



**54th ANNUAL
REPORT
2020-21**

ROLCON
ENGINEERING CO. LTD.
Engineered for Excellence

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Suresh H. Amin	Chairman & Whole Time Director
Shri Ashish S. Amin	Managing Director
Shri Ashok Krishnadas Parikh	Director
Shri Kailashchandra K. Seksaria	Director
Shri Wolfgang Fuchs	Director
Shri Mahesh H. Joshi	Director
Shri Kiran M. Patel	Director
Dr. Arpita A. Amin	Director
Smt. Harshila H. Patel	Director

KMPS

Shri Vinubhai K Shah	Chief Financial Officer
Shri Dharmesh Chauhan	Company Secretary & Compliance Officer

AUDITOR

M/s. JHS & Associates LLP
Chartered Accountants
C-701, Merry Ellen,
Ceasars Cross Road,
Amboli, Andheri (W),
Mumbai – 400058

BANKERS

State Bank of India
Corporation Bank
Bank of Maharashtra

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PVT LTD

REGISTERED OFFICE

Anand – Sojitra Road,
Vallabh vidyanagar - 388120,
Anand, Gujarat, India.

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NOTICE

Notice is hereby given that the **54th** Annual General Meeting of the Shareholders of ROLCON ENGINEERING COMPANY LIMITED, (CIN:L29259GJ1961PLC001439) will be held on Saturday, September 25, 2021, at 4:00 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and auditors thereon.
2. To Declare Dividend of Rs. 1.5/- (15%) per equity share of Rs. 10 each for the financial year 2020-21.
3. To Appoint a Director in place of Shri Ashish S. Amin (DIN:01130354), who retires by rotation and, being eligible, offer himself for re-appointment.

NOTES:

1. In view of the continuing Global COVID-19 pandemic, the Ministry of Corporate affairs ("MCA") vide its Circular numbers 20/2020, 14/2020, 17/2020, 02/2021 Dated January 13, 2021 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 Dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 Dated January 15, 2021, issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the

Company is being held through VC/OAVM.

2. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto. The venue of the meeting shall be deemed to be the Registered Office of the Company at Vallabh Vidyanagar-388120, Gujarat.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC/OAVM, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered Email Address to kvaghela26@gmail.com with a copy marked to Company on Email address to rolcon@rolconengineering.com.
6. Procedure for Inspection of Documents:
(a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under

Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to rolcon@rolconengineering.com (b) Members seeking any information with regards to any matter to be placed at the AGM, are requested to write to the Company on or before Monday, September 20, 2021 through email on rolcon@rolconengineering.com the same will be replied by the Company suitably.

7. **DIVIDEND:** Members may note that the Income Tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders : taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN 10% or as notified by the Government of India

Members not having PAN / valid PAN 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be

received by them during Financial Year 2021-22 does not exceed Rs. 5,000/- and in cases where members provide Form 15G/Form 15H subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above.

For non-resident shareholders :

Taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) for the FY 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F

- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors/Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) The aforementioned documents are required to Email on rolcon@rolconengineering.com on or before September 20, 2021.

8. The Company has fixed Saturday, September 18, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.
9. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
10. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of

Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

11. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2021 to September 25, 2021 (Both days inclusive)

12. **Remote e-voting**

The Company is pleased to provide Remote e-Voting facility through InstaVote as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolution mentioned in the notice of 54th Annual General Meeting of the Company

Remote e-voting Instruction for shareholders:

The voting period begins on September 22, 2021 at 9:00 a.m. and ends on September 24, 2021 at 5:00 p.m. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 18, 2021 may cast their vote electronically.

Remote e-voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021. Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode/physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> ● If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “BeneficialOwner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. ● After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ● If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp ● Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> ● Existing user of who have opted for Easi/Easiest, they can login through their user Id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ● After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-voting service provider name to cast your vote. ● If the user is not registered for Easi/Easiest, option to register is

	<p>available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p>	<ul style="list-style-type: none"> ● You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. . ● Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINK INTIME.</p>	<ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ● Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> A. User ID: Shareholders/members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company-in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <p>Shareholders/members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</p> ● Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). ● Click “confirm” (Your password is now generated). 2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
5. e-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour/Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. Favour/Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian/Mutual Fund/Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian/Mutual Fund/Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINK INTIME, have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
- In case shareholders/members is having valid email address, Password will be sent to his/her registered email address.
- Shareholders/members can set the password of his/her choice by

providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

- Shareholders/members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at a bovementioned depository/depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular **"Event"**.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINK INTIME.

In case shareholders/members holding securities in physical mode/Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

InstaVote Support Desk : Link Intime India Private Limited

Process and manner for attending the Annual General Meeting through VC (InstaMeet):

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Select the "**Company**" and '**Event Date**' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No or Folio

No Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

Shareholders/members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable)

C. Mobile No.: Enter your mobile number

D. Email ID: Enter your email id, as recorded with your DP/Company. Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (Annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/InstaMeet website.

Instructions for shareholders/members to speak during the Annual General Meeting through InstaMeet :

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email: **rolcon@rolconengineering.com** marked copy to scrutinizer on the email: **kvaghela26@gmail.com**
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking .

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. The Shareholders VC page, click on the link for e-voting “Cast your vote” **Enter your 16 digit Demat Account No./Folio**

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops onnecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

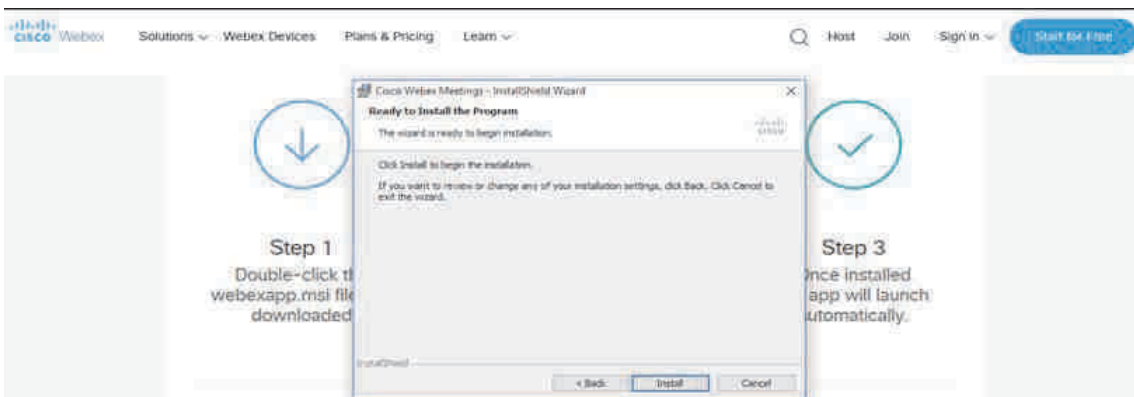
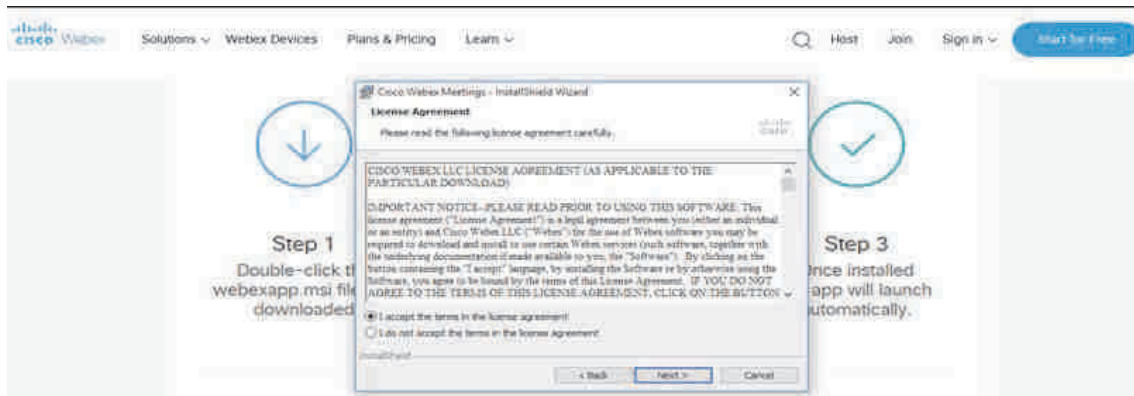
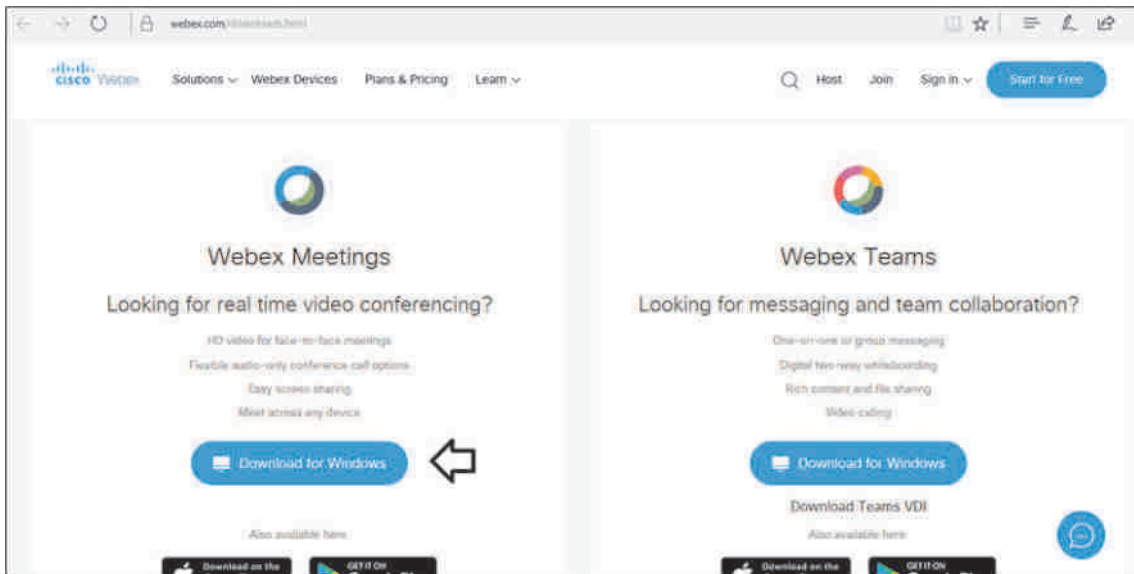
In case shareholders/members have any queries regarding login/e-voting, they may send an email: **instameet@linkintime.co.in** or contact on Tel: 022-49186175. InstaMeet Support Desk, Link Intime India Private Limited.

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMeet

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders/members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

Please download and install the Webex application by clicking on the link <https://www.ebex.com/downloads.html/>



OR

B) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



OTHER INSTRUCTIONS:

1. Shri Kiran Vaghela, Practicing Company Secretary, Proprietor of M/s. Kiran Vaghela & Associate, Anand (C.P.No:18617) has been appointed as the Scrutinizer to Scrutinize the e-voting process (InstaMeet and InstaVote) 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 can opt for only one mode of voting i.e. either through e-voting or Vote during VC/OAVM as per instruction mentioned above. If a member cast his/her vote by both modes, then voting done through E-voting shall be prevail and the vote

during VC/OAVM shall be treated as invalid. The result declared along with scrutinizer's report shall be placed on the Company's websites www.rolcon@rolconengineering.com and on the website of the: <https://instavotelinkintime.co.in> within 2 days of the passing of the resolutions at the 54th 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 of
Rolcon Engineering Company Limited

Sd/-

Ashish. S. Amin
Managing Director
DIN: 01130354

Vallabh Vidyanagar
August 25, 2021.

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

Particular	Shri Ashish S. Amin
DIN	DIN: 01130354
Date of Birth	June 19, 1973
Date of Appointment	August 2, 1997
Qualification	B.S. from Bradley University USA
Expertise in the Function area	Manufacturing Engineering, Production, Operation and Planning
Relation with Director inter-se	Son of Shri S. H. Amin , Chairman and WTD Spouse of Dr. Arpita Amin Non-Executive Director
Directorship in other Listed/public company As on March 31, 2021	NIL
Memberships/Chairmanships of committees of other Listed/public companies as on March 31, 2021	NIL
Number of Share held in company as on March 31, 2021	86350

BOARD'S REPORT

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

Your Directors takes pleasure in presenting the **54th Annual report** together with the Audited Financial Statements (consolidated & standalone) and Auditors' Report for the financial year ended **March 31, 2021**. The financial highlights for the year under review are given below:

(Amt. in Lakh)

Particulars	Standalone		Consolidated	
	F. Y. 2020-21	F. Y. 2019-20	F. Y. 2020-21	F. Y. 2019-20
Revenue	2556.14	3627.50	2556.14	3627.50
Other Income	55.97	59.29	55.97	59.29
Total Income	2612.11	3686.79	2612.11	3686.79
Expenses				
Operating Expenditure	2451.56	3504.86	2451.56	3504.86
Depreciation and amortisation Expenses	60.89	92.12	60.89	92.12
Total Expenses	2512.45	3596.98	2512.45	3596.98
Profit Before Finance Cost and Tax	99.66	89.81	99.66	89.81
Finance Cost	5.81	5.78	5.81	5.78
Share of Profit/Loss of Associates	0	0	-1.51	0
Profit Before tax (PBT)	93.85	84.03	92.34	84.03
Tax Expenses	36.49	34.73	36.49	34.73
Profit After Tax (PAT)	57.36	49.30	55.85	49.30
Other Comprehensive income				
-Re-measurements of the defined benefit plans	-7.17	0	-7.17	0
-Equity instruments through other comprehensive income	21.49	0	21.49	0
Profit For the year	71.68	49.30	70.17	49.30
Attributable to:				
Shareholders of the Company	71.68	49.30	70.17	49.30
Opening Balance of retained Earning	418.56	379.26	418.56	379.26
Closing Balance of retained Earing	473.91	418.56	472.39	418.56
Equity share capital	75.60	75.60	75.60	75.60
Reserve	1088.07	1027.73	1086.56	1027.73
EPS (in Rs.)	9.48	6.52	9.28	6.52

Disclosure of Material impact of COVID-19 pandemic

The novel coronavirus (COVID-19) pandemic has been spreading around the world rapidly. Moreover, second wave of pandemic has serious impact in India. The Virus has not just affected the human, but business of almost all industries, the scope of which currently is undetermined.

The management has made the assessment of possible impact of Covid-19 in first and Second Quarter of the F.Y. 2020-21 on its liquidity & Financials and has conclude that there was some significant Impact on Production and Function of Registered Office, Sales & Revenue, Demand & Supply, Liquidity crunches, Trade receivables etc.

However, Company has adequate liquidity and having no such major debt therefore, Management expects no such extraordinary impact and least adjustment requisite in the financial results of F.Y. 2020-21. Further the management will continue to closely monitor the developments and possible impact of second wave of COVID-19, if any, on its. Financial Condition, Liquidity and operation.

Additionally, Company has given Disclosures under Regulation 30(3) and para B of Part A of Schedule III of SEBI (LODR) 2015 and shall make continues effort to provide the same to valuable stakeholders.

Further, Start working by Providing safety and healthy environment to the employee was the biggest challenge. The Company has implemented strict measures of ensuring social distancing, hygiene practices and deep cleaning of premises to ensure the safety of our workers, staff and the community at workplace.

DIVIDEND

The Board of Directors of your Company has Recommend dividend @15% i.e. Rs.1.5 per equity share of Rs.10/- each for F.Y. 2020-21, payable to those shareholders whose names appear in the Register of Members as on the Book Closure / Record Date.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

Detail of the loan, Guarantees and invstments covered under provision of section 186 of the company Act, 2013.

Particular	Amount (Rs. in Lakh)
Investment in Mutual Fund	82.05
Investment in Equity Instruments	0.08
Investment in Equity Instruments of Associates	77.98
Total Investment	160.11

FIXED DEPOSIT

Your Company has not accepted any Deposits under Chapter V of the Act during the year and as such, no amount of principal or Interest on Deposit from public is outstanding as on March 31, 2021.

ASSOCIATE COMPANY

During the year Company has made an investment into the M/s. Sudeep Rub-Chem Private Limited by purchasing 48.34 % share and includes as an Associate Company which has impact in the books of accounts of the company.

Pursuant to the Section 129(3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014, a statement containing silent features of the Financial Statements of the Company's Associate Company in form No. AOC – 1 is attached in the **Annexure-A**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

Pursuant to Regulation 34(2) of Securities and Exchange Board of India (LODR), Regulation, 2015, a Management and Discussion and Analysis report is given in the **Annexure-B**.

DIRECTORS and KMPs

- Shareholders has appointed Smt. Harshila H. Patel (DIN: 08690119), as an Independent Women Director, by passing ordinary resolution in Annual General Meeting held on September 30, 2020.
- Shri Ashish S Amin, Managing Director of the Company retires by rotation in ensuing Annual General Meeting offer himself for re-appointment.
- 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 provisions of Companies Act, 2013 and SEBI (LODR) Regulation-2015.

- Shri Navin U. Patel, CFO resigned on June 1, 2020 from the Company and Shri V. K. Shah has been appointed as CFO on June 18, 2020.

BOARD EVALUATION

In Compliance with the provisions of the Companies Act, 2013 and Regulation 25(4)(a) of the SEBI Regulation, Annual Performance evaluation of the Board And its Directors was carried out on based of selected parameters. All the Board Members have evaluated the Performance of Board as whole, Individual Performance of each Board member and the Chairman Managing Director, and the Board Committees of the Company, executive directors and non-executive directors.

In a separate meeting of the independent directors, performance of the independent and the non-independent directors was evaluated.

There are no observations which are carried by the Directors on evaluation of the Board. Further, in the view of previous year's observation company has taken steps as suggested by the Directors.

MEETINGS OF BOARD AND COMMITTEE

The Details of the meetings of Board of Directors, Audit Committee and Nomination & Remuneration Committee held for the F.Y. 2020-21 are given in **Annexure-C**

AUDIT COMMITTEE

The Audit Committee helps Board monitor the management's financial reporting process and ensures that Disclosures are

accurate, timely and at highest level. It also oversees the Work of internal and independent Auditors.

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

1. Shri Kiran M. Patel :
Chairman of the Audit Committee
2. Shri Ashish S. Amin :
Member of the Audit Committee
3. Shri M H Joshi :
Member of the Audit Committee

NOMINATION & REMUNERATION COMMITTEE AND POLICY

Our Nomination & Remuneration Committee is formulated by the Company with the following Composition;

1. Shri Kiran M. Patel :
Chairman of the N & R Committee
2. Dr Arpita A. Amin :
Member of the N & R Committee
3. Shri M H Joshi :
Member of the N & R Committee

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

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 25th February, 2021.

The Independent Directors at the meeting,

inter alia, reviewed the following:-

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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, 2021, 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 judgment 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, 2021 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;

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-D**

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.

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.

INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls are in place which ensures the reliability of financial and operational information. The regulatory and statutory compliances are ensured to enables the business processes and also ensures financial discipline and fosters accountability.

INTERNAL AUDITOR

Shri Kanchanlal M. Parikh, (M.No. 008539), Chartered Accountant, who is our internal auditors have carried out internal audit for the F.Y 2020-21 and their reports were reviewed by the Audit Committee.

AUDITORS

At the 52nd AGM held on July 16, 2019 the Members have appointment of M/s JHS & Associates-LLP, Chartered Accountants (133288W/W100099), as Statutory Auditors of the Company to hold office for a period of five (5) years from the conclusion of that AGM till the conclusion of the 57th AGM (F.Y. 2023-24).

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the F.Y. 2020-21.

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. Kiran Vaghela and Associates (C.P.No. 18617), 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-E**

The Secretarial Auditor's Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark.

ANNUAL SECRETARIAL COMPLIANCE REPORT

As per BSE circular LIST/COMP/12/2019-20 dated May 14, 2019, the company is claiming exemption under Regulation 15(2) of SEBI (LODR) Regulations, 2015 accordingly company is not required to submit Annual Secretarial Compliance Report to stock exchange.

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 September 2, 2015 in Connection with disclosure of Corporate Governance report 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, CHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The information on Conservation of energy, technology absorption and foreign exchange earnings 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-F**.

DETAILS OF ORDER PASSED BY THE REGULATORS

There were 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-G**.

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 of
Rolcon Engineering Company Limited

Sd/-
Suresh H. Amin
Chairman & WTD
DIN: 00494016

Vallabh Vidyanagar
May 28, 2021.

Annexure - A

Form AOC - 1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint ventures

Part "B": Associates and Joint Ventures

(Amt. in Lakh Except Shareholding & No of Share)

Sr. No.	Particular	1
1	Name of Associates	Sudeep Rub-Chem Private Limited
2	Latest audited Balance Sheet Date	May 28, 2021
3	Shares of Associate held by the company on the year end	
	No.	1450
	Amount of Investment in Associates	79.49
	Extend of Holding %	48.34%
4	Description of how there is significant Influence	Directors are Members and having control on decision making
5	Reason why the associate is not consolidated	Accounts of Associates hav been Consolidated
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	1162.16
7	Profit / Loss for the year	
	i. Considered in Consolidation	(1.51)
	i. Not Considered in Consolidation	-

For and on behalf of Board's Directors of
Rolcon Engineering Company Limited

Sd/-

Suresh H. Amin

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar
May 28, 2021.

ANNEXURE – ‘B’

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering business performance and outlook (within limits set by Company’s competitive position) is given below:

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Global Economy

The global economy has been under turmoil ever since the first wave of the Covid-19 pandemic at the start of the calendar year 2020. From lockdowns disrupting supply chains to movement-limiting restrictions affecting all businesses, it was a year that tested resilience and persistence. Economic activity has normalised faster than anticipated, however, the global economy continues to reel under the pandemic.

The IMF expects the world gross domestic product (GDP) to drop 4.7% in 2020. S&P Global has kept its global GDP forecast for 2020 relatively unchanged at -4.1%, while raising forecasts for the US and euro zone on the back of a stronger than expected rebound in the third quarter, and for China (where the rebound took place in the second quarter). These improvements have been offset by a lower forecast for India as well as for the United Kingdom (UK) and Japan.

Indian Economy

The phased-out lockdowns, imposed to contain the spread of COVID-19, cratered employment, business, trade,

manufacturing, and service activities across sectors. Reserve Bank of India (RBI) promptly responded and implemented adequate measures like slashing interest rates, announcing fiscal stimulus package and allowing loan moratorium facilities, among others, for the economy’s revival.

Consumption and investment are the major drivers of any economy. In recent years, India has grown primarily on the engine of consumption. The other engine of investment has been decelerating. On the supply side, the sharpest contraction was experienced in construction followed by trade, manufacturing, hotels, and transport and communication services. CPI inflation remained high at 6.9% in November 2020. The unemployment rate, as calculated by the CMIE, rose to 23.5% during the period April- May 2020, before further reducing to 9.1% in December 2020. GDP contraction on record of 23.9% and 7.5 % year-on-year in the first and second quarter respectively.

Meanwhile, the Index of Industrial Production (IIP) contracted sharply by 1.9% in November 2020 as against a growth of 3.6% in October 2020. With the reduction in daily COVID infection rate and commencement of vaccination, the economy is recovering at a much faster rate than anticipated. GST collection for January 2021 touched an all-time high of 1.19 lakh crore. While exports witnessed a growth of 5.37% in January 2021. Further it is expected that due to several announcement by Government of India to support the overseas investment would boost the Economic growth.

Industrial & Engineering Market

India’s engineering sector has witnessed a remarkable growth over the last few years

driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. India, on its quest to become a global superpower, has made significant stride towards developing its engineering sector. The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing cost, technology, and innovation. The above, coupled with favourable regulatory policies and growth in the manufacturing sector, has enabled several foreign players to invest in India. The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been delicensed and enjoys 100% FDI. With the aim to boost the manufacturing sector, the Government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

B. Opportunities and Threats

Opportunities

- Industrial Drive Roller Chain and sprocket Market 2021 is estimated to clock a modest CAGR of 1.4% during forecast period 2021-2026.
- Cement, Sugar and Fertilizer Industries is expected to boom in where Conveyor Chain is mainly used.
- India's Steel Demand is expected to rebound by 19.8% as per World Steel Association (WSA) which good sign for being Engineering Companies.
- Engineering Manufacturing Company's Demand for spare would increase slowly in respond to the re opening of Covid lockdown and

Industrial activities and as such business of industrial chain sprocket is expected to rise.

Threats

- Economic uncertainty: Based on the current and future market environment estimates, the base cost of material is expected to continue to be volatile. GDP witnessed contraction pushing the economy in a recession.
- Covid-19 pandemic: With the threat of the pandemic continuing globally, several countries still in lockdown, the resultant economic slowdown. Also, Experts expects third wave and new variant "Delta-Plus" of Covid-19.
- Availability of Steel and its Price Volatility is very high

C. Outlook

FY 2020-21 was a challenging business year for all industries in many ways and Rolcon is no exception. A relentless focus on cost management, value engineering and customer partnering has enabled the Company to sustain in such in a challenging year.

The Company is confident that it can utilise future opportunities and face future challenges with agility in order to meet the shareholders' expectation of sustainable growth and profitability. The key focus areas are:

- Adoption of New Technology and Machinery
- Increasing Assets
- Diversification New Products/ Services from Existing Customer
- Increasing the Value Addition per product
- To Sustain the EBITDA levels
- Retaining the existing Customer base and wallet share
- To explore Export sales

D. Discussion on financial performance with respect to operational performance

The Highlights of the Company's performance is provided below:

- Turnover reduced by 29.53 % and stands at 25.56 Crs due to Covid-19 lockdown situation in the country (YoY).
- PBT grown by 9.89 % from 84.03

Lakh to 92.34 Lakh

- PAT grown by 13.29% from 49.30 Lakh to 55.85 Lakh
- EBITDA has reduced by 12.58 % from 1.82 Crs to 1.59 Crs
- Long term borrowing has grown by 567.10 % from 9.02 Lakh to 60.14 Lakh (Overdraft from the bank against Fixed Deposit)
- Operating cash flow now stands at 1.58 Crs as against 0.95 Crs in LY

E. Key Financial Ratios:

Particular	Units	FY 2020-21	FY 2019-20	% Change	Remarks
Debtors Turnover	Times	9.12	8.00	1.12	Close follow-up has improved the Debtor turnover
Inventory Turnover	Times	6.62	10.81	-4.19	Reduction in sales caused the declined in Inventory Turnover
EBIDTA margin	%	5.02	6.22	-1.20	Reduction in sales has affected the Earnings interest, taxes, depreciation, and amortization
Net Profit margin	%	2.88	1.39	1.49	PAT Increased as Deferred Tax written back.
Return on net worth	%	8.07	7.62	0.45	Increased due to Reduction of Expenses
Current Ratio	Times	1.72	1.63	0.09	Increased in response to reduction in current liabilities
Debt Equity Ratio	Times	1.72	1.86	-0.14	Increased due to secured borrowing.

Segment: The Company has identified its business of Manufacturing of Industrial chain and sprocket as its only primary reportable segment.

F. Internal control systems and their adequacy

The Company maintains adequate and effective internal control systems commensurate with its size and complexity. It also ensures that they are recorded in All material respects to permit preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss. In the

opinion of the Management, the Company has adequate internal audit and control systems to ensure that all transactions are authorized, recorded and reported correctly. An independent internal audit function is an important element of the Company's internal control systems. This is supplemented through an extensive internal audit program and periodic review by the management and the Audit Committee. The Corporate Governance practices instituted by the Company are discussed in detail in the chapter on

Corporate Governance which forms part of the Annual Report.

G. Risks and concerns

The Risk Management Committee maintains an active oversight of the risk and the effectiveness of the risk mitigation strategies and plans put in place by the Company. Covid-19 highlighted the need to proactively define and implement strategies to address pandemic risk as one of the key business risks facing the Company. The general slowdown of the economy due to disruptions caused by the pandemic as well as continued volatility in input costs and foreign exchange remains a risk. The Company has appropriate mitigation plans to protect margins while continuing to grow and transform the business. While the Company's focus on long term strategic drivers and brand building continues, during 2020 appropriate Strategic and pricing interventions as well as cost and efficiency management programs were undertaken keeping in mind input costs, competitive positioning and product brand strategy. The Company actively managed its cyber security risk including the impact of greater remote working required during the pandemic by promoting the right behaviors and using tools and processes to protect its information, systems, assets and people against current and emerging cyber security threats. The Company has a robust risk mitigation plan to minimize identified risks through continuous monitoring and mitigating actions as may be required.

H. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company recognizes that human capital is its cardinal asset. Prudent HR practices have helped nurture the skills and growth of its employees. The Company

extensively invests in training programmes and learning modules. It reinforces engagement with employees across levels by providing an enriched workplace and transparent communication. With new ways of working during the pandemic, the Company is now geared to create a digitally-enabled workplace to the extent possible, with seamless virtual collaboration. The Company consciously works and maintains harmonious industrial relations at its offices and plants. It believes and nurtures a culture of complete transparency through open communication channels with easy access. The Company further refines its policies in alignment with its organizational interest, benefitting everyone at the same time. As on December FY 2020, the Company had a total team of 248 employees adding value to the organization.

CAUTIONARY STATEMENT

The statement forming a part of this Report may contain certain forward-looking remarks with the meaning of applicable Securities Law and Regulations. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes.

For and on behalf of Board's Directors of
Rolcon Engineering Company Limited

Sd/-

Suresh H. Amin

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar
May 28, 2021.

ANNEXURE – ‘C’ TO BOARD’S REPORT

Type of Meeting	Date
Board Director’s Meeting	June 18, 2020 August 6, 2020 November 11, 2020 February 12, 2021
Audit Committee Meeting	June 18, 2020 August 6, 2020 November 11, 2020 February 12, 2021
Nomination & Remuneration Committee Meeting	June 17, 2020

For and on behalf of Board’s Directors of
Rolcon Engineering Company Limited

Sd/-

Suresh H. Amin

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar
May 28, 2021.

ANNEXURE – ‘D’ TO BOARD’S REPORT

Form No. AOC – 2

Related Party Transactions

(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, 2021 which was not at arm’s length basis.

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

(Amt. in Lakh)

Particular	Nature of Relationship	Duration of Contract /Arrangement / Transaction	Approval by Board/ Committee meeting	Value of Contract/ Arrangement/ Transaction (Rs.)	Advance Amount paid if Any
Rent payment: CYTO Pvt. Ltd.	Significant Influence	On Going	Board Meeting	2.28	NIL
Purchase of Share: SUDEEP RUB-CHEM PVT. LTD	Significant Influence	On Going	Board Meeting	79.48	NIL
Job Work: JAPSAW PRIVATE LIMITED	Significant Influence	On Going	Board Meeting	48.57	NIL
Machinery Rent Received: JAPSAW PRIVATE LIMITED	Significant Influence	On Going	Board Meeting	0.90	NIL
Rent Received: MILLING ENGINEERING	Significant Influence	On Going	Board Meeting	0.30	NIL
Rent payment: Shri Suresh H. Amin	Significant Influence	On Going	Board Meeting	4.60	NIL
Rent payment: Shri Ashish S. Amin	Significant Influence	On Going	Board Meeting	6.78	NIL

For and on behalf of Board’s Directors of
Rolcon Engineering Company Limited

Sd/-

Suresh H. Amin

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar
May 28, 2021.

ANNEXURE – ‘E’ TO BOARD’S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH
31, 2021

[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
Anand Sojitra Road,
Vallabh Vidyanagar-388120, Gujarat, India.

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** (CIN: L29259GJ1961PLC001439) (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 March 31, 2021 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 the Company for the financial year ended on March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. As informed to us, there were no FDI transactions in the Company during the year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (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.

During period under report, no specific law

is applicable to the Company.

We have also examined compliance with the applicable clauses/Regulations of the following to the extent applicable to the company during the period of the Audit:

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange i.e. BSE Limited.
- (iii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time

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

We further report that 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, 2018;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

We further report that the compliance by the Company of applicable financial laws,

like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by auditor/other designated professionals;

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 were 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, KIRAN VAGHELA & ASSOCIATES

Company Secretaries

sd/-

KIRAN VAGHELA

(Proprietor)

M.No:A39229/C.P.No.:18617

UDIN: A039229C000377490

Anand,
May 27, 2021

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
Anand Sojitra Road,
Vallabh Vidyanagar-388120, Gujarat, India.

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. Due to restrictions on movement of people amid COVID-19 pandemic and lockdown restrictions, we have to conduct our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic / virtual mode from the company. Hence, we state that we have not verified the physical original documents and records. The management has confirmed that the records provided to us for audit are true and correct.
3. 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.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we have

obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. 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.
7. 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, KIRAN VAGHELA & ASSOCIATES

Company Secretaries
sd/-

KIRAN VAGHELA

(Proprietor)

M.No: A39229/C.P.No.:18617

UDIN: A039229C000377490

Anand,
May 27, 2021

ANNEXURE – ‘F’ 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 equipment.
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

1. 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 – DONG- HUA GmbH & Co. KG. GERMANY and same has been fully absorbed.
2. Company has obtained ISO 9001-2015 certificate for industrial Chain and Sprocket separately from TUV (RWTUV SYSTEMS GmbH) GERMANY.
3. The Company is continuously improving its quality and installed Latest equipment and new Testing & Measuring Equipment viz. Fatigue Testing Machine, Wear Testing Machine, Spectroscope, Ultrasonic

ester, Magnetic Crack Detector etc.

C. FOREIGN EXCHANGE EARNING AND OUTGOING

Total Foreign exchange used and earned:

USED: Rs. 22,50,493/-

EARNED: Rs. 74,91,458/-

For and on behalf of Board’s Directors of
Rolcon Engineering Company Limited

Sd/-

Suresh H. Amin

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar

May 28, 2021.

ANNEXURE – ‘G’ TO BOARD’S REPORT

FORM NO. MGT- 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

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	March 17, 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	Anand – Sojitra Road, Vallabh Vidyanagar - 388120 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 - 2594 6970 Vadodara: Phone: 0265-2356573 Email: alpesh.gandhi@linkintime.co.in

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)

Sr. 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	80
2.	Sprocket Wheels – Driving Elements	2913	20

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.	SUDEEP RUB-CHEM PRIVATE LIMITED	U25199GJ1981PTC004165	Associate	48.34%	Section 2(6)

IV. SHAREHOLDING 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-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	326861	-	326861	43.24	327198	-	327198	43.28	0.04
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	326861	-	326861	43.24	327198	-	327198	43.28	0.04
(2) Foreign									
a) Individual (NRI) / Foreign Individuals	-	-	-	-	-	-	-	-	-
b) Bodies Corporates	-	-	-	-	-	-	-	-	-
c) Government	-	-	-	-	-	-	-	-	-
d) Institutions	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investor	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter									
(A)=(A)(1)+(A)(2)	326861	-	326861	43.24	327198	-	327198	43.28	0.04
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	135000	-	135000	17.86	135000	-	135000	17.86	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	135000	-	135000	17.86	135000	-	135000	17.86	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	943	36108	37051	4.90	943	36108	37051	4.90	-
ii) Overseas	-	31520	31520	4.17	-	31520	31520	4.17	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	11606	32722	44328	5.86	13006	30985	43991	5.82	-0.04
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	181240	181240	23.97	-	181240	181240	23.97	-
c) Others (specify)									
i) Non Resident Indians	-	-	-	-	-	-	-	-	-
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	12549	281590	294139	38.91	13949	279853	293802	38.86	-0.04
Total Public Shareholding (B)=(B)(1)+ (B)(2)	147549	281590	429139	56.76	148949	279853	428802	56.72	-0.04
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	474410	281590	756000	100.00	476147	279853	756000	100.00	-

(ii) Shareholding of Promoters (Including Promoter Group)

Sr. 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	Suresh Himabhai Amin	196198	25.95	-	196535	25.99	-	-
2	Suresh Himabhai Amin (HUF)	5625	0.74	-	5625	0.74	-	-
3	Ashish Suresh Amin	86350	11.42	-	86350	11.42	-	-
4	Prashant Chandrakant Amin	11720	1.55	-	11720	1.55	-	-
5	Hemant Chandrakant Amin	6850	0.91	-	6850	0.91	-	-
6	Kunal H Amin	6550	0.87	-	6550	0.87	-	-
7	Chirag H Amin	6095	0.81	-	6095	0.81	-	-
8	Rajendra Himabhai Amin	3151	0.42	-	3151	0.42	-	-
9	Arpita Ashish Amin	2432	0.32	-	2432	0.32	-	-
10	Asha Pradip Desai	1890	0.25	-	1890	0.25	-	-
	TOTAL	326861	43.24	-	327198	43.28		

(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	326861	43.24	326861	43.24
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	337 No of Share transferred to Suresh H Amin on June 23, 2020			
	At the end of the year	-	-	327198	43.28

(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	The Oriental Insurance Co. Ltd	75600	10.00	75600	10.00	-
2	Neha Mukesh Patel	70920	9.38	70920	9.38	-
3	Malay Satish Shah	63040	8.34	63040	8.34	-
4	National Insurance Co. Ltd	54000	7.14	54000	7.14	-

5	Rupal Nilesh Patel	47280	6.25	47280	6.25	-
6	M/s. Kobo- Donghua Gmbh & Co.Kg.	31520	4.17	31520	4.17	-
7	Cyto Pvt Ltd	24518	3.24	24518	3.24	-
8	Japsaw Pvt Ltd	8890	1.18	8890	1.18	-
9	Anita Kumari Parikh	8370	1.11	8370	1.11	-
10	General Insurance Corp. of India	5400	0.71	5400	0.71	-
11	Rodhan Hiralal Shroff	2700	0.36	2700	0.36	-
12	Bipra Invest And Trust Pvt. Ltd.	2700	0.36	2700	0.36	-
13	Anant Nanubhai Amin	2700	0.36	2700	0.36	-
14	Jayesh Babubhai Patel	2700	0.36	2700	0.36	-
15	Jitendra B. Patel	2700	0.36	2700	0.36	-
16	Raginiben S. Patel	2700	0.36	2700	0.36	-
17	Savitaben Nanubhai Amin	2700	0.36	2700	0.36	-
	TOTAL	408438	54.04	408438	54.04	

(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
1.	Shri Suresh H. Amin. Chairman & WTD/KMP				
	At the beginning of the year	2,01,823	26.70	2,01,823	26.70
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease. (337 No of Share transferred to Suresh H Amin on June 23, 2020)	-	-	337	0.04
	At the end of the year	-	-	2,02,160	26.74
2.	Shri Ashish S Amin. Managing Director/KMP				
	At the beginning of the year	86350	11.42	86350	11.42
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.	-	-	-	-
	At the end of the year	-	-	86350	11.42
3.	Shri Ashok K. Parikh				
	At the beginning of the year	1687	0.22	1687	0.22
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.	-	-	-	-
	At the end of the year	-	-	1687	0.22

4.	Shri Kailashchandra K. Seksaria				
	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
5.	Dr. Arpita A. Amin				
	At the beginning of the year	2432	0.32	2432	0.32
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.	-	-	-	-
	At the end of the year	-	-	2432	0.32
6.	Smt. Harshila H. Patel				
	At the beginning of the year	100	0.013	100	0.013
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.	-	-	-	-
	At the end of the year	-	-	100	0.013
7.	Shri M. H. Joshi				
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.				
	At the end of the year				
					Director Do not hold share in the Company
8.	Shri Wolfgang Fuchs				
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.				
	At the end of the year				
					Director Do not hold share in the Company
9.	Shri Kiran M. Patel				
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.				
	At the end of the year				
					Director Do not hold share in the Company
10.	Shri Vinubhai K. Shah – C.F.O. (KMP) Appointed on June 18, 2020				
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.				
	At the end of the year				
					CFO does not hold Share in the Company.

11.	Shri Navin U Patel C.F.O. - (KMP) Resigned on June 1, 2020	CFO does not hold Share in the Company.
	At the beginning of the year	
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease.	
	At the end of the year	
12.	Shri Dharmesh Chauhan – Company Secretary (KMP)	Company Secretary does not hold Share in the Company.
	At the beginning of the year	
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,05,296	-	-	10,05,296
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
Total (i+ii+iii)	10,05,296	-	-	10,05,296
Change in Indebtedness during the financial year				
*Addition	60,14,464	-	-	60,14,464
*Reduction	10,05,296	-	-	10,05,296
Indebtedness at the end of the financial year				
i) Principal Amount	60,14,464	-	-	60,14,464
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	60,14,464	-	-	60,14,464

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 Amt. (Rs.)
		S. H. Amin (Chairman & WTD)	A. S. Amin (Managing Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,73,333	16,95,000	31,68,333
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,47,333	1,69,500	3,16,833
	(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	-	-	-
	TOTAL (A)	16,20,666	18,64,500	34,85,166
	Ceiling as per the Company Act.	Paid within the limit of term of appointment ceiling as per Companies Act, 2013 and Schedule V		

B. Remuneration to other Directors:

Sr. No	Particulars of Remuneration	Name of Directors					Total Amt. (Rs.)
		Ashok Parikh	K K Seksaria	M H Joshi	Kiran Patel	Wolganj Fuchs	
1.	Independent Directors						
	Fee for attending board committee meetings	20,000	10,000	40,000	40,000	-	1,10,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	20,000	10,000	40,000	40,000	-	1,10,000
2.	Other Non-Executive Directors						
	Fee for attending board committee meetings	40,000	40,000				-
	Commission	-	-				-
	Others, please specify	-	-				-
	Total (2)	40,000	40,000	-	-	-	80,000
	TOTAL (B)=(1+2)	-	-	-	-	-	1,90,000

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		V K SHAH (CFO) Appointed on 18/06/2020	N U PATEL (CFO) Resigned on 01/06/2020	Dharmesh Chauhan (CS)	TOTAL (Rs.)
1	Gross salary	6,32,792	80,326	2,60,775	9,73,893
	(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	-	-	-	-
	TOTAL (Rs.)	6,32,792	80,326	2,60,775	9,73,893

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no Penalties, Punishment or compounding of offences during the year ended March 31, 2021.

For and on behalf of Board's Directors of
Rolcon Engineering Company Limited

Sd/-

Suresh H. Amin

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar
May 28, 2021.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ROLCON ENGINEERING COMPANY
LIMITED
Report on the Standalone Ind AS
Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of ROLCON ENGINEERING COMPANY LIMITED, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued

by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Standalone Ind AS Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users

taken on the basis of these standalone Ind AS financial statements.

Other Matter 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 dated 29.03.2016, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the standalone Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
 - e. On the basis of written representations received from the directors as on 31st March, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164(2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the standalone Ind AS financial statements;
- ii. As informed to us, the Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR JHS & Associates LLP
Chartered Accountants
Registration No. 133288W/W100099

Saurabh Shah
Partner

Membership No: 110914
UDIN:21110914AAAANR5215

Vallabh Vidyanagar
May 28, 2021.

**ANNEXURE – A TO THE INDEPENDENT AUDITORS’ REPORT
ANNEXURE REFERRED TO PARAGRAPH 1 UNDER “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2021 OF ROLCON ENGINEERING COMPANY LIMITED.**

1. In respect of its fixed assets:

a. The Company has maintained records showing full particulars, including quantitative details and location of fixed assets.

b. During the year, part of the fixed assets has been physically verified by the management in accordance with a phased programme of verification which, in our opinion is reasonable and to cover all the items of fixed assets over a period of three years having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, there was no material discrepancies noticed on such verification.

c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

2. a. As explained to us, the inventories have been physically verified by the management during the year at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.

b. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or

other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. The Company has not made any loans, investments, guarantees and securities where the provisions of section 185 and 186 of the Companies Act, 2013 are applicable to the Company.

5. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India, where applicable.

6. We have broadly reviewed the books of account and records maintained by the Company as specified by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 with respect to its manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

7. According to the information and explanations given to us in respect of statutory and other dues :

a The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees’ state Insurance, Income Tax, Sales tax, and Other Statutory dues with the appropriate authorities during the year. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as on 31st March, 2021 for a period of more than six months from the date they became payable.

- b According to the information and explanations given to us and on the basis the records produced before us by the Company, except for the cases stated below, there are no undisputed amounts payable in respect of income tax/ sales tax/ Service tax/ customs duty/excise duty/cess, which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings of banks. The Company has not obtained any loans or borrowings from any financial institutions or by way of debentures or from government.
9. The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with Schedule V of the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and details have been disclosed in the standalone Ind AS Financial Statements as required by applicable Accounting Standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR JHS & Associates LLP

Chartered Accountants
Registration No. 133288W/W100099

Saurabh Shah

Partner
Membership No:110914
UDIN:21110914AAAANR5215

Vallabh Vidyanagar
May 28, 2021.

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of ROLCON ENGINEERING COMPANY LIMITED as of 31st March, 2021 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 31st March 2021, 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 JHS & Associates LLP

Chartered Accountants
Registration No. 133288W/W100099

Saurabh Shah

Partner
Membership No: 110914
UDIN:21110914AAAANR5215

Vallabh Vidyanagar
May 28, 2021.

ROLCON ENGINEERING COMPANY LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

EQUITY AND LIABILITIES	Note No	(Rupees in Actual)	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	1	4,58,52,141	4,43,30,925
Financial assets			
• Non-Current investments	2	1,61,62,169	42,94,531
• Long-term loans and advances			
• Others			
Deferred tax assets (Net)	3	49,52,263	85,88,786
Other non-current assets	4	17,17,488	15,66,730
Current assets			
Inventories	5	3,58,27,219	3,94,07,907
Financial assets			
• Current investments			
• Trade and other receivables	6	2,80,19,060	4,53,65,405
• Cash and cash equivalents	7	5,77,83,758	5,23,51,322
• Short term loans and advances	8	39,05,708	36,09,247
Other current assets	9	65,75,528	61,67,996
TOTAL		20,07,95,335	20,56,82,849
EQUITY			
Equity Share capital	10	75,60,000	75,60,000
Other equity	11	10,88,06,967	10,27,72,583
Non-current liabilities			
Financial liabilities			
• Long term borrowings	12	60,14,464	9,01,586
• Other financial liabilities			
Long term provisions	13	28,06,200	43,53,453
Other non-current liabilities		-	-
Current liabilities			
Financial liabilities			
• Short term borrowings		-	-
• Trade and other payables	14	5,08,18,359	7,50,77,343
• Other financial liabilities			
Other current liabilities	15	2,18,30,879	1,24,94,369
Short-term provisions	16	29,58,466	25,23,514
Liabilities for current tax (net)			
TOTAL		20,07,95,335	20,56,82,849

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD

A.S. Amin
Managing Director

K.M. Patel
Director

M.H. Joshi
Director

V.K. Shah
CFO

D.A. Chauhan
Company Secretary

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
STANDALONE STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2021
(Amt. in Rs.)

PARTICULARS	Note No	For the year ended	For the year ended
		March 31, 2021	March 31, 2020
Revenue from operations	17	25,56,14,156	36,27,49,632
Other income	18	55,96,960	59,29,076
Total revenue		26,12,11,116	36,86,78,707
Expenses			
Cost of materials consumed	19	11,45,43,491	17,19,23,915
Changes in inventories of finished goods, work in progress and stock-in-trade	20	(32,65,980)	(1,04,03,460)
Employee benefit expense	21	5,94,41,004	7,10,54,480
Finance cost	22	5,81,267	5,78,390
Depreciation and amortisation expense	1	60,88,684	92,11,609
Other expense	23	7,44,37,832	11,79,10,885
Total expenses		25,18,26,299	36,02,75,819
Profit/ (loss) before exceptional items and tax		93,84,817	84,02,888
Exceptional items		-	-
Profit/ (loss) before tax		93,84,817	84,02,888
Less: Tax expense			
a) Current tax		13,52,195	13,14,411
Less : Mat Credit Entitlement		13,52,195	13,14,411
Net Current tax		-	-
b) Deferred tax		36,36,523	34,72,653
c) For Earlier Years (Including MAT Credit for Previous Year)		12,024	-
Profit/ (loss) for the period from continuing operations		57,36,270	49,30,235
Profit/ (loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/ (loss) from discounting operations (after tax)		-	-
Profit/ (loss) for the period		57,36,270	49,30,235
Other comprehensive income			
- Items that will not be reclassified to profit or loss		(7,16,901)	-
-Remeasurements of the defined benefit plans		21,49,014	-
-Equity instruments through other comprehensive income			
- Income tax relating to items that will not be reclassified to profit or loss			
- Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss			
Total comprehensive income for the period		71,68,384	49,30,235
(Profit/ loss + other comprehensive income)			
Earnings per equity share (for continuing operations)			
a) Basic		9.48	6.52
b) Diluted		9.48	6.52
Earnings per equity share (for discontinued operations)			
a) Basic		-	-
b) Diluted		-	-
Earnings per equity share (for discontinued & continuing operations)			
a) Basic		9.48	6.52
b) Diluted		9.48	6.52

See accompanying notes to the financial statements

As per our report of even date attached

FOR JHS & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 133288W/100099W

Saurabh Shah

Partner

Membership No. 110914

Vallabh Vidyanagar

May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin

Chairman & WTD

K.M. Patel

Director

V.K. Shah

CFO

A.S. Amin

Managing Director

M.H. Joshi

Director

D.A. Chauhan

Company Secretary

Vallabh Vidyanagar

May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amt. in Rs.)

PARTICULARS	Year ended March 31	
	2021	2020
	Amount	Amount
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	93,84,817	84,02,888
Adjustments for :		
Depreciation	60,88,684	92,11,609
Provision in value of Diminution in investments	1,079	5,70,370
Provision for Bad and Doubtful Debts	-	19,91,887
Interest expenses	1,91,708	2,11,831
Interest income	(26,45,518)	(30,93,471)
Dividend Income	(1,125)	(2,373)
Profit on Sale of Assets	(4,94,590)	(7,36,380)
Profit on Sale of Mutual Fund	(1,052)	(7,729)
Operating profit before working capital changes	1,25,24,002	1,65,48,633
Adjustments for (increase) / decrease in operating assets		
Adjustments for Working Capital changes:		
Inventories	35,80,688	(1,33,13,226)
Trade Receivables	1,73,46,345	2,32,99,080
Short-term loans and advances	(2,18,697)	14,38,264
Long-term loans and advances		
Other current assets	9,55,220	(6,89,674)
Other non-current assets	(1,50,758)	10,185
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	(2,42,58,984)	(52,40,389)
Short term Provision	(2,81,949)	(41,74,803)
Other current liabilities	93,36,509	(52,27,498)
Long term Provision	(15,47,253)	(3,16,030)
Cash generated from operations	1,72,85,123	1,23,34,542
Direct taxes paid	(14,41,983)	(28,80,728)
Net cash from operating activities (A)	1,58,43,140	94,53,814
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(76,09,900)	(1,09,46,058)
Sale of fixed assets	4,94,590	7,42,868
Purchase of Investment	(1,00,68,651)	(17,02,209)
Sale of Investments	3,50,000	11,07,509
Interest Received	26,34,962	30,73,298
Dividend Received	1,125	2,373
Net cash from / (used) in investing activities (B)	(1,41,97,874)	(77,22,219)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds of long term borrowings	-	-
Repayment of Short term borrowings	51,12,878	(11,06,379)
Interest paid	(1,91,708)	(2,11,831)
Dividend Paid	(11,34,000)	(11,34,000)
Corporate Dividend Tax Paid	-	(2,33,150)
Net Cash from / (used) in financing activities (C)	37,87,171	(26,85,360)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	54,32,437	(9,53,765)

Cash and cash equivalent at beginning of the year		
the components being :		
Cash on hand	55,306	63,229
Balance with banks on current, margin and deposit deposit accounts	5,22,96,016	5,32,41,858
	5,23,51,322	5,33,05,087
Cash and cash equivalents at end of the year		
the components being :		
Cash on hand	9,880	55,306
Balances with scheduled banks on current, margin and deposit accounts	5,77,73,879	5,22,96,016
	5,77,83,758	5,23,51,322
Net Increase / (Decrease) as disclosed above	54,32,437	(9,53,765)

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD

K.M. Patel
Director

V.K. Shah
CFO

A.S. Amin
Managing Director

M.H. Joshi
Director

D.A. Chauhan
Company Secretary

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Attributable to the Equity Holders

(Amt. in Rs.)

Particulars	Equity Share Capital	Other Equity			Total Equity
		Capital Reserve	General Reserve	Retained Earning	
	Note 10	Note 11	Note 11	Note 11	
Balance as at 1-April-2019	7560000	400000	59516806	37925542	105402348
Profit for the year	-	-	-	4930235	4930235
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	4930235	4930235
Dividend	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Transfer to / from Retained earnings	-	-	1000000	(1000000)	-
Balance as at 31-March-2020	7560000	400000	60516806	41855777	110332583
Profit for the year	-	-	-	5736270	5736270
Other Comprehensive income for the year	-	-	-	1432113	1432113
Total Comprehensive income for the year	-	-	-	7168384	7168384
Final Dividend Paid (F.Y. 2019-20)	-	-	-	(1134000)	(1134000)
Transfer to / from Retained earnings	-	-	500000	(500000)	-
Balance as at 31-March-2021	7560000	400000	61016806	47390161	116366967

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

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Partner
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Company Secretary

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 1. PROPERTY, PLANT AND EQUIPMENT

(Amt. in Rs.)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals/ Transfers	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation charge for the year	Disposals/ Transfers	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
a										
Tangible Assets										
Land	5,13,281	-	-	5,13,281	-	-	-	5,13,281	5,13,281	5,13,281
Buildings	5,90,61,289	13,34,661	-	6,03,95,950	3,13,65,493	26,28,406	-	3,39,93,899	2,64,02,051	2,76,95,795
Plant and Equipments	16,49,29,543	41,59,899	-	16,90,89,442	15,40,24,423	16,60,599	-	15,56,85,022	1,34,04,420	1,09,05,119
Computer	33,74,520	2,16,530	-	35,91,050	31,25,273	1,50,329	-	32,75,602	3,15,448	2,49,247
Furniture & Fixtures	1,27,34,223	11,89,560	-	1,39,23,783	1,03,76,947	6,71,822	-	1,10,48,769	28,75,014	23,57,276
Vehicles	1,27,90,410	-	-	1,27,90,410	1,13,11,839	4,61,758	-	1,17,73,597	10,16,813	14,78,571
Office Equipment	79,00,910	7,09,250	-	86,10,160	67,69,274	5,15,771	-	72,85,045	13,25,115	11,31,636
TOTAL	26,13,04,175	76,09,900	-	26,89,14,075	21,69,73,250	60,88,684	-	22,30,61,933	4,58,52,141	4,43,30,925
Previous Year	25,04,87,883	1,09,46,058	1,29,765	26,13,04,176	20,78,84,918	92,11,610	1,23,277	21,69,73,251	4,43,30,925	4,26,02,965

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals/ Transfers	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Disposals/ Transfers	Balance as at 31 March 2020	Balance as at 31 March 2019	Balance as at 31 March 2019
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
a										
Tangible Assets										
Land	5,13,281	-	-	5,13,281	-	-	-	5,13,281	5,13,281	5,13,281
Buildings	5,58,69,335	31,91,954	-	5,90,61,289	2,86,44,275	27,21,219	-	3,13,65,494	2,76,95,795	2,72,25,060
Plant and Equipments	15,95,48,298	53,81,245	-	16,49,29,543	14,92,54,927	47,69,497	-	15,40,24,424	1,09,05,119	1,02,93,371
Computer	32,67,825	1,06,695	-	33,74,520	29,49,146	1,76,127	-	31,25,273	2,49,247	3,18,679
Furniture & Fixtures	1,17,14,119	10,20,104	-	1,27,34,223	97,90,042	5,86,905	-	1,03,76,947	23,57,276	19,24,077
Vehicles	1,27,29,184	1,90,991	1,29,765	1,27,90,410	1,07,74,975	6,60,141	1,23,277	1,13,11,839	14,78,571	19,54,209
Office Equipment	68,45,841	10,55,069	-	79,00,910	64,71,553	2,97,721	-	67,69,274	11,31,636	3,74,288
TOTAL	25,04,87,883	1,09,46,058	1,29,765	26,13,04,176	20,78,84,918	92,11,610	1,23,277	21,69,73,251	4,43,30,925	4,26,02,965
Previous Year	23,90,18,477	82,02,062	15,62,673	24,56,57,866	19,13,72,664	88,17,594	14,51,561	19,87,38,697	4,69,19,169	4,76,45,813

ROLCON ENGINEERING COMPANY LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 2. NON CURRENT INVESTMENTS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
A. Investment in Mutual Funds (Unquoted) At Market Value & Fair Value Through Other Comprehensive Income A/c)		
ADITYA BIRLA SL - EQUITY HYBRID 95 FUND REG.- GROWTH	7,44,741	5,62,690
DSP BLACKROCK BALANCED FUND	35,02,594	25,00,000
DSP BLACKROCK DYNAMIC ASSET ALLOCATION FUND-REG-GR	8,92,342	7,00,000
ABSL INDIA GENNEXT FUND	1,19,670	50,000
AXIS - MIDCAP FUND	1,36,509	45,000
ICICI PRUDENTIAL - EQUITY & DEBT FUND	1,19,770	50,000
INVESCO - INDIA CONTRA FUND	1,42,093	50,000
NIPPON INDIA- EQUITY HYBRID FUND SEGREGATED	5,38,406	5,15,155
PRINCIPAL BALANCED ADVANTAGE FUND	9,77,181	3,67,729
DSP ULTRA SHORT FUND-GR	20,018	16,727
ICICI PRUDENTIAL -BAL. ADVANTAGE FUND -REG-G	1,73,921	-
ICICI PRUDENTIAL LIQUID FUND	76,466	-
KOTAK BALANCE ADVANTAGE FUND REG-G	1,75,317	-
KOTAK LIQUID FUND	76,416	-
PGIM INDIA BALANCED ADVANTAGE FUND	5,10,474	-
A. Total Investment in Mutual Funds	82,05,918	48,57,301
Less:- Provision in value of Diminution in Units of Mutual Fund	-	(5,70,370)
A. Total Investment in Mutual Funds	82,05,918	42,86,931
B. Investment in Equity Instruments (Fair Value Through Other Comprehensive Income)		
Investment in Equity Instruments (Unquoted)		
The Charotar Gas Sahkari Mandali Ltd	7,500	7,500
The Vallabh Vidyanagar Comm Co Op Bank Ltd	100	100
In Associates (At Cost Unless Stated Otherwise)		
Sudeep Rub - Chem Pvt. Ltd	79,48,651	-
B. Total Investment in Equity Instruments	79,56,251	7,600
TOTAL	1,61,62,169	42,94,531

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Aggregate amount of quoted investments	82,05,918.30	23,98,790
Aggregate amount of unquoted investments	79,56,251	7,600
Aggregate market value of quoted investments	-	-

A. Sr. No.	Details of Investments		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
	Name of the Body Corporate (1)	(2)		2021 (4)	2020 (5)			2021 (8)	2020 (9)	2021 (10)	2020 (11)		
(a)	Investment in Equity Instruments												
	The Charotar Gas Sakhari Mandali Ltd		Other	15	15	Unquoted	Fully Paid	-	-	7,500	7,500	Yes	-
	The Vallabh Vidyanagar Comm Co Op Bank Ltd		Other	1	1	Unquoted	Fully Paid	-	-	100	100	Yes	-
	Sudeep Rub - Chem Pvt. Ltd		Associates	1,450	-	Unquoted	Fully Paid	-	-	79,48,651	-	Yes	-
	TOTAL			1,466	16					79,56,251	7,600		
(b)	Investments in Mutual Funds												
	ADITYA BIRLA SL - EQUITY HYBRID 95 FUND REG.- GROWTH		Other	816.92	756.23	Unquoted				7,44,741	4,33,357	No	Market Value
	DSP BLACKROCK BALANCED FUND		Other	17,296.67	17,296.67	Unquoted				35,02,594	23,04,540	No	Market Value
	DSP BLACKROCK DYNAMIC ASSET ALLOCATION FUND-REG-GR		Other	48,271.23	48,271.23	Unquoted				8,92,342	7,00,000	No	Market Value
	ABSL INDIA GENNEXT FUND		Other	1,082.69	581.75	Unquoted				1,19,670	39,850	No	Market Value
	AXIS - MIDCAP FUND		Other	2,499.26	1,182	Unquoted				1,36,509	38,476	No	Market Value
	ICICI PRUDENTIAL - EQUITY & DEBT FUND		Other	705.78	375.87	Unquoted				1,19,770	39,827	No	Market Value
	INVESCO - INDIA CONTRA FUND		Other	2,254.37	1,061.49	Unquoted				1,42,093	38,713	No	Market Value
	NIPPON INDIA- EQUITY HYBRID FUND SEGREGATED		Other	28,586.47	28,586.47	Unquoted				5,38,406	3,37,038	No	Market Value
	PRINCIPAL BALANCED ADVANTAGE FUND		Other	42,283.89	17,838.89	Unquoted				9,77,181	3,38,404	No	Market Value
	DSP ULTRA SHORT FUND-GR		Other	7.40	7.40	Unquoted				20,018	16,727	No	Market Value
	ICICI PRUDENTIAL -BAL. ADVANTAGE FUND -REG-G		Other	3,931.32	-	Unquoted				1,73,921	-	No	Market Value
	ICICI PRUDENTIAL LIQUID FUND		Other	250.56	-	Unquoted				76,466	-	No	Market Value
	KOTAK BALANCE ADVANTAGE FUND REG-G		Other	13,303.74	-	Unquoted				1,75,317	-	No	Market Value
	KOTAK LIQUID FUND		Other	18.33	-	Unquoted				76,416	-	No	Market Value
	PGIM INDIA BALANCED ADVANTAGE FUND		Other	49,997.50	-	Unquoted				5,10,474	-	No	Market Value
	TOTAL			2,11,306.10	1,15,957.69					82,05,918	42,86,931		
	TOTAL									1,61,62,169	42,94,531		

ROLCON ENGINEERING COMPANY LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 3. DEFERRED TAX ASSET (NET)

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Deferred Tax Assets		
• On account of unabsorbed Depreciation	2,15,003	29,91,655
• On account of Disallowances Under income tax act	14,98,814	17,88,012
• On account of Difference Between Book Depreciation And Depreciation As per Income Tax Act	32,38,446	38,09,119
TOTAL	49,52,263	85,88,786

Note 4. OTHER NON CURRENT ASSETS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, considered good :		
Deposits	17,17,488	15,66,730
TOTAL	17,17,488	15,66,730

Note 5. INVENTORIES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Stock In Hand		
a) Raw Materials	94,82,239	1,63,28,907
b) Semi-Finished Goods	1,16,32,980	1,21,67,000
c) Finished Goods	1,47,12,000	1,09,12,000
TOTAL	3,58,27,219	3,94,07,907

Note 6. TRADE AND OTHER RECEIVABLES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, Considered Good:		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	20,69,087	84,16,718
Considered Doubtful	19,91,887	19,91,887
	40,60,974	1,04,08,605
Less : Allowances for doubtful debts	19,91,887	19,91,887
	20,69,087	84,16,718
Outstanding for a period less than six months from the date they are due for payment	2,59,49,973	3,69,48,687
TOTAL	2,80,19,060	4,53,65,405

ROLCON ENGINEERING COMPANY LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 7. CASH AND CASH EQUIVALENTS

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
I. Cash & Cash Equivalents		
a. Balances with banks	31,70,348	86,88,477
b. Cash on hand	9,880	55,306
II. Other Balances		
Fixed Deposit (Including maturity below 12 months)	5,46,03,531	4,36,07,539
TOTAL	5,77,83,758	5,23,51,322

Note 8. SHORT TERM LOANS & ADVANCES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, considered good :		
a. Loans & Advances to Staff	3,40,000	5,32,000
b. Advance to Suppliers - Others	8,87,440	4,76,743
c. Advance Payment of Income Tax (Net of Provisions)		
- Advance income tax & TDS	53,44,874	57,64,131
- Less: Provision for Taxation	26,66,606	31,63,626
	26,78,268	26,00,505
TOTAL	39,05,708	36,09,247

Note 9. OTHER CURRENT ASSETS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, considered good :		
a) Interest Receivable	5,79,608	5,69,052
b) Prepaid Expenses	9,87,114	6,38,810
c) Mat Credit Entitlement	50,08,806	36,56,611
d) GST Receivable	-	13,03,524
TOTAL	65,75,528	61,67,996

Note 10. SHARE CAPITAL

PARTICULARS	As at March 31			
	2021		2020	
	Number	Amount	Number	Amount
Authorised				
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
Total		1,50,00,000		1,50,00,000
Issued Subscribed & Paid up				
Equity Share of Rs. 10/- each fully Paid - Up	7,56,000	75,60,000	7,56,000	75,60,000
Subscribed but not fully Paid up	NIL	NIL	NIL	NIL
TOTAL	7,56,000	75,60,000	7,56,000	75,60,000

ROLCON ENGINEERING COMPANY LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Reconciliation of Issued, Subscribed and Paid Up Equity Share Capital

(Amt. in Rs.)

PARTICULARS	31.03.2021		31.03.2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,56,000	75,60,000	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	7,56,000	75,60,000

Reconciliation of Issued, Subscribed and Paid Up Preference Share Capital

PARTICULARS	31.03.2021		31.03.2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

Name of Shareholders holding more than 5% of Equity Shares	As at March 31		As at March 31	
	2021		2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares :				
SURESH H AMIN	1,96,535	25.99	1,96,198	25.95
ASHISH S AMIN	86,350	11.42	86,350	11.42
THE ORIENTAL INSURANCE COMPANY LTD.	75,600	10.00	75,600	10.00
NEHA M PATEL	70,920	9.38	70,920	9.38
MALAY S SHAH	63,040	8.34	63,040	8.34
NATIONAL INSURANCE COMPANY LTD.	54,000	7.14	54,000	7.14
RUPAL N PATEL	47,280	6.25	47,280	6.25

PARTICULARS	Aggregate No. of Shares As at March 31,				
	2021	2020	2019	2018	2017
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
Preference Shares :					
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 Interim Dividend. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

ROLCON ENGINEERING COMPANY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 11. OTHER EQUITY

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
a. Capital Redemption Reserve		
Opening Balance	4,00,000	4,00,000
Closing Balance	4,00,000	4,00,000
b. General Reserves		
Opening Balance	6,05,16,806	5,95,16,806
Add:-		
Current Year Transfer	5,00,000	10,00,000
Closing Balance	6,10,16,806	6,05,16,806
c. Surplus		
Opening balance	4,18,55,777	3,79,25,542
Add:-		
Net Profit/(Net Loss) For the Current Year	71,68,384	49,30,235
	71,68,384	49,30,235
Less:-		
Transfer to Reserves	5,00,000	10,00,000
Final Dividend Paid (F.Y. 2019-20)	11,34,000	-
	16,34,000	10,00,000
Closing Balance	4,73,90,161	4,18,55,777
TOTAL	10,88,06,967	10,27,72,583

Note 12. LONG TERM BORROWINGS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Secured		
Car loans from HDFC Bank	-	9,01,586
Bank OverDraft		
"Over Draft from ICICI Bank (Secured by Hypothecation of Fixed Deposites)"	60,14,464	-
TOTAL	60,14,464	9,01,586

Note 13. LONG TERM PROVISIONS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
-For Gratuity	28,06,200	43,53,453
TOTAL	28,06,200	43,53,453

Note 14. TRADE PAYABLES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
(a) Trade Payables for Goods		
- Dues to micro, small and medium enterprises	81,86,496	1,41,39,491
- Dues to other than micro, small and medium enterprises	3,31,42,272	4,87,42,951
(b) Trade Payables for Expenses		
- Due to Others	94,89,591	1,21,94,901
TOTAL	5,08,18,359	7,50,77,343

Note 15. OTHER CURRENT LIABILITIES

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Secured		
- Current Maturity of Long Term Borrowings	-	1,03,709
Unsecured		
Other Payables		
- Advance from Customers	1,65,53,324	76,10,199
- Salary Payable	38,38,866	40,91,350
- Statutory Dues	11,50,126	4,63,701
- Rent Payable	90,779	88,326
- Other Payable	1,97,784	1,37,084
TOTAL	2,18,30,879	1,24,94,369

Note 16. SHORT TERM PROVISIONS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
(a) Provision for employee benefits		
- For Bonus	13,80,852	8,74,160
- For Gratuity	15,77,614	16,49,354
TOTAL	29,58,466	25,23,514

NOTES TO STANDALONE STATEMENT OF PROFIT AND LOSS**Note 17. REVENUE FROM OPERATIONS**

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
(a) Domestic Sales:		
Chains	22,70,91,411	26,92,69,773
Sprockets	1,14,44,647	5,68,27,570
(b) Exports Sales :		
Chains	99,49,845	2,61,78,961
Sprockets	6,11,688	19,02,103
Scrap Sales	65,16,565	85,71,225
TOTAL	25,56,14,156	36,27,49,632

Note 18. OTHER INCOME

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Income from Investments		
a) Dividend Income From Investments	1,125	2,373
b) Interest on Bank Fixed Deposits	26,45,518	30,93,471
c) Interest on Income Tax Refund	39,330	29,190
d) Interest on MGVCL Deposits	90,861	83,692
Rent Income	2,85,000	2,10,000
Profit on Sale of Asset	4,94,590	7,36,380
Foreign Exchange Variation (Profit)	28,380	-

Income from Wind Electric Generators	9,92,890	-
Short term Capital Gain on Mutual Fund	1,052	7,729
Bad Debt Recovery	-	4,92,811
Freight Outward (Sales)	85,680	-
Duty DrawBack	20,419	-
Packing and Forwading Income	9,12,114	12,73,430
TOTAL	55,96,960	59,29,076

Note 19. COST OF MATERIAL CONSUMED

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Opening Stock	1,63,28,907	1,34,19,141
Add : Purchases during the Year	10,76,96,823	17,48,33,681
SUB TOTAL	12,40,25,730	18,82,52,822
Less : Closing Stock	94,82,239	1,63,28,907
TOTAL	11,45,43,491	17,19,23,915

Break up Of Raw Materials Consumed :

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Flats	3,73,01,643	5,63,52,509
Round Bars	3,11,16,877	4,34,41,967
Plates	1,68,75,308	2,12,61,352
Others (Angles, Bearings, C.I.Castings, Pipe & Tubes,Steel Strips)	1,04,34,755	1,17,70,501
Other components	1,88,14,907	3,90,97,585
TOTAL	11,45,43,491	17,19,23,914

Note 20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Opening Stock: Semi -Finished Goods	1,21,67,000	69,93,000
Finished Goods	1,09,12,000	56,82,540
	2,30,79,000	1,26,75,540
Closing Stock : Semi -Finished Goods	1,16,32,980	1,21,67,000
Finished Goods	1,47,12,000	1,09,12,000
	2,63,44,980	2,30,79,000
(Increase)/Decrease in Stock	(32,65,980)	(1,04,03,460)

Note 21. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Managerial Remuneration	34,85,167	36,96,000
Salaries & Wages	4,87,44,107	5,87,48,149
Contribution to Provident Fund	27,37,864	31,81,829
Staff Welfare Expenses	12,79,598	13,25,154
Exgratia / Bonus / Contribution to Superannuation Fund	20,68,452	15,75,360
Gratuity	11,25,816	25,27,987
TOTAL	5,94,41,004	7,10,54,480

Note 22. FINANCE COST

(Amt. in Rs.)

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Interest : Fixed Period Loan	93,031	1,45,472
: Others	98,677	66,359
Bank Charges	3,89,560	3,66,559
TOTAL	5,81,267	5,78,390

Note 23. OTHER EXPENSES

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Power & Fuel	1,16,72,792	2,17,95,380
Store, Tools, Oil & Packing Material Consumed	1,53,90,599	2,31,10,180
Machining Charges	1,45,58,006	1,97,19,303
Clearing & Forwarding Expenses	4,64,176	7,78,515
Freight Inwards	22,31,977	34,37,269
Rent	13,45,680	13,05,680
Rates & Taxes	2,01,110	2,20,930
Stationery, Printing, Postage, etc.	13,31,665	15,45,011
Insurance Premium	7,31,085	7,11,829
Works & Office Expense	23,34,856	9,65,640
Advertisement	1,68,367	63,110
Forwarding & Transport Charges	53,85,634	70,47,263
Commission to Distributors/Agents	35,52,551	63,37,650
Professional, Consultation & Legal Fees	27,97,579	34,37,292
Travelling & Conveyance	20,79,098	73,58,293
Computer Expenses	1,87,328	4,03,388
Repairs & Maintenance		
: Machineries	20,18,931	30,40,150
: Buildings	26,27,090	41,42,019
: Windmill Repairing Expenses	31,153	18,52,608
: Others	28,81,908	33,76,181
Payment to Auditors		
- As Audit Fees	92,000	92,000
- For Tax Audit Fees	35,000	35,000
- In Other Capacity	50,000	72,000
- Re-imburement of expenses	11,889	17,521
Donation	37,500	47,500
Subscription & Membership Fees	1,03,462	93,732
Garden Expenses A/c	2,96,686	4,23,385
Liquidated Damages	70,016	7,54,060
Bab Debts Written off	9,698	3,92,893
Provision for Bad and Doubtful Debts	-	19,91,887
Director Sitting Fees	1,90,000	1,70,000
Foreign Exchange Variation (Loss)	-	1,49,199
Service Tax/Sales Tax / Central Excise/GST Exp	3,21,528	7,64,699
Tender Fees	20,169	19,102
Festival Expense	39,375	2,48,256
Security Service	6,59,160	6,01,384
Prior Period Expense	94,033	33,000

Discount And Claims	3,24,945	7,81,492
Interest On Payment of GST	89,705	5,715
Provision for Diminution in Valuation Of Investment	1,079	5,70,370
TOTAL	7,44,37,832	11,79,10,885

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE: 24. ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Rolcon Engineering Company Limited is a public company domiciled in India incorporated in 1967 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Industrial Chain and Sprocket.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 28th May, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been

prepared on a historical cost basis, except for the following assets which have been measured at fair value or revalued amount. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), Defined benefit plans – plan assets measured at fair value.

The financial statements are presented in INR and all values are rounded to the nearest Rupees, except when otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current versus Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least

twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b. Foreign Currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the

item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

c. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

External values are involved for valuation of significant assets, such as properties and involvement of external valuers is decided upon the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are

required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions (Note No. 2.3)
- Investment properties (Note No. 2.2 (g))
- Financial instrument (Note No. 2.2 (n))

d. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from Sale of Goods are recognised when entity satisfy a performance obligation by transferring a promised goods. Sales are stated net of rebate and trade discount and exclude Goods and Service tax. With

regard to sale of product, income is reported when significant control connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined. The Company does not provide any extended warranties or maintenance contracts to its customers.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividend Income

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

e. Taxes

Current Income Tax

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation

and establishes provisions where appropriate

Deferred Tax.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

f. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. The identified component of fixed assets is depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

g. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term

construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valour's applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

h. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of assets as

under:

Assets	Year
Technical Knowhow	7 years
Software	7years

i. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Inventories

Raw Material and stores, work in progress, traded and finished goods are stated at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase is determined after deducting rebate and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

k. Impairment of Non-Financial Assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an

asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

i. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When

discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m. Employee benefits

a) Short Term Employee Benefits

Short term employee benefits are recognised as expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

b) Post-Employment Benefits

(I) Defined contribution plan

These are plan in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to Employee provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(II) Defined benefit plan

Expenses for defined gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term i.e. almost equivalent to the average balance working period of the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return

on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Past service costs are recognised in statement of profit or loss on the earlier of;

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs; Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss;
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

n. Financial Instruments

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

Financial Assets

Initial recognition and measurement

All financial assets, except investment in associates, are recognised initially at

fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

- a) Financial assets at amortised cost
- b) Financial assets at fair value through other comprehensive income (FVTOCI)
- c) Financial assets at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial asset is measured at the amortised cost if:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses

arising from impairment are recognised in the profit or loss.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

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

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

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has other investments at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes

recognised in Statement of profit and loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset is derecognised when:

- a) the contractual rights to the cash flows from the financial asset expire,
OR
- b) The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset,

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that

require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

p. Dividend distribution

The group recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

q. Earnings per Share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares

2.3 Significant accounting judgments, estimates and assumptions.

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the

disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a

defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 25(a).

Taxes

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

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate

allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Warranty Provision

Management estimates the Warranty provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior periods. Factors that could impact the estimated claim information include the success of the company's productivity and quality initiatives.

Intangible Assets

Refer Note 2.2 (h) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 1.

Property, Plant and Equipment

Refer Note 2.2 (f) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 1.

NOTE: 25 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 IND AS-19 issued by the ICAI, as follows:

TABLE SHOWING CHANGE IN THE PRESENT VALUE OF PROJECTED BENEFIT OBLIGATION

COMPONENTS	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	17,512,756	16,118,384
Interest Cost	1,154,091	1,205,655
Current Service Cost	730,231	698,764
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(1,929,059)	(1,723,835)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	78,504	661,156
Actuarial (Gains)/Losses on Obligations - Due to Experience	646,581	552,632
Present Value of Benefit Obligation at the End of the Period	18,193,104	17,512,756

TABLE SHOWING CHANGE IN THE FAIR VALUE OF PLAN ASSETS

COMPONENTS	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	11,509,949	5,637,383
Interest Income	758,506	421,676
Contributions by the Employer	3,461,710	7,000,000
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(1,929,059)	(1,723,835)
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	8,184	174,725
Fair Value of Plan Assets at the End of the Period	13,809,290	11,509,949

AMOUNT RECOGNISED IN THE BALANCE SHEET

COMPONENTS	March 31, 2021	March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	(18,193,104)	(17,512,756)
Fair Value of Plan Assets at the end of the Period	13,809,290	11,509,949
Funded Status (Surplus/ (Deficit))	(4,383,814)	(6,002,807)
Net (Liability)/Asset Recognized in the Balance Sheet	(4,383,814)	(6,002,807)

NET INTEREST COST FOR CURRENT PERIOD

COMPONENTS	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	17,512,756	16,118,384
(Fair Value of Plan Assets at the Beginning of the Period)	(11,509,949)	(5,637,383)
Net Liability/(Asset) at the Beginning	6,002,807	10,481,001
Interest Cost	1,154,091	1,205,655
(Interest Income)	(758,506)	(421,676)
Net Interest Cost for Current Period		395,585

EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS FOR CURRENT PERIOD

COMPONENTS	March 31, 2021	March 31, 2020
Current Service Cost	730,231	698,764
Net Interest Cost	395,585	783,979
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized in Statement of Profit & Loss A/c	1,125,816	1,482,743

EXPENSES RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME (OCI) FOR CURRENT PERIOD

COMPONENTS	March 31, 2021	March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period	725,085	1,213,788
Return on Plan Assets, Excluding Interest Income	(8,184)	(174,725)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	716,901	1,039,063

BALANCE SHEET RECONCILIATION

COMPONENTS	March 31, 2021	March 31, 2020
Opening Net Liability	6,002,807	10,481,001
Expenses Recognized in Statement of Profit or Loss	1,125,816	1,482,743
Expenses Recognized in OCI	716,901	1,039,063
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(3,461,710)	(7,000,000)
Net Liability/(Asset) Recognized in the Balance Sheet	4,383,814	6,002,807

ACTUARIAL ASSUMPTION

COMPONENTS	March 31, 2021	March 31, 2020
Expected Return on Plan Assets	6.49%	6.59%
Rate of Discounting	6.49%	6.59%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

OTHER DETAILS

COMPONENTS	March 31, 2021	March 31, 2020
No of Active Members	102	112
Per Month Salary For Active Members	1,577,614	1,649,354
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	7	7
Projected Benefit Obligation	18,193,104	17,512,756
Expected Contribution in the Next Year	1,577,614	1,649,354

SECURITY ANALYSIS

Projected Benefit Obligation on Current Assumptions	18,193,104	17,512,756
Delta Effect of +1% Change in Rate of Discounting	(753,055)	(739,238)
Delta Effect of -1% Change in Rate of Discounting	827,866	811,162
Delta Effect of +1% Change in Rate of Salary Increase	736,781	723,574
Delta Effect of -1% Change in Rate of Salary Increase	(682,438)	(672,059)
Delta Effect of +1% Change in Rate of Employee Turnover	52,275	57,392
Delta Effect of -1% Change in Rate of Employee Turnover	(55,834)	(61,471)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- 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.
- The Company's contribution Rs.27,37,864/- (P.Y. Rs. 31,81,829/-) paid / payable for the year to **Provident Fund** is charged to the Statement of Profit And Loss.

Note 26 Transactions with Related Parties – IND AS 24

As required by the Accounting Standard 18 “Transactions with Related Parties”.

(I) List of Related Parties:-

Party	Relationship
a. Associates	Sudeep Rub – Chem Pvt. Ltd.
b. Individual/Enterprise having control Significant Influence	Shri S. H. Amin Shri A. S. Amin
c. Key Management Personnel	Shri S. H. Amin Shri A. S. Amin Smt. A. A. Amin Shri A. K. Parikh Shri Wolfgang Fuchs Shri K. K. Seksaria Shri K. M. Patel Shri M. H. Joshi Smt. H. H. Patel Executive Officers Shri V. K. Shah Shri D. A. Chauhan
d. Enterprises over which (b) or (c) above have significant influence	Sudeep Rub-Chem Pvt. Ltd. Cyto Pvt. Ltd. Japsaw Pvt. Ltd.

(ii) Transactions during the period with Related Parties / Key Management Personnel are as under:

Sr. No.	Name of the Related Party	Nature of Relationship	KEY PERSONS	Nature of Transaction	Transaction During The Year	Previous Year
1	Sudeep-Rub-Chem Pvt. Ltd.	Directors are members in the company	Shri. S.H.Amin Shri. A.S.Amin	Purchase of Shares	79,48,651	74,340
2	Shri. S.H.Amin	Chairman & Whole Time Director	—	Remuneration	14,73,333	17,16,000
3	Shri. S.H.Amin	Chairman & Whole Time Director	—	Rent	4,80,000	4,60,000
4	Shri. A.S.Amin	Managing Director	—	Remuneration	16,95,000	19,80,000
5	Shri. A.S.Amin	Managing Director	—	Rent	6,97,680	6,77,680
6	Cyto Pvt Ltd.	Directors are members in the company	Shri. S.H.Amin Shri. A.S.Amin Smt. A.A.Amin	Rent	1,68,000	1,68,000
7	Japsaw Pvt. Ltd.	Directors are members in the company	Shri. S.H.Amin Smt. A.A.Amin	Job Work Rent	48,57,298 90,000	—
8	Milling Engineers	Director’s Daughter	H.A. Amin	Rent	30,000	—

Note 27 Contingent Liabilities:

There is no contingent liability.

Note 28 Earning per Share:

	2020-21	2019-20
	Rs.	Rs.
Basic Earnings Per Share	9.48	6.52
Diluted Earnings Per Share	9.48	6.52
Face Value per Share	10.00	10.00

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 Earnings per Equity share are as stated below:

	2020-21	2019-20
	Rs.	Rs.
Profit/ (Loss) after Taxation (in Rs.)	71, 68,384	49, 30,235
Weighted average No. of share during year	7, 56,000	7, 56,000

NOTE 29. Value of Imports on CIF basis during the year in respect of :

	Current Year Rs.	Previous Year Rs.
Raw Materials	27,13,226	1,30,82,192
Stores and Spares	NIL	NIL
Capital Goods	NIL	NIL

NOTE 30. Expenditure in Foreign Currency on account of :

Travelling		1,13,787	3,07,671

NOTE 31. Value of Stores & Spares Consumed :

Imported	NIL	0.00	NIL	0.00
Indigenous	1,53,90,599	100.00	2,31,10,180	100.00
	1,53,90,599	100.00	2,31,10,180	100.00

NOTE 32. Remittance in Foreign Currency on account of dividend to Non-Resident Share-holders:

	Current Year	Previous Year
Dividend of financial year	2020-21	2019-20
No. of shareholders	4	4
No. of Shares held	2,12,760	2,12,760
	Rupees	Rupees
Net amount of Dividend Remitted	NIL	NIL

NOTE 33. Earnings in Foreign Exchange - Export of Goods on FOB basis :

	Rupees	Rupees
Industrial Chains	59,02,588	75,01,253
Sprocket Wheels	1,50,779	9,34,918
	60,53,367	84,36,171

Note 34. Micro, Small and Medium Enterprises Development Act, 2006

The Company has amounts due to suppliers covered under MSMED Act.
The disclosure pursuant to the said Act is as under.

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Principal Amount due at year end	3,72,98,417.17	9,70,31,489.04
Interest due and remaining unpaid	NIL	NIL
Principal amount paid beyond due date	11,12,876.68	46,37,453.40
Interest Paid in terms of section 16 of the Act	NIL	NIL
Amount of Interest due and Payable for period of delay in payment made beyond on Principal amount paid beyond the appointed day	16,30,983.00	38,73,658.00
Amount of Interest accrued and remaining unpaid for earlier year	NIL	NIL

The Information has been given in respect of such suppliers to the extent they could be identified as micro, small enterprises on the basis of information available with the Company. This has been relied upon by the Auditors.

Note 35 Disclosure of material impact of COVID-19 pandemic on listed entities as per SEBI circular (SEBI/HO/CFD/CMD1/CIR/P/2020/84) dated May 20, 2020 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The novel coronavirus (COVID-19) pandemic has been spreading around the world rapidly. Moreover, second wave of pandemic has a serious impact in India. The Virus has not just affected the human, but business of almost all industries.

The management has made the assessment of impact of Covid-19 in first and Second Quarter of the F.Y. 2020-21 on its liquidity & Financials and has conclude that there was some significant Impact on Production and Function of Corporate Office, Sales & Revenue, Demand & Supply, Liquidity crunches, Trade receivables etc.

However, Company has adequate liquidity and having no such major debt therefore, Management expects no such extraordinary impact and least adjustment requisite in the financial results of F.Y. 2020-21. Further, the management will continue to closely monitor the developments and possible impact of second wave of COVID- 19, if any, on its Financial Condition, Liquidity and operation of upcoming quarters.

Note 36 The Balances of the most of the Debtors, Creditors and Loans and Deposits of the Company are confirmed periodically.

Note 37 The figures have been rounded upto a Rupee. Parties Balances are subject to their confirmations and reconciliation and consequential adjustments, if any.

Note 38 Previous year figures have been regrouped and recast wherever necessary to make them comparable with current year's figures.

Note 39 Note No. 1 to 38 form an integral part of Financial Statements

Signature to Balance Sheet, Statement of Profit & Loss and Note 1 to Note 39.

As per our report of even date attached herewith.

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD

A.S. Amin
Managing Director

K.M. Patel
Director

M.H. Joshi
Director

V.K. Shah
CFO

D.A. Chauhan
Company Secretary

Vallabh Vidyanagar
May 28, 2021

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ROLCON ENGINEERING COMPANY
LIMITED
REPORT ON THE CONSOLIDATED IND
AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of ROLCON ENGINEERING COMPANY LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) and its Associates, comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including the statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated

changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- a. We did not audit the financial statements of a Associates included in the consolidated Ind AS financial statements, whose financial statements

reflect total Loss for the Period Rs. 25,03,025/- and Loss after Acquisition Rs. 3,14,365/- and total Other Comprehensive Income of Rs. NIL for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it related to the amounts and disclosures included in respect of this associates, is based solely on the report of the other auditors.

- b. Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements / financial information certified by the Management.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the

consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give

a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to

fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company and its associates companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease

to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our

independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
- e. On the basis of written representations received from all the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the report of its Associates company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013;
- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditors' reports of the Holding company and associates company, incorporated in India; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding and Associates Company, incorporated in India.

FOR JHS & Associates LLP

Chartered Accountants
Registration No. 133288W/W100099

Saurabh Shah

Partner

Membership No: 110914
UDIN:21110914AAAANR5215

Vallabh Vidyanagar
May 28, 2021.

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Rolcon Engineering company Limited (hereinafter referred to as “the Holding Company”) and its associates company which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the financial controls over financial

reporting of the Holding and its associates company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding and its associates company, which are companies

incorporated in India.

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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the these entities, 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.

OTHER MATTERS

Our aforesaid report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associates company which is incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of the above matter.

FOR JHS & Associates LLP

Chartered Accountants
Registration No. 133288W/W100099

Saurabh Shah

Partner

Membership No: 110914

UDIN:21110914AAAANR5215

Vallabh Vidyanagar
May 28, 2021.

ROLCON ENGINEERING COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

EQUITY AND LIABILITIES	Note No	(Rupees in Actual)	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	1	4,58,52,141	4,43,30,925
Financial assets			
- Investments	2		
(a) Investment in Associates		77,97,756	-
(b) Others		82,13,518	42,94,531
- Long-term loans and advances			
- Others			
Deferred tax assets (Net)	3	49,52,263	85,88,786
Other non-current assets	4	17,17,488	15,66,730
Current assets			
Inventories	5	3,58,27,219	3,94,07,907
Financial assets			
- Current investments			
- Trade and other receivables	6	2,80,19,060	4,53,65,405
- Cash and cash equivalents	7	5,77,83,758	5,23,51,322
- Short term loans and advances	8	39,05,708	36,09,247
Other current assets	9	65,75,528	61,67,996
TOTAL		20,06,44,440	20,56,82,849
Equity			
Equity Share capital	10	75,60,000	75,60,000
Other equity	11	10,86,56,071	10,27,72,583
Non-current liabilities			
Financial liabilities			
- Long term borrowings	12	60,14,464	9,01,586
- Other financial liabilities			
Long term provisions	13	28,06,200	43,53,453
Other non-current liabilities		-	-
Current liabilities			
Financial liabilities			
- Short term borrowings		-	-
- Trade and other payables	14	5,08,18,359	7,50,77,343
- Other financial liabilities			
Other current liabilities	15	2,18,30,879	1,24,94,369
Short-term provisions	16	29,58,466	25,23,514
Liabilities for current tax (net)			
TOTAL		20,06,44,440	20,56,82,849

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD

A.S. Amin
Managing Director

K.M. Patel
Director

M.H. Joshi
Director

V.K. Shah
CFO

D.A. Chauhan
Company Secretary

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021
(Amt. in Rs.)

PARTICULARS	Note No	For the year ended	For the year ended
		March 31, 2021	March 31, 2020
Revenue from operations	17	25,56,14,156	36,27,49,632
Other income	18	55,96,960	59,29,076
Total revenue (A)		26,12,11,116	36,86,78,707
Expenses			
Cost of materials consumed	19	11,45,43,491	17,19,23,915
Changes in inventories of finished goods, work in progress and stock-in-trade	20	(32,65,980)	(1,04,03,460)
Employee benefit expense	21	5,94,41,004	7,10,54,480
Finance cost	22	5,81,267	5,78,390
Depreciation and amortisation expense	1	60,88,684	92,11,609
Other expense	23	7,44,37,832	11,79,10,885
Total expenses (B)		25,18,26,299	36,02,75,819
Share of Profit/ (Loss) of Associates		(1,50,895)	
Profit/ (loss) before exceptional items and tax (A-B+C)		92,33,922	84,02,888
Exceptional items		-	-
Profit/ (loss) before tax		92,33,922	84,02,888
Less: Tax expense			
a) Current tax		13,52,195	13,14,411
Less : Mat Credit Entitlement		13,52,195	13,14,411
Net Current tax		-	-
b) Deferred tax		36,36,523	34,72,653
c) For Earlier Years (Including MAT Credit for Previous Year)		12,024	-
Profit/ (loss) for the period from continuing operations		55,85,375	49,30,235
Profit/ (loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/ (loss) from discounting operations (after tax)		-	-
Profit/ (loss) for the period		55,85,375	49,30,235
Other comprehensive income			
- Items that will not be reclassified to profit or loss			
-Remeasurements of the defined benefit plans		(7,16,901)	
-Equity instruments through other comprehensive income		21,49,014	
-Share of OCI in Associates and Joint Ventures		-	
- Income tax relating to items that will not be reclassified to profit or loss			
- Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss			
Total comprehensive income for the period		70,17,488	49,30,235
(Profit/ loss + other comprehensive income)			
Earnings per equity share (for continuing operations)			
a) Basic		9.28	6.52
b) Diluted		9.28	6.52
Earnings per equity share (for discontinued operations)			
a) Basic		-	-
b) Diluted		-	-
Earnings per equity share (for discontinued & continuing operations)			
a) Basic		9.28	6.52
b) Diluted		9.28	6.52

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD **A.S. Amin**
Managing Director

K.M. Patel
Director **M.H. Joshi**
Director

V.K. Shah
CFO **D.A. Chauhan**
Company Secretary

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amt. in Rs.)

PARTICULARS	Year ended March 31	
	2021	2020
	Amount	Amount
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	92,33,922	84,02,888
Adjustments for :		
Depreciation	60,88,684	92,11,609
Provision in value of Diminution in investments	1,079	5,70,370
Provision for Bad and Doubtful Debts	-	19,91,887
Interest expenses	1,91,708	2,11,831
Interest income	(26,45,518)	(30,93,471)
Dividend Income	(1,125)	(2,373)
Profit on Sale of Assets	(4,94,590)	(7,36,380)
Profit on Sale of Mutual Fund	(1,052)	(7,729)
Share of (Profit)/ Loss of Associates an Joint Ventures	1,50,895	-
Operating profit before working capital changes	1,25,24,002	1,65,48,633
Adjustments for (increase) / decrease in operating assets		
Adjustments for Working Capital changes:		
Inventories	35,80,688	(1,33,13,226)
Trade Receivables	1,73,46,345	2,32,99,080
Short-term loans and advances	(2,18,697)	14,38,264
Long-term loans and advances		
Other current assets	9,55,220	(6,89,674)
Other non-current assets	(1,50,758)	10,185
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	(2,42,58,984)	(52,40,389)
Short term Provision	(2,81,949)	(41,74,803)
Other current liabilities	93,36,509	(52,27,498)
Long term Provision	(15,47,253)	(3,16,030)
Cash generated from operations	1,72,85,123	1,23,34,542
Direct taxes paid	(14,41,983)	(28,80,728)
Net cash from operating activities (A)	1,58,43,140	94,53,814
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(76,09,900)	(1,09,46,058)
Sale of fixed assets	4,94,590	7,42,868
Purchase of Investment	(1,00,68,651)	(17,02,209)
Sale of Investments	3,50,000	11,07,509
Interest Received	26,34,962	30,73,298
Dividend Received	1,125	2,373
Net cash from / (used) in investing activities (B)	(1,41,97,874)	(77,22,219)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds of long term borrowings	-	-
Repayment of Short term borrowings	51,12,878	(11,06,379)
Interest paid	(1,91,708)	(2,11,831)
Dividend Paid	(11,34,000)	(11,34,000)
Corporate Dividend Tax Paid	-	(2,33,150)
Net Cash from / (used) in financing activities (C)	37,87,171	(26,85,360)

Net Increase / (Decrease) in cash and cash equivalents	(A+B+C)	54,32,437	(9,53,765)
Cash and cash equivalent at beginning of the year			
the components being :			
Cash on hand		55,306	63,229
Balance with banks on current, margin and deposit accounts		5,22,96,016	5,32,41,858
		5,23,51,322	5,33,05,087
Cash and cash equivalents at end of the year			
the components being :			
Cash on hand		9,880	55,306
Balances with scheduled banks on current, margin and deposit accounts		5,77,73,879	5,22,96,016
		5,77,83,758	5,23,51,322
Net Increase / (Decrease) as disclosed above		54,32,437	(9,53,765)

As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD

A.S. Amin
Managing Director

K.M. Patel
Director

M.H. Joshi
Director

V.K. Shah
CFO

D.A. Chauhan
Company Secretary

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (Rs.)
Balance as at the 1st April, 2019		75,60,000
Changes in equity share capital during the year		-
Balance as at the 31st March, 2020		75,60,000
Changes in equity share capital during the year	10	-
Balance as at the 31st March, 2021		75,60,000

B. OTHER EQUITY

(Amt. in Rs.)

Particulars	Other Equity			Total Equity
	Capital Reserve	General Reserve	Retained Earning	
	Note 11	Note 11	Note 11	
Balance as at 1-April-2019	4,00,000	5,95,16,806	3,79,25,542	9,78,42,348
Profit for the year	-	-	49,30,235	49,30,235
Other Comprehensive income for the year	-	-	-	-
Total Comprehensive income for the year	-	-	49,30,235	49,30,235
Dividend	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer to / from Retained earnings	-	10,00,000	(10,00,000)	-
Balance as at 31-March-2020	4,00,000	6,05,16,806	4,18,55,777	10,27,72,583
Profit for the year	-	-	55,85,375	55,85,375
Other Comprehensive income for the year	-	-	14,32,113	14,32,113
Total Comprehensive income for the year	-	-	70,17,488	70,17,488
Final Dividend Paid (F.Y. 2020-21)	-	-	(11,34,000)	(11,34,000)
Transfer to / from Retained earnings	-	5,00,000	(5,00,000)	-
Balance as at 31-March-2021	4,00,000	6,10,16,806	4,72,39,265	10,86,56,071

The accompanying notes are an integral part of the Financial statements.
As per our report of even date attached

For ROLCON ENGINEERING COMPANY LIMITED

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

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Company Secretary

Vallabh Vidyanagar
May 28, 2021

Vallabh Vidyanagar
May 28, 2021

ROLCON ENGINEERING COMPANY LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 1. PROPERTY, PLANT AND EQUIPMENT

(Amt. in Rs.)

	Gross Block						Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals/ Transfers	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation charge for the year	Disposals/ Transfers	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020	Balance as at 31 March 2020	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
a												
Tangible Assets												
Land	5,13,281	-	-	5,13,281	-	-	-	-	5,13,281	-	5,13,281	
Buildings	5,90,61,289	13,34,661	-	6,03,95,950	3,13,65,493	26,28,406	-	3,39,93,899	2,64,02,051	2,76,95,795		
Plant and Equipments	16,49,29,543	41,59,899	-	16,90,89,442	15,40,24,423	16,60,599	-	15,56,85,022	1,34,04,420	1,09,05,119		
Computer	33,74,520	2,16,530	-	35,91,050	31,25,273	1,50,329	-	32,75,602	3,15,448	2,49,247		
Furniture & Fixtures	1,27,34,223	11,89,560	-	1,39,23,783	1,03,76,947	6,71,822	-	1,10,48,769	28,75,014	23,57,276		
Vehicles	1,27,90,410	-	-	1,27,90,410	1,13,11,839	4,61,758	-	1,17,73,597	10,16,813	14,78,571		
Office Equipment	79,00,910	7,09,250	-	86,10,160	67,69,274	5,15,771	-	72,85,045	13,25,115	11,31,636		
TOTAL	26,13,04,175	76,09,900	-	26,89,14,075	21,69,73,250	60,88,684	-	22,30,61,933	4,58,52,141	4,43,30,925		
Previous Year	25,04,87,883	1,09,46,058	1,29,765	26,13,04,176	20,78,84,918	92,11,610	1,23,277	21,69,73,251	4,43,30,925	4,26,02,965		

	Gross Block						Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals/ Transfers	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Disposals/ Transfers	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019	Balance as at 31 March 2019	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
a												
Tangible Assets												
Land	5,13,281	-	-	5,13,281	-	-	-	-	5,13,281	-	5,13,281	
Buildings	5,58,69,335	31,91,954	-	5,90,61,289	2,86,44,275	27,21,219	-	3,13,65,494	2,76,95,795	2,72,25,060		
Plant and Equipments	15,95,48,298	53,81,245	-	16,49,29,543	14,92,54,927	47,69,497	-	15,40,24,424	1,09,05,119	1,02,93,371		
Computer	32,67,825	1,06,695	-	33,74,520	29,49,146	1,76,127	-	31,25,273	2,49,247	3,18,679		
Furniture & Fixtures	1,17,14,119	10,20,104	-	1,27,34,223	97,90,042	5,86,905	-	1,03,76,947	23,57,276	19,24,077		
Vehicles	1,27,29,184	1,90,991	1,29,765	1,27,90,410	1,07,74,975	6,60,141	1,23,277	1,13,11,839	14,78,571	19,54,209		
Office Equipment	68,45,841	10,55,069	-	79,00,910	64,71,553	2,97,721	-	67,69,274	11,31,636	3,74,288		
TOTAL	25,04,87,883	1,09,46,058	1,29,765	26,13,04,176	20,78,84,918	92,11,610	1,23,277	21,69,73,251	4,43,30,925	4,26,02,965		
Previous Year	23,90,18,477	82,02,062	15,62,673	24,56,57,866	19,13,72,664	88,17,594	14,51,561	19,87,38,697	4,69,19,169	4,76,45,813		

ROLCON ENGINEERING COMPANY LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2021

Note 2. NON CURRENT INVESTMENTS

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
A. Investment in Mutual Funds (Unquoted) At Market Value & Fair Value Through Other Comprehensive Income A/c)		
ADITYA BIRLA SL-EQUITY HYBRID 95 FUND REG.-GROWTH	7,44,741	5,62,690
DSP BLACKROCK BALANCED FUND	35,02,594	25,00,000
DSP BLACKROCK DYNAMIC ASSET ALLOCATION FUND-REG-GR	8,92,342	7,00,000
ABSL INDIA GENNEXT FUND	1,19,670	50,000
AXIS - MIDCAP FUND	1,36,509	45,000
ICICI PRUDENTIAL-EQUITY & DEBT FUND	1,19,770	50,000
INVESCO-INDIA CONTRA FUND	1,42,093	50,000
NIPPON INDIA-EQUITY HYBRID FUND SEGREGATED	5,38,406	5,15,155
PRINCIPAL BALANCED ADVANTAGE FUND	9,77,181	3,67,729
DSP ULTRA SHORT FUND-GR	20,018	16,727
ICICI PRUDENTIAL-BAL. ADVANTAGE FUND-REG-G	1,73,921	-
ICICI PRUDENTIAL LIQUID FUND	76,466	-
KOTAK BALANCE ADVANTAGE FUND REG-G	1,75,317	-
KOTAK LIQUID FUND	76,416	-
PGIM INDIA BALANCED ADVANTAGE FUND	5,10,474	-
A. Total Investment in Mutual Funds	82,05,918	48,57,301
Less:- Provision in value of Diminution in Units of Mutual Fund	-	(5,70,370)
A. Total Investment in Mutual Funds	82,05,918	42,86,931
B. Investment in Equity Instruments (Fair Value Through Other Comprehensive Income)		
Investment in Equity Instruments (Unquoted)		
The Charotar Gas Sahkari Mandali Ltd	7,500	7,500
The Vallabh Vidyanagar Comm Co Op Bank Ltd	100	100
In Associates (At Cost Unless Stated Otherwise)		
Sudeep Rub - Chem Pvt. Ltd	77,97,756	-
B. Total Investment in Equity Instruments	78,05,356	7,600
TOTAL	1,60,11,274	42,94,531

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Aggregate amount of quoted investments	82,05,918.30	23,98,790
Aggregate amount of unquoted investments	78,05,356	7,600
Aggregate market value of quoted investments	-	-

A. Sr. No.	Details of Investments		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
	(1)	(2)		2021 (4)	2020 (5)			2021 (8)	2020 (9)	2021 (10)	2020 (11)		
(a)	Investment in Equity Instruments												
	The Charotar Gas Sahkari Mandali Ltd		Other	15	15	Unquoted	Fully Paid	-	-	7,500	7,500	Yes	-
	The Vallabh Vidyannagar Comm Co Op Bank Ltd		Other	1	1	Unquoted	Fully Paid	-	-	100	100	Yes	-
	Sudeep Rub - Chem Pvt. Ltd		Associates	1,450	-	Unquoted	Fully Paid	-	-	77,97,756	-	Yes	-
	TOTAL			1,466	16					78,05,356	7,600		
(b)	Investments in Mutual Funds												
	ADITYA BIRLA SL - EQUITY HYBRID 95 FUND REG.-	GROWTH	Other	816.92	756.23	Unquoted				7,44,741	4,33,357	No	Market Value
	DSP BLACKROCK BALANCED FUND		Other	17,296.67	17,296.67	Unquoted				35,02,594	23,04,540	No	Market Value
	DSP BLACKROCK DYNAMIC ASSET ALLOCATION FUND-REG-GR		Other	48,271.23	48,271.23	Unquoted				8,92,342	7,00,000	No	Market Value
	ABSL INDIA GENNEXT FUND		Other	1,082.69	581.75	Unquoted				1,19,670	39,850	No	Market Value
	AXIS - MIDCAP FUND		Other	2,499.26	1,182	Unquoted				1,36,509	38,476	No	Market Value
	ICICI PRUDENTIAL - EQUITY & DEBT FUND		Other	705.78	375.87	Unquoted				1,19,770	39,827	No	Market Value
	INVESCO - INDIA CONTRA FUND		Other	2,254.37	1,061.49	Unquoted				1,42,093	38,713	No	Market Value
	NIPPON INDIA- EQUITY HYBRID FUND SEGREGATED		Other	28,586.47	28,586.47	Unquoted				5,38,406	3,37,038	No	Market Value
	PRINCIPAL BALANCED ADVANTAGE FUND		Other	42,283.89	17,838.89	Unquoted				9,77,181	3,38,404	No	Market Value
	DSP ULTRA SHORT FUND-GR		Other	7.40	7.40	Unquoted				20,018	16,727	No	Market Value
	ICICI PRUDENTIAL -BAL. ADVANTAGE FUND -REG-G		Other	3,931.32	-	Unquoted				1,73,921	-	No	Market Value
	ICICI PRUDENTIAL LIQUID FUND		Other	250.56	-	Unquoted				76,466	-	No	Market Value
	KOTAK BALANCE ADVANTAGE FUND REG-G		Other	13,303.74	-	Unquoted				1,75,317	-	No	Market Value
	KOTAK LIQUID FUND		Other	18.33	-	Unquoted				76,416	-	No	Market Value
	PGIM INDIA BALANCED ADVANTAGE FUND		Other	49,997.50	-	Unquoted				5,10,474	-	No	Market Value
	TOTAL			2,11,306.10	1,15,957.69					82,05,918	42,86,931		
	TOTAL									1,60,11,274	42,94,531		

ROLCON ENGINEERING COMPANY LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2021

Note 3. DEFERRED TAX ASSET (NET)

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Deferred Tax Assets		
• On account of unabsorbed Depreciation	2,15,003	29,91,655
• On account of Disallowances Under income tax act	14,98,814	17,88,012
• On account of Difference Between Book Depreciation And Depreciation As per Income Tax Act	32,38,446	38,09,119
TOTAL	49,52,263	85,88,786

Note 4 OTHER NON CURRENT ASSETS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, considered good :		
Deposits	17,17,488	15,66,730
TOTAL	17,17,488	15,66,730

Note 5 INVENTORIES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Stock In Hand		
a) Raw Materials	94,82,239	1,63,28,907
b) Semi-Finished Goods	1,16,32,980	1,21,67,000
c) Finished Goods	1,47,12,000	1,09,12,000
TOTAL	3,58,27,219	3,94,07,907

Note 6 TRADE AND OTHER RECEIVABLES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, Considered Good:		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	20,69,087	84,16,718
Considered Doubtful	19,91,887	19,91,887
	40,60,974	1,04,08,605
Less : Allowances for doubtful debts	19,91,887	19,91,887
	20,69,087	84,16,718
Outstanding for a period less than six months from the date they are due for payment	2,59,49,973	3,69,48,687
TOTAL	2,80,19,060	4,53,65,405

Note 7 CASH AND BANK BALANCE

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
I. Cash & Cash Equivalents		
a. Balances with banks	31,70,348	86,88,477
b. Cash on hand	9,880	55,306
II. Other Balances		
Fixed Deposit (Including maturity below 12 months)	5,46,03,531	4,36,07,539
TOTAL	5,77,83,758	5,23,51,322

Note 8 SHORT TERM LOANS & ADVANCES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, considered good :		
a. Loans & Advances to Staff	3,40,000	5,32,000
b. Advance to Suppliers - Others	8,87,440	4,76,743
c. Advance Payment of Income Tax (Net of Provisions)		
- Advance income tax & TDS	53,44,874	57,64,131
- Less: Provision for Taxation	26,66,606	31,63,626
	26,78,268	26,00,505
TOTAL	39,05,708	36,09,247

Note 9 OTHER CURRENT ASSETS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Unsecured, considered good :		
a) Interest Receivable	5,79,608	5,69,052
b) Prepaid Expenses	9,87,114	6,38,810
c) Mat Credit Entitlement	50,08,806	36,56,611
d) GST Receivable	-	13,03,524
TOTAL	65,75,528	61,67,996

Note 10 SHARE CAPITAL

PARTICULARS	As at March 31			
	2021		2020	
	Number	Amount	Number	Amount
Authorised				
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
Total		1,50,00,000		1,50,00,000
Issued Subscribed & Paid up				
Equity Share of Rs. 10/- each fully Paid - Up	7,56,000	75,60,000	7,56,000	75,60,000
Subscribed but not fully Paid up	NIL	NIL	NIL	NIL
TOTAL	7,56,000	75,60,000	7,56,000	75,60,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Reconciliation of Issued, Subscribed and Paid Up Equity Share Capital

(Amt. in Rs.)

PARTICULARS	31.03.2021		31.03.2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,56,000	75,60,000	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	7,56,000	75,60,000

Reconciliation of Issued, Subscribed and Paid Up Preference Share Capital

PARTICULARS	31.03.2021		31.03.2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

Name of Shareholders holding more than 5% of Equity Shares	As at March 31		As at March 31	
	2021		2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares :				
SURESH H AMIN	1,96,535	25.99	1,96,198	25.95
ASHISH S AMIN	86,350	11.42	86,350	11.42
THE ORIENTAL INSURANCE COMPANY LTD.	75,600	10.00	75,600	10.00
NEHA M PATEL	70,920	9.38	70,920	9.38
MALAY S SHAH	63,040	8.34	63,040	8.34
NATIONAL INSURANCE COMPANY LTD.	54,000	7.14	54,000	7.14
RUPAL N PATEL	47,280	6.25	47,280	6.25

PARTICULARS	Aggregate No. of Shares As at March 31,				
	2021	2020	2019	2018	2017
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
Preference Shares :					
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 Interim Dividend. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 11 OTHER EQUITY

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
a. Capital Redemption Reserve		
Opening Balance	4,00,000	4,00,000
Closing Balance	4,00,000	4,00,000
b. General Reserves		
Opening Balance	6,05,16,806	5,95,16,806
Add:-		
Current Year Transfer	5,00,000	10,00,000
Closing Balance	6,10,16,806	6,05,16,806
c. Surplus		
Opening balance	4,18,55,777	3,79,25,542
Add:-		
Net Profit/(Net Loss) For the Current Year	70,17,488	49,30,235
	70,17,488	49,30,235
Less:-		
Transfer to Reserves	5,00,000	10,00,000
Final Dividend Paid (F.Y. 2019-20)	11,34,000	-
	16,34,000	10,00,000
Closing Balance	4,72,39,265	4,18,55,777
TOTAL	10,86,56,071	10,27,72,583

Note 12 LONG TERM BORROWINGS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Secured		
Car loans from HDFC Bank	-	9,01,586
Bank OverDraft		
"Over Draft from ICICI Bank (Secured by Hypothecation of Fixed Deposites)"	60,14,464	-
TOTAL	60,14,464	9,01,586

Note 13 LONG TERM PROVISIONS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
-For Gratuity	28,06,200	43,53,453.00
TOTAL	28,06,200	43,53,453.00

Note 14 TRADE PAYABLES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
(a) Trade Payables for Goods		
- Dues to micro, small and medium enterprises	81,86,496	1,41,39,491
- Dues to other than micro, small and medium enterprises	3,31,42,272	4,87,42,951
(b) Trade Payables for Expenses		
- Due to Others	94,89,591	1,21,94,901
TOTAL	5,08,18,359	7,50,77,343

Note 15 OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
Secured		
- Current Maturity of Long Term Borrowings	-	1,03,709
Unsecured		
Other Payables		
- Advance from Customers	1,65,53,324	76,10,199
- Salary Payable	38,38,866	40,91,350
- Statutory Dues	11,50,126	4,63,701
- Rent Payable	90,779	88,326
- Other Payable	1,97,784	1,37,084
TOTAL	2,18,30,879	1,24,94,369

Note 16 SHORT TERM PROVISIONS

PARTICULARS	As at March 31	
	2021	2020
	Amount	Amount
(a) Provision for employee benefits		
- For Bonus	13,80,852	8,74,160
- For Gratuity	15,77,614	16,49,354
TOTAL	29,58,466	25,23,514

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Note 17 REVENUE FROM OPERATIONS

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
(a) Domestic Sales:		
Chains	22,70,91,411	26,92,69,773
Sprockets	1,14,44,647	5,68,27,570
(b) Exports Sales :		
Chains	99,49,845	2,61,78,961
Sprockets	6,11,688	19,02,103
Scrap Sales	65,16,565	85,71,225
TOTAL	25,56,14,156	36,27,49,632

Note 18 OTHER INCOME

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Income from Investments		
a) Dividend Income From Investments	1,125	2,373
b) Interest on Bank Fixed Deposits	26,45,518	30,93,471
c) Interest on Income Tax Refund	39,330	29,190
d) Interest on MGVCL Deposits	90,861	83,692
Rent Income	2,85,000	2,10,000
Profit on Sale of Asset	4,94,590	7,36,380
Foreign Exchange Variation (Profit)	28,380	-

Income from Wind Electric Generators	9,92,890	-
Short term Capital Gain on Mutual Fund	1,052	7,729
Bad Debt Recovery	-	4,92,811
Freight Outward (Sales)	85,680	-
Duty DrawBack	20,419	-
Packing and Forwarding Income	9,12,114	12,73,430
TOTAL	55,96,960	59,29,076

Note 19 COST OF MATERIAL CONSUMED

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Opening Stock	1,63,28,907	1,34,19,141
Add : Purchases during the Year	10,76,96,823	17,48,33,681
SUB TOTAL	12,40,25,730	18,82,52,822
Less : Closing Stock	94,82,239	1,63,28,907
TOTAL	11,45,43,491	17,19,23,915

Break up Of Raw Materials Consumed :

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Flats	3,73,01,643	5,63,52,509
Round Bars	3,11,16,877	4,34,41,967
Plates	1,68,75,308	2,12,61,352
Others (Angles, Bearings, C.I.Castings, Pipe & Tubes,Steel Strips)	1,04,34,755	1,17,70,501
Other components	1,88,14,907	3,90,97,585
TOTAL	11,45,43,491	17,19,23,914

Note 20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Opening Stock: Semi -Finished Goods	1,21,67,000	69,93,000
Finished Goods	1,09,12,000	56,82,540
	2,30,79,000	1,26,75,540
Closing Stock : Semi -Finished Goods	1,16,32,980	1,21,67,000
Finished Goods	1,47,12,000	1,09,12,000
	2,63,44,980	2,30,79,000
(Increase)/Decrease in Stock	(32,65,980)	(1,04,03,460)

Note 21 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Managerial Remuneration	34,85,167	36,96,000
Salaries & Wages	4,87,44,107	5,87,48,149
Contribution to Provident Fund	27,37,864	31,81,829
Staff Welfare Expenses	12,79,598	13,25,154
Exgratia / Bonus / Contribution to Superannuation Fund	20,68,452	15,75,360
Gratuity	11,25,816	25,27,987
TOTAL	5,94,41,004	7,10,54,480

Note 22 FINANCE COST

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Interest : Fixed Period Loan	93,031	1,45,472
: Others	98,677	66,359
Bank Charges	3,89,560	3,66,559
TOTAL	5,81,267	5,78,390

Note 23 OTHER EXPENSES

PARTICULARS	Year ended March 31,	
	2021	2020
	Amount	Amount
Power & Fuel	1,16,72,792	2,17,95,380
Store, Tools, Oil & Packing Material Consumed	1,53,90,599	2,31,10,180
Machining Charges	1,45,58,006	1,97,19,303
Clearing & Forwarding Expenses	4,64,176	7,78,515
Freight Inwards	22,31,977	34,37,269
Rent	13,45,680	13,05,680
Rates & Taxes	2,01,110	2,20,930
Stationery, Printing, Postage, etc.	13,31,665	15,45,011
Insurance Premium	7,31,085	7,11,829
Works & Office Expense	23,34,856	9,65,640
Advertisement	1,68,367	63,110
Forwarding & Transport Charges	53,85,634	70,47,263
Commission to Distributors/Agents	35,52,551	63,37,650
Professional, Consultation & Legal Fees	27,97,579	34,37,292
Travelling & Conveyance	20,79,098	73,58,293
Computer Expenses	1,87,328	4,03,388
Repairs & Maintenance		
: Machineries	20,18,931	30,40,150
: Buildings	26,27,090	41,42,019
: Windmill Repairing Expenses	31,153	18,52,608
: Others	28,81,908	33,76,181
Payment to Auditors		
- As Audit Fees	92,000	92,000
- For Tax Audit Fees	35,000	35,000
- In Other Capacity	50,000	72,000
- Re-imburement of expenses	11,889	17,521
Donation	37,500	47,500
Subscription & Membership Fees	1,03,462	93,732
Garden Expenses A/c	2,96,686	4,23,385
Liquidated Damages	70,016	7,54,060
Bab Debts Written off	9,698	3,92,893
Provision for Bad and Doubtful Debts	-	19,91,887
Director Sitting Fees	1,90,000	1,70,000
Foreign Exchange Variation (Loss)	-	1,49,199
Service Tax/Sales Tax / Central Excise/GST Exp	3,21,528	7,64,699
Tender Fees	20,169	19,102
Festival Expense	39,375	2,48,256
Security Service	6,59,160	6,01,384
Prior Period Expense	94,033	33,000

Discount And Claims	3,24,945	7,81,492
Interest On Payment of GST	89,705	5,715
Provision for Diminution in Valuation Of Investment	1,079	5,70,370
TOTAL	7,44,37,832	11,79,10,885

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE: 24 ACCOUNTING POLICIES

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of ROLCON ENGINEERING COMPANY LIMITED (“the Parent Company”) and its Associates (hereinafter referred to as “the Group”) for the year ended 31st March, 2021.

The Parent Company Rolcon Engineering Company Limited is a public company domiciled in India incorporated in 1967 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Industrial Chain and Sprocket.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 28th May, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets which have been measured at fair value or revalued amount. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), Defined benefit plans – plan assets measured at fair value.

The consolidated financial statements are presented in Indian Rupee and all values are rounded to the nearest Rupees, except when otherwise indicated.

2.1.2 BASIS OF CONSOLIDATION

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its Subsidiaries, Associates, Joint ventures together with the share of the total comprehensive income of

Subsidiaries, Associates, Joint ventures.

Subsidiaries are entities controlled by the Group. Associates are entities over which the Group exercises significant influence but does not control. An entity / arrangement in which the Group has the power to exercise control jointly with one or more uncontrolled entities is called a joint venture (“JV”) or a joint operation (“JO”). Unlike in a JV where parties have proportionate interests in the assets and liabilities of the JV entity, parties have rights over and obligations towards specified assets and liabilities in a JV.

Control, significant influence and joint control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee’s activities and significantly affect the Group’s returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

An investment in an associate or a JV is initially recognised at cost on the date of the investment, and inclusive of any goodwill / capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as ‘equity method’).

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current versus Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle; or
- It is expected to be settled in the normal operating cycle; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current.

Operating Cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company’s normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b. Foreign Currencies

The Company’s financial statements

are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received on sell of an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the

presumption that the transaction to sell the asset or settle the liability takes place either:

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

External values are involved for valuation of significant assets, such as properties and involvement of external valuers is decided upon the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy

for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions (Note No. 2.3)
- Investment properties (Note No. 2.2 (g))
- Financial instrument (Note No. 2.2 (n,p))

d. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The specific recognition criteria described below met before revenue is recognized.

Sale of goods

Revenue from Sale of Goods are recognised when entity satisfy a performance obligation by transferring a promised goods. Sales are stated net of rebate and trade discount and exclude Goods and Service tax. With regard to sale of product, income is reported when significant control connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined. The Company does not provide any extended warranties or maintenance contracts to its customers.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future

cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividend Income

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

e. Taxes

Current Income Tax

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or

loss at the time of the transaction. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

f. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the

Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. The identified component of fixed assets is depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

g. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

Though the Company measures investment property using cost based

measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuers applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

h. Goodwill on Consolidation:

Goodwill arising on consolidation is stated at cost subject to impairment losses, where applicable.

On acquisition of subsidiary, the goodwill / capital reserve arising from such acquisition included in the carrying amount of the investment is disclosed separately in consolidated financial statements.

On acquisition of an associate or joint venture, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment but not disclosed separately.

On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is

allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

i. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of assets as under:

Assets	Year
Technical Knowhow	7 years
Software	7years

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (qualifying assets) to get ready for its intended use or are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowed funds.

k. Inventories

Raw Material and stores, work in progress, traded and finished goods are stated at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and

valued at lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase is determined after deducting rebate and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

l. Impairment of Non-Financial Assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

m. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Employee benefits

a) Short Term Employee Benefits

Short term employee benefits are recognised as expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

b) Post-Employment Benefits

(i) Defined contribution plan

These are plan in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to Employee provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(ii) Defined benefit plan

Expenses for defined gratuity payment plans are calculated as at the balance sheet date by independent actuaries in

the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term i.e. almost equivalent to the average balance working period of the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Past service costs are recognised in statement of profit or loss on the earlier of;

- The date of the plan amendment or curtailment, and
 - The date that the Company recognises related restructuring costs;
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss;
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
 - Net interest expense or income.

Other long term employment benefits:

The employee's long term

compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

o. Investment in Associate and Joint Venture

Investment in associate and joint venture is accounted for using the 'equity method' less accumulated impairment, if any.

p. Financial Instruments

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

Financial Assets

Initial recognition and measurement

All financial assets, except investment in subsidiary/ Joint venture/ Associates are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

- a) Financial assets at amortised cost
- b) Financial assets at fair value through other comprehensive income (FVTOCI)

- c) Financial assets at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial asset is measured at the amortised cost if:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

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

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

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has other investments at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all

fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no reclassification of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset is derecognised when:

a) the contractual rights to the cash flows from the financial asset expire, OR

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking

into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or

less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

r. Dividend distribution

The group recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

s. Earnings per Share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments,

estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the

discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 25(a).

Taxes

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

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Warranty Provision

Management estimates the Warranty provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior periods. Factors that could impact the estimated claim information include the success of the company's productivity and quality initiatives.

Intangible Assets

Refer Note 2.2 (h) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 1.

Property, Plant and Equipment

Refer Note 2.2 (f) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 1.

NOTE: 25 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 IND AS-19 issued by the ICAI, as follows:

TABLE SHOWING CHANGE IN THE PRESENT VALUE OF PROJECTED BENEFIT OBLIGATION

COMPONENTS	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	17,512,756	16,118,384
Interest Cost	1,154,091	1,205,655
Current Service Cost	730,231	698,764
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(1,929,059)	(1,723,835)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	78,504	661,156
Actuarial (Gains)/Losses on Obligations - Due to Experience	646,581	552,632
Present Value of Benefit Obligation at the End of the Period	18,193,104	17,512,756

TABLE SHOWING CHANGE IN THE FAIR VALUE OF PLAN ASSETS

COMPONENTS	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	11,509,949	5,637,383
Interest Income	758,506	421,676
Contributions by the Employer	3,461,710	7,000,000
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(1,929,059)	(1,723,835)
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	8,184	174,725
Fair Value of Plan Assets at the End of the Period	13,809,290	11,509,949

AMOUNT RECOGNISED IN THE BALANCE SHEET

COMPONENTS	March 31, 2021	March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	(18,193,104)	(17,512,756)
Fair Value of Plan Assets at the end of the Period	13,809,290	11,509,949
Funded Status (Surplus/ (Deficit))	(4,383,814)	(6,002,807)
Net (Liability)/Asset Recognized in the Balance Sheet	(4,383,814)	(6,002,807)

NET INTEREST COST FOR CURRENT PERIOD

COMPONENTS	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	17,512,756	16,118,384
(Fair Value of Plan Assets at the Beginning of the Period)	(11,509,949)	(5,637,383)
Net Liability/(Asset) at the Beginning	6,002,807	10,481,001
Interest Cost	1,154,091	1,205,655
(Interest Income)	(758,506)	(421,676)
Net Interest Cost for Current Period	395,585	783,979

EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS FOR CURRENT PERIOD

COMPONENTS	March 31, 2021	March 31, 2020
Current Service Cost	730,231	698,764
Net Interest Cost	395,585	783,979
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized in Statement of Profit & Loss A/c	1,125,816	1,482,743

EXPENSES RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME (OCI) FOR CURRENT PERIOD

COMPONENTS	March 31, 2021	March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period	725,085	1,213,788
Return on Plan Assets, Excluding Interest Income	(8,184)	(174,725)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	716,901	1,039,063

BALANCE SHEET RECONCILIATION

COMPONENTS	March 31, 2021	March 31, 2020
Opening Net Liability	6,002,807	10,481,001
Expenses Recognized in Statement of Profit or Loss	1,125,816	1,482,743
Expenses Recognized in OCI	716,901	1,039,063
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(3,461,710)	(7,000,000)
Net Liability/(Asset) Recognized in the Balance Sheet	4,383,814	6,002,807

ACTUARIAL ASSUMPTION

COMPONENTS	March 31, 2021	March 31, 2020
Expected Return on Plan Assets	6.49%	6.59%
Rate of Discounting	6.49%	6.59%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

OTHER DETAILS

COMPONENTS	March 31, 2021	March 31, 2020
No of Active Members	102	112
Per Month Salary For Active Members	1,577,614	1,649,354
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	7	7
Projected Benefit Obligation	18,193,104	17,512,756
Expected Contribution in the Next Year	1,577,614	1,649,354

SECURITY ANALYSIS

Projected Benefit Obligation on Current Assumptions	18,193,104	17,512,756
Delta Effect of +1% Change in Rate of Discounting	(753,055)	(739,238)
Delta Effect of -1% Change in Rate of Discounting	827,866	811,162
Delta Effect of +1% Change in Rate of Salary Increase	736,781	723,574
Delta Effect of -1% Change in Rate of Salary Increase	(682,438)	(672,059)
Delta Effect of +1% Change in Rate of Employee Turnover	52,275	57,392
Delta Effect of -1% Change in Rate of Employee Turnover	(55,834)	(61,471)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- 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.
- The Company's contribution Rs.27,37,864/- (P.Y. Rs. 31,81,829/-) paid / payable for the year to **Provident Fund** is charged to the Statement of Profit And Loss.

Note 26 Transactions with Related Parties – IND AS 24

As required by the Accounting Standard 18 “Transactions with Related Parties”.

(I) List of Related Parties:-

Party	Relationship
a. Associates	Sudeep Rub – Chem Pvt. Ltd.
b. Individual/Enterprise having control Significant Influence	Shri S. H. Amin Shri A. S. Amin
c. Key Management Personnel	Shri S. H. Amin Shri A. S. Amin Smt. A. A. Amin Shri A. K. Parikh Shri Wolfgang Fuchs Shri K. K. Seksaria Shri K. M. Patel Shri M. H. Joshi Smt. H. H. Patel Executive Officers Shri V. K. Shah Shri D. A. Chauhan
d. Enterprises over which (b) or (c) above have significant influence	Sudeep Rub-Chem Pvt. Ltd. Cyto Pvt. Ltd. Japsaw Pvt. Ltd.

(ii) Transactions during the period with Related Parties / Key Management Personnel are as under:

Sr. No.	Name of the Related Party	Nature of Relationship	KEY PERSONS	Nature of Transaction	Transaction During The Year	Previous Year
1	Sudeep-Rub-Chem Pvt. Ltd.	Associate Company	—	Investment in Associate	77,97,756	74,340
2	Shri. S.H.Amin	Chairman & Whole Time Director	—	Remuneration	14,73,333	17,16,000
3	Shri. S.H.Amin	Chairman & Whole Time Director	—	Rent	4,80,000	4,60,000
4	Shri A.S.Amin	Managing Director	—	Remuneration	16,95,000	19,80,000
5	Shri. A.S.Amin	Managing Director	—	Rent	6,97,680	6,77,680
6	Cyto Pvt Ltd.	Directors are members in the company	Shri. S.H.Amin Shri. A.S.Amin Smt. A.A.Amin	Rent	1,68,000	1,68,000
7	Japsaw Pvt. Ltd.	Directors are members in the company	Shri. S.H.Amin Smt. A.A.Amin	Job Work Rent Dividend paid	48,33,698 90,000 13,335	—
8	Milling Engineers	Director’s Daughter	H.A. Amin	Rent Commission paid	30,000 10,66730	—

Note 27 Contingent Liabilities:

There is no contingent liability.

Note 28 Earning per Share:

	2020-21	2019-20
	<u>Rs.</u>	<u>Rs.</u>
Basic Earnings Per Share	9.28	6.52
Diluted Earnings Per Share	9.28	6.52
Face Value per Share	10.00	10.00

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 Earnings per Equity share are as stated below:

	2020-21	2019-20
	<u>Rs.</u>	<u>Rs.</u>
Profit/ (Loss) after Taxation (in Rs.)	70,17,488	49, 30,235
Weighted average No. of share during year	7, 56,000	7, 56,000

NOTE 29. Value of Imports on CIF basis during the year in respect of :

	Current Year Rs.	Previous Year Rs.
Raw Materials	27,13,226	1,30,82,192
Stores and Spares	NIL	NIL
Capital Goods	NIL	NIL

NOTE 30. Expenditure in Foreign Currency on account of :

	Current Year Rs.	Previous Year Rs.
Travelling	1,13,787	3,07,671

NOTE 31. Value of Stores & Spares Consumed :

	Current Year Rs.	Previous Year Rs.
Imported	NIL	0.00
Indigenous	1,53,90,599	100.00
	1,53,90,599	100.00

NOTE 32. Remittance in Foreign Currency on account of dividend to Non-Resident Share-holders:

	Current Year	Previous Year
Dividend of financial year	2020-21	2019-20
No. of shareholders	4	4
No. of Shares held	2,12,760	2,12,760
	Rupees	Rupees
Net amount of Dividend Remitted	NIL	NIL

NOTE 33. Earnings in Foreign Exchange - Export of Goods on FOB basis :

	Rupees	Rupees
Industrial Chains	59,02,588	75,01,253
Sprocket Wheels	1,50,779	9,34,918
	60,53,367	84,36,171

Note 34 Micro, Small and Medium Enterprises Development Act, 2006

The Company has amounts due to suppliers covered under MSMED Act.
The disclosure pursuant to the said Act is as under.

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Principal Amount due at year end	3,72,98,417.17	9,70,31,489.04
Interest due and remaining unpaid	NIL	NIL
Principal amount paid beyond due date	11,12,876.68	46,37,453.40
Interest Paid in terms of section 16 of the Act	NIL	NIL
Amount of Interest due and Payable for period of delay in payment made beyond on Principal amount paid beyond the appointed day	16,30,983.00	38,73,658.00
Amount of Interest accrued and remaining unpaid for earlier year	NIL	NIL

The Information has been given in respect of such suppliers to the extent they could be identified as micro, small enterprises on the basis of information available with the Company. This has been relied upon by the Auditors.

Note 35 Disclosure of material impact of COVID-19 pandemic on listed entities as per SEBI circular (SEBI/HO/CFD/CMD1/CIR/P/2020/84) dated May 20, 2020 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The novel coronavirus (COVID-19) pandemic has been spreading around the world rapidly. Moreover, second wave of pandemic has a serious impact in India. The Virus has not just affected the human, but business of almost all industries.

The management has made the assessment of impact of Covid-19 in first and Second Quarter of the F.Y. 2020-21 on its liquidity & Financials and has conclude that there was some significant Impact on Production and Function of Corporate Office, Sales & Revenue, Demand & Supply, Liquidity crunches, Trade receivables etc.

However, Company has adequate liquidity and having no such major debt therefore, Management expects no such extraordinary impact and least adjustment requisite in the financial results of F.Y. 2020-21. Further, the management will continue to closely monitor the developments and possible impact of second wave of COVID- 19, if any, on its Financial Condition, Liquidity and operation of upcoming quarters.

Note 36 The Balances of the most of the Debtors, Creditors and Loans and Deposits of the Company are confirmed periodically.

Note 37 The figures have been rounded upto a Rupee. Parties Balances are subject to their confirmations and reconciliation and consequential adjustments, if any.

Note 38 Previous year figures have been regrouped and recast wherever necessary to make them comparable with current year's figures.

Note 39 Note No. 1 to 39 form an integral part of Financial Statements

Signature to Balance Sheet, Statement of Profit & Loss and Note 1 to Note 38.

As per our report of even date attached herewith.

See accompanying notes to the financial statements
As per our report of even date attached

FOR JHS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 133288W/100099W

Saurabh Shah
Partner
Membership No. 110914

Vallabh Vidyanagar
May 28, 2021

For ROLCON ENGINEERING COMPANY LIMITED

S.H. Amin
Chairman & WTD

K.M. Patel
Director

V.K. Shah
CFO

A.S. Amin
Managing Director

M.H. Joshi
Director

D.A. Chauhan
Company Secretary

Vallabh Vidyanagar
May 28, 2021



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