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**50** YEARS ANNUAL REPORT 2016-17

**ROLCON**

ENGINEERING CO. LTD.  
(ISO 9001 : 2008 Company)



## BOARD OF DIRECTORS

<i>Shri Suresh H. Amin</i>	<i>Chairman &amp; Whole Time Director</i>
<i>Shri Ashish S. Amin</i>	<i>Managing Director</i>
<i>Shri Ashok Krishnadas Parikh</i>	<i>Director</i>
<i>Shri Kailashchandra K. Seksaria</i>	<i>Director</i>
<i>Shri Wolfgang Fuchs</i>	<i>Director</i>
<i>Smt. Daksha S. Amin</i>	<i>Non- Executive Woman Director</i>
<i>Shri Anil D. Gandhi</i>	<i>Director</i>
<i>Dr. Satish G. Parekh</i>	<i>Director</i>
<i>Shri Mahesh H. Joshi</i>	<i>Director</i>
<i>Shri Kiran M. Patel</i>	<i>Director</i>

## AUDITOR

*M/S. THACKER BUTALA DESAI  
Chartered Accountants  
G-21/22 Tanariri Apartment,  
Ashabaug Society, Near Dudhiya Talab,  
Navsari - 396 445, (Gujarat) INDIA.*

## BANKERS

*STATE BANK OF INDIA,  
SPL, Comm, Bra. ANAND-388001, (Gujarat) INDIA.  
CORPORATION BANK,  
Vallabh Vidyanagar-388120, (Gujarat) INDIA.*

## REGISTRAR & SHARE TRANSFER AGENT

*LINK INTIME INDIA Pvt. Ltd.  
1st Floor, B-102 & 103, Old Padara Rd,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara, (Gujarat) INDIA.*

## REGISTERED OFFICE

*Anand – Sojitra Road,  
Vitthal Udyognagar - 388 121,  
Ta. & Dist. Anand (Gujarat) INDIA.*

## NOTICE

Notice is hereby given that the 50<sup>th</sup> Annual General Meeting of the Shareholders of **ROLCON ENGINEERING CO LTD., (CIN: L29259GJ1961PLC001439)** will be held on Thursday, 27 July, 2017 at 3.00 p.m. at the Registered Office of the Company at Vitthal Udyognagar-388121, Ta. & Dist. Anand, Gujarat to transact the following business;

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended as at 31<sup>st</sup> March 2017, and the Reports of the Board of Directors and Auditors thereon.
2. To Appoint Smt. Daksha S. Amin, who retires by rotation and being eligible offer herself for re-appointment.
3. Appointment of M/s C. F. Patel & Co., Chartered Accountants (FRN: 113432W) as an auditor and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT pursuant to the provisions of Section 139, 140, 141, 142 and other applicable provisions of the companies Act, 2013 and other rules made there under M/s C. F. Patel & Co., Chartered Accountants (FRN: 113432W ) be and are hereby appointed as the Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of 55th Annual general Meeting of the Company, subject to ratification of their appointment by the members at every Annual general Meeting in accordance with provisions of the Companies Act, 2013 and the rules made thereunder, and that the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors.”**

### SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass, the following resolution as an ordinary Resolution:

**“RESOLVED THAT pursuant to the provision of SEBI (LODR) Regulation, 2015 and Section 149, 150, 152 & any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ashok K Parikh (DIN: 00359634) who was appointed as by Board of Directors as an Additional Director pursuant to the Section 161 of the Act, and who holds office as such up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years from the date of this Annual General Meeting and shall not be liable to retire by rotation hereinafter in accordance with the provisions of Companies Act.”**

5. To Consider and if thought fit, to pass the following resolution as an ordinary Resolution:

**“RESOLVED THAT pursuant to the provision of SEBI (LODR) Regulation, 2015 and Section 149, 150, 152 & any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Anil D. Gandhi (DIN:00359591) who has submitted a**

*declaration that he meets the criteria for independence as provided in section 149(6) of the companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years from the date of this Annual General Meeting and shall not be liable to retire by rotation hereinafter in accordance with the provisions of Companies Act.”*

6. *To Consider and if thought fit, to pass the following resolution as a Special Resolution:*

**“RESOLVED THAT** *pursuant to the provision of Sections 197, 198, 203 read with the schedules V and other applicable provisions, if any, of the companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the re-appointment of Shri Suresh H Amin (DIN: 00525235), as Chairman & Whole time Director of the Company for the period of five years with the effective from 2<sup>nd</sup> August, 2017 to 1<sup>st</sup> August, 2022 on such terms and conditions including remunerations set out in the draft Agreement to be entered into between the Company and Shri Suresh H Amin be and is hereby approved.*

**RESOLVED FURTHER THAT** *Subject to the provisions of section 198 and other applicable provisions, if any, of the Companies Act, 2013 in the event of inadequacy or absence of profits, Shri Suresh H Amin, be paid the remuneration as set out in the draft Agreement to be entered into between the Company and Shri Suresh H Amin, as the minimum Remuneration subject to the limits laid down in the schedule V of the Companies Act, 2013.*

**RESOLVED FURTHER THAT** *the Board of Director be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Suresh H Amin, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this resolution.”*

7. *To Consider and if thought fit, to pass the following resolution as a Special Resolution*

**“RESOLVED THAT** *pursuant to the provision of Sections 197, 198, 203 read with the schedules V and other applicable provisions, if any, of the companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the re-appointment of Shri Ashish S Amin (DIN: 01130354), as Managing Director of the Company for the period of five years with the effective from 2<sup>nd</sup> August, 2017 to 1<sup>st</sup> August, 2022 on such terms and conditions including remunerations set out in the draft Agreement to be entered into between the Company and Shri Ashish S Amin, be and is hereby approved.*

**RESOLVED FURTHER THAT** *Subject to the provisions of section 198 and other applicable provisions, if any, of the Companies Act, 2013 in the event of inadequacy or absence of profits, Shri Ashish S Amin, be paid the remuneration as set out in the draft Agreement to be entered into between the Company and Shri Ashish S Amin, as the minimum Remuneration subject to the limits laid down in the schedule V of the Companies Act, 2013.*

**RESOLVED FURTHER THAT** *the Board of Director be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Ashish S Amin, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this resolution.”*

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument of proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not later than 48 hours before the meeting.
3. The Register of Members and Share Transfers Books of the Company will remain closed from 21<sup>st</sup> July, 2017 to 27<sup>th</sup> July, 2017 (Both days Inclusive).

### Remote E-voting:

The Company is pleased to provide Remote E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 50<sup>th</sup> Annual General Meeting of the Company.

### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **24<sup>th</sup> July, 2017 at 09.00 AM and ends on 26<sup>th</sup> July, 2017 at 05.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20<sup>th</sup> July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as Physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Sheet indicated in the PAN Field.
DOB	Enter the Date of Birth as recorded in your Demat Account or in the company records for the said Demat Account or folio in dd/mm/yyyy format.



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

- (xix) *In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or you may contact at **Company on PH: 02692-230766.***

### **Other Instructions:**

- 1. Shri Ujesh Teraiya, Practicing chartered Accountant, Proprietor of M/s. Ujesh Teraiya & Associate, Vidyanagar has been appointed as the Scrutinizer to Scrutinize the E- Voting process (Including the Poll at the Annual general Meeting) in a fair and transparent manner.*
- 2. The Scrutinizer shall, within a Period not exceeding two working days from the conclusion of the e- voting period, after conclusion of Annual general Meeting, unblock the votes in the presence of at least two witnesses (not in the Employment of the Company) and make out a scrutinizer's Report of the votes cast in the favor or against, if any, forthwith to the chairman of the Company.*
- 3. Member who have not voted earlier and present at Annual General Meeting, shall be provided voting facility by poll Paper. Members have the option to request for a physical copy of the Poll Paper by sending an E-mail to [rolcon@rolconengineering.com](mailto:rolcon@rolconengineering.com) by mentioning their Folio No./DP ID and Client ID No. Poll Paper received after specified date will be treated as invalid.*
- 4. Member can opt for only one mode of voting i.e. either through E-voting or in physical form. If a member cast his/her vote by both modes, than voting done through E-voting shall be prevail and the vote by Ballot shall be treated as invalid. The result declared along with scrutinizer's report shall be placed on the Company's websites [rolcon@rolconengineering.com](mailto:rolcon@rolconengineering.com) and on the website of the CDSL [www.evotingindia.com](http://www.evotingindia.com) within 2 days of the passing of the resolutions at the 50<sup>th</sup> AGM of the Company and Communicated to the BSE Ltd where the Shares of the company are listed.*

*For and on Behalf of Board of Directors*

**A. S. AMIN**

*Managing Director (DIN: 01130354)*

*Place: Vitthal Udyognagar*

*Date: May 12, 2017*

## Explanatory Statement

*The Explanatory Statement, as requires under the section 102 of the companies Act, 2013, set out all material fact relating to the special business (if any).*

**Item No. 3:** *Thacker Butala Desai, Chartered Accountants, the existing statutory Auditor of the Company was appointed on 47<sup>th</sup> Annual General Meeting by the members to hold the office till the conclusion of 50<sup>th</sup> Annual general Meeting. As per the provision of the section 139(2) & (3) of the Companies Act, 2013 their tenure ends on ensuing Annual Meeting. As per Companies Act, Company requires to rotate appointment of Statutory Auditor.*

*Accordingly, at the meeting of Board of Director held on 12<sup>th</sup> May, 2017, Directors have recommended the Appointment of M/s C. F. Patel & Co., Chartered Accountants (FRN: 113432W) as Statutory Auditor of the Company, to hold office from conclusion of this Annual General Meeting till the conclusion of the 55<sup>th</sup> Annual General Meeting on remuneration to be fixed by the Board of Director Subject to the approval of the Members. The resolution under this items seek the approval of the Members for the said appointment of auditors.*

*None of the Directors or Key Managerial personnel of the Company or their respective relatives are concerned or interested, either financially or otherwise, in this resolution. Your Directors recommend the ordinary resolution set forth in item No. 3 for your approval.*

**Item No. 4:** *pursuant to the Section 161 of the Companies Act, 2013 (the Act) and applicable rules made thereunder and provision of the SEBI (Listing Obligation and Disclosure Requirements) Regulation-2015, the Company had, appointed Shri Ashok K Parikh (DIN: 00359634) as an Additional Director (Independent Director) w.e.f. 8<sup>th</sup> November, 2016 who hold office up to the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Ashok K Parikh as an Independent Director of the Company.*

*Shri Ashok K Parikh has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules framed thereunder for appointment as an Independent Director.*

*The Nomination & Remuneration Committee has recommended and the Board has approved the appointment of Shri Ashok K Parikh as an Independent Director for a period of five years from the ensuing Annual General Meeting.*

*In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 his appointment as an Independent Director is now being placed before the Members for their approval.*

*The terms and conditions of the appointment of Shri Ashok K Parikh as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays. Except Shri Ashok K Parikh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.*

**Item No. 5:** *pursuant to the Section 161 of the Companies Act, 2013 (the Act) and applicable rules made thereunder and provision of the SEBI (Listing Obligation and Disclosure Requirements) Regulation-2015, the Company had, appointed Shri Anil D Gandhi (DIN:00359591) as an Additional Director (Independent Director) w.e.f. 8<sup>th</sup> November, 2016 who hold office up to the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Anil D Gandhi (DIN:00359591) as an Independent Director of the Company.*

*Shri Anil D Gandhi has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules framed thereunder for appointment as an Independent Director.*



The Nomination & Remuneration Committee has recommended and the Board has approved the appointment of Shri Anil D Gandhi as an Independent Director for a period of five years from the ensuing Annual General Meeting.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 his appointment as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of the appointment of Shri Anil D Gandhi as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays. Except Shri Anil D Gandhi being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

**Item No. 6:** On the recommendation of the Remuneration committee, the Board of Directors as its Meeting held on 12<sup>th</sup> May, 2017, has appointed Shri Suresh H Amin, as Chairman And Whole time Director of the Company with the effect from the 2<sup>nd</sup> August, 2017 to 1<sup>st</sup> August 2022, for the period of five (5) years, subject to the approval of shareholders at the ensuing Annual General Meeting. The brief particulars of terms and Condition of his appointment are as below:

1. The Whole time Director shall be subject to the superintendence, control and Direction of the Board of Directors and he will be entrusted with substantial power of the management and will also perform such other duties as may from time to time be entrusted to him.

2. Period of Appointment: effect from the 2<sup>nd</sup> August, 2017 to 1<sup>st</sup> August 2022

3. Remuneration:

a) Salary :Rs.1,10,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale Rs1,10,000/- to Rs1,50,000/-

b) Commission:

Commission payable, in addition to the salary and perquisites @ 1.5% at the end of each financial year calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in the Companies Act, 2013. However, such commission shall not exceed the annual salary.

c) Perquisites:

In addition to salary and commission the he shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, club fees, leave travel concession for self and family, medical insurance and such other perquisites and allowances as may be determined by the Board of Directors Subject to the overall ceiling of remuneration stipulated in provision of law.

For the purpose of calculation the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties, telephone and other communication facilities at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service

Encashment of leave at the end of the tenure.

The Whole time Director shall not be paid any sitting fees for attending meeting of the Board of Directors or Committee thereof.

d) *Minimum Remuneration:*

*Notwithstanding anything herein contained, where in any financial year during the currency of the tenure of the Whole Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and any other allowance not exceeding ceiling limit prescribed under the Schedule V of the Companies Act, 2013 and other provisions thereof or any amendments, variations, modifications or reenactment.*

*The Draft Agreement between the Company and Shri Suresh H Amin is available for the inspection by the members of the company at the Registered Office of the Company on any working day of the company till the date of Annual General Meeting.*

*The Board Recommends the resolution as set out at item No. 6 of the Notice for your approval as a Special Resolution.*

*Shri Suresh H. Amin, Shri Ashish S. Amin and Smt. Dakshaben S. Amin are said to be concerned and interested in the resolution. None of the other Directors or key managerial personnel or their relatives are in any way concerned or interested, financially or otherwise, in the above resolution.*

**Item No. 7:** *On the recommendation of the Remuneration Committee, the Board of Directors as its Meeting held on 12<sup>th</sup> May, 2017, has appointed Shri Ashish S Amin, as Managing Director of the Company with the effect from the 2<sup>nd</sup> August, 2017 to 1st August 2022, for the period of five (5) years, subject to the approval of shareholders at the ensuing Annual General Meeting. The brief particulars of terms and Condition of his appointment are as below:*

1. *The Managing Director shall be subject to the superintendence, control and Direction of the Board of Directors and he will be entrusted with substantial power of the management and will also perform such other duties as may from time to time be entrusted to him.*
2. *Period of Appointment: effect from the 2<sup>nd</sup> August, 2017 to 1<sup>st</sup> August 2022*
3. *Remuneration:*

a) *Salary :Rs.1,25,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale Rs.1,25,000/- to Rs.1,50,000/-*

b) *Commission:*

*Commission payable, in addition to the salary and perquisites @ 1.25% at the end of each financial year calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in the Companies Act, 2013. However, such commission shall not exceed the annual salary.*

c) *Perquisites:*

*In addition to salary and commission the Managing Director shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, club fees, leave travel concession for self and family, medical insurance and such other perquisites and allowances as may be determined by the Board of Directors Subject to the overall ceiling of remuneration stipulated in the provision of law.*

*For the purpose of calculation the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.*

*Provision for use of the Company's car for official duties, telephone and other communication facilities at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.*

*Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.*

*Encashment of leave at the end of the tenure.*

*The Managing Director shall not be paid any sitting fees for attending meeting of the Board of Directors or Committee thereof.*

*d) Minimum Remuneration:*

*Notwithstanding anything herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and any other allowance not exceeding ceiling limit prescribed under the Schedule V of the Companies Act, 2013 and other provisions thereof or any amendments, variations, modifications or reenactment.*

*The Draft Agreement between the Company and Shri Ashish S. Amin is available for the inspection by the members of the company at the Registered Office of the Company on any working day of the company till the date of Annual General Meeting.*

*The Board Recommends the resolution as set out at item No. 7 of the Notice for your approval as a Special Resolution.*

*Shri Suresh H. Amin, Shri Ashish S. Amin and Smt. Dakshaben S. Amin are said to be concerned and interested in the resolution. None of the other Directors or key managerial personnel or their relatives are in any way concerned or interested, financially or otherwise, in the above resolution.*

*For and on Behalf of Board of Directors*

**A. S. AMIN**

*Managing Director (DIN: 01130354)*

*Place: Vitthal Udyognagar*

*Date: May 12, 2017*

**Information on the Directors Recommended for Appointment/ Re-appointment as required under regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.**

<b>Particulars</b>	<b>Shri S. H. Amin</b>	<b>Shri A. S. Amin</b>	<b>Shri A. K. Parikh</b>	<b>Shri A. D. Gandhi</b>
<i>Date of Birth</i>	13 <sup>th</sup> August, 1936	19 <sup>th</sup> June, 1973	29 <sup>th</sup> Oct., 1934	30 <sup>th</sup> Nov, 1933
<i>Date of Appointment</i>	28 <sup>th</sup> April, 1982	4 <sup>th</sup> Sep., 2014	8 <sup>th</sup> Nov., 2016	8 <sup>th</sup> Nov., 2016
<i>Qualification</i>	Mechanical Engineer. Master Degree (M.S.) from Brunshweig University, West Germany.	B.S. from Bradley University U.S.A.	Graduate in Textile Technology from U.K.	Bachelor of Science and MBA from New York University, U.S.A.
<i>Expertise in the Function area</i>	Engineering & Wide Management experience	Manufacturing, Production, Operation, Planning and Engineering.	Textile & Engineering.	Engineering, Planning and Management.
<i>Relation with Director inter-se</i>	Shri A. S. Amin (Son) Smt. D. S. Amin. (Wife)	Shri S. H Amin (Father) Smt. D S Amin (Mother)	NIL	NIL
<i>Directorship in other Listed/public company As on 31<sup>st</sup> March, 2017</i>	NIL	NIL	NIL	NIL
<i>Memberships/ Chairmanships of committees of other Listed/public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)As on 31<sup>st</sup> March, 2017</i>	NIL	NIL	NIL	NIL
<i>Number of Share held in company as on 31<sup>st</sup> March, 2017.</i>	69,978 ( Including HUF shareholding )	81,350	1,687	500

## BOARD'S REPORT

TO,  
THE MEMBERS OF,  
ROLCON ENGINEERING CO. LTD.

Your Directors takes pleasure in presenting the 50<sup>th</sup> Annual report together with the Audited Financial Statements and Auditors' Report for the financial year ended 31<sup>st</sup> March, 2017. The financial highlights for the year under review are given below:

### STATE OF AFFAIRS :

(Rs. in Lakh)

Particulars	2016-17	2015-16
Income	2708.33	2772.23
Profit/ Loss before depreciation and tax	(82.17)	(43.77)
Less: Depreciation	88.62	100.46
Profit/ Loss before Tax	(170.79)	(144.23)
<b>Less :</b>		
Provision for Current Tax	Nil	Nil
Deferred Tax Liability/(Assets)	(0.46)	(1.59)
(Excess)/Short Provision of the earlier years	0.89	(1.01)
<b>Profit after Tax</b>	<b>(170.36)</b>	<b>(141.63)</b>
<b>Add:</b>		
The amount brought forward from- the last year's account	525.14	666.77
Total available	354.78	525.14
<b>APPROPRIATIONS :</b>		
a) Proposed Dividend	-	-
b) Provision for Corporate Tax On Dividend	-	-
General Reserve	-	-
c) Revaluation of Fixed Assets –Adjustment	-	-
d) Balance carried forward	354.78	525.14
<b>TOTAL</b>	<b>354.78</b>	<b>525.14</b>



## DIVIDEND

Due to adverse financial result during the year, the Board of Director has not Recommend any dividend for F.Y. 2016-17.

## PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

Details of the Loan, Guarantees and investments covered under provision of section 186 of the company Act, 2013:

15 Equity Shares of The Charotar Gas Sahkari mandali Ltd to Rs. 7500/-

## DIRECTORS

- 1) Smt. Dakshaben S. Amin retire by rotation and being eligible, offer herself for re-appointment.
- 2) In the AGM held on 22<sup>nd</sup> September, 2016, Shri Wolfgang Fuchs (DIN: 07317102), additional Director & Shri Kiran M Patel (DIN: 00084171), has been Appointed as an Independent Director for the term of five years.
- 3) In the Board Meeting held on 31<sup>st</sup> August, 2016, Shri Ashok K Parikh & Shri Anil D Gandhi, Independent Directors resigned from the Company and in the Board Meeting held on 8<sup>th</sup> November, 2016, Board has re-appointed Shri Ashok K Parikh (DIN: 00359634) & Shri Anil D Gandhi (DIN:00359591), as an Additional Directors up to ensuing Annual General Meeting.
- 4) All Independent Directors have given Declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013. None of the Directors of your company is disqualified as per section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provision of Companies Act, 2013 and SEBI (LODR) Regulation-2015.

## REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The detailed remuneration policy is available on the company's website [www.rolconengineering.com](http://www.rolconengineering.com).

## MEETINGS

The Details of the meetings are given in **Annexure-A**

## DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your directors make the following statements in the terms of the section 134(3)(I) of the Company Act, 2013:

- 1) that in the preparation of the Annual financial statements for the year ended March 31<sup>st</sup>, 2017, the applicable Accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31<sup>st</sup>, 2017 and of the profit of the Company for the year ended on that date;
- 3) that Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 and for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

- 4) that the Annual Accounts have been prepared on a going concern basis;
- 5) that the proper internal financial controls were in place and that the financial control were adequate and were operating effectively;
- 6) that the systems to ensure compliance with the provision of all applicable laws were in place and were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on at arm's length basis and were in the ordinary course of business.

All related party transactions were placed before the Audit Committee as also the Board for approval. Prior approval of the board and Audit Committee were obtained on a quarterly basis for the transactions which were of a foreseen and repetitive nature if any.

The details are given in **Annexure –B**

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism/ Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. Further, a dedicated helpline has been set up by the company in Line management. The helpline can be contacted to report any suspected or confirmed incident of fraud/misconduct. Details of the Policy are available on the Company's website [www.rolconengineering.com](http://www.rolconengineering.com)

## **CODE OF CONDUCT**

The Board has framed and approved code of conduct for Board of Directors and senior management of the Company in Compliance with Regulation 17(5) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

## **AUDITORS**

As per the provision of the section 139(2) & (3) of the Companies Act, 2013 tenure of Thacker Butala Desai, Chartered Accountants, existing Statutory Auditor ends on ensuing Annual Meeting and Company requires to rotate appointment of Statutory Auditor.

Accordingly, the Audit Committee and the Board of Directors respectively at their meeting held on 12th May, 2017, have recommended the Appointment of M/s. C. F. Patel & Co., Chartered Accountants (FRN:113432W), as Statutory Auditor of the Company, to hold office from conclusion of this Annual General Meeting till the conclusion of the 55th Annual General Meeting. M/s. C. F. Patel & Co., Chartered Accountants have given their consent, confirming that their appointment, if made, would be in accordance with the provision of section 139 and 140 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014. The Auditor's Report for the financial year 2016-17 does not contain any qualification, reservation or adverse remark.

## **SECRETARIAL AUDIT**

Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. D G Bhimani and Associates, Anand, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor of the Company is annexed herewith as Annexure-C. Very minor portion left for dematisation of overseas promoter's shareholding and company is in the process of complying of law.

## **CORPORATE GOVERNANCE**

Pursuant to the SEBI circular dated September 15, 2014 and Regulation 15(2) contained in Chapter IV to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 2nd September, 2015 in Connection with Corporate Governance is not applicable to the Company, since the paid-up capital of the Company is less than Rs. 10 Crores and Net Worth of the Company is below Rs. 25 Crores as on last day of previous financial year.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

*The information on Conservation of energy, technology absorption and foreign exchange earning and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-D***

## **FIXED DEPOSIT**

*Your Company has not accepted any Fixed Deposits during the year.*

## **DETAILS OF ORDER PASSED BY THE REGULATORS**

*There was no significant and material orders passed by the regulators or courts or Tribunals Impacting the Going Concern Status and Company's Operation in the future.*

## **EXTRACT OF ANNUAL RETURN**

*The details forming the part of the extract of the Annual Return in the Form MGT-9 is attached herewith as **Annexure -E***

## **PARTICULARS OF EMPLOYEES**

*There is no employee whose details is required to be disclosed pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.**

*The Company has safe and healthy work environment that enables its employees to work without fear, prejudices, gender bias and Sexual harassment and also set up guideline in line with the requirement of The Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013.*

*Company has not received any complaints during the financial year.*

## **ACKNOWLEDGEMENT**

*Your Directors place on record their sincere appreciation for overwhelming co-operation and assistance received from investors, customers, business associates, bankers, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve growth.*

*For and on Behalf of Board of Directors*

**S. H. AMIN**

*Chairman & WTD (DIN: 00525235)*

*Place: Vitthal Udyognagar*

*Date: May 12, 2017*

## ANNEXURE – ‘A’ TO BOARD’S REPORT

### Board Meeting:

*During the year 2016-17 Five (5) Meetings of Board of Directors were held i.e. on*

*20<sup>th</sup> May, 2016*

*8<sup>th</sup> August, 2016*

*31<sup>st</sup> August, 2016*

*8<sup>th</sup> November, 2016*

*27<sup>th</sup> January, 2017*

### Audit Committee:

*Audit Committee is formulated by the Company with the following Composition;*

- |                                |  |
|--------------------------------|--|
| <i>1. Dr. Satish G. Parekh</i> | <i>Chairman of the Audit Committee</i> |
| <i>2. Shri Ashish S. Amin</i>  | <i>Member of the Audit Committee</i>   |
| <i>3. Shri M H Joshi</i>       | <i>Member of the Audit Committee</i>   |

*During the year 2016-17 Four (4) Meetings of Audit Committee were held i.e. on*

*20<sup>th</sup> May, 2016*

*8<sup>th</sup> August, 2016*

*8<sup>th</sup> November, 2016*

*27<sup>th</sup> January, 2017*

### Nomination & Remuneration Committee:

*Nomination & Remuneration Committee is formulated by the Company with the following Composition and one (1) meeting was held on 8th August, 2016 thereof:*

- |                                |  |
|--------------------------------|--|
| <i>1. Dr. Satish G. Parekh</i> | <i>Chairman of the N &amp; R Committee</i> |
| <i>2. Smt. Daksha S. Amin</i>  | <i>Member of the N &amp; R Committee</i>   |
| <i>3. Shri M H Joshi</i>       | <i>Member of the N &amp; R Committee</i>   |

*For and on Behalf of Board of Directors*

**S. H. AMIN**

*Chairman & WTD (DIN: 00525235)*

*Place: Vitthal Udyognagar*

*Date: May 12, 2017*

## ANNEXURE – ‘B’ TO BOARD’S REPORT

### Form No. AOC – 2 Related Party Transaction

(Pursuant to Clause (h) of Sub – Section (3) of section 134 of the Act and Rules 8(2) of the Companies (Accounts) Rules, 2014.

A) There was no Contracts or Arrangements or transactions entered during the year ended March 31, 2017 which were not at arm’s length basis.

B) Details of Material Contracts or Arrangements or transactions at arm’s Length basis are as follows:

Name of the Related Party	Nature of Relationship	Duration of Contract/ Arrangement/ Transaction	Approval by Board/ Committee meeting	Value of Contract/ Arrangement/ Transaction (Rs.)	Advance Amount paid if Any
Purchase of materials: Maruti Rubber Product Pvt. Ltd	Significant Influence	On Going	Board Meeting	1,41,750	NIL
Purchase of materials: Sudeep Rub-Chem Pvt. Ltd	Significant Influence	On Going	Board Meeting	27,799	NIL
Rent & Electricity Charges Received : APS Diverter Valve Pvt. Ltd	Significant Influence	On Going	Board Meeting	3,74,088	NIL
Sales of Materials: Seksaria Biswan Sugar Factory	Significant Influence	On Going	Board Meeting	1,02,060	NIL

For and on Behalf of Board of Directors

**S. H. AMIN**

Chairman & WTD (DIN: 00525235)

Place: Vitthal Udyognagar

Date: May 12, 2017



## ANNEXURE – ‘C’ TO BOARD’S REPORT

### Form No. MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,

The Members,

#### **ROLCON ENGINEERING COMPANY LIMITED**

Vallabh Vidyanagar.

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ROLCON ENGINEERING COMPANY LIMITED (hereinafter called the company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company’s books, papers, minutes, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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 the other records maintained by ROLCON ENGINEERING COMPANY LIMITED for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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 – As informed to us, there were no FDI transaction in the Company during the year under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992(‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India ( Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India ( Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

**We further report that** *there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:*

- (a) *The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;*
- (b) *The Securities and Exchange Board of India ( Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;*
- (c) *The Securities and Exchange Board of India ( Issue and Listing of Debt Securities ) Regulations, 2008;*
- (d) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;*
- (e) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*

#### **(vi) Other Applicable Acts**

*As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally, namely;*

- (a) *Factories Act, 1948*
- (b) *Payment of Wages Act, 1936, and rules made there under,*
- (c) *The Minimum Wages Act, 1948, and rules made there under,*
- (d) *Employees' State Insurance Act, 1948, and rules made there under,*
- (e) *The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,*
- (f) *The Payment of Bonus Act, 1965, and rules made there under,*
- (g) *Payment of Gratuity Act, 1972, and rules made there under,*

*We have also examined compliance with the applicable clauses of the following:*

- (i) *Secretarial Standards issued by The Institute of Company Secretaries of India.*
- (ii) *The Listing Agreements entered into by the Company with BSE Limited.*
- (iii) *The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.*

*During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above except that :*

- (i) *The 100 % promoters holding is not in DEMAT form as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.*

#### **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 the 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.*

*Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, there was no any dissenting views.*

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

**For D. G. BHIMANI & ASSOCIATES**

**DINESH G. BHIMANI**

*Company Secretary*

*C P No.: 6628*

*Place: Anand*

*Date: May 01, 2017*

*Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE -1' and forms an integral part of this report.*

## ANNEXURE - 1

To,  
The Members,  
Rolcon Engineering Company Limited  
Vallabh Vidyanagar

*Our report of even date is to be read along with this letter.*

1. *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.*
2. *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.*
3. *We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.*
4. *Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*
5. *The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.*
6. *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.*

**For D. G. BHIMANI & ASSOCIATES**

**DINESH G. BHIMANI**  
Company Secretary  
C P No.: 6628

Place: Anand  
Date: May 01 2017

## ANNEXURE – ‘D’ TO BOARD’S REPORT

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

*(Pursuant to the section 134(3) (m) of the Companies Act, 2013 read with Rules 8(3) of the Companies (Accounts) Rules, 2014)*

#### A. CONSERVATION OF ENERGY

*Energy conservation measures taken:*

- 1) *Monitoring closely high energy consuming equipments.*
- 2) *Installation of capacitors bank for achieving optimum power factor*
- 3) *Use of Stabilizers on entire factory lighting thereby achieving overall reduction in energy consumption*
- 4) *Optimum uses of compressors & monitoring air losses*
- 5) *Impact of the measures of 1, 2, 3 & 4 above for reduction of energy consumption and consequent impact on the cost of production of goods. Saving in fuel cost was achieved.*

#### B. TECHNOLOGY ABSORPTION

- a) *The Company is using Latest technology for manufacture of Chains and Sprockets which has been implemented as per International Standard in Consultation with our technical collaborator M/s. KOBO – DONGHUA GmbH & Co. KG. GERMANY, and same has been fully absorbed.*
- b) *Company has obtained ISO 9001-2008 certificate for industrial Chain and Sprocket separately from TUV (RWTUV SYSTEMS GmbH) GERMANY.*
- c) *The Company is continuously improving its quality and installed Latest Equipments and new Testing & Measuring Equipments viz. Fatigue Testing Machine, Wear Testing Machine, Spectroscope, Ultrasonic Tester, Magnetic Crack Detector etc.*

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

*Total foreign exchange used and earned:*

*Used: Rs. 86,72,158/-*

*Earned: Rs. 1,06,27,168/-*

*For and on Behalf of Board of Directors*

**S. H. AMIN**

*Chairman & WTD (DIN: 00525235)*

*Place: Vitthal Udyognagar*

*Date: May 12, 2017*



## ANNEXURE – ‘E’ TO BOARD’S REPORT

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L29259GJ1961PLC001439
2.	Registration Date	17 <sup>th</sup> March 1967
3.	Name of the Company	Rolcon Engineering Company Limited
4.	Category/Sub-category of the Company	Company having Share Capital
5.	Address of the Registered office & contact details	P.B. No. 20, Vitthal Udyognagar -388121, via Anand, Gujarat, India. PH. NO: (02692) 230766, 230866, 236582 FAX: (02692) 236453, 236480 E-MAIL: rolcon@rolconengineering.com
6.	Whether Listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd. C -101, 247 Park, LBS Marg, Vikhroli (w) Mumbai – 400083. Phone: 022 - 4918 6270 Vadodara: Phone: 0265-2356573

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Industrial Chain – Roller & Conveyors Chain	2913	84.33
2.	Sprocket Wheels – Driving Elements	2913	15.67

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	-	-	-	-	-

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	3,20,636	5,625	3,26,261	43.16	3,20,736	5,625	3,26,361	43.17	0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	3,20,636	5,625	3,26,261	43.16	3,20,736	5,625	3,26,361	43.17	0.01
(2) Foreign									
a) Individual (NRI) / Foreign Individuals	-	-	-	-	-	-	-	-	-
b) Bodies Corporates	-	31,520	31,520	4.17	-	31,520	31,520	4.17	-
c) Government	-	-	-	-	-	-	-	-	-
d) Institutions	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investor	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	31,520	31,520	4.17	-	31,520	31,520	4.17	-
<b>Total Shareholding of Promoter &amp; Promoter group (A)=(A)(1)+(A)(2)</b>	<b>3,20,636</b>	<b>37,145</b>	<b>3,57,781</b>	<b>47.33</b>	<b>3,20,736</b>	<b>37,145</b>	<b>3,57,881</b>	<b>47.34</b>	<b>0.01</b>
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,35,000	-	1,35,000	17.86	1,35,000	-	1,35,000	17.86	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1,35,000	-	1,35,000	17.86	1,35,000	-	1,35,000	17.86	-

<b>2. Non-Institutions</b>										
<b>a) Bodies Corp.</b>										
i) Indian	-	36,951	36,951	4.89	-	37,051	37,051	4.90	0.01	
ii) Overseas	-	-	-	-	-	-	-	-	-	
<b>b) Individuals</b>										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,627	34,401	45,028	5.96	10,527	34,301	44,828	5.94	(-0.02)	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1,81,240	1,81,240	23.97	-	1,81,240	1,81,240	23.97	-	
<b>c) Others (specify)</b>	-	-	-	-	-	-	-	-	-	
i) NRI	-	-	-	-	-	-	-	-	-	
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-	
iv) Clearing Members	-	-	-	-	-	-	-	-	-	
v) Trusts	-	-	-	-	-	-	-	-	-	
vi) Foreign Bodies - DR	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(2)</b>	<b>10,627</b>	<b>2,52,592</b>	<b>2,63,219</b>	<b>34.82</b>	<b>10,527</b>	<b>2,52,592</b>	<b>2,63,119</b>	<b>34.80</b>	<b>(-0.01)</b>	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,45,627</b>	<b>2,52,592</b>	<b>3,98,219</b>	<b>52.67</b>	<b>1,45,527</b>	<b>2,52,592</b>	<b>3,98,119</b>	<b>52.66</b>	<b>(-0.01)</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>4,66,263</b>	<b>2,89,737</b>	<b>7,56,000</b>	<b>100.00</b>	<b>4,66,263</b>	<b>2,89,737</b>	<b>7,56,000</b>	<b>100.00</b>	<b>0</b>	

### (ii) Shareholding of Promoters (Including Promoter Group)

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dakshaben Sureshbhai Amin	1,31,245	17.36	-	1,36,245	18.02	-	0.66
2	Sushilaben Shantilal Patel	5000	0.66	-	0	0	-	(-0.66)
3	Suresh Himabhai Amin	64,353	8.51	-	64,453	8.52	-	0.01
4	Suresh Himabhai Amin (HUF)	5,625	0.74	-	5,625	0.74	-	-
5	Ashish Suresh Amin	81,350	10.76	-	81,350	10.76	-	-
6	Prashant Chandrakant Amin	11,720	1.55	-	11,720	1.55	-	-
7	Hemant Chandrakant Amin	6,850	0.91	-	6,850	0.91	-	-
8	Kunal H Amin	6,550	0.87	-	6,550	0.87	-	-
9	Chirag H Amin	6,095	0.81	-	6,095	0.81	-	-
10	Rajendra Himabhai Amin	3,151	0.42	-	3,151	0.42	-	-
11	Arpita Ashish Amin	2,432	0.32	-	2,432	0.32	-	-
12	Asha Pradip Desai	1,890	0.25	-	1,890	0.25	-	-
13	M/s. Kobo- Donghua gmbh & co.kg.	31,520	4.17	-	31,520	4.17	-	-
	<b>Total</b>	<b>3,57,781</b>	<b>47.33</b>	<b>-</b>	<b>3,57,881</b>	<b>47.34</b>	<b>-</b>	<b>0.01</b>

### (iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,57,781	47.33	3,57,881	47.34
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 number of shares purchased by Shri S. H. Amin on Decembar 05, 2016.			
	At the end of the year	-	-	3,57,881	47.34

**(iv) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	<i>The Oriental Insurance Co. Ltd</i>	75,600	10.00	75,600	10.00	-
2	<i>Neha Mukesh Patel</i>	70,920	9.38	70,920	9.38	-
3	<i>Malay Satish Shah</i>	63,040	8.34	63,040	8.34	-
4	<i>National insurance Co. Ltd</i>	54,000	7.14	54,000	7.14	-
5	<i>Rupal Nilesh Patel</i>	47,280	6.25	47,280	6.25	-
6	<i>Cyto Pvt Ltd</i>	24,518	3.24	24,518	3.24	-
7	<i>Japsaw Pvt Ltd</i>	8,890	1.18	8,890	1.18	-
8	<i>Anita Kumari Parikh</i>	8,370	1.11	8,370	1.11	-
9	<i>General Insurance Corp. of India</i>	5,400	0.71	5,400	0.71	-
10	<i>Rodhan Hiralal Shroff</i>	2,700	0.36	2,700	0.36	-
	<b>Total</b>	<b>360718</b>	<b>47.71</b>	<b>360718</b>	<b>47.71</b>	<b>-</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Particulars of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Shri Suresh H Amin.</b> <i>Chairman &amp; WTD / KMP</i>				
	<i>At the beginning of the year</i>	64,353	8.51	64,353	8.51
	<i>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease. 100 number of shares purchased on Decembar 05, 2016.</i>	100	0.01	100	-
	<i>At the end of the year</i>	-	-	64,453	8.52
<b>2.</b>	<b>Shri Ashish S Amin.</b> <i>Managing Director / KMP</i>				
	<i>At the beginning of the year</i>	81,350	10.76	81,350	10.76
	<i>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease.</i>				
	<i>At the end of the year</i>	-	-	81,350	10.76
<b>3.</b>	<b>Shri Ashok K Parikh (Director)</b>				
	<i>At the beginning of the year</i>	1,687	0.22	1,687	0.22
	<i>Date wise Increase / Decrease in</i>	-	-	-	-

	Shareholding during the year specifying the reasons for increase /decrease.	-	-	-	-
	At the end of the year	-	-	1,687	0.22
<b>4. Shri Kailashchandra K Seksaria (Director)</b>					
	At the beginning of the year	50	0.007	50	0.007
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	-	-	-	-
	At the end of the year	-	-	50	0.007
<b>5. Smt. Daksha S Amin (Woman Director)</b>					
	At the beginning of the year	1,31,245	17.36	1,31,245	17.36
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease. Share of Smt. Sushilaben Demised and her share transferred to Joint Holder on Decembar 12, 2016.	5000	0.66	1,36,245	18.02
	At the end of the year	-	-	1,36,245	18.02
<b>6. Shri Anil D Gandhi (Director)</b>					
	At the beginning of the year	500	0.07	500	0.07
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	-	-	-	-
	At the end of the year	-	-	500	0.07
<b>7. Dr Satish G Parekh (Director)</b>					
	At the beginning of the year	Director Do not hold share in the Company			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.				
	At the end of the year				
<b>8. Shri M H Joshi (Director)</b>					
	At the beginning of the year	Director Do not hold share in the Company			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.				
	At the end of the year				
<b>9. Shri Wolfgang Fuchs (Director)</b>					
	At the beginning of the year	Director Do not hold share in the Company			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.				
	At the end of the year				



### 10. Shri Kiran M Patel

At the beginning of the year	Director Do not hold share in the Company
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
At the end of the year	

### 11. Shri Navin U Patel – C.F.O. (Kmp)

At the beginning of the year	C. F. O. do not hold share in the Company
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
At the end of the year	

### 12. Shri Kiran Vaghela – Company Secretary (Kmp)

At the beginning of the year	Company Secretary do not hold share in the Company
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
At the end of the year	

### (V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

(Amt. in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14,28,333	-	-	14,28,333
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>14,28,333</b>	<b>-</b>	<b>-</b>	<b>14,28,333</b>
<b>Change in Indebtedness during the financial year</b>				
*Addition	32,58,089	-	-	32,58,089
*Reduction	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	46,86,422	-	-	46,86,422
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>46,86,422</b>	<b>-</b>	<b>-</b>	<b>46,86,422</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs.)
		Shri S. H. Amin	Shri A. S. Amin	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,40,000	15,00,000	29,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,44,000	1,50,000	2,94,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>15,84,000</b>	<b>16,50,000</b>	<b>32,34,000</b>
	Ceiling as per the Company Act.	-	-	42,00,000

### B. Remuneration to other Directors:

Sr. No	Particulars of Remuneration	Name of Directors							Total Amt. (Rs.)
		Shri Ashok Parikh	Shri K K Seksaria	Shri Anil Gandhi	Dr. Satish Parekh	Shri M H Joshi	Shri Kiran Patel	Shri W. Fuchs	
1.	Independent Directors								
	Fee for attending board committee meetings	15,000	35,000	10,000	35,000	35,000	20,000	-	1,50,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>15,000</b>	<b>35,000</b>	<b>10,000</b>	<b>35,000</b>	<b>35,000</b>	<b>20,000</b>	<b>-</b>	<b>1,50,000</b>
2.	Other Non-Executive Directors								
	Fee for attending board committee meetings	30,000							-
	Commission	-							
	Others, please specify	-							
	<b>Total (2)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,80,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD (Amt. in Rs.)**

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	TOTAL
1.	Gross salary	4,04,475	2,55,717	6,35,168
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify.	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>4,04,475</b>	<b>2,55,717</b>	<b>6,35,168</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no Penalties, Punishment or Compounding of offences during the year ended March 31, 2017.

For and on Behalf of Board of Directors

**S. H. AMIN**

Chairman & WTD (DIN: 00525235)

Place: Vitthal Udyognagar

Date: May 12, 2017

## Independent Auditor's Report

**TO,  
THE MEMBERS OF,  
ROLCON ENGINEERING CO. LTD.,  
VALLABH VIDYANAGAR**

### **Report on the Financial Statements**

*We have audited the accompanying financial statements of **ROLCON ENGINEERING CO. LTD.**, (the "Company"), which comprise the Balance Sheet as at **March 31, 2017**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.*

### **Management's Responsibility for the Financial Statements**

*The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.*

### **Auditor's Responsibility**

*Our responsibility is to express an opinion on these financial statements based on our audit.*

*We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.*

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

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.*

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at **March 31, 2017**;
- (b) in the case of the **Statement of Profit and Loss**, of the **Loss** for the year ended on that date; and
- (c) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. In our opinion, the company has, in all material respects, an adequate internal financial control with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 j) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 40.

For, **THACKER BUTALA DESAI.**  
Chartered Accountants  
Firm Regi. No. 110864W

Place: Navsari  
Date: May 12, 2017

**Yatin N. Patel**  
Partner  
Membership No. 122676

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

*(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

(i)	(a)	<i>The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</i>
	(b)	<i>We have been informed that, a portion of the Fixed Assets have been physically verified by the management during the year in accordance with a programme of verification in a phased manner and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.</i>
	(c)	<i>According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.</i>
(ii)	(a)	<i>As explained to us, inventories were physically verified by the management during the year.</i>
	(b)	<i>In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.</i>
	(c)	<i>In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on physical verification have been properly dealt with in the books of account of the Company.</i>
(iii)	(a)	<i>The Company has not granted loan to any party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, this clause regarding rate of interest and other terms and conditions on which the loan had been granted is not applicable.</i>
	(b)	<i>In view of clause (iii) (a) above, this clause regarding receipt of principal amount and interest thereon is not applicable.</i>
	(c)	<i>In view of (iii) (a) above, this clause regarding overdue amounts of such loans and interest thereon is not applicable.</i>
(iv)	<i>According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.</i>	
(v)	<i>In our opinion and according to the information and explanations given to us, the Company has not invited deposits from the public during the year. Therefore, provisions of the clause 3(v) of the Order are not applicable to the Company.</i>	
(vi)	<i>According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.</i>	
(vii)	(a)	<p><i>According to the information and explanations given to us, in respect of statutory dues, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, VAT, Service Tax, Cess and other material statutory dues applicable to it with appropriate authorities.</i></p> <p><i>According to the information and explanations given to us, in respect of statutory dues, there were no undisputed amount payable in respect of Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, VAT, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.</i></p>



	(b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, there are no dues of Income Tax, CST, Sales Tax, Wealth Tax, Custom Duty, VAT and Cess which have not been deposited on account of any dispute.
(viii)	According to our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to any Financial Institution and Bank. The Company has not issued any Debenture during the year under review.
(ix)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been utilized for the purpose for which they were obtained.
(x)	Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per information and explanations given by the management, no material frauds on or by the Company were noticed or reported during the year under review.
(xi)	According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
(xii)	In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
(xiii)	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
(xiv)	According to the information and explanations given 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.
(xv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
(xvi)	This clause of the Caro 2016 is not applicable to the Company as the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, THACKER BUTALA DESAI.**  
Chartered Accountants  
Firm Regi. No. 110864W

**Yatin N. Patel**  
Partner  
Membership No. 122676

Place: Navsari  
Date: May 12, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

*(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

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

*We have audited the internal financial controls over financial reporting of **ROLCON ENGINEERING CO. LTD.** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.*

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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, THACKER BUTALA DESAI.**  
Chartered Accountants  
Firm Regi. No. 110864W

**Yatin N. Patel**  
Partner  
Membership No. 122676

Place: Navsari  
Date: May 12, 2017



**ROLCON ENGINEERING COMPANY LIMITED**  
Balance Sheet as at 31<sup>st</sup> March, 2017

(Amt. in Rs. )

PARTICULARS	Note No	As at March 31	
		2017	2016
		Amount	Amount
<b>I. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	75,60,000	75,60,000
(b) Reserves and Surplus	2	9,41,95,096	11,12,31,169
		<b>10,17,55,096</b>	<b>11,87,91,169</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	2,36,233	2,73,028
(b) Other Long term liabilities	4	Nil	Nil
(c) Long term provisions	5	Nil	Nil
		<b>2,36,233</b>	<b>2,73,028</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	46,86,422	14,28,333
(b) Trade payables	7	8,47,30,755	5,87,94,086
(c) Other current liabilities	8	2,45,14,723	1,78,36,161
(d) Short-term provisions	9	10,80,000	10,80,000
		<b>11,50,11,900</b>	<b>7,91,38,580</b>
<b>Total</b>		<b>21,70,03,229</b>	<b>19,82,02,776</b>
<b>II. ASSETS :</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		4,76,45,813	5,17,79,591
(ii) Intangible assets		Nil	Nil
(b) Non-current investments	11	7,500	7,500
(c) Deferred Tax Assets (Net)	12	40,39,626	40,85,698
(d) Other Non Current Assets	13	15,54,303	15,54,303
		<b>5,32,47,242</b>	<b>5,74,27,092</b>
<b>(2) Current assets</b>			
(a) Inventories	14	3,97,60,725	2,91,30,319
(b) Trade receivables	15	8,28,80,174	5,69,54,327
(c) Cash and Bank Balances	16	3,67,09,336	4,80,71,766
(d) Short-term loans and advances	17	20,42,769	35,06,649
(e) Other Current Assets	18	23,62,983	31,12,624
		<b>16,37,55,987</b>	<b>14,07,75,685</b>
<b>Total</b>		<b>21,70,03,229</b>	<b>19,82,02,776</b>

The accompanying notes 1 to 43 are an integral part of Financial Statements As per our report of even date attached herewith

**For THACKER BUTALA DESAI**  
Chartered Accountants

**Yatin N. Patel**  
Partner  
Membership No. 122676  
Firm Reg. No 110864W

Place: Navsari  
Date: May 12, 2017

**For ROLCON ENGINEERING COMPANY LIMITED**

**Chairman** : S. H. Amin

**Managing Director** : A. S. Amin

**Directors** : S. G. Parekh  
: M. H. Joshi  
: K. K. Seksaria

**CFO** : N.U.Patel

**COMPANY SECRETARY** : KIRAN VAGHELA

Place: Vithal Udyognagar  
Date: May 12, 2017



**ROLCON ENGINEERING COMPANY LIMITED**  
Statement of Profit and Loss for the year ended on 31<sup>st</sup> March, 2017 (Amt. in Rs. )

PARTICULARS	Note No	As at March 31	
		2017	2016
		Amount	Amount
<b>I. Revenue from Operations</b>			
<b>(a) Sales:</b>			
Chains		23,33,19,184	24,76,40,813
Sprockets		4,49,23,808	3,58,37,553
Exports		1,06,27,168	1,31,06,179
		28,88,70,160	29,65,84,545
<b>less : Excise Duty</b>		3,07,97,115	3,15,63,820
		25,80,73,045	26,50,20,725
(b) Other Operating Revenue	19	74,06,855	76,23,944
II. Total Revenue from Operations	(a+b)	26,54,79,900	27,26,44,669
III. Other Income	20	53,53,053	45,77,867
IV. Total Revenue	(II+III)	27,08,32,953	27,72,22,536
<b>V. Expenses:</b>			
(a) Cost of Materials Consumed	21	13,74,08,551	13,49,22,415
(b) Changes In Inventories Of Finished Goods, Work In Progress And Stock In Trade	22	(83,17,215)	19,69,220
(c) Other Operating Expenses	23	6,07,85,729	5,34,67,296
(d) Employee Benefit Expenses	24	5,55,69,736	5,46,52,589
(e) Finance Costs	25	1,01,595	3,55,265
(f) Depreciation & Amortisation Expenses	10	88,62,365	1,00,46,209
(g) Other Expenses	26	3,35,01,289	3,62,32,350
<b>Total Expenses</b>		28,79,12,049	29,16,45,344
VI. Profit before exceptional and extraordinary items and tax	(IV - V)	(1,70,79,097)	(1,44,22,808)
VII. Exceptional Items		Nil	Nil
VIII. Profit before extraordinary items and tax	(VI - VII)	(1,70,79,097)	(1,44,22,808)
IX. Extraordinary Items		Nil	Nil
X. Profit before tax	(VIII - IX)	(1,70,79,097)	(1,44,22,808)
XI. Tax expense:			
(a) Current Tax		Nil	Nil
(b) Deferred Tax Charge / (Credit)		46,072	(1,58,907)
(c) Short / (Excess) Provision for Taxes of Earlier Years		(89,096)	(1,00,979)
XII. Profit(Loss) for the period from Continuing Operations	(X-XI)	(1,70,36,072)	(1,41,62,922)
XIII. Profit/(Loss) from Discontinuing Operations		Nil	Nil
XIV. Tax Expense of Discounting Operations		Nil	Nil
XV. Profit/(Loss) from Discontinuing Operations After Tax	(XIII - XIV)	Nil	Nil
XVI. Profit/(Loss) for the period	(XII + XV)	(1,70,36,072)	(1,41,62,922)
XVII. Earning per equity share:			
(a) Basic	31	(22.53)	(18.73)
(b) Diluted	31	(22.53)	(18.73)

The accompanying notes 1 to 43 are an integral part of Financial Statements As per our report of even date attached herewith

**For THACKER BUTALA DESAI**  
Chartered Accountants

**Yatin N. Patel**  
Partner  
Membership No. 122676  
Firm Reg. No 110864W

Place: Navsari  
Date: May 12, 2017

**For ROLCON ENGINEERING COMPANY LIMITED**

**Chairman** : S. H. Amin  
**Managing Director** : A. S. Amin  
**Directors** : S. G. Parekh  
: M. H. Joshi  
: K. K. Seksaria  
**CFO** : N.U.Patel  
**COMPANY SECRETARY** : KIRAN VAGHELA

Place: Vithal Udyognagar  
Date: May 12, 2017



**ROLCON ENGINEERING COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Amt. in Rs.)**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>[A] Cashflow From Operating Activities</b>		
1. Net Profit before Tax	(1,70,79,097)	(1,44,22,808)
2. Adjustments for:		
[i] Depreciation and Amortisation	88,62,365	1,00,46,209
[ii] Interest Expenses	99,797	3,48,807
[iii] Interest & Dividend Income	(31,14,384)	(35,34,075)
[iv] Loss / (Profit) on Sales of Assets	(3,85,150)	(1,13,972)
<b>Operating Profit Before Working Capital Changes ( 1 + 2 )</b>	<b>(1,16,16,468)</b>	<b>(76,75,839)</b>
3. Adjustments for Working Capital changes:		
[i] Trade & Other Receivables		
* (Increase) / decrease in Trade receivables	(2,59,25,848)	39,27,072
* (Increase) / decrease in Short term Loans and Advances	2,49,698	(2,88,906)
* (Increase) / decrease in other Current Assets	7,49,641	(5,52,139)
* (Increase) / decrease in other Non - Current Assets	-	3,04,174
[ii] Trade & Other payables		
* Increase / (decrease) in Trade payables	2,59,36,669	44,78,095
* Increase / (decrease) in Short term provisions	-	6,04,311
* Increase / (decrease) in other current liabilities	66,78,562	46,58,761
[iii] (Increase) / decrease in Inventories	(1,06,30,406)	37,14,318
<b>Cash Generated From Operations</b>	<b>(1,45,58,152)</b>	<b>91,69,848</b>
4. Less: Direct Taxes Paid / Retund	(13,03,278)	(20,36,026)
5. Misc. Expenditure	-	-
<b>Net Cash From Operating Activities [A]</b>	<b>(1,32,54,874)</b>	<b>71,33,822</b>
<b>[B] Cashflow From Investing Activities</b>		
1. Purchase of Fixed Assets	(47,37,283)	(71,96,353)
2. Sale of Fixed Assets	3,93,845	1,25,068
3. Sale of current Investments	-	-
4. Interest Received	31,13,259	35,32,950
5. Dividend Received	1,125	1,125
<b>Net Cash Generated from / (Used in) Investing Activities [B]</b>	<b>(12,29,054)</b>	<b>(35,37,210)</b>
<b>[C] Cashflow From Financing Activities</b>		
1. Proceeds from Long Term borrowings	(36,795)	2,73,028
2. Proceeds from Other Borrowings	32,58,089	(2,73,610)
3. Interest Paid	(99,797)	(3,48,807)
4. Dividends Paid (incl. tax thereon)	(-)	(13,60,733)
<b>Net Cash Generated from / (Used in) Financing Activities [C]</b>	<b>31,21,497</b>	<b>(17,10,122)</b>
<b>[D] Net Incr./ (Decr.) In Cash &amp; Cash Equivalents [A+B+C]</b>	<b>(1,13,62,431)</b>	<b>18,86,490</b>
<b>[E] Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>4,80,71,766</b>	<b>4,61,85,276</b>
<b>[F] Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,67,09,336</b>	<b>4,80,71,766</b>





**ROLCON ENGINEERING COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017 (Amt. in Rs.)**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>1 Components of Cash &amp; Cash Equivalents</b>		
Cash on hand	51,233	57,962
Cheques on hand	-	-
Balances with banks		
- In Current Accounts	21,66,733	79,31,682
- In Margin Money	-	-
- In Fixed Deposit Account	3,44,62,629	4,00,53,381
- Unclaimed Share application Money lying In escrow Account	-	-
- Unclaimed Dividend Account	28,741	28,741
<b>2 Cash and cash equivalents include amount not available for immediate use</b>		
a) Margin Money / Fixed Deposits given as security against borrowings	82,29,425	1,39,87,746
b) Unclaimed Dividend Account	28,741	28,741
<b>3 Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised</b>		
<b>4 The above cashflow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.</b>		
<b>5 Previous year figures have been regrouped wherever necessary to conform with current year's classification.</b>		

As per our report of even date attached

**For THACKER BUTALA DESAI**

Chartered Accountants

Firm Reg. No 110864W

**Yatin N. Patel**

Partner

Membership No.122676

Place: Navsari

Date: May 12, 2017

**For ROLCON ENGINEERING COMPANY LIMITED**

**Chairman** : S. H. Amin

**Managing Director** : A. S. Amin

**Directors** : S. G. Parekh  
: M. H. Joshi  
: K. K. Seksaria

**CFO** : N.U.Patel

**COMPANY SECRETARY** : KIRAN VAGHELA

Place: Vithal Udyognagar

Date: May 12, 2017

**Notes forming part of Financial Statements**

**Note 1 SHARE CAPITAL**

(Amt. in Rs.)

PARTICULARS	As at March 31			
	2017		2016	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	14,60,000	1,46,00,000	14,60,000	1,46,00,000
10% Redeemable Preference Share of Rs. 100/- each	4,000	4,00,000	4,000	4,00,000
<b>Total</b>		<b>1,50,00,000</b>		<b>1,50,00,000</b>
<b>Issued Subscribed &amp; Paid up</b>				
Equity Share of Rs. 10/- each fully Paid - Up	7,56,000	75,60,000	7,56,000	75,60,000
<b>Subscribed but not fully Paid up</b>	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	<b>7,56,000</b>	<b>75,60,000</b>	<b>7,56,000</b>	<b>75,60,000</b>

**Reconciliation of Shares outstanding at the beginning and at the end of the year.**

PARTICULARS	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,56,000	75,60,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,56,000	75,60,000	-	-

Name of Shareholders holding more than 5% of Equity Shares	As at March 31		As at March 31	
	2017		2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares :</b>				
DAKSHABEN S AMIN	1,36,245	18.02	1,31,245	17.36
THE ORIENTAL INSURANCE COMPANY LTD.	75,600	10.00	75,600	10.00
NATIONAL INSURANCE COMPANY LTD.	54,000	7.14	54,000	7.14
SURESH H AMIN	64,453	8.53	64,353	8.51
NEHA M PATEL	70,920	9.38	70,920	9.38
RUPAL N PATEL	47,280	6.25	47,280	6.25
MALAY S SHAH	63,040	8.34	63,040	8.34
ASHISH S AMIN	81,350	10.76	81,350	10.76

PARTICULARS	Aggregate No. of Shares As at March 31,				
	2017	2016	2015	2014	2013
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Unpaid Calls	Amount
By Directors	-
By Officers	-

**Rights, preferences and restrictions attached to shares:**

**Equity Shares:** The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, Except in case of Intrim Dividend. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assests of the company after distribution of all preferential amounts, in proportion to their shareholding.

**Note 2 RESERVES & SURPLUS**

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>a. Capital Redemption Reserve</b>		
Opening Balance	4,00,000	4,00,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>4,00,000</b>	<b>4,00,000</b>
<b>b. General Reserves</b>		
Opening Balance	5,83,16,806	5,75,16,806
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>5,83,16,806</b>	<b>5,83,16,806</b>
<b>c. Surplus</b>		
Opening balance	5,25,14,363	6,66,77,285
(+) Net Profit/(Net Loss) For the Current Year	(1,70,36,072)	(1,41,62,922)
(-) Proposed Dividend	-	-
(-) Tax on Dividend	-	-
(-) Transfer to Reserves	-	-
(-) Other Adjustment During Year due to Revaluation of Fixed Asset	-	-
<b>Closing Balance</b>	<b>3,54,78,290</b>	<b>5,25,14,363</b>
<b>Total</b>	<b>9,41,95,096</b>	<b>11,12,31,169</b>

**Note 3 LONG TERM BORROWINGS**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Secured</b>		
Car loans from SBI Bank	2,63,233	2,73,028
<b>Terms of Repayment:</b>		
Repayable in Fixed Monthly Installment, Interest & Charges payable as and when applied.		
<b>Secured by:</b>		
Hypothecation of respective vehicles		
<b>Total</b>	<b>2,63,233</b>	<b>2,73,028</b>

**Note 4 OTHER LONG TERM LIABILITIES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 5 LONG TERM PROVISIONS**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
(a) Provision for employee benefits	-	-
(b) Other Provisions of Long Term Nature	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 6 SHORT TERM BORROWINGS**

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Secured</b>		
<b>Over Draft / Cash Credit from Banks</b>		
(I) Overdraft from Indian Bank (Against Lien of Fixed Deposits)	46,86,422	4,97,168
(II) Overdraft from Corporation Bank (Against Lien of Fixed Deposits)	-	9,31,165
(III) Cash Credit from Corporation Bank (Against Hypothecation of Inventories & Book Debt)	-	-
<b>Total</b>	<b>46,86,422</b>	<b>14,28,333</b>

**Note 7 TRADE PAYABLES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
(a) Trade Payables for Goods		
Due to SME	-	-
Due to Others	7,90,68,683	5,27,64,638
Due to Subsidiary	-	-
(b) Advance From Customers		
Due to SME	-	-
Due to Others	52,55,359	57,24,585
Due to Subsidiary	-	-
(c) Trade Payables for Expenses		
Due to SME	-	-
Due to Others	4,06,713	3,04,863
Due to Subsidiary	-	-
<b>Total</b>	<b>8,47,30,755</b>	<b>5,87,94,086</b>

**Note 8 OTHER CURRENT LIABILITIES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Secured</b>		
Current Maturity of Long Term Borrowings	69,840	69,840
<b>Unsecured</b>		
Other Payables	2,44,44,883	1,77,66,321
<b>Total</b>	<b>2,45,14,723</b>	<b>1,78,36,161</b>

**Note 9 SHORT TERM PROVISIONS**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
(a) Provision for employee benefits		
Bonus	10,80,000	10,80,000
(b) Dividend Payable		
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
<b>Total</b>	<b>10,80,000</b>	<b>10,80,000</b>

**Note 10 FIXED ASSETS**

(Amt. in Rs.)

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block			
		Balance as at 1 April 2016	Additions	Disposals/Transfers	Acquired through business combination	Revaluations/(Impairments)	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Disposals/Transfers	Adjustment due to revaluations	On disposals	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<b>a</b>	<b>Tangible Assets</b>														
	<b>Land</b>														
	LAND (FREE HOLD WIND MILL)	4,93,702	-	-	-	4,93,702	-	-	-	-	-	-	4,93,702	4,93,702	
	LAND (FREE HOLD)	19,579	-	-	-	19,579	-	-	-	-	-	-	19,579	19,579	
	<b>Buildings</b>														
	OFFICE BUILDING	38,58,351	-	-	-	38,58,351	19,25,826	94,114	-	-	-	20,19,940	18,38,411	19,32,525	
	FACTORY BUILDINGS	4,86,22,026	10,37,705	-	-	4,96,59,731	1,82,56,074	29,03,344	-	-	-	2,11,59,418	2,85,00,313	3,03,65,952	
	<b>Plant and Equipments</b>														
	PLANT & MACHINERIES	13,45,12,534	29,78,617	-	-	13,74,91,151	12,01,66,033	42,27,191	-	-	-	12,43,93,224	1,30,97,927	1,43,46,501	
	FLAMELESS FURNACE	53,04,300	-	-	-	53,04,300	46,06,539	2,52,589	-	-	-	48,59,128	4,45,172	6,97,761	
	TURBINE AIR VENTILATORS	11,40,074	-	-	-	11,40,074	11,00,323	14,390	-	-	-	11,14,713	25,361	39,751	
	WIND ELECTRIC GENERATORS	99,03,789	-	-	-	99,03,789	94,94,251	1,04,268	-	-	-	95,98,519	3,05,270	4,09,538	
	GAS CYLINDERS	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Computer</b>														
	COMPUTER SYSTEMS	27,93,414	1,40,803	-	-	29,34,217	27,38,327	1,03,135	-	-	-	28,41,462	92,755	55,087	
	<b>Furniture &amp; Fixtures</b>														
	FURNITURE & FIXTURES	46,65,505	3,91,218	-	-	50,56,723	37,95,527	2,60,158	-	-	-	40,55,685	10,01,038	8,69,978	
	ELE. FITTINGS & FIXTURES	23,32,339	27,475	-	-	23,59,814	21,16,720	56,756	-	-	-	21,73,476	1,86,338	2,15,619	
	ELECTRICAL INSTALLATIONS	29,85,447	76,965	-	-	30,62,412	25,95,003	1,05,332	-	-	-	27,00,335	3,62,077	3,90,444	
	<b>Vehicles</b>														
	VEHICLES	1,15,86,993	-	4,12,660	-	1,11,74,333	1,03,59,929	3,81,352	4,03,965	-	-	1,03,37,316	8,37,017	12,27,064	
	<b>Office Equipment</b>														
	OFFICE EQUIPMENTS	40,18,980	-	-	-	40,18,980	37,56,853	1,18,341	-	-	-	38,74,994	1,43,986	2,62,127	
	AIR CONDITIONERS	24,56,821	84,500	-	-	25,41,321	20,02,858	2,41,595	-	-	-	22,44,453	2,96,868	4,53,963	
	<b>Total</b>	<b>23,46,93,854</b>	<b>47,37,283</b>	<b>4,12,660</b>	<b>-</b>	<b>23,90,18,477</b>	<b>18,29,14,265</b>	<b>88,62,365</b>	<b>4,03,965</b>	<b>-</b>	<b>-</b>	<b>19,13,72,664</b>	<b>4,76,45,813</b>	<b>5,17,79,591</b>	
<b>b</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>c</b>	<b>Capital Work In Progress</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>d</b>	<b>Intangible assets under Development</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>23,46,93,854</b>	<b>47,37,283</b>	<b>4,12,660</b>	<b>-</b>	<b>23,90,18,477</b>	<b>18,29,14,265</b>	<b>88,62,365</b>	<b>4,03,965</b>	<b>-</b>	<b>-</b>	<b>19,13,72,664</b>	<b>4,76,45,813</b>	<b>5,17,79,591</b>	
	<b>Previous Year</b>	<b>22,78,92,993</b>	<b>71,96,353</b>	<b>3,95,492</b>	<b>-</b>	<b>23,46,93,854</b>	<b>17,32,52,452</b>	<b>1,00,46,209</b>	<b>3,84,396</b>	<b>-</b>	<b>-</b>	<b>18,29,14,264</b>	<b>5,17,79,591</b>	<b>5,46,40,541</b>	



**Note 11 NON CURRENT INVESTMENTS**

(Amt. in Rs. )

	PARTICULARS	As at March 31	
		2017	2016
		Amount	Amount
<b>A</b>	<b>Trade Investments</b>	-	-
	<b>Total (A)</b>	-	-
<b>B</b>	<b>Other Investments</b>		
	<i>Investment in Equity Instruments</i>	7,500	7,500
	<b>Total (B)</b>	7,500	7,500
	<b>Total ( A + B )</b>	7,500	7,500

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	7,500	7,500
Aggregate market value of quoted investments	-	-

A. Details of Investments												
Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' Basis of Valuation
			2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	<b>Investment in Equity Instruments</b> <i>The Charotar Gas Sahkari Mandali Ltd</i>	<i>Other</i>	15	15	<i>Unquoted</i>	<i>Fully Paid</i>	-	-	7,500	7,500	Yes	-
(b)	<b>Investments in Government or Trust securities</b>	-	-	-	-	-	-	-	-	-	-	-
(c)	<b>Investments in Mutual Funds</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>								7500	7500		





**Note 12 DEFERRED TAX ASSET (NET)**

(Amt. in Rs. )

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Deferred Tax Assets</i>	40,39,626	40,85,698
<i>Less: Deferred Tax Liabilities</i>	-	-
<b>Total</b>	<b>40,39,626</b>	<b>40,85,698</b>

**Note 13 OTHER NON CURRENT ASSETS**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Unsecured, considered good :</b>		
<i>Deposits</i>	15,54,303	15,54,303
<i>Advance for Capital Expenditure</i>	-	-
<b>Total</b>	<b>15,54,303</b>	<b>15,54,303</b>

**Note 14 INVENTORIES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Stock-in-trade (as taken , valued and certified by the Management)</b>		
<i>a) Raw Materials</i>	1,46,23,510	1,23,10,319
<i>b) Semi-Finished Goods</i>	56,27,215	68,08,000
<i>c) Finished Goods</i>	1,95,10,000	1,00,12,000
<b>Total</b>	<b>3,97,60,725</b>	<b>2,91,30,319</b>

**Note 15 TRADE RECEIVABLES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Unsecured, considered good :</b>		
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>	7,31,68,930	3,47,85,644
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>	97,11,244	2,21,68,683
<b>Total</b>	<b>8,28,80,174</b>	<b>5,69,54,327</b>

Trade Receivable stated above include debts due by:

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Directors *</i>	-	-
<i>Other officers of the Company *</i>	-	-
<i>Firm in which director is a partner *</i>	-	-
<i>Private Company in which director is a member</i>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 16 CASH AND BANK BALANCES**

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>I. Cash &amp; Cash Equivalents</b>		
a. Balances with banks	21,95,474	79,60,423
This includes:		
Unpaid Dividend A/c ( C.Y. Rs.28741/-, P.Y. Rs.90519/- )	-	-
Margin Money ( C.Y. Rs. Nil , P.Y. Rs.Nil )	-	-
Security against Borrowings ( C.Y. Rs. Nil , P.Y. Rs. Nil/- )	-	-
Security against Guarantees ( C.Y. Rs. Nil , P.Y. Rs.Nil )	-	-
Security against Other Commitments ( C.Y. Rs. Nil , P.Y. Rs.Nil )	-	-
Bank deposits with less than 3 months maturity (C.Y Rs.Nil ,P.Y Rs. Nil)	-	-
b. Cheques, drafts on hand		
c. Cash on hand	51,233	57,962
d. Others (specify nature)		
<b>II. Other Balances</b>		
Fixed Deposit (Including maturity below and after 12 months)	3,44,62,629	4,00,53,381
This includes: ( Given under Security for the Borrowing)		
Security against Borrowings		
(C.Y. Rs.8229425 /- , P.Y. Rs.13987746/-)		
<b>Total</b>	<b>3,67,09,336</b>	<b>4,80,71,766</b>

**Note 17 SHORT TERM LOANS & ADVANCES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Unsecured, considered good :</b>		
a. Advance Recoverable in Cash or Kind	-	-
b. Loans & Advances to Staff	49,500	15,000
c. Inter Corporate Deposit	-	-
d. Advance to Suppliers - Others	3,33,000	6,17,198
e. Advance Payment of Income Tax ( Net of Provisions)	16,60,269	28,74,451
<b>Total</b>	<b>20,42,769</b>	<b>35,06,649</b>

Short Term Loans &amp; Advance stated above include advance given to:

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\*Either severally or jointly

**Note 18 OTHER CURRENT ASSETS**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Unsecured, considered good :</i>		
a) Interest Receivable	12,92,940	11,21,498
b) Cenvat Receivable (For Capital Goods)	2,48,983	3,84,607
c) Cenvat Receivable (For Others)	3,06,946	5,87,633
d) Service Tax Receivable	4,46,499	9,14,041
e) VAT / CST Receivable	67,615	1,04,845
<b>Total</b>	<b>23,62,983</b>	<b>31,12,624</b>

**Notes forming part of Statement of Profit & Loss**

**Note 19 OTHER OPERATING REVENUE** (Amt. in Rs.)

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Job Work Income</i>	-	41,851
<i>Scrap Sales</i>	74,06,855	75,82,093
<b>Total</b>	<b>74,06,855</b>	<b>76,23,944</b>

**Note 20 OTHER INCOME**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Interest Income</i>	31,13,259	35,32,950
<i>Rent Income</i>	2,88,015	1,39,170
<i>Dividend Income</i>	1,125	1,125
<i>Net Gain/Loss on Sale of Asset</i>	3,85,150	1,13,972
<i>Foreign Exchange Variation</i>	-	54,337
<i>Income from Wind Electric Generators</i>	15,65,504	7,36,313
<b>Total</b>	<b>53,53,053</b>	<b>45,77,867</b>

**Note 21 COST OF MATERIAL CONSUMED**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Opening Stock</i>	1,23,10,319	1,40,55,417
<i>Add : Purchases during the Year</i>	13,97,21,742	13,31,77,317
<b>SUB TOTAL</b>	<b>15,20,32,061</b>	<b>14,72,32,734</b>
<i>Less : Closing Stock</i>	1,46,23,510	1,23,10,319
<b>Total</b>	<b>13,74,08,551</b>	<b>13,49,22,415</b>

**Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<b>Opening Stock:</b> <i>Semi -Finished Goods</i>	68,08,000	34,84,220
<i>Finished Goods</i>	1,00,12,000	1,53,05,000
	<b>1,68,20,000</b>	<b>1,87,89,220</b>
<b>Closing Stock :</b> <i>Semi -Finished Goods</i>	56,27,215	68,08,000
<i>Finished Goods</i>	1,95,10,000	1,00,12,000
	<b>2,51,37,215</b>	<b>1,68,20,000</b>
<b>(Increase)/Decrease in Stock</b>	<b>(83,17,215)</b>	<b>19,69,220</b>

**Note 23 OTHER OPERATING EXPENSES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
<i>Power &amp; Fuel</i>	1,84,35,769	1,94,20,421
<i>Store, Tools, Oil &amp; Packing Material Consumed</i>	1,87,98,845	1,82,77,975
<i>Machining Charges</i>	1,95,54,388	1,22,98,508
<i>Clearing &amp; Forwarding Expenses</i>	9,09,828	7,85,180
<i>Freight Inwards</i>	30,86,899	26,85,212
<b>Total</b>	<b>6,07,85,729</b>	<b>5,34,67,296</b>

**Note 24 EMPLOYEE BENEFIT EXPENSES**

(Amt. in Rs. )

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
Managerial Remuneration	32,34,000	32,34,000
Salaries & Wages	4,26,18,472	4,16,01,087
Contribution to Provident Fund	34,94,502	37,31,042
Staff Welfare Expenses	8,89,472	10,36,330
Exgratia / Bonus / Contribution to Superannuation Fund	19,26,290	23,55,610
Gratuity	34,07,000	26,94,520
<b>Total</b>	<b>5,55,69,736</b>	<b>5,46,52,589</b>

**Note 25 FINANCE COST**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
Interest : Fixed Period Loan	33,045	4,508
: Others	66,752	3,44,299
Bank Charges	1,798	6,458
<b>Total</b>	<b>1,01,595</b>	<b>3,55,265</b>

**Note 26 OTHER EXPENSES**

PARTICULARS	As at March 31	
	2017	2016
	Amount	Amount
Rent	10,57,680	10,57,680
Rates & Taxes ( Includes Wealth Tax C.Y Rs Nil , P.Y Rs.Nil )	2,21,921	4,30,963
Stationery, Printing, Postage, etc.	20,14,376	27,69,003
Insurance Premium (Net)	6,90,238	7,07,539
Works & Office Expense	7,91,026	9,34,358
Advertisement	93,508	2,15,694
Forwarding & Transport Charges	60,18,237	47,88,772
Commission to Distributors/Agents	49,72,788	56,27,813
Professional, Consultation & Legal Fees	27,47,412	29,27,045
Travelling & Conveyance	55,30,565	81,10,929
Computer Expenses	2,84,979	2,66,791
Repairs & Maintenance		
: Machineries	18,80,660	25,19,867
: Buildings	14,41,180	16,39,639
: Others	13,18,766	12,67,634
Payment to Auditors	1,46,400	1,56,400
Donation	21,000	17,000
Subscription & Membership Fees	2,98,821	2,96,458
Garden Expenses A/c	70,333	95,612
Liquidated Damages	3,02,046	2,50,679
Bab Debts Written off	9,12,955	3,95,460
Director Sitting Fees	1,80,000	1,05,000
Foreign Exchange Variation ( Loss )	1,60,876	-
Service Tax Exp	6,99,042	12,852
Sales Tax / Central Excise	1,06,736	1,51,653
Bank Charges - Others	6,61,069	8,58,727
Interest Expense - Others	1,92,044	277
Tender Fees	25,825	10,741
Festival Expense	67,979	63,950
Security Service	5,92,825	5,53,813
<b>TOTAL</b>	<b>3,35,01,289</b>	<b>3,62,32,350</b>

## ROLCON ENGINEERING COMPANY LIMITED

### NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

#### NOTE: 27 ACCOUNTING POLICIES

Significant accounting policies adopted in the preparation and presentation of accounts are as under:

**a) Basis of Accounts:**

*Accounts have been prepared on the basis of historical cost. The Company adopts the accrual system of accounting and the accounts are prepared on a going concern concept.*

**b) Fixed Assets:**

*Fixed assets are stated at cost less depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to working condition for its intended use. Financing cost if any relating to the acquisition of fixed assets for the period up to the completion of fixed assets for its intended use are included in the cost of the asset to which they relate.*

**c) Depreciation & Amortisation:**

*Depreciation has been provided on written down value method as per the useful life prescribed in schedule VI of the Companies Act, 2013.*

**d) Inventories:**

*Inventories are valued at the lower of cost or estimated net realizable value. The cost of inventories is arrived at on the following basis:*

<i>Raw Material and Stores</i>	<i>:-</i>	<i>Weighted Average Cost</i>
<i>Stock in Process</i>	<i>:-</i>	<i>Raw Materials at Weighted Average Cost &amp; absorption of Labour and Overheads</i>
<i>Finished Goods</i>	<i>:-</i>	<i>Raw Materials at Weighted Average Cost &amp; absorption of Labour and Overheads</i>

**e) Accounting of Cenvat Credit:**

*Cenvat credit is taken on the basis of purchases and consumed at the time of clearance*

**f) Foreign Currency Transactions:**

*(1) Transactions in foreign currencies are generally recorded by applying to the foreign currency amount, the exchange rate existing at the time of the transaction.*

*(2) Gains or losses on settlement, in a subsequent period of transactions entered into in an earlier period are credited or charged to the Statement of Profit and Loss.*

*(3) Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates.*

**g) Retirement Benefits:**

*1. The Gratuity liability is determined based on the Actuarial Valuation done by Actuary as at balance sheet date in context of the Revised AS-15 issued by the ICAI, as follows:*

PARTICULARS	<u>Gratuity Funded</u> <u>Rs in Lakhs</u>
-------------	--

**Expense recognized in the Statement of Profit & Loss for the year ended March 31, 2017**

<i>Current Service Cost</i>	8.22
<i>Interest Cost</i>	14.27
<i>Employer Contribution</i>	—
<i>Expected return on Plan Assets</i>	-0.03
<i>Net Actuarial (Gains) / Losses</i>	-1.40
<i>Past Service Cost</i>	—
<i>Settlement Cost</i>	—
<i>Total Expense</i>	21.06

**Net Asset / (Liability) recognized in the Balance Sheet at March 31, 2017**

<i>Present value of Defined Benefit Obligation as at March 31, 2017</i>	176.75
<i>Fair value of plan assets as at March 31, 2017</i>	1.53
<i>Funded status { Surplus / (Deficit) }</i>	-175.22
<i>Net asset / (liability) as at March 31, 2017</i>	175.22

**Change in Obligation during the Year ended March 31, 2017**

<i>Present value of Defined Benefit Obligation at beginning of the year</i>	190.26
<i>Current Service Cost</i>	8.22
<i>Interest Cost</i>	14.27
<i>Past Service Cost</i>	—
<i>Employer Contributions</i>	—
<i>Actuarial (Gains) / Losses</i>	-1.01
<i>Benefits Payments</i>	-35.00
<i>Present value of Defined Benefits Obligation at the end of the year</i>	176.25

**Change in Assets during the year ended March 31, 2017**

<i>Plan assets at the beginning of the year</i>	0.39
<i>Assets acquired in amalgamation in previous year</i>	—
<i>Settlements</i>	—
<i>Expected return on plan assets</i>	0.03
<i>Contributions by Employer</i>	35.71
<i>Actual benefits paid</i>	-35.00
<i>Actuarial (Gains) / Losses</i>	0.39
<i>Plan Assets at the end of the year</i>	1.53

*Actuarial Assumptions:*

<i>Discount Rate:</i>	7.50 %
<i>Expected Rate of Return on Plan Asset:</i>	7.50 %
<i>Mortality Rates:</i>	<i>IALM (2006-08) Ultimate Published Table of Rates</i>
<i>Withdrawals Rates:</i>	2% p.a.
<i>Retirement Age:</i>	58 years
<i>Rate of Escalation in Salary (p.a.):</i>	6.00 %
 <i>Liability of Defined Benefit Obligation as at 31-03-2017</i>	 1,76,74,619/-
 <i>Profit &amp; Loss Charge for the year ended 31-03-2017</i>	 34,07,000/-

The Company has covered Rs.1,53,017/- out of Total Liability of Rs.1,76,74,619/- by paying yearly premium to Life Insurance Corporation of India over the past years. And the Company has charged Rs.34,07,000/- towards contribution paid to LIC to Statement of Profit And Loss for the year ended 31-03-2017 as per consistent past practice.

2. *Liability in respect of Superannuation Benefits extended to eligible employees is contributed by the Company to Life Insurance Corporation of India against a Master Policy @ 8% of the Basic Salary of all the eligible employees.*
3. *The Company's contribution Rs.34,94,502/- (P.Y. Rs. 37,31,042/-) paid / payable for the year to Provident Fund is charged to the Statement of Profit And Loss.*
4. *Liability in respect of Leave Encashment is provided on actual payment basis*

**h) Investments:**

*Investments are generally of Long Term nature and are stated at cost unless there is a other than temporary diminution in their value as at the date of Balance Sheet.*

**i) Revenue Recognition:**

1. *Sale of goods is generally recognised on dispatch to customers and excludes the amounts recovered towards Excise Duty, Packing and Forwarding and VAT / CST*
2. *Interest revenues are recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.*
3. *Consistent with past practice dividends from investments in Shares are recognised as and when the same are received.*
4. *Consistent with past practice Insurance Claim is accounted for as and when the same has been admitted by the Insurance authorities.*

**j) Contingent Liabilities:**

*There is no any contingent liability.*



## Note 28 Payment to Auditors (paid/payable)

	<u>31.03.2017</u>	<u>31.03.2016</u>
	Rs.	Rs.
<i>As Audit Fees</i>	72000	72000
<i>For Tax Audit Fees</i>	30000	30000
<i>In other capacity</i>	44400	53400
<i>Re-imbusement of Expenses</i>	-	1000
<b>TOTAL</b>	<b><u>146400</u></b>	<b><u>156400</u></b>

*Payment to Auditors Rs.146400/- is excluding Service Tax of Rs. 21,960/- (Previous Year Rs. 21,896/-)*

## Note 29 Transactions with Related Parties – AS 18

*As required by the Accounting Standard 18 “Transactions with Related Parties”, the Company has entered into following transactions during the year under review.*

Sr No	Name	Nature of Relationship	Nature of Transaction	Transaction During The Year
1.	<i>Sudeep-Rub-Chem Pvt. Ltd.</i>	<i>Directors are members in the company</i>	<i>Purchase</i>	27,799
2.	<i>Shri. S.H.Amin</i>	<i>Chairman &amp; Whole Time Director</i>	<i>Remuneration</i>	1,584,000
3.	<i>Shri. A.S.Amin</i>	<i>Managing Director</i>	<i>Remuneration</i>	1,650,000
4.	<i>Smt. A.A.Amin</i>	<i>Managing Director’s Wife</i>	<i>Remuneration</i>	374,205
5.	<i>Maruti Rubber Product pvt. Ltd.</i>	<i>Directors are members in the company</i>	<i>Purchase</i>	141,750
6.	<i>APS Diverter valve pvt. Ltd.</i>	<i>Directors are members in the company</i>	<i>Rent and Electricity expense</i>	374,088
7.	<i>The Seksaria Biswan Sugar Factory Pvt. Ltd</i>	<i>Directors are members in the company</i>	<i>Sales</i>	102,060

### Note 30 Segment information

Segment information for the year ended 31<sup>st</sup> March 2017.

(Rs. in Lakhs)

Sr. No.	Particulars	Rs. (2016-17)	Rs. (2015-16)
1.	Segment Revenue		
	(A) Industrial Chain	2230.05	2262.95
	(B) Sprocket Wheel	424.75	463.50
	<b>Total</b>	<b>2654.80</b>	<b>2726.45</b>
	Less : Inter Segment Revenue	-----	-----
	<b>Net Sales / Income from Operations</b>	<b>2654.80</b>	<b>2726.45</b>
2.	Segment result (Profit & (Loss) before tax and Finance Costs)		
	(A) Industrial Chain	(94.65)	(79.13)
	(B) Sprocket Wheel	(75.12)	(61.55)
	<b>Total</b>	<b>(169.77)</b>	<b>(140.68)</b>
	Add		
	(A) Finance Costs	(1.02)	(3.55)
	(B) Other un-allocable expenditure net off un-allocable income	-----	-----
	<b>TOTAL PROFIT / (LOSS) BEFORE TAX</b>	<b>(170.79)</b>	<b>(144.23)</b>
3.	Capital Employed		
	(Segment Assets - segment Liabilities)		
	(A) Industrial Chain	1005.55	1175.91
	(B) Sprocket Wheel	12.00	12.00
	(C) Un-allocable Corporate Assets less Liabilities	-----	-----
	<b>Total Capital Employed in Company</b>	<b>1017.55</b>	<b>1187.91</b>

### Note 31 Earning per Share:

	Current Year	Previous Year
	Rs.	Rs.
Basic Earning Per Share	(22.53)	(18.73)
Diluted Earning Per Share	(22.53)	(18.73)
Face Value Per Share	10.00	10.0

Earning Per Share is Calculated by dividing the profit/loss attributable to the Equity Shareholders by weighted average number of Equity share outstanding during the period. The number used in calculating Basic and Diluted Earning per Equity share are as stated below:

	Current Year	Previous Year
	Rs.	Rs.
Profit/ (Loss) after Taxation (in Rs.)	(1,70,36,072)	(1,41,62,922)
Weighted average No. of share during year	7,56,000	7,56,000

**Note 32** The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

### Note 33. Other Informations

#### A. TURNOVER :

	Current Year		Previous Year	
	Unit/Qty.	Value Rupees	Unit/Qty.	Value Rupees
<i>Industrial chains &amp; Spares</i> 37304.85 Mtrs.&130424 Nos.		21,76,31,795	44834Mtrs.&93199 Nos.	22,00,22,474
<i>Sprocket Wheels</i>	3523 Nos.	4,04,41,250	3659 Nos.	4,49,98,251
		<u>25,80,73,045</u>		<u>26,50,20,725</u>

#### B. Raw Materials Purchased :

	Unit/Qty.	Value Rupees	Unit/Qty.	Value Rupees
<i>Flats</i>	963.392	5,27,63,244	812.430	4,12,64,858
<i>Round Bars</i>	587.307	3,16,11,593	621.522	3,50,99,319
<i>Plates</i>	325.140	1,47,42,950	424.875	2,03,74,829
<i>Other components</i>	-	2,98,46,756	-	2,72,69,290
<i>Others</i>	-	1,07,57,199	-	91,69,021
		<u>13,97,21,742</u>		<u>13,31,77,317</u>

#### C. Raw Materials Consumed :

	Unit/Qty.	Value Rupees	Unit/Qty.	Value Rupees
<i>Flats</i>	914.694	4,98,65,316	804.735	4,11,60,228
<i>Round Bars</i>	606.345	3,26,92,678	609.442	3,44,35,714
<i>Plates</i>	327.005	1,46,96,642	439.195	2,13,11,312
<i>Other components</i>	-	2,92,74,526	-	2,87,02,297
<i>Others</i>	-	1,08,79,389	-	93,12,864
		<u>13,74,08,551</u>		<u>13,49,22,415</u>

#### D. Stocks :

<i>Opening : Industrial Chains</i>	690.5 Mtr + 1 Lot	82,75,000	785 Mtr + 1 Lot	1,34,18,644
<i>Sprocket Wheels</i>	96 Nos	17,37,000	120 Nos	18,86,356
<i>Closing : Industrial Chains</i>	1658.92 Mtr +7 Nos.	1,28,53,000	690.5 Mtr + 1 Lot	82,75,000
<i>Sprocket Wheels</i>	42Nos + 15 set	6657000	96 Nos	17,37,000

**NOTE 34. Value of Imports on CIF basis during the year in respect of :**

	Current Year Rupees	Previous Year Rupees
<i>Raw Materials</i>	85,54,803	52,95,532
<i>Stores and Spares</i>	NIL	NIL
<i>Capital Goods</i>	NIL	NIL

**NOTE 35. Expenditure in Foreign Currency on account of :**

	Current Year Rupees	Previous Year Rupees
<i>Travelling</i>	1,17,355	6,14,575

**NOTE 36. Value of Raw Materials Consumed :**

	Current Year		Previous Year	
	Value Rupees	% of Total Consumption	Value Rupees	% of Total Consumption
<i>Imported</i>	85,54,803	6.23	52,95,532	3.92
<i>Indigenous</i>	12,88,53,748	93.77	12,96,26,883	96.08
	<u>13,74,08,551</u>	<u>100.00</u>	<u>13,49,22,415</u>	<u>100.00</u>

**NOTE 37. Value of Stores & Spares Consumed :**

	Value Rupees	% of Total Consumption	Value Rupees	% of Total Consumption
<i>Imported</i>	NIL	0.00	NIL	0.00
<i>Indigenous</i>	1,87,98,845	100.00	1,82,77,975	100.00
	<u>1,87,98,845</u>	<u>100.00</u>	<u>1,82,77,975</u>	<u>100.00</u>

**NOTE 38. Remittance in Foreign Currency on account of dividend to Non-Resident Share-holders:**

	Current Year	Previous Year
<i>Financial Year</i>	2015-16	2014-15
<i>No. of shareholders</i>	Four	Four
<i>No. of Shares held</i>	2,12,760	2,12,760
	<i>Rupees</i>	<i>Rupees</i>
<i>Net amount of Dividend Remitted</i>	NIL	3,19,140

**NOTE 39. Earnings in Foreign Exchange - Export of Goods on FOB basis :**

	Rupees	Rupees
<i>Industrial Chains</i>	1,00,52,230	1,09,26,796
<i>Sprocket Wheels</i>	4,60,660	20,60,382
	<u>1,05,12,890</u>	<u>1,29,87,178</u>

**Note 40 Discloser regarding pursuant to circular no G.S.R.308(E) dated March 30, 2017.**

*Detail of specified bank notes(SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in the table below:*

	<b>SBN'S</b>	<b>Other Denomination Notes</b>	<b>Total</b>
<i>Closing Cash in hand as on 08.11.2016</i>	25000.00	86119.16	111119.16
<i>(+) Permitted Receipts</i>	NIL	2550330.19	2550330.19
<i>(-) Permitted Payments</i>	NIL	2307065.19	2307065.19
<i>(-) Amount Deposited in banks</i>	25000.00	NIL	25000.00
<i>Closing cash in hand as on 30.12.2016</i>	NIL	329384.16	329384.16

**Note 41 The figures have been rounded upto a Rupee. Parties Balances are subject to their confirmations and reconciliation and consequential adjustments, if any**

**Note 42 Previous year figures have been regrouped and recast wherever necessary to make them comparable with current year's figures.**

**Note 43 Note No. 1 to 41 form an integral part of Financial Statements**

**Signature to Balance Sheet, Statement of Profit & Loss and Note 1 to Note 43**

**As per our report of even date attached herewith**

**For THACKER BUTALA DESAI**

*Chartered Accountants*

**Yatin N. Patel**

*Partner*

*Membership No. 122676*

*Firm Reg. No 110864W*

*Place: Navsari*

*Date: May 12, 2017*

**For ROLCON ENGINEERING COMPANY LIMITED**

**Chairman** : S. H. Amin

**Managing Director** : A. S. Amin

**Directors** : S. G. Parekh  
: M. H. Joshi  
: K. K. Seksaria

**CFO** : N.U.Patel

**COMPANY SECRETARY** : KIRAN VAGHELA

*Place: Vithal Udyognagar*

*Date: May 12, 2017*



## Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## ROLCON ENGINEERING COMPANY LTD

Registered Office: Anand- Sojitra Road, Vithal Udyognagar-388121, Gujarat, India.  
CIN: L29259GJ1961PLC001439, E-MAIL: rolcon@rolconengineering.com

50<sup>th</sup> ANNUAL GENERAL MEETING – July 27, 2017

Name of the Member(s)	
Registered address	
E-mail Id:	
Folio No. / Client Id	
DP ID	

I/We, being the holder(s) of \_\_\_\_\_ equity shares of **ROLCON ENGINEERING CO. LTD** Limited, hereby appoint,

- Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him/her
- Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him/her
- Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_

As my/our proxy to attend and vote ( on a poll ) for me/us and on my/ our behalf at Annual General Meeting of the Company, to be held on the 27 day of July, 2017 at 3.00 p.m. at registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

#### ORDINARY BUSINESS:

- To consider and adopt the Audited Financial Statements of the Company for the financial year ended as at 31st March 2017, and the Reports of the Board of Directors and Auditors thereon
- To Appoint Smt Daksha S. Amin, who retires by rotation and being eligible offer herself for re-appointment.
- Appointment of M/s. C. F. Patel & Co., as an statutory auditor and to pass the following resolution as an Ordinary Resolution

#### SPECIAL BUSINESS:

- To Appoint Shri Ashok K Parikh as an Independent Director.
- To Re-appoint Shri Suresh H. Amin as a Chairman & WTD.
- To Appoint Shri Anil D. Gandhi as an Independent Director.
- To Re-appoint Shri Ashish S. Amin as a Managing Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
stamp

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.



# ROLCON

ENGINEERING CO. LTD.

(ISO 9001 : 2000 Company)

CIN L 29259 GJ 1961 PLC001439

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