “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, as of that date.

Management’s Responsibility for Internal Financial Controls

- 1 The Board of Directors of the 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 (“the 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 the respective 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

- 1 Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if such controls operated effectively in all material respects.
- 2 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

- 1 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

- 1 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

- 1 In our opinion and to the best of our information and according to the explanations given to us, 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 March 31, 2022, 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.

For **J C RANPURA & CO.**
Chartered Accountants
FRN: 108647W

(Mehul J. Ranpura)
Partner

Membership No. 128453
UDIN: 22128453ANSZSE9244

Place: Rajkot
Date: 30.05.2022





Consolidated Balance Sheet as at 31 March 2022

(Rs. in Lakhs)

| Particulars | Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|--|----------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 800.12 | 829.81 |
| Capital work-in-progress | | - | - |
| Investment Property | | - | - |
| Other intangibles assets | 5 | 204.63 | 211.96 |
| Intangible assets under development | | - | - |
| Investments in Subsidiary | | - | - |
| Financial assets | | | |
| Investments | 6 | - | - |
| Loans | 7 | 51.43 | 55.57 |
| Other financial asset | 8 | 61.07 | 63.86 |
| Deferred tax assets (net) | 9 | 212.52 | 171.48 |
| Current tax asset (net) | 9 | - | - |
| Other non current assets | 10 | 41.06 | 5.05 |
| Total non-current assets | | 1,370.83 | 1,337.73 |
| Current assets | | | |
| Inventories | 11 | 4,336.94 | 3,783.25 |
| Financial assets | | | |
| Current investments | 12 | 150.59 | - |
| Trade receivables | 13 | 2,473.50 | 1,923.10 |
| Cash and cash equivalents | 14 | 915.57 | 1,381.29 |
| Other bank balances | | - | - |
| Loans | 7 | - | - |
| Other financial asset | 8 | 318.41 | 135.47 |
| Current tax asset (net) | 9 | - | - |
| Other current assets | 10 | 188.03 | 634.92 |
| Assets held for sale | | - | - |
| Total current assets | | 8,383.04 | 7,858.03 |
| Total assets | | 9,753.87 | 9,195.75 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 347.78 | 347.78 |
| Other equity | 16 | 4,962.75 | 4,772.30 |
| Equity attributable to owners of the parent | | 5,310.53 | 5,120.08 |
| Non-controlling interest | | - | - |
| Total equity | | 5,310.53 | 5,120.08 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | | - | - |
| Other financial liabilities | | - | - |
| Other non-current liabilities | 17 | 5.00 | 5.00 |
| Deferred tax liabilities (net) | | | |
| Long-term provisions | 18 | 914.82 | 873.84 |
| Total non-current liabilities | | 919.82 | 878.84 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | 376.32 | 580.42 |
| Trade payables | 20 | 2,614.60 | 1,715.57 |
| Other financial liabilities | 21 | 3.26 | 6.13 |
| Other current liabilities | 22 | 117.52 | 547.64 |
| Current tax liabilities | | 19.40 | 0.09 |
| Short term provisions | 18 | 392.43 | 346.98 |
| Total current liabilities | | 3,523.53 | 3,196.84 |
| Total equity and liabilities | | 9,753.87 | 9,195.75 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are integral part of the financial statements. This is the balance sheet referred to in our report of even date. | | | |

As per our report attached of even date

For and on behalf of the Board of Directors

For **J C Ranpura & CO.**
Firm Registration No. 108647W
Chartered Accountants
UDIN: 22128453ANSZSE9244
MEHUL J. RANPURA
Partner
M. No.128453

S. A. Kotal
Chief Financial Officer

Hiral A. Shah
Company Secretary

Place : Rajkot
Date : 30.05.2022

R. R. Bambhania Managing Director
J. B. Jagani Non Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30.05.2022



Consolidated Statement of Profit and Loss for the Year ended 31 March, 2022 (Rs. in Lakhs)

| Particulars | Note No. | 31 March, 2022 | 31 March, 2021 |
|--|----------|-----------------|-----------------|
| Revenue | | | |
| Revenue from operations | 23 | 9,091.75 | 6,943.65 |
| Other income | 24 | 113.50 | 120.49 |
| | | 9,205.25 | 7,064.14 |
| Expenses | | | |
| Cost of raw material and components consumed | 25 (a) | 3,747.08 | 2,202.00 |
| Purchases of traded goods | 25 (b) | 1,099.37 | 940.55 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 25 (c) | (456.34) | 492.49 |
| Employee benefits expense | 26 | 1,659.86 | 1,574.34 |
| Finance costs | 27 | 66.84 | 87.67 |
| Depreciation and amortisation expense | 28 | 91.15 | 102.14 |
| Other expenses | 29 | 2,837.02 | 1,772.63 |
| | | 9,044.98 | 7,171.82 |
| Profit before Exceptional Items and Tax | | 160.27 | (107.68) |
| Exceptional items | | - | - |
| Profit before Tax from Continuing Operations | | 160.27 | (107.68) |
| Tax expense | 30 | (6.39) | (7.86) |
| Profit (Loss) for the period from Continuing Operations | | 166.66 | (99.82) |
| Profit/(loss) from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit/(loss) from Discontinued operations (after tax) | | - | - |
| Net profit for the year | | 166.66 | (99.82) |
| Other Comprehensive Income | | | |
| | 31 | | |
| A i) Items that will not be reclassified to profit and loss | | 26.48 | 34.15 |
| ii) Income tax relating to items that will not be reclassified to profit or loss | | (6.88) | (8.88) |
| B i) Items that will be reclassified to profit or loss | | - | - |
| ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Other Comprehensive Income for the year | | 19.59 | 25.27 |
| Total Comprehensive Income for the year | | 186.26 | (74.54) |
| Earnings per equity share | | | |
| | 32 | | |
| Basic (Rs.) | | 4.79 | (2.87) |
| Diluted (Rs.) | | 4.79 | (2.87) |
| Summary of significant accounting policies | | | |
| | 2 | | |
| The accompanying notes are integral part of the financial statements. | | | |
| This is the statement of profit and loss referred to in our report of even date. | | | |

As per our report attached of even date

For and on behalf of the Board of Directors

For **J C Ranpura & CO.**
 Firm Registration No. 108647W
 Chartered Accountants
 UDIN: 22128453ANSZSE9244
MEHUL J. RANPURA
 Partner
 M. No.128453

S. A. Kotal
 Chief Financial Officer

Hiral A. Shah
 Company Secretary

R. R. Bambhania Managing Director
J. B. Jagani Non Executive Director

Place : Rajkot
 Date : 30.05.2022

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
 Date : 30.05.2022





Consolidated Cash Flow Statement for the year ended 31 March 2022

(₹ in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-------------------|-------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 160.27 | (107.68) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 91.15 | 102.14 |
| Finance costs | 66.84 | 87.67 |
| Deferred income on security deposit received | (8.00) | (7.03) |
| Interest income | (17.80) | (22.87) |
| Gain on fair valuation of financial instruments (net) | - | - |
| Dividend income | - | - |
| Gain on foreign currency transactions (net) | - | - |
| Increase/(decrease) in foreign exchange translation reserve | 4.19 | (3.75) |
| Preliminary expenses written off | - | - |
| Loss on sale of non current investments | (0.60) | - |
| Provision for doubtful advances/receivables | 16.39 | (1.16) |
| Movement in provision for employee benefits and others | - | - |
| Amounts/assets written off | - | - |
| Unclaimed balances and excess provisions written back | - | - |
| Mark to market of derivative asset | - | - |
| Operating profit before working capital changes | 312.45 | 47.33 |
| Movement in working capital | | |
| Decrease in non-current loans | 4.14 | - |
| Decrease in inventories | (553.69) | 562.17 |
| Decrease in Trade receivable and other financial assets | (749.73) | (66.76) |
| Decrease in other current assets | 431.64 | 356.49 |
| Decrease in Other Non Current Assets & Other Financial Assets | (33.22) | (11.69) |
| Increase in Trade payables & Other Financial Liabilities | 896.16 | 315.47 |
| Increase financial liabilities | - | 0.70 |
| Decrease in other current liabilities | (430.12) | (338.90) |
| Increase in Provisions | 106.02 | 17.34 |
| Cash flow from operating activities post working capital changes | (16.36) | 882.15 |
| Income tax paid (net) | (0.09) | 8.10 |
| Net cash flow from operating activities (A) | (16.45) | 890.25 |
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets (including capital work-in-progress) | (50.03) | (38.99) |
| Proceeds from sale/disposal of fixed assets | - | - |
| Purchase of intangible assets | (4.10) | (7.09) |
| Purchase of current and non-current investments | (200.00) | - |
| Proceeds from sale of investments | 50.01 | - |
| Assets held for sale | - | - |
| Movement in fixed deposits (net) | - | - |
| Interest received | 17.80 | 38.40 |
| Dividend received | - | - |
| Net cash flows used in investing activities (B) | (186.32) | (7.68) |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of capital (including securities premium and share application money) | - | - |
| Proceeds from long-term borrowings (net) | - | - |
| Repayment of short-term borrowings (net) | (204.10) | (38.52) |
| Movement in retained earnings | - | - |
| Finance cost paid | (58.84) | (67.64) |
| Dividend paid (including tax) | - | - |
| Net cash used in financing activities (C) | (262.95) | (106.16) |
| Increase in cash and cash equivalents (A+B+C) | (465.72) | 776.41 |
| Cash and cash equivalents at the beginning of the year | 1,381.29 | 604.88 |
| Cash and cash equivalents at the end of the year | 915.57 | 1,381.29 |

As per our report attached of even date

For **J C Ranpura & CO.**
Firm Registration No. 108647W
Chartered Accountants
UDIN: 22128453ANSZSE9244
MEHUL J. RANPURA
Partner
M. No.128453

S. A. Kotal
Chief Financial Officer

Hiral A. Shah
Company Secretary

Place : Rajkot
Date : 30.05.2022

For and on behalf of the Board of Directors

R. R. Bambhania Managing Director
J. B. Jagani Non Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30.05.2022



Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

(₹ in Lakhs)

| As at 01-04-2020 | Movement during the year | As at 31-03-2021 | Movement during the year | As at 31-03-2022 |
|------------------|--------------------------|------------------|--------------------------|------------------|
| 347.78 | NIL | 347.78 | NIL | 347.78 |

B. Other Equity

(₹ in Lakhs)

| | Reserve and Surplus | | | | | | Foreign Currency translation Reserve | Item of other Comprehensive income | Total |
|---|---------------------|-----------------|----------------------|----------------------------|-------------------|--------------------|--------------------------------------|------------------------------------|----------|
| | Capital Reserve | General Reserve | Cash Subsidy Reserve | Capital Redemption Reserve | Retained Earnings | Securities Premium | | | |
| Balance as at 1 April 2020 | 7.92 | 621.49 | 29.35 | 5.32 | 3,395.10 | 867.95 | (15.21) | (55.08) | 4,856.85 |
| Profit for the year | - | - | - | - | (99.82) | - | (3.75) | - | (103.56) |
| OCI for the year | - | - | - | - | - | - | - | 25.27 | 25.27 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Tax on dividends | - | - | - | - | - | - | - | - | - |
| Transfer from/to retained earnings | - | - | - | - | - | - | - | - | - |
| Ind As Adjustments | - | - | - | - | (6.26) | - | - | - | (6.26) |
| Transferred from/to employee's stock options outstanding for lapsed options | - | - | - | - | - | - | - | - | - |
| Transfer from/to securities premium | - | - | - | - | - | - | - | - | - |
| On dilution of subsidiary | - | - | - | - | - | - | - | - | - |
| Adjustment on account change in nature of group entity* | - | - | - | - | - | - | - | - | - |
| Sahres issued by subsidiary companies | - | - | - | - | - | - | - | - | - |
| Amalgamation reserve and others | - | - | - | - | - | - | - | - | - |
| Gain on account of dilution of stake in joint venture entities | - | - | - | - | - | - | - | - | - |
| Loss on account of purchase of compound financial instrument | - | - | - | - | - | - | - | - | - |
| Translation reserve during the year | - | - | - | - | - | - | - | - | - |
| Application money pending allotment | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 7.92 | 621.49 | 29.35 | 5.32 | 3,289.03 | 867.95 | (18.96) | (29.81) | 4,772.30 |
| Profit for the year | - | - | - | - | 166.66 | - | 4.19 | - | 170.86 |
| OCI for the year | - | - | - | - | - | - | - | 19.59 | 19.59 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Tax on dividends | - | - | - | - | - | - | - | - | - |
| Transfer from/to retained earnings | - | - | - | - | - | - | - | - | - |
| Transferred from/to employee's stock options outstanding for lapsed options | - | - | - | - | - | - | - | - | - |
| Transfer from/to securities premium | - | - | - | - | - | - | - | - | - |
| On dilution of subsidiary | - | - | - | - | - | - | - | - | - |
| Adjustment on account change in nature of group entity* | - | - | - | - | - | - | - | - | - |
| Sahres issued by subsidiary companies | - | - | - | - | - | - | - | - | - |
| Amalgamation reserve and others | - | - | - | - | - | - | - | - | - |
| Gain on account of dilution of stake in joint venture entities | - | - | - | - | - | - | - | - | - |
| Loss on account of purchase of compound financial instrument | - | - | - | - | - | - | - | - | - |
| Translation reserve during the year | - | - | - | - | - | - | - | - | - |
| Application money pending allotment | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | 7.92 | 621.49 | 29.35 | 5.32 | 3,455.69 | 867.95 | (14.76) | (10.22) | 4,962.75 |



**Notes to the Consolidated Financial Statements for the year ended 31st March, 2022.****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 **30th May, 2022**. 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 for the year ended **31st March, 2022** were prepared in accordance with the Ind AS, as per companies (financial standards) Rule, 2006, notified under section 133 of the companies act, 2013 and other relevant provisions of the act.

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 share based 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 Statement incorporates the 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 subsidiary and ceases when the company loses control of the subsidiary. 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, Goods and Service 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 from the 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. Amortization 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 are classified 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's expected 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, applicable taxes not eligible for credit, less rebates and discounts. 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.

Inventories are valued at,

| Inventory | Method |
|----------------------|-----------------------|
| Raw materials | Weighted Average Cost |
| Stock - in - process | Weighted Average Cost |
| Finished goods | Weighted Average Cost |
| Stores and spares | Net Realisable Value |
| Fuel | Weighted Average Cost |

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 leave 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 is 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 recognize 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 falling 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 are 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.

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 crystallizing 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. Judgments 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.

For **J C RANPURA & CO.**
Chartered Accountants
FRN: 108647W

(Mehul J. Ranpura)
Partner

Membership No. 128453
UDIN: 22128453ANSZSE9244

Place : Rajkot
Date : 30/05/2022





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

4 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

| Particulars | Freehold hold Land | Lease hold Land | Building | Plant and Equipments | Laboratory Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Computers | Wind Mill machinery | Total |
|---|--------------------|-----------------|---------------|----------------------|-----------------------|------------------------|---------------|-------------------|---------------|---------------------|-----------------|
| Gross carrying amount | | | | | | | | | | | |
| Balance as at 01 April 2020 | 0.72 | 0.96 | 543.42 | 2,514.50 | 2.61 | 184.92 | 244.69 | 125.08 | 140.81 | 353.93 | 4,111.66 |
| Additions, separately acquired | - | - | 0.55 | 33.08 | - | 0.16 | - | 2.70 | 2.50 | - | 38.99 |
| Adjustments during the year | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/assets written off | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 0.72 | 0.96 | 543.97 | 2,547.58 | 2.61 | 185.08 | 244.69 | 127.78 | 143.32 | 353.93 | 4,150.65 |
| Additions, separately acquired | - | - | 0.23 | 39.63 | 0.49 | 2.50 | - | 5.16 | 2.03 | - | 50.03 |
| Adjustments during the year | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/assets written off | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | 0.72 | 0.96 | 544.19 | 2,587.21 | 3.10 | 187.58 | 244.69 | 132.94 | 145.35 | 353.93 | 4,200.68 |
| Accumulated depreciation | | | | | | | | | | | |
| Balance as at 01 April 2020 | - | - | 336.08 | 1,989.26 | 0.00 | 160.92 | 185.88 | 107.21 | 132.65 | 318.09 | 3,230.10 |
| Charge for the year | - | 0.03 | 14.97 | 45.91 | 0.25 | 7.94 | 14.67 | 2.25 | 2.45 | 2.26 | 90.73 |
| Adjustments for disposals | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | - | 0.03 | 351.05 | 2,035.17 | 0.25 | 168.87 | 200.55 | 109.47 | 135.09 | 320.35 | 3,320.83 |
| Charge for the year | - | 0.02 | 14.71 | 46.65 | 0.26 | 3.63 | 7.35 | 2.53 | 2.32 | 2.26 | 79.72 |
| Adjustments for disposals | - | - | - | - | - | - | - | - | - | - | - |
| Exchange loss on translating foreign operations | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | - | 0.05 | 365.76 | 2,081.82 | 0.51 | 172.50 | 207.90 | 111.99 | 137.41 | 322.61 | 3,400.55 |
| Net book value as at 1 April 2020 | 0.72 | 0.96 | 207.34 | 525.24 | 2.61 | 24.00 | 58.81 | 17.87 | 8.17 | 35.84 | 881.56 |
| Net book value as at 31 March 2021 | 0.72 | 0.93 | 192.92 | 512.41 | 2.36 | 16.88 | 44.14 | 18.31 | 5.49 | 33.58 | 829.81 |
| Net book value as at 31 March 2022 | 0.72 | 0.91 | 178.44 | 505.38 | 2.59 | 15.08 | 36.80 | 20.94 | 7.94 | 31.32 | 800.12 |

Notes -

Fixed Assets include Assets in use for In House Research & Development Centres :

Research & Development Centre (Tractors)

Research & Development Centre (Construction Equipments)

CWIP includes Borrowing Cost of Rs. crores (Previous Year - Rs. crores), capitalised during the year.

Deletion in leased assets represent assets transferred to owned assets in respective categories on expiry of lease period.

| | | |
|--|---------------|---------------|
| | 44,651 | 44,286 |
| (a) An impairment loss of INR ____ in INR was recognised for since the recoverable amount from the assets forming part of was determined to be lower than their carrying value. The recoverable amount of the asset/ cash generating unit was determined as its 'value in use', based on management's expectation that | NIL | NIL |
| (b) All depreciation and impairment charges are included in statement of comprehensive income under 'depreciation and amortization of non-financial assets'. | NIL | NIL |
| (c) Land, building and certain other assets of the Group have been pledged as security for the Group's borrowings (see note 16__). | 44,651 | 44,286 |
| (d) The Group has contractual commitments amounting to INR ____ to acquire _____. tangible assets. | - | - |

(i) Contractual obligations

Refer note 54 for disclosure of contractual commitments for the acquisition of investment properties.

(ii) Capitalised borrowing cost

The borrowing costs capitalised during the year ended 31 March 2022 was ' ____ lacs (31 March 2021 ' ____ Crores).



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

5 OTHER INTANGIBLE ASSETS

| Particulars | 'aec' TRADE MARK | COMPUTER SOFTWARE | Total |
|---|----------------------|-------------------|---------------|
| Gross carrying amount | | | |
| Balance as at 01 April 2020 | 408.61 | 53.78 | 462.39 |
| Additions, separately acquired | - | 7.09 | 7.09 |
| Adjustments during the year | - | - | - |
| Disposals/assets written off | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2021 | 408.61 | 60.86 | 469.47 |
| Additions, separately acquired | - | 4.10 | 4.10 |
| Adjustments during the year | - | - | - |
| Disposals/assets written off | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2022 | 408.61 | 64.96 | 473.57 |
| Accumulated depreciation | | | |
| Balance as at 01 April 2020 | 202.26 | 43.85 | 246.11 |
| Charge for the year | 8.17 | 3.24 | 11.41 |
| Adjustments for disposals | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2021 | 210.43 | 47.08 | 257.52 |
| Charge for the year | 8.17 | 3.26 | 11.43 |
| Adjustments for disposals | - | - | - |
| Exchange loss on translating foreign operations | - | - | - |
| Balance as at 31 March 2022 | 218.61 | 50.34 | 268.95 |
| Net book value as at 1 April 2020 | | | |
| Net book value as at 31 March 2021 | 198.18 | 13.78 | 211.96 |
| Net book value as at 31 March 2022 | 190.00 | 14.62 | 204.63 |
| Useful Life of the asset (in Years) | 50.00 | 5.00 | |
| Method of Depreciation | Straight Line method | | |



Notes forming parts of the financials statements for the year ended 31st March, 2022

(Rs. in Lakhs)

6. Investments

| Particulars | Face Value | As at 31-03-2022 | | As at 31-03-2021 | |
|--|------------|------------------|-------------|------------------|--------------|
| | | No. of Shares | Amount | No. of Shares | Amount |
| In equity instruments[^] | | | | | |
| In subsidiaries (quoted) | | - | | - | |
| Sub total(a) | | - | | - | |
| In subsidiaries (unquoted) | | - | | - | |
| Sub total(b) | | - | | - | |
| In subsidiary preference shares (unquoted)# | | - | | - | |
| Sub total(c) | | - | | - | |
| In other companies (quoted) | | - | | - | |
| Sub total(d) | | - | | - | |
| In other companies (unquoted) | | | | | |
| Unquoted Equity Shares : | | | | | |
| Kowa Spining Ltd. | | 0.60 | 0.60 | 10.50 | 10.50 |
| Bagri Min & Chem Ltd. | | 0.03 | 0.03 | 0.26 | 0.26 |
| Damania Cap.Markets Ltd. | | 0.09 | 0.09 | 2.79 | 2.79 |
| Indo Dutch Protiens Ltd. | | 0.01 | 0.01 | 0.07 | 0.07 |
| Kongarar Textiles Ltd. | | 0.01 | 0.01 | 0.27 | 0.27 |
| Orissa Luminaries Ltd. | | 0.02 | 0.02 | 0.20 | 0.20 |
| Pennar Aqua Exports Ltd. | | 0.08 | 0.08 | 0.77 | 0.77 |
| Stiefel Und.Schuh (I) Ltd. | | 0.00 | 0.00 | 0.04 | 0.04 |
| Tina Electronics Ltd. | | 0.01 | 0.01 | 0.11 | 0.11 |
| A.J.Brothers Ltd. | | 0.04 | 0.04 | 0.57 | 0.57 |
| Asahi Fibres Ltd. | | 0.03 | 0.03 | 0.30 | 0.30 |
| Asian Bearings Ltd. | | 0.00 | 0.00 | 0.02 | 0.02 |
| Bhupendra Cap. & Fin.Ltd. | | 0.02 | 0.02 | 0.68 | 0.68 |
| Gujarat Meditech Ltd. | | 0.01 | 0.01 | 0.09 | 0.09 |
| Hindustan Agri Ltd. | | 0.01 | 0.01 | 0.07 | 0.07 |
| Supriya Pharma Ltd. | | 0.01 | 0.01 | 0.10 | 0.10 |
| Thambi Modern Spng.Mills | | 0.01 | 0.01 | 0.30 | 0.30 |
| Valley Abresive Ltd. | | 0.02 | 0.02 | 0.15 | 0.15 |
| Government Securities : | | - | - | - | - |
| National Saving Certificate | | - | - | 0.51 | 0.51 |
| | | - | - | - | - |
| Sub total(e) | | - | - | 17.80 | 17.80 |

***all these investment are carried as fair value through profit and loss, all other investments are carried at fair value through profit or loss)**

[^]All equity shares are of Rs. 10 each unless otherwise stated.

| | | |
|---|-------|--------------|
| Gross investment (a+b+c+d+e) | 17.80 | 17.80 |
| Less: Impairment in value of investments | 17.80 | 17.80 |
| Total imparement | 17.80 | 17.80 |
| Net Investment | - | - |

#these investment are carried at amortised cost

Total non-current investments

Aggregate amount of book value and market value of quoted investments

Aggregate amount of unquoted investments

Aggregate amount of impairment in value of investments



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March | 31 March | 31 March | 31 March |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2022 Long-term | 2021 Long-term | 2022 Short-term | 2021 Short-term |
| 7. Loans | | | | |
| (Unsecured, considered good unless otherwise stated) | | | | |
| Security deposits | | | | |
| - considered good | 51.43 | 55.57 | - | - |
| - considered doubtful | - | - | - | - |
| Loans to joint ventures/operations and associates | - | - | | |
| Intercompany deposits | - | - | | |
| Loan to related parties | - | - | | |
| | 51.43 | 55.57 | - | - |
| Less: provision for doubtful receivables | - | - | - | - |
| | 51.43 | 55.57 | - | - |
| 8. Other Financial Assets | | | | |
| (Unsecured, considered good unless otherwise stated) | | | | |
| Bank deposits for maturity more than 12 months | - | - | - | - |
| Income Tax Advances | 15.59 | 12.39 | | |
| Advances to related parties | - | - | - | - |
| Electric Power Income Receivable | - | - | 5.22 | 3.76 |
| Balance with government authorities | - | - | 294.26 | 114.87 |
| Advances recoverable | | | | |
| - considered good | 45.48 | 51.47 | 18.94 | 16.84 |
| - considered doubtful | - | - | - | - |
| | 61.07 | 63.86 | 318.41 | 135.47 |
| Less: provision for doubtful receivables | - | - | - | - |
| | 61.07 | 63.86 | 318.41 | 135.47 |
| 9. Deferred tax | | | | |
| Particulars | 31 March 2022 Amount | 31 March 2021 Amount | 31 March 2021 Amount | 31 March 2021 Amount |
| a. Deferred Tax | | | | |
| Deferred Tax Liabilities on account of : | | | | |
| Difference between Books & Tax Depreciation | (69.10) | | (64.45) | |
| Others | - | | (0.01) | |
| OCI | (6.88) | | (8.88) | |
| | | (75.98) | | (73.34) |
| Deferred Tax Assets on Account of : | | | | |
| Employees Benefits | 256.89 | | 206.45 | |
| Business Loss & Unabsorbed Depreciation Allowance | 11.05 | | 13.36 | |
| Allowance for doubtful receivable | 4.26 | | 4.05 | |
| On account of Tangible & Intangible Assets | 1.30 | | 1.48 | |
| On accounts of Financial Assets | 5.01 | | 10.93 | |
| Others | 9.98 | | 8.54 | |
| MAT Credit Entitlement | - | | - | |
| | | 288.50 | | 244.81 |
| Total | | 212.52 | | 171.48 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March | 31 March | 31 March | 31 March |
|---|-------------------|-------------------|--------------------|--------------------|
| | 2022 Long-term | 2021 Long-term | 2022 Short-term | 2021 Short-term |
| b. Current tax asset (net) | | | | |
| Advance income tax (net of provision) | - | - | - | - |
| | - | - | - | - |
| 10. Other assets | | | | |
| Advances to suppliers | - | - | 98.44 | 55.06 |
| Prepaid expenses | - | - | 26.66 | 23.60 |
| Advance to Employees | - | - | 36.19 | 33.17 |
| Capital advances | 41.06 | 5.05 | - | - |
| Interest accrued PGVCL deposit | - | - | 0.89 | 0.51 |
| Amount Receivable from Bank Under Fwd Contract | - | - | - | 481.48 |
| MAT Credit Entitlement | - | - | 25.84 | 41.09 |
| | 41.06 | 5.05 | 188.03 | 634.92 |
| Less: provision for doubtful receivables | - | - | - | - |
| | 41.06 | 5.05 | 188.03 | 634.92 |
| 11. Inventories (Valued at cost, unless otherwise stated) | | | | |
| Raw material and components | | 695.50 | | 580.36 |
| Goods-in-transit | | - | | 3.07 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 695.50 | | 583.43 |
| Semi Finished Goods | | 2,034.46 | | 1,665.09 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 2,034.46 | | 1,665.09 |
| Finished goods | | 767.17 | | 1,014.51 |
| Goods-in-transit | | 564.84 | | 233.23 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 1,332.01 | | 1,247.73 |
| Traded goods | | 140.58 | | 137.89 |
| Goods-in-transit | | | | |
| Less : Provision for obsolete and slow moving | | | | |
| | | 140.58 | | 137.89 |
| Stores and spares | | 69.31 | | 91.73 |
| Packing Materials | | 65.08 | | 57.37 |
| Less : Provision for obsolete and slow moving | | - | | - |
| | | 65.08 | | 57.37 |
| | | 4,336.94 | | 3,783.25 |

Inventories have been hypothecated as security against bank borrowings of the company as at 31st March, 2022.





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | Number of units | | Amount | |
|---|------------------|------------------|------------------|------------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| 12. Current Investments | | | | |
| In mutual funds | | | | |
| SBI Floating Rate Debt Fund | 9.53 | - | 100.00 | - |
| SBI Saving Fund | 1.45 | - | 50.60 | - |
| Sub total (A) | - | - | 150.59 | - |
| In bonds (unquoted) | | | | |
| Sub total (B) | - | - | - | - |
| In equity instruments (unquoted) | | | | |
| 100 equity shares of Rs 10 each of Escorts Investment Trust Limited | | - | | - |
| Sub total (C) | - | - | - | - |
| Total (A+B+C) | - | - | 150.59 | - |
| Aggregate amount of book value and market value of quoted investments | - | - | 150.59 | - |
| Aggregate amount of unquoted investments | - | - | - | - |
| Aggregate amount of impairment in value of investments | - | - | - | - |

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-----------------|-----------------|
| 13. Trade receivables | | |
| Secured : considered good | - | - |
| Unsecured : considered good | 2,498.48 | 1,942.53 |
| : considered doubtful | | |
| | 2,498.48 | 1,942.53 |
| Less: provision for doubtful receivables | 24.98 | 19.43 |
| | 2,473.50 | 1,923.10 |

| PARTICULARS | Outstanding from following periods from due date of payment | | | | | Total |
|-------------|---|----------------------|-----------|-----------|----------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |

13.1 Trade Receivables Ageing Schedule:

As on 31.03.2022

| | | | | | | |
|---|----------|-------|------|------|---------|----------|
| (a) Undisputed trade receivables Considered good | 2,524.28 | 28.96 | 7.12 | 0.04 | (61.92) | 2,498.48 |
| (b) Undisputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (c) Undisputed trade receivables Credit Impaired | - | - | - | - | - | - |
| (d) Disputed trade receivables Considered good | - | - | - | - | - | - |
| (e) Disputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (f) Disputed trade receivables Credit Impaired | - | - | - | - | - | - |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| PARTICULARS | Outstanding from following periods from due date of payment | | | | | Total |
|-------------|---|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |

13.2 Trade Receivables Ageing Schedule:

As on 31.03.2021

| | | | | | | |
|---|----------|-------|-------|-------|-------|----------|
| (a) Undisputed trade receivables Considered good | 1,833.34 | 21.45 | 39.08 | 10.39 | 38.27 | 1,942.53 |
| (b) Undisputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (c) Undisputed trade receivables Credit Impaired | - | - | - | - | - | - |
| (d) Disputed trade receivables Considered good | - | - | - | - | - | - |
| (e) Disputed trade receivables Considered doubtful | - | - | - | - | - | - |
| (f) Disputed trade receivables Credit Impaired | - | - | - | - | - | - |

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|----------------|-----------------|
| 14. Cash and bank balances | | |
| Cash and cash equivalents | | |
| Balances with banks | | |
| Current accounts | 123.86 | 51.87 |
| Fixed Deposits | 308.76 | 293.13 |
| In Dividend Account | 3.26 | 6.13 |
| Cheques, Drafts on hands | - | - |
| Cash in hand | 4.73 | 7.49 |
| Others | - | - |
| Debit balance of cash credit accounts | 469.28 | 964.75 |
| Bank deposits with maturity less than 3 months | - | - |
| Undeposited Funds | 5.69 | 57.91 |
| Bank deposits with maturity less than 3 months | - | - |
| | 915.57 | 1,381.29 |
| 15. Equity share capital | | |
| Authorised capital | | |
| Equity shares of RS. 10/- each | 400.00 | 400.00 |
| | 400.00 | 400.00 |
| Issued, subscribed and paid-up capital | | |
| Equity shares of RS. 10/- fully paid | 347.78 | 347.78 |
| | 347.78 | 347.78 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|-------------|----------------|----------------|
|-------------|----------------|----------------|

a) Shareholders holding more than 5 % shares in the company.

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

b) No Change in Equity shares and Equity Share Capital during the financial years 2021-22 and 2020-21.

c) 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 Board of 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 fully paid 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

e) Details of Shareholding of Promoters :

Shares held by promoters at the end of the year

| Promoter Name | No. of Shares | % of total shares | % change during the year |
|---|-----------------|-------------------|--------------------------|
| [A] Shareholders Holding Equity Shares : | | | |
| Bhogayta Jeshanker Ramjibhai HUF | 1,46,410 | 4.21% | - |
| Ramniklal N Bambhania | 1,20,000 | 3.45% | - |
| Jeshankar R Bhogayata | 75,500 | 2.17% | - |
| Total | 3,41,910 | 9.83% | - |

16. Other equity

Statement of profit and loss

| | | |
|--|-----------------|-----------------|
| As per last balance sheet | 3,289.03 | 3,395.10 |
| Add : Net profit for the year | 166.66 | (99.82) |
| Less : Appropriations | | |
| Transfer to debenture redemption reserve | - | - |
| Transfer to general reserve | - | - |
| Equity dividend | - | - |
| Tax on equity dividend | - | - |
| Preference dividend | - | - |
| Tax on preference dividend | - | - |
| Amalgamation reserve and others | - | - |
| Ind AS adjustments | - | (6.26) |
| Depreciation adjustment | - | - |
| Capital redemption reserve | - | - |
| Gain on account of disposal of interests | - | - |
| Loss on account of purchase of DE Shaw instrument | - | - |
| Total appropriations | - | (6.26) |
| Net surplus in statement of profit and loss | 3,455.69 | 3,289.03 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|-----------------|-----------------|
| Other Reserve | | |
| General Reserve | | |
| As per last balance sheet | 621.49 | 621.49 |
| Add : Transferred from employee's stock options outstanding for lapsed options | - | - |
| Amount transferred from statement of profit and loss | | |
| | 621.49 | 621.49 |
| Capital Reserve | | |
| As per last balance sheet | 7.92 | 7.92 |
| Amount transferred from statement of profit and loss | | |
| | 7.92 | 7.92 |
| Capital Redemption Reserve | | |
| As per last balance sheet | 5.32 | 5.32 |
| Amount transferred from statement of profit and loss | | |
| | 5.32 | 5.32 |
| Securities Premium Account | | |
| As per last balance sheet | 867.95 | 867.95 |
| Add : Additions on ESOP exercised | | |
| | 867.95 | 867.95 |
| Cash Subsidy Reserve | | |
| As per last balance sheet | 29.35 | 29.35 |
| Add: Amount transferred from statement of profit and loss | | |
| Less: Amount transferred to general reserve | | |
| | 29.35 | 29.35 |
| Other Comprehensive Income | | |
| As per last balance sheet | (29.81) | (55.08) |
| Translation reserve during the year | 19.59 | 25.27 |
| | (10.22) | (29.81) |
| Foreign Currency translation Reserve | | |
| As per last balance sheet | (18.96) | (15.21) |
| Translation reserve during the year | 4.19 | (3.75) |
| | (14.76) | (18.96) |
| Total reserves | 4,962.75 | 4,772.30 |



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| 17. Other non-current liabilities | | |
| (a) Advances: | | |
| (b) Others: | | |
| Advance received | - | - |
| Deferred income | - | - |
| Provision for Decommissioning Liability - Windmill | 5.00 | 5.00 |
| Long term Prepaid Income | - | - |
| | 5.00 | 5.00 |
| 18A. Provisions | | |
| (a) Provision for Employee Benefits: | | |
| Provision for leave encashment | 35.94 | 39.54 |
| Provision for gratuity | 878.87 | 834.30 |
| Provision for other employee benefits | - | - |
| (b) Others: | | |
| Provision for contingency | - | - |
| Provision for warranty | - | - |
| | 914.82 | 873.84 |

| Particulars | Opening Balance | Additions Durig the Year | Amount used during the Year | Amount Reversed during the Year | Adjustments due to changes in discounting Rate | Closing Balance |
|--------------------------------|-----------------|--------------------------|-----------------------------|---------------------------------|--|-----------------|
| Provision for leave encashment | 39.54 | 15.80 | 19.40 | - | - | 35.94 |
| Provision for gratuity | 834.30 | 100.65 | - | 56.08 | - | 878.87 |
| | 873.84 | 116.46 | 19.40 | 56.08 | - | 914.80 |

18B. Provisions

| | | |
|--------------------------------------|---------------|---------------|
| (a) Provision for Employee Benefits: | | |
| Provision for gratuity ST | 109.16 | 123.57 |
| Provision for Bonus | 88.24 | 86.15 |
| Provision for leave encashment ST | 5.07 | 5.85 |
| Provision for Salary ST | 82.23 | 81.94 |
| (b) Others: | | |
| Provision for Expense payable ST | 98.25 | 49.47 |
| Provision for tax ST | - | - |
| Provision for others - ST | 9.49 | - |
| | 392.43 | 346.98 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | Opening Balance | Additions Durig the Year | Amount used during the Year | Amount Reversed during the Year | Adjustments due to changes in discounting Rate | Closing Balance |
|-----------------------------------|-----------------|--------------------------|-----------------------------|---------------------------------|--|-----------------|
| Provision for gratuity ST | 123.57 | - | - | 14.41 | - | 109.16 |
| Provision for Bonus | 86.15 | 89.05 | 79.11 | 7.85 | - | 88.24 |
| Provision for leave encashment ST | 5.85 | - | - | 0.78 | - | 5.07 |
| Provision for Salary ST | 81.94 | 82.30 | - | 82.01 | - | 82.23 |
| Provision for Expense payable ST | 49.47 | 98.26 | - | 49.49 | - | 98.25 |
| Provision for others - ST | - | 9.49 | - | - | - | 9.49 |
| | 346.98 | 279.10 | 79.11 | 154.54 | - | 392.43 |

19. Short-term Borrowings**Secured**

(a) Loan Repayable on demand:

(i) From Bank

Short term Loans

Cash credit / export packing credit & working capital demand loans

(i) From other parties

(b) Loan from Related Parties

(c) Deposits

(d) Others

| | |
|---------------|---------------|
| - | 278.78 |
| 376.32 | 301.64 |
| - | - |
| - | - |
| - | - |
| 376.32 | 580.42 |

20. Trade Payables

Trade payables - acceptances

Trade Payables dues to micro and small enterprises

Trade Payables dues to other than micro and small enterprises

Creditors for Capital Goods

Trade payables - Other accrued liabilities

Other current liabilities - Expenses payable

| | |
|-----------------|-----------------|
| - | - |
| 169.56 | 65.83 |
| 2,283.74 | 1,494.39 |
| 161.30 | 155.35 |
| - | - |
| - | - |
| 2,614.60 | 1,715.57 |

20.1. Trade payable ageing schedule on 31-3-2022

(Amount in Lakhs)

| PARTICULARS | Outstanding from following periods from due date of payment | | | | Total |
|---------------------------|---|-------------|-------------|------------------|-----------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| a) MSME | 169.56 | - | - | - | 169.56 |
| b) Others | 2,271.22 | 4.26 | 0.03 | 169.53 | 2,445.04 |
| c) Disputed dues - MSME | - | - | - | - | - |
| d) Disputed dues - Others | - | - | - | - | - |
| Total | 2,440.78 | 4.26 | 0.03 | 169.53 | 2,614.60 |



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)
(Amount in Lakhs)

20.2. Trade payable ageing schedule on 31-3-2021

| PARTICULARS | Outstanding from following periods from due date of payment | | | | Total |
|---------------------------|---|--------------|-------------|---------------------|-----------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| a) MSME | 65.83 | - | - | - | 65.83 |
| b) Others | 1,535.03 | 15.54 | 0.14 | 164.86 | 1,649.74 |
| c) Disputed dues - MSME | - | - | - | - | - |
| d) Disputed dues - Others | - | - | - | - | - |
| Total | 1,600.86 | 15.54 | 0.14 | 164.86 | 1,715.57 |

21. Other Financial Liabilities

| | | |
|--|-------------|-------------|
| Current maturities of long-term borrowings | - | - |
| Current maturities of finance lease obligation | - | - |
| Interest accrued but not due on borrowings | - | - |
| Interest accrued and due on borrowings | - | - |
| Security deposits | - | - |
| Unpaid dividends* | 3.26 | 6.13 |
| Payable to related parties | - | - |
| Employee related payables | - | - |
| Retention money | - | - |
| Matures/ Unclaimed Fixed Deposits and Interest thereon | - | - |
| Margin money payable | - | - |
| Other payables | - | - |
| | 3.26 | 6.13 |

* not due for credit to 'Investor Education and Protection Fund'

22. Other Current Liabilities

(a) Revenue received in Advance:

(b) Other Advances:

| | | |
|-------------------|--------|--------|
| Advances received | 101.60 | 114.52 |
|-------------------|--------|--------|

(c) Others

| | | |
|-----------------------------------|---------------|---------------|
| Statutory dues | 15.92 | 8.30 |
| Foreign Currency Payable | - | 411.97 |
| Deferred Premium on Fwd. Contract | - | 12.86 |
| Deferred revenue | - | - |
| Deferred income | - | - |
| | 117.52 | 547.64 |

23. Revenue From Operations

Operating Revenue

| | | |
|-----------------------------|-----------------|-----------------|
| Revenue from export sales | 2,910.54 | 2,816.54 |
| Revenue from domestic sales | 4,627.13 | 2,764.72 |
| Sale of Traded Goods | 1,320.51 | 1,209.21 |
| Wind Electric Power Income | 71.66 | 49.57 |
| | 8,929.84 | 6,840.05 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-----------------|-----------------|
| Other Operating Revenue | | |
| Job- Work Income | 4.76 | 4.31 |
| Duty Draw back & Other Export Incentive | 112.70 | 66.02 |
| Scrap Sale | 44.46 | 33.27 |
| Others | - | - |
| | 161.91 | 103.60 |
| | 9,091.75 | 6,943.65 |
| 24. Other Income | | |
| Income from current investments | | |
| Dividend received* | - | - |
| | - | - |
| Interest from : | | |
| PGVCL Deposit Interest | 0.42 | 0.55 |
| FD Interest | 17.36 | 18.47 |
| VAT Refund Interest | - | 3.84 |
| Others | 0.02 | - |
| | 17.80 | 22.87 |
| Other income | | |
| Profit on disposal of fixed assets | 0.60 | - |
| Unclaimed balances and excess provisions written back | 3.28 | 5.95 |
| Foreign Exchange Rate Diff. Income | 55.97 | 34.38 |
| Rent Income | 1.75 | 1.67 |
| Mark to market of derivative asset ** | 22.99 | 16.77 |
| Unwinding of Interest income on deposit & loan | 8.00 | 7.03 |
| VAT Refund | - | 1.62 |
| Freight Charges | 0.47 | 3.55 |
| Discount on Purchase | 1.52 | 5.71 |
| Premium on Forward Contract | - | 20.78 |
| Interest charge to Debtors | 0.56 | - |
| Miscellaneous income | 0.55 | 0.16 |
| | 95.70 | 97.63 |
| | 113.50 | 120.49 |

* The Group did not received any dividend from the equity instruments designated as FVOCI.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-----------------|-----------------|
| 25 (a) Cost of Material Consumed | | |
| Opening Stock | 583.43 | 661.36 |
| Add : Purchases | 3,893.07 | 2,159.78 |
| | 4,476.50 | 2,821.14 |
| Less: Sales | 33.92 | 35.71 |
| | 4,442.59 | 2,785.43 |
| Less : Closing Stock | 695.50 | 583.43 |
| | 3,747.08 | 2,202.00 |
| 25 (b) Purchase of traded goods | | |
| Purchase of traded goods | 1,099.37 | 940.55 |
| | 1,099.37 | 940.55 |
| 25 (c) Changes in inventories of work-in-progress, stock-in-trade and finished goods | | |
| Opening Stock | | |
| Finished goods | 1,247.73 | 1,444.18 |
| Work-in-progress | 1,665.09 | 1,866.83 |
| Traded goods | 137.89 | 232.20 |
| | 3,050.71 | 3,543.20 |
| Closing Stock | | |
| Finished goods | 1,332.01 | 1,247.73 |
| Work-in-progress | 2,034.46 | 1,665.09 |
| Traded goods | 140.58 | 137.89 |
| | 3,507.05 | 3,050.71 |
| Total (increase)/decrease in inventories | (456.34) | 492.49 |
| 26. Employee Benefit Expense* | | |
| Salaries, wages and bonus | 1,397.25 | 1,352.45 |
| Contribution to provident and other funds** | 114.90 | 91.94 |
| Gratuity Expense | 103.46 | 101.42 |
| Staff welfare | 44.25 | 28.53 |
| | 1,659.86 | 1,574.34 |
| * net of capitalisation | | |
| ** For descriptive notes on disclosure of defined benefit obligation refer note 49. | | |
| 27. Finance costs* | | |
| Interest Expenses on borrowings | 19.28 | 42.05 |
| Interest Expenses for Others | 17.77 | 17.32 |
| Bank Commission | 29.79 | 28.30 |
| | 66.84 | 87.67 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|-----------------|-----------------|
| 28. Depreciation and Amortisation ** | | |
| Depreciation on | | |
| Property, plant and equipment | 79.72 | 90.73 |
| Amortisation on | | |
| Intangible assets | 11.43 | 11.41 |
| Impairment | | |
| Goodwill | - | - |
| | 91.15 | 102.14 |
| 29. Other Expenses | | |
| Foreign Currency Loss | 56.65 | - |
| Stores & Spares consumed | 467.22 | 313.80 |
| Packing materials consumed | 212.62 | 125.14 |
| Job work charges | 936.41 | 517.86 |
| Power & Fuel | 104.54 | 85.05 |
| Rent | 23.00 | 12.45 |
| Repairs and Maintenance - Machinery | 28.62 | 6.60 |
| Repairs and Maintenance - Building | 8.74 | 4.63 |
| Repairs and Maintenance - Furniture | 0.25 | 0.01 |
| Repairs and Maintenance - Others | 4.43 | 1.61 |
| Insurance | 15.46 | 14.52 |
| Interest on TDS | 0.03 | 0.00 |
| Rates and Taxes | 0.75 | 6.13 |
| Communication | 6.51 | 7.62 |
| Travelling Exp. | 34.90 | 12.38 |
| Outward Transportation | 77.32 | 57.12 |
| Loss on Sale of Shares | - | - |
| Donation | 4.45 | 4.45 |
| Sales commission | 131.38 | 143.57 |
| Sales promotion | 2.54 | 3.07 |
| Covid - 19 | 1.91 | 2.23 |
| Service tax | - | - |
| GST late Fees | 0.01 | - |
| G. S. T. Exp. | 3.46 | 3.08 |
| Interest on GST | 0.06 | 0.02 |
| Provision for Expected Credit Loss | 16.39 | (1.16) |
| Bad debts W/o | 25.26 | 2.34 |
| Realised Gain/Loss on Derivatives | - | 0.76 |
| Payment to Auditors (for Statutory Audit) | 2.25 | 2.25 |
| Audit Committees- Sitting Fees | 0.40 | 0.40 |
| Vehicle Exepenses | 79.90 | 69.20 |
| Other Misc.Expenses | 591.56 | 377.50 |
| | 2,837.02 | 1,772.63 |



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|---|---------------------------|---------------------------|
| 30. Tax Expense | | |
| Current tax | 34.65 | 0.09 |
| Short/excess provision for income tax earlier years | - | (0.25) |
| Minimum alternate tax credit entitlement | - | - |
| Deferred tax | (41.04) | (7.70) |
| | (6.39) | (7.86) |
| 31. OCI Schedule | | |
| Other Comprehensive Income | | |
| (A) Items that will not be reclassified to profit or loss | | |
| (i) Re-measurement gains (losses) on defined benefit plans | 26.48 | 34.15 |
| Income tax effect | (6.88) | (8.88) |
| (ii) Net (loss)/gain on FVTOCI equity securities | - | - |
| Income tax effect | - | - |
| | 19.59 | 25.27 |
| (B) Items that will be reclassified to profit or loss | - | - |
| | 19.59 | 25.27 |
| 32. Earnings Per Equity Share | | |
| The Group's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Parent. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive. | | |
| Net profit attributable to equity shareholders | | |
| Profit after tax | 166.66 | (99.82) |
| Profit attributable to equity holders of the parent adjusted for the effect of dilution | 166.66 | (99.82) |
| Nominal value of equity share (Rs.) | 347.78 | 347.78 |
| Weighted-average number of equity shares for basic EPS | 34.78 | 34.78 |
| Basic earnings per share (Rs.) | 4.79 | (2.87) |
| Nominal value of equity share (Rs.) | 347.78 | 347.78 |
| Weighted-average number of equity shares adjusted for the effect of dilution | 34.78 | 34.78 |
| Diluted earnings per share (Rs.) | 4.79 | (2.87) |
| Particulars | 2021-22 Amount | 2020-21 Amount |
| 33. CONTINGENT LIABILITIES | | |
| BANK GURANTEES | 386.80 | 133.75 |
| CENTRAL EXCISE DEMAND | 146.86 | 146.86 |
| (Paid against total demand) | 10.81 | 10.81 |





Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

| Particulars | 31 March, 2022 | 31 March, 2021 |
|-------------|----------------|----------------|
|-------------|----------------|----------------|

34. DETAILS OF SEGMENT REPORTING:

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

(1) PRIMARY SEGMENT:

| Particulars | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
|---|-----------------|----------|--------------|---------|-----------------|----------|
| | Bearing | Bearing | Power | Power | Total | Total |
| 1. SEGMENT REVENUE | 9,133.59 | 7,014.57 | 71.66 | 49.57 | 9,205.25 | 7,064.14 |
| Other Unallocated Revenue | - | - | - | - | - | - |
| Total | 9,133.59 | 7,014.57 | 71.66 | 49.57 | 9,205.25 | 7,064.14 |
| Less: Inter Segment Revenue | - | - | 71.66 | 49.57 | 71.66 | 49.57 |
| Net Income from Operation | 9,133.59 | 7,014.57 | - | - | 9,133.59 | 7,014.57 |
| 2. SEGMENT RESULTS | | | | | | |
| PROFIT/(LOSS) BEFORE INTEREST & TAX | 174.54 | (72.28) | 52.57 | 52.27 | 227.11 | (20.01) |
| LESS : Interest | - | - | - | - | (66.84) | 87.67 |
| Other unallocated Expenses | - | - | - | - | - | - |
| TOTAL PROFIT/(LOSS) BEFORE TAX | 174.54 | (72.28) | 52.57 | 52.27 | 160.27 | (107.68) |
| 3. CAPITAL EMPLOYED (SEGMENT ASSETS-SEGMENT LIABILITIES) | | | | | | |
| Segment Assets | 9,466.07 | 8,933.46 | 49.45 | 49.72 | 9,515.51 | 8,983.19 |
| Add: Common assets | - | - | - | - | 238.36 | 212.57 |
| TOTAL ASSETS | 9,466.07 | 8,933.46 | 49.45 | 49.72 | 9,753.87 | 9,195.75 |
| Segment Liabilities | 4,438.35 | 4,070.49 | 4.99 | 5.18 | 4,443.34 | 4,075.67 |
| Add: Common Liabilities | - | - | - | - | - | - |
| TOTAL LIABILITIES | 4,438.35 | 4,070.49 | 4.99 | 5.18 | 4,443.34 | 4,075.67 |
| SEGMENT CAPITAL EMPLOYED | 5,027.72 | 4,862.98 | 44.46 | 44.54 | 5,310.53 | 5,120.08 |

(2) GEOGRAPHICAL SEGMENTS:

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

| Revenue | 2021-22 | 2020-21 |
|---------------|-----------------|----------|
| Within India | 5,174.03 | 4,071.26 |
| Overseas | 3,959.56 | 2,943.26 |
| Total: | 9,133.59 | 7,014.52 |

(b) Assets base on geographical location:

| Particulars | Carrying Amount of Segment Assets | | Addition to Fixed Assets and Intangible Assets | |
|---------------|-----------------------------------|----------|--|--------------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Within India | 8,722.13 | 8,162.96 | 53.69 | 46.08 |
| Overseas | 1,031.74 | 1,032.79 | - | - |
| Total: | 9,753.87 | 9,195.75 | 53.69 | 46.08 |



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

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
- (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
- (b) Key Management Personnel
- (i) Shri R R Bambhania (ii) Shri S A Kotal
- (iii) Ms. Nirali Doshi (upto 31.01.2022) (iv) Shri Hiren N. Vadgama
- (v) Mrs. Hiral A. Shah (from 01.02.2022)
- (c) Relative of Key Management Personnel
- (i) Shri N. C. Vadgama HUF (ii) Shri R. N. Bambhania HUF
- (iii) Shri S.M. Thanki HUF (iv) Shahid S. Kotal
- (v) Shri Jignesh S. Thanki

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 | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| INCOME | | | | | | |
| (1) Sales of Goods | 28.31 | 40.03 | - | - | - | - |
| (2) Job Work | 3.01 | 3.70 | - | - | - | - |
| EXPENSES | | | | | | |
| (1) Purchase of Goods | 13.06 | 21.59 | - | - | - | - |
| (2) Remuneration | - | - | - | - | - | - |
| (3) Salary | - | - | 46.28 | 42.82 | 8.45 | 12.28 |
| (4) Jobwork | 508.90 | 295.68 | - | - | - | - |
| (5) Interest | - | - | - | - | 16.31 | 13.51 |
| (6) Professional Fees | - | - | - | - | - | - |
| (7) Dividend Paid | - | - | - | - | - | - |
| OUTSTANDING | | | | | | |
| Payable | 140.92 | 45.72 | - | - | 150.97 | 125.06 |
| Receivable | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - |



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

36. FINANCIAL INSTRUMENT
A. Financial Instruments by category

| Particulars | As at 31-03-2022 | | As at 31-03-2021 | |
|--|------------------|-----------------|------------------|-----------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets | | | | |
| Measured at amortised cost (A) | | | | |
| Other financial assets | 379.49 | 379.49 | 254.90 | 254.90 |
| Trade Receivables | 2,473.50 | 2,473.50 | 1,923.10 | 1,923.10 |
| Cash and cash equivalents | 915.57 | 915.57 | 1,381.29 | 1,381.29 |
| Total financial assets at amortised cost (A) | 3,768.55 | 3,768.55 | 3,559.29 | 3,559.29 |
| Measured at fair value through Other Comprehensive Income (B) | | | | |
| Non- Current Other Investments | 17.80 | - | 17.80 | - |
| Measured at fair value through Profit and Loss (C) | | | | |
| | - | - | - | - |
| Total Financial assets (A + B + C) | 3,786.35 | 3,768.55 | 3,577.09 | 3,559.29 |
| Financial liabilities | | | | |
| Measured at amortised cost | | | | |
| Long term Borrowings | - | - | - | - |
| Short term Borrowings | 376.32 | 376.32 | 580.42 | 580.42 |
| Trade Payables | 2,614.60 | 2,614.60 | 1,560.22 | 1,560.22 |
| Other financial liabilities | 8.26 | 8.26 | 174.77 | 174.77 |
| Total financial liabilities carried at amortised cost | 2,999.18 | 2,999.18 | 2,315.42 | 2,315.42 |

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 transparency.

The Company'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 | Maintaining sufficient cash / cash equivalents. |
| Market Risk | Financial assets and liabilities | Sensitivity 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 the expected 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 quickly at close to its fair value.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast 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 |
|--------------------------------------|------------------|------------------|----------|
| <u>As on 31st March, 2022</u> | | | |
| Borrowings | 376.32 | - | 376.32 |
| Trade payables | 2,614.60 | - | 2,614.60 |
| Other Financial Liabilities | 3.26 | 5.00 | 8.26 |
| <u>As on 31st March, 2021</u> | | | |
| Borrowings | 580.42 | - | 580.42 |
| Trade payables | 1,560.22 | - | 1,560.22 |
| Other Financial Liabilities | 169.77 | 5.00 | 174.77 |

(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 from changes 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 foreign exchange risk. The Company evaluates 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 ensures 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 the overall debt portfolio of the Company.

The following table summarises the capital of the Company.

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|----------------------------|---------------------|---------------------|
| Equity * | 5,310.53 | 5,120.08 |
| Long Term Debt | - | - |
| | 5,310.53 | 5,120.08 |
| Tangible and other assets | 1,004.75 | 1,041.77 |
| Working Capital | 4,859.51 | 4,661.19 |
| Others (Net) (Liabilities) | (605.16) | (582.88) |
| | 5,259.10 | 5,120.08 |

* 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 Machineries

Rent expenses of Rs. 15,60,000/- (Previous Year Rs. 12,44,955/-) in respect of obligation under non cancellable operating leases have been recognised in the Statement of Profit and Loss.



**Notes to the Consolidated Financial Statements for the year ended 31 March 2022**

(Rs. in Lakhs)

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

| Particulars | As at 31st March 2022 Rs. | As at 31st March 2021 Rs. |
|--|---------------------------------|---------------------------------|
| a. Not later than one year | - | 1.18 |
| b. Later than one year but not later than five years | 15.60 | 11.27 |

38. 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 least equal to the amount at which they are stated.
39. Confirmation of debit / credit balances have not been received and hence these balances are subject to adjustment if any.
40. Previous year figures :
The company has regrouped / rearranged previous year figures in veiw of easy comparision with current year figures.
41. Figures rounded off to nearest rupee. All the figures includig previous year figures have been rounded off to nearest rupee.

As per our report attached of even date

For **J C Ranpura & CO.**
Firm Registration No. 108647W
Chartered Accountants
UDIN: 22128453ANSZSE9244
MEHUL J. RANPURA
Partner
M. No.128453

Place : Rajkot
Date : 30.05.2022

S. A. Kotal
Chief Financial Officer

Hiral A. Shah
Company Secretary

For and on behalf of the Board of Directors

R. R. Bambhania Managing Director
J. B. Jagani Non Executive Director

Place : PATLA, Taluka, BHESAN, Dist.. JUNAGADH
Date : 30.05.2022



Additional Regulatory Information for the year ended 31 March 2022

- (i) Title Deed of Immovable Properties not held in the name of the Company As per Annexure 1
- (ii) The Company has not Classified any Property as Investment Property.
- (iii) The Company has not revalued its Property, Plant and Equipments.
- (iv) The Company has not revalued its Intangible Assets.
- (v) Disclosures relating to Loans and Advances in the nature of loans granted to promoters, directors, KMPs and the related parties:
- (a) repayable on demand
- (b) without specifying any terms or period of repayment

| Type of Borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans or Advances in the nature of loan outstanding |
|-------------------|---|---|
| 1 Promoters | - | - |
| 2 Directors | - | - |
| 3 KMPs. | 2,00,000.00 | - |
| 4 Related Parties | 1,46,786.00 | - |

- (vi) Capital-Work-in Progress (CWIP) :

- a CWIP ageing schedule

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

- b Details of CWIP overdue or costs of which exceeded its original plan

| CWIP | Amount in CWIP for a period of | | | | Total |
|------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |

- (vii) Intangible assets under development :

- a Ageing schedule of intangible assets under development

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

- b Details of CWIP of intangible assets overdue or costs of which exceeded its original plan

| CWIP | Amount in CWIP for a period of | | | | Total |
|------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |

- (viii) Details of Benami Property held

No proceedings are initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rule made thereunder.





(ix) Disclosures regarding borrowings from banks or financial institutes:

The Quarterly returns or statements of current assets filed by the company with bank or financial institutions are not in agreement with books of account and the reconciliation is as follows

| Quarter | As per Books | As per Statement | Difference | Reason |
|---------|------------------|------------------|-----------------|-----------------------------------|
| 1 | 5,629.00 | 5,629.00 | - | Trade Receivable of Subsidiary |
| 2 | 5,892.00 | 6,383.00 | (491.00) | company was included in statement |
| 3 | 6,465.00 | 6,465.00 | - | |
| 4 | 5,961.00 | 5,961.00 | - | |
| | 23,947.00 | 24,438.00 | (491.00) | |

(x) Willful Defaulter:

The board of directors of the Company is of the opinion that the Company has, till the date of signing of this financial statement, not been declared as willful defaulter by its banks or financial institution.

(xi) Relationship with Struck off Companies

On the basis of confirmation with the parties, the board of directors of the Company is of the opinion that the Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(xii) Details of Registration of charges or satisfaction with Registrar of Companies yet to be registered

No charges or its satisfaction is yet to be registered with Registrar of Companies.

(xiii) Compliance with number of layers of companies

On the basis of information received by us during the course of Audit, the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on numbers of layers) Rules, 2017.

(xiv) Disclosures of Ratios:

As per Annexure 2

(xv) Compliance with approved Scheme(s) of Arrangements:

The Company has not made any Scheme of Arrangements with competent Authority in terms of sections 230 to 237 of Companies Act, 2013.

(xvi) Utilisation of Borrowed Funds and Share Premiun :

- a The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) or has not provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- b The Company has not received any funds or not entered into any understanding that company invest or land the said amount for the benefits of Funding Party directly or indirectly or The company has not provide any guarantee on behalf of Ultimate Beneficiaries.





Annexure 1

| | Relevant line item in the balance sheet | Description of item of property | Gross Carrying value | Title deeds held in the name of | Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor or director | Property held since which date | Reason for not held in the name of the company |
|-----|---|---------------------------------|----------------------|---------------------------------|--|--------------------------------|--|
| [1] | PPE | - | - | - | - | - | - |
| [2] | Investment Property | - | - | - | - | - | - |
| [3] | PPE retired from active use and held for disposal | - | - | - | - | - | - |
| [4] | Others | - | - | - | - | - | - |

Annexure 2

| | Ratios | Numerators Current period [Previous period] | Denominators Current period [Previous period] | Current Period | Previous Period | % Variance | Reason for Variance |
|-----|----------------------------------|---|---|----------------|-----------------|---------------|------------------------|
| [a] | Current Ratio | 7,402.97 (7,369.82) | 2,603.75 2,734.15) | 2.84 | 2.70 | 5.48 | |
| [b] | Debt-Equity Ratio | 376.32 (580.42) | 5,254.63 5,092.90) | 0.07 | 0.11 | -37.16 | See Note 1 |
| [c] | Debt-Service Coverage Ratio | 311.05 (88.95) | 1,243.82 1,248.36) | 0.25 | 0.07 | 250.98 | See Note 2 |
| [d] | Return on Equity Ratio | 142.13 (75.02) | 5,173.76 5,120.90) | 0.03 | (0.01) | -287.52 | See Note 3 |
| [e] | Inventory Turnover Ratio | 3,747.08 (2,202.00) | 4,060.09 4,064.33) | 0.92 | 0.54 | 70.35 | See Note 4 |
| [f] | Trade Receivables Turnover Ratio | 8,910.64 (6,834.76) | 1,583.09 (1,600.94) | 5.63 | 4.27 | 31.84 | See Note 5 |
| [g] | Trade Payables Turnover Ratio | 4,992.44 (3,100.32) | 1,561.06 (1,139.08) | 3.20 | 2.72 | 17.50 | |
| [h] | Net Capital Turnover Ratio | 8,910.64 (6,834.76) | 4,799.21 (4,635.67) | 1.86 | 1.47 | 25.93 | See note 6 |
| [i] | Net Profit Ratio | 142.13 (75.02) | 8,910.64 6,834.76) | 0.02 | (0.01) | -245.32 | See Note 7 |
| [j] | Return on Capital employed | 174.05 (23.98) | 5,630.94 5,673.32) | 0.03 | (0.00) | -831.13 | See Note 8 |
| [k] | Return on investments | - | - | - | - | - | |



**Notes:**

- 1 The Company has Repaid the short term Loan and therefor the ratio has decreased.
- 2 During FY 2021-22 net profit has increased and interest Expense has decreased and there for the ratio has increased in FY 2021-22.
- 3 Net Profit has increased during FY 2021-22 and therefor the ratio has increased in FY 2021-22.
- 4 Due to increased in Cost of Goods sold the ratio has increased in FY 2021-22.
- 5 Net sales has increased in FY 2021-22 in comparison with FY 2020-21 and therefor the ratio has increased in FY 2021-22.
- 6 Due to increase in net sales and increase in working capital ratio has increase in FY 2021-22 in comparison with FY 2020-21.
- 7 During the FY 2021-22 Net sales has increased and net profit has also increased and therefor ratio has increased in FY 2021-22.
- 8 During FY 2021-22 Interest expense has decreased in comparison with FY 2020-21 and therefor the ratio has increase in FY 2021-22.

ANALYTICAL RATIOS :**WORKINGS:****(Amount in Lakhs)**

| Sr No. | Particulars | 2021-22 | 2020-21 |
|-----------|---|-----------------|-----------------|
| 1 | Current Assets | 8,383.04 | 7,858.03 |
| 2 | Current Liabilities | 3,523.53 | 3,196.84 |
| 3 | Total Debt | | |
| | Current Borrowings | 376.32 | 580.42 |
| | NonCurrent Borrowings | - | - |
| | Total | 376.32 | 580.42 |
| 4 | Shareholder's Equity | 5,310.53 | 5,120.08 |
| 5 | Earnings available for debt service: | | |
| | Net profit After Tax | 166.66 | (99.82) |
| | Add: Non Cash operating Expense | 132.81 | 103.32 |
| | Add: Interest | 37.05 | 59.37 |
| | | 336.53 | 62.87 |
| 6 | Debt Service: | | |
| | Interest & Lease Rent payable | 37.05 | 59.37 |
| | Add: Principle Repayments | | |
| | | 37.05 | 59.37 |
| 7 | Return on Equity: | | |
| | Net profit after Tax | 166.66 | (99.82) |
| | Less: Preference Dividend | - | - |
| | | 166.66 | (99.82) |
| 8 | Average Shareholder Equity: | | |
| | Opening Shareholders Equity | 5,120.08 | 5,204.63 |
| | Closing Shareholders Equity | 5,310.53 | 5,120.08 |
| | Average | 5,215.31 | 5,162.35 |
| 9 | Cost of Goods Sold: | 3,747.08 | 2,202.00 |
| 10 | Average Inventory: | | |
| | Opening Inventory | 3,783.25 | 4,345.42 |
| | Closing Inventory | 4,336.94 | 3,783.25 |
| | Average | 4,060.09 | 4,064.33 |





WORKINGS: (Contd...)

(Amount in Lakhs)

| Sr No. | Particulars | 2021-22 | 2020-21 |
|-----------|---|-----------------|-----------------|
| 11 | Net credit Sales: | | |
| | Gross Credit Sales | 9,091.75 | 6,943.65 |
| | Less: Sales Return | - | - |
| | Net | 9,091.75 | 6,943.65 |
| 12 | Average Accounts Receivables: | | |
| | Opening Balance | 1,923.10 | 1,870.10 |
| | Closing Balance | 2,473.50 | 1,923.10 |
| | Average | 2,198.30 | 1,896.60 |
| 13 | Net Credit Purchase: | | |
| | Gross Credit Purchase | 4,992.44 | 3,100.32 |
| | Less: Purchase Return | - | - |
| | Net | 4,992.44 | 3,100.32 |
| 14 | Average Trade payable: | | |
| | Opening Balance | 1,715.57 | 1,254.95 |
| | Closing Balance | 2,614.60 | 1,715.57 |
| | Average | 2,165.09 | 1,485.26 |
| 15 | Net Sales: | | |
| | Total Sales | 9,091.75 | 6,943.65 |
| | Less: Sales Return | - | - |
| | Net | 9,091.75 | 6,943.65 |
| 16 | Working Capital | | |
| | Current Assets | 8,383.04 | 7,858.03 |
| | Less: Current Liabilities | 3,523.53 | 3,196.84 |
| | Net | 4,859.51 | 4,661.19 |
| 17 | Net Profit | 166.66 | (99.82) |
| 18 | Net Sales | 9,091.75 | 6,943.65 |
| 19 | Earning before Interest and Taxes: | | |
| | Net Profit After Tax | 166.66 | (99.82) |
| | Add: Tax Expense | (6.39) | (7.86) |
| | | 160.27 | (107.68) |
| | Add: Interest | 37.05 | 59.37 |
| | EBIT | 197.32 | (48.30) |
| 20 | Capital Employed: | | |
| | Net Worth | 5,310.53 | 5,120.08 |
| | Add: Total Debt | 376.32 | 580.42 |
| | Add: Deferred tax Liability | | |
| | Capital Employed | 5,686.85 | 5,700.50 |
| 21 | Ending value of Investments | 150.59 | - |
| | Less: Beginning value of Investments | - | - |
| | | 150.59 | - |
| 22 | Beginning Value of Investments | - | - |





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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 **44th** Annual General Meeting of the Company, to be held on **Wednesday, the 28th day of September, 2022 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. (a) Adoption of Audited standalone financial statement of the Company as on 31st March, 2022. (Ordinary Resolution)
- (b) Adoption of Audited consolidated financial statement of the Company as on 31st March, 2022. (Ordinary Resolution)
2. Re-appointment of Mrs. Anila S. Thanki (DIN No.00403759) who retires by rotation. (Ordinary Resolution)

SPECIAL BUSINESS:

3. Re-appointment of Mr. Jagdishchandra B. Jagani (DIN 07645671) as an Independent Director for second term of 5 years (Special Resolution)

Signed this _____ day of _____ 2022.

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.

All details as per last except the date of AGM details to be inserted



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AUSTIN ENGINEERING COMPANY LIMITED

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

CIN: L27259GJ1978PLC003179

ATTENDANCE SLIP

| | |
|---------------|--|
| DP ID** : | |
| CLIENT ID** : | |

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

Full Name of the member attending _____

Full Name of the joint-holder _____

(To be filled in if 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 **44th** Annual General Meeting held at Village: Patla, Taluka: Bhesan, Dist: Junagadh 362 030 on **Wednesday, 28th September, 2022 at 11.00 a.m.**

Signed this _____ day of _____ 2022

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.



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AUSTIN ENGINEERING COMPANY LIMITED

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

Tel: 02873-25 22 67/68 Fax: 0285-26 61 505

E-mail : info@aec.com Website : www.aec.com

CIN: L27259GJ1978PLC003179

BALLOT FORM

| | | |
|----|--|--|
| 1. | Name & Registered Address of the First Named Shareholder | |
| 2. | Name(s) of Joint Holder(s) | |
| 3. | Registered Folio No./ DP ID No & Client No. | |
| 4. | No. of Shares Held | |

I / We hereby exercise my / our vote (s) in respect of the resolutions set out in the notice of the Forty Four Annual General Meeting (AGM) of the Company to be held on **Wednesday, 28th September, 2022 @ 11.00 a.m.** by recording my/our assent or dissent to the said resolutions by placing tick (✓) mark in the appropriate box below:

| Item | Resolutions | (For) | (Against) |
|-------|--|--------------------|---------------------|
| | | I/We assent to the | I/We dissent to the |
| 1(I) | Adoption of the Audited Standalone Financial Statement of the Company for the Financial Year ended on 31st March, 2022 together with Auditors Report thereon (Ordinary Resolution) | | |
| 1(ii) | Adoption of the Audited Consolidated Financial Statement of the Company for the financial year ended on 31st March 2022 together with report of Auditor thereon (Ordinary Resolution) | | |
| 2. | Re-appointment of Mrs. Anila S. Thanki (DIN 00403759) who retires by rotation. (Ordinary Resolution) | | |
| 3. | Re-appointment of Mr. Jagdishchandra B. Jagani (DIN 07645671) as an Independent Director for second term of 5 years (Special Resolution) | | |

Place:

Date:

Signature

Note : Please read the instructions carefully before exercising your vote.



INSTRUCTIONS:

- 1) This Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
- 2) A member can opt for only one mode of voting i.e., either through e-voting or by ballot. If member casts vote by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the notice of the AGM.
- 4) The scrutinizer will collate the votes downloaded from the e-voting system and votes cast through ballot to declare the final result for each of the resolutions forming a part of the notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form:

- 1) Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send the same to the scrutinizer Mr. Kaushik Shah, of M/s K J Shah & Company, Practicing Company Secretary, (Membership No.2420) at the Registered Office of the Company on or before the date of the AGM. Alternatively, the Ballot can also be deposited in the box to be made available at the venue during the AGM.
- 2) The Ballot Form should be signed by the member as per the specimen signature registered with the Company /Depositories. In case of Joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration no. of POA registered with the Company or enclosing an attested copy of POA.
- 3) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick (v) mark in the column provided in the ballot.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid-up equity share capital of the Company as on 21st September, 2022 as per the register of members of the Company.
- 6) A member may request for a duplicate Ballot Form, if so required.
- 7) Unsigned, incomplete, improperly, or incorrectly tick marked Ballot Forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the scrutinizer to identify either the member or as to whether votes are in favour or against or if signature cannot be verified.
- 8) The decision of the scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 9) The results declared along with the Scrutinizer's report, shall be placed on the Company's website <http://www.aec.com> within two working days of the passing of the resolutions at the AGM of the Company to be held on 28th September, 2022, and shall be communicated to BSE Limited, where the shares of the Company are listed.



Certificate

Standard **IATF 16949:2016**
(1st edition, 2016-10-01)
Certificate Registr. No. **01 111 058896**
IATF Certificate No. **0448343**

Certificate Holder: **Austin Engineering Company Limited**
Village Patala, Tal. Bhesan
Dist. Junagadh 362030
Gujarat India

Scope: **Design and Manufacture of Cylindrical Roller Bearings**

Proof has been furnished by means of an audit that the requirements of IATF 16949:2016 are met.
Validity: The certificate is valid from 2022-04-16 until 2025-04-15.

Release date: 2022-04-16



2-IAC-QMC 01003

[Signature]
TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln
Germany · NRW

1 / 1

www.tuv.com



Certificate

Standard **ISO 9001:2015**
Certificate Registr. No. **01 100 058896**

Certificate Holder: **Austin Engineering Company Limited**
Village Patala, Tal. Bhesan
Dist. Junagadh 362030
Gujarat India

Scope: **Design & Manufacture of Cylindrical roller Bearings and Antifriction Bearings.**

Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.
Validity: The certificate is valid from 2022-05-03 until 2025-05-02.
First certification 2022

2022-05-16

[Signature]
TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

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Certificate

Standard **ISO 14001:2015**
Certificate Registr. No. **01 104 126992**

Certificate Holder: **Austin Engineering Co. Ltd.**
Village Patla, Tal. Bhesan, Post Hadmatiya,
Dist. Juagadh – 362 030. Gujarat, 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 14001:2015 are met.
Validity: The certificate is valid from 2022-06-17 until 2025-06-16.
First certification 2019

2022-06-23

[Signature]
TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

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Certificate

Standard **ISO 45001:2018**
Certificate Registr. No. **01 213 126992**

Certificate Holder: **Austin Engineering Co. Ltd.**
Village Patla, Tal. Bhesan, Post Hadmatiya,
Dist. Juagadh – 362 030. Gujarat, 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 45001:2018 are met.
Validity: The certificate is valid from 2022-06-17 until 2025-06-16.
First certification 2019

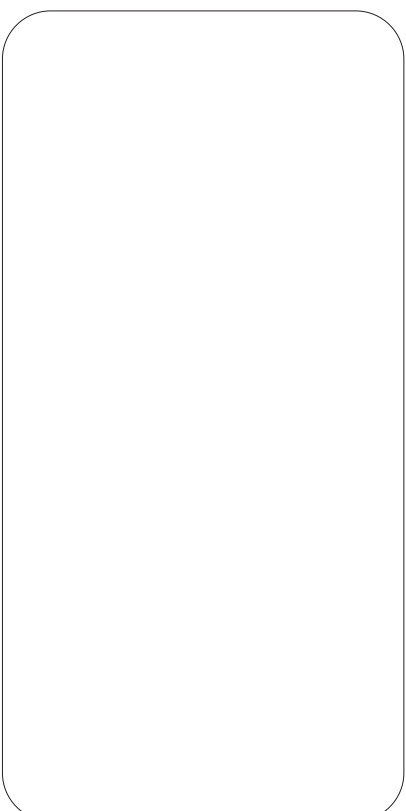
2022-06-23

[Signature]
TÜV Rheinland Cert GmbH
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Speed Post



If undelivered, please return to :

AUSTIN ENGINEERING COMPANY LIMITED

101, GIDC Estate, Vadal Road,

Junagadh 362 001 (Gujarat)