

**52<sup>ND</sup>**

**ANNUAL  
REPORT**

**2018-19**

**MANY APPLICATION ONE SOLUTION !**



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## 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

### KMPs

Shri Navin U Patel	Chief Financial Officer
Shri Dharmesh Chauhan	Company Secretary

### 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.  
B-102 & 103, Shangrila Complex, 1st Floor,  
Old Padara Road, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta,  
Akota, Vadodara, (Gujarat) INDIA.

### REGISTERED OFFICE

Anand – Sojitra Road,  
Vallabh Vidyanagar - 388 120,  
Anand, Gujarat, INDIA.



## NOTICE

Notice is hereby given that the **52<sup>nd</sup> Annual General Meeting** of the Shareholders of **ROLCON ENGINEERING COMPANY LIMITED**, (CIN: L29259GJ1961PLC001439) will be held on Tuesday, July 16, 2019 at 3.00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar-388120, Gujarat to transact the following business;

### ORDINARY BUSINESS:

1. To consider and adopt the Audited standalone Financial Statements of the Company for the financial year ended as at March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To Declare Dividend on Equity Shares of the Company for the F.Y. 2018-19.
3. To Appoint Shri Ashish S. Amin (DIN: 01130354), who retires by rotation and being eligible offer himself for re-appointment.
4. Appointment of M/s JHS & Associates-LLP, Mumbai Chartered Accountants (133288W/W100099) as an auditor and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 140, 141, 142 and other applicable provisions of the companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s JHS & Associates-LLP, Mumbai Chartered Accountants (133288W/W100099) be and are hereby appointed as the Auditor of the Company to hold office for period of 5 (five) years from the conclusion of this meeting until the conclusion of 57<sup>th</sup> Annual General Meeting to be held for Financial year 2023-24 of the Company, subject to ratification of their appointment by the members at every Annual general Meeting in accordance with provisions of the Companies Act, 2013 and the rules made thereunder, and that the Board of Directors be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors.”

### SPECIAL BUSINESS:

5. Re-appointment of Shri Kailashchandra K Seksaria (DIN: 00115565) as an Independent Director of the Company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution: “RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Shri Kailashchandra K Seksaria (DIN: 00115565), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible for re-appointment and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years effective from from may 16, 2019 to Conclusion of Annual General Meeting for the Financial Year 2023-24 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolutions.”

6. Re-appointment of Shri Mahesh H Joshi (DIN: 00856573) as an Independent Director of the Company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution: “RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Shri Mahesh H Joshi (DIN: 00856573), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible for re-appointment and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years effective from May 16, 2019 to Conclusion of Annual General Meeting for the Financial Year 2023-24 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolutions.”

7. Continuation of Directorship of Shri Ashok K Parikh (DIN: 00359634), Independent of the company.

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, consent of members of the Company be and is hereby accorded for continuation of Directorship of Shri Ashok K Parikh (DIN: 00359634), who was appointed as an Independent Director for the term of 5 years at 50<sup>th</sup> Annual General Meeting held on July 27, 2017 till the conclusion of 55<sup>th</sup> Annual General Meeting and whose continuation in Directorship requires approval of Members by way of Special Resolution being more than 75 years of age, for his remaining term of office.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolutions.”

8. Appointment of Dr. Arpita A. Amin (DIN: 01927591), as Non-Executive, Non-Independent Director.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution: “RESOLVED THAT pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Arpita A. Amin (DIN: 01927591) who was appointed by Board of Directors as Additional Director of the Company up to ensuing Annual General Meeting on February 9, 2019 pursuant to Section 161 of the Companies Act, 2013, and who holds office as such up to the date of the Annual General Meeting and who has submitted a declaration that she meets the criteria for becoming Director and in respect of



whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company to hold office for five(5) consecutive years from the date of this Annual General Meeting and shall be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

RESOLVED FURTHER THAT the Board of Director be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Dr. Arpita A. Amin (DIN: 01927591), subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this resolution.”

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The instrument of proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not later than 48 hours before the meeting.
3. The Register of Members and Share Transfers Books of the Company will remain closed from July 10, 2019 to July 16, 2019 (Both days Inclusive).

### 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 resolutions mentioned in the notice of 52<sup>nd</sup> Annual General Meeting of the Company.

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

- (i) The voting period begins on **July 13, 2019 at 09.00 AM and ends on July 15, 2019 at 05.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 9, 2019 may cast their vote electronically.
- (ii) Visit the e-voting system of LIPL. Open web browser by typing the following URL:  
<https://instavote.linkintime.co.in>.
- (iii) Click on “Login” tab, available under ‘Shareholders’ section.
- (iv) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
- (v) Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

- (vi) Your Password details are given below:
- If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:
  - Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (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).

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB / DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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)

**NOTE :** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**Cast your vote electronically**

- (vii) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.

- (viii) On the voting page, you will see “Resolution Description” and against the same the option “Favour / against” for voting

Cast your vote by selecting appropriate option i.e. Favour/against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/against’.

You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/against’.

- (ix) If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- (x) After selecting the appropriate option i.e. Favour/against as desired and you have decided to vote, 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.
- (xi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (xii) You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

#### **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <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 authorized representative (s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

2. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
3. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
4. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

#### **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 (Including the Poll at the Annual general Meeting) in a fair and transparent manner.
2. The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e- voting period, after conclusion of Annual general Meeting, unblock the votes in the presence of at least two witnesses (not in the Employment of the Company) and make out a scrutinizer’s Report of the votes cast in the favor or against, if any, forthwith to the chairman of the Company.
3. Member who have not voted earlier and present at Annual General Meeting, shall be provided voting facility by poll Paper. Members have the option to request for a physical copy of the Poll Paper by sending an E-mail to [rolcon@rolconengineering.com](mailto:rolcon@rolconengineering.com) by mentioning their Folio No./DP ID and Client ID No. Poll Paper received after specified date will be treated as invalid.



4. Member can opt for only one mode of voting i.e. either through E-voting or in physical form. If a member cast his/her vote by both modes, than voting done through E-voting shall be prevail and the vote by Ballot shall be treated as invalid. The result declared along with scrutinizer's report shall be placed on the Company's websites [rolcon@rolconengineering.com](mailto:rolcon@rolconengineering.com) and on the website of the <https://instavote.linkintime.co.in> within 2 days of the passing of the resolutions at the 52<sup>nd</sup> AGM of the Company and Communicated to the BSE Ltd where the Shares of the company are listed.

For and on Behalf of Board of Directors  
Rolcon Engineering Company Limited

**A. S. AMIN**

Managing Director

DIN: 01130354

Vallabh Vidyanagar

May 16, 2019

## Explanatory Statement

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

**Item No. 4:** M/s JHS & Associates-LLP, Mumbai Chartered Accountants (133288W/W100099), the existing statutory Auditor of the Company was appointed by Board of Directors at their meeting held on January 28, 2019 to fill casual vacancy caused by the sad demise of Company's Auditor M/s P. D. Parikh & Co., Chartered Accountant (FRN: 114136W) passed away on January 8, 2019.

Accordingly, Audit Committee held on May 16, 2019, Directors have recommended to the Board for Appointment of M/s JHS & Associates-LLP, Mumbai Chartered Accountants (133288W/W100099) as Statutory Auditor of the Company, to hold office for the term of Five(5) years from conclusion of this Annual General Meeting till the conclusion of the 57<sup>th</sup> Annual General Meeting on remuneration recommended by the Audit Committee in consultation with the Auditors. The resolution under this item seeks the approval of the Members for the said appointment of auditors.

None of the Directors or Key Managerial personnel of the Company or their respective relatives are concerned or interested, either financially or otherwise, in this resolution. Your Directors recommend the ordinary resolution set forth in item No. 4 for your approval.

**Item No. 5:** The Members of the Company at the Extra-Ordinary General Meeting held on September 4, 2014 had appointed Shri Kailashchandra K Seksaria (DIN:00115565) as Independent Director of the Company for the first term to hold office up to conclusion of Annual General Meeting for the Financial Year 2018-19 pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of the Company, and shall be eligible for re-appointment on passing of a special resolution by the Company for another term of up to five (5) consecutive years. The Nomination and Remuneration Committee has, in its meeting held on February 9, 2019, recommended to the Board, the re-appointment of Shri Kailashchandra K Seksaria (DIN: 00115565) as Independent Director for a further term of five (5) consecutive years. The Board at its meeting held on May 16, 2019, based on the outcome of the performance evaluation exercise, recommendations of the Nomination and Remuneration Committee, skills, experience, knowledge and contributions made by Shri Kailashchandra K Seksaria (DIN: 00115565) during his tenure, have approved the re-appointment (not liable to retire by rotation) of Shri Kailashchandra K Seksaria (DIN: 00115565) as Independent Director subject to approval of shareholder of the Company from may 16, 2019 to AGM of F. Y. 2023-2024 The Board of Directors states that the re-appointment of Shri Kailashchandra K Seksaria (DIN: 00115565) would be in the interest of the Company and its Shareholders. Shri Kailashchandra K Seksaria (DIN: 00115565) is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by SEBI or any other authority and has consented to act as Independent Director of the Company. The Company has also received declaration from Shri Kailashchandra K Seksaria (DIN: 00115565) that he meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations. Further, pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the approval from the members required with respect to the continuation of such appointment of Shri Kailashchandra K Seksaria (DIN: 00115565) as an Independent Non-Executive Director of the Company for five(5) years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from Members as required in the Amendment Regulations, 2018. In the opinion of the Board, Shri Kailashchandra K Seksaria (DIN: 00115565) meets the criteria of independence as specified in the Act, the Rules framed thereunder and the Listing Regulations and they are independent of the management. Details of Shri Kailashchandra K Seksaria (DIN: 00115565) is provided in the "Annexure" to the Notice pursuant to

the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by The Institute of Company Secretaries of India. Copy of draft appointment letters setting out the terms and conditions of his re-appointment are available for inspection by the members at the Registered Office of the Company. Shri Kailashchandra K Seksaria (DIN: 00115565) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5. The Board considers that his continued association as Independent Director would be of immense benefit to the Company. Accordingly, the Board recommends the Special Resolution set out in Item No. 5 for approval of the members.

**Item No. 6:** The Members of the Company at the Extra-Ordinary General Meeting held on September 4, 2014 had appointed Shri Mahesh H Joshi (DIN: 00856573) as Independent Director of the Company for the first term to hold office up to conclusion of Annual General Meeting for the Financial Year 2018-19 pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of the Company, and shall be eligible for re-appointment on passing of a special resolution by the Company for another term of up to five (5) consecutive years. The Nomination and Remuneration Committee has, in its meeting held on February 9, 2019, recommended to the Board, the re-appointment of Shri Mahesh H Joshi (DIN: 00856573) as Independent Director for a further term of five (5) consecutive years. The Board at its meeting held on May 16, 2019, based on the outcome of the performance evaluation exercise, recommendations of the Nomination and Remuneration Committee, skills, experience, knowledge and contributions made Shri Mahesh H Joshi (DIN: 00856573) during his tenure, have approved the re-appointment (not liable to retire by rotation) of Shri Mahesh H Joshi (DIN: 00856573) as Independent Director subject to approval of shareholder of the Company from may 16, 2019 to AGM of F. Y. 2023-2024 The Board of Directors states that the re-appointment of Shri Mahesh H Joshi (DIN: 00856573) would be in the interest of the Company and its Shareholders. Shri Mahesh H Joshi (DIN: 00856573) is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by SEBI or any other authority and has consented to act as Independent Director of the Company. The Company has also received declaration from Shri Mahesh H Joshi (DIN: 00856573) that he meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations. Further, pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the approval from the members required with respect to the continuation of such appointment of Shri Mahesh H Joshi (DIN: 00856573) as an Independent Non-Executive Director of the Company for five (5) years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from Members as required in the Amendment Regulations, 2018. In the opinion of the Board, Shri Mahesh H Joshi (DIN: 00856573) meets the criteria of independence as specified in the Act, the Rules framed thereunder and the Listing Regulations and they are independent of the management. Details of Shri Mahesh H Joshi (DIN: 00856573) is provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India. Copy of draft appointment letters setting out the terms and conditions of his re-appointment are available for inspection by the members at the Registered Office of the Company. Shri Mahesh H Joshi (DIN: 00856573) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6. The Board considers that his continued association as Independent Director would be of immense benefit to the Company. Accordingly, the Board recommends the Special Resolution set out in Item No. 6 for approval of the members.

**Item No.7:** The Board of Directors appointed Shri Ashok K Parikh (DIN: 00359634) on November 11, 2016 as Additional Director and regularized him on 50<sup>th</sup> Annual General Meeting held on July 27, 2017 by shareholders appointing him as Independent Director not liable to retire by rotation for the term of Five (5) consecutive years till Conclusion of 55<sup>th</sup> Annual General Meeting.

In view of the said provision of Regulation 17(1A) of SEBI (LODR) (Amendment) Regulations, 2018, company is required to pass special resolution by shareholders approval for continuing him as Independent Directors for the remaining period of their term. However, at the time of his appointment on 50<sup>th</sup> Annual General Meeting he had already attained 75 years and approved by shareholders.

The Nomination and Remuneration Committee discussed the matter and recommended to comply the same notification for continuation of Directorship of the above Independent Director not liable to retire by rotation for the remaining period of this term.

The above mentioned Independent Director is experts in their respective fields and their experience and valuable guidance is beneficial to the Company. The Board based on the recommendation of The Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid independent Directors, has recommended the resolution for approval of shareholders by way of special resolution. Except the above Director, none of the other Director or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 8:** Pursuant to the provisions of Section 161 of the Companies Act, 2013 and applicable rules made thereunder, the Board has appointed Dr. Arpita A. Amin (DIN: 01927591) as an Additional Director (Non-Executive Director, Non-Independent) to fill the casual Vacancy caused due to sad demise of Smt. Daksha S. Amin, Women Director, with effect from February 09, 2019 up to ensuing Annual General Meeting. In terms of Section 161 of the Act, read with the relevant Rules, she holds office as an Additional Director up to the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director. The Company has received a recommendation by the Nomination and Remuneration Committee at its meeting held on 16th May, 2019 and the Board at its meeting held on 16th May, 2019, has recommended the resolution for the appointment of Dr. Arpita A. Amin (DIN: 01927591) as an Non-Independent Non-Executive Director as per her letter of appointment for a period of five (5) years from the ensuing Annual General Meeting subject to approval of members. Dr. Arpita A. Amin (DIN: 01927591) has given a consent to the Board under the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules framed thereunder for appointment as Non-Independent Non-Executive Director.

The Members are, therefore, requested to grant their approval by way of passing an ordinary Resolution for the appointment as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives [except Father-in-law (Shri S. H. Amin) and Spouse (Shri A. S. Amin)] is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board of Directors recommend the ordinary Resolution set forth in Item No. 8 for approval of the Members.

For and on Behalf of Board of Directors  
Rolcon Engineering Company Limited  
**A. S. AMIN**  
Managing Director  
DIN: 01130354

Vallabh Vidyanagar  
May 16, 2019

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

<b>Particulars</b>	<b>Shri A. S. Amin</b>	<b>Shri K. K. Seksaria</b>	<b>Mahesh H Joshi</b>	<b>Shri Ashok Parikh</b>	<b>Dr. Arpita Amin</b>
<b>DIN</b>	01130354	00115565	00856573	00359634	01927591
<b>Date of Birth</b>	June 19, 1973	April 3, 1939	March 11, 1941	October 20, 1934	April 22, 1974
<b>Date of Appointment</b>	Aug. 2, 1997	Jan. 23, 1999	Sep. 4, 2014	Nov. 8, 2016	Feb. 9, 2019
<b>Qualification</b>	B.S. from Bradley University U.S.A.	B.Com	C.A., B.Com	Graduate in Textile Technology from U.K.	M.B.B.S.
<b>Expertise in the Function area</b>	Manufacturing Engineering, Production, Operation and Planning	Sugar Industry and Engineering	Finance, Account & Taxation	Manufacturing, Production Bellows & Hoses Industries and Engineering	Administration, Planning and management
<b>Relation with Director inter-se</b>	Shri S. H Amin (Father) Dr. Arpita Amin (Spouse)	NIL	NIL	NIL	Shri A. S. Amin (Spouse) Shri S. H. Amin (Father In-Law)
<b>Directorship in other Listed/ public company As on March 30, 2019.</b>	NIL	1. Ishwarshakti Holdings & Traders Limited 2. The Seksaria Biswan Sugar Factory Ltd. 3. Amines And Plasticizers Ltd.	1. Glassed Line Equipment Ltd.	1. Zaverchand Gaekwad Ltd.	NIL
<b>Memberships / Chairmanships of committees of other Listed/ public companies as on March 31, 2019.</b>	NIL	NIL	NIL	NIL	NIL
<b>Number of Share held in company as on March 31, 2019.</b>	86350	50	NIL	1687	2432





## BOARD'S REPORT

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

Your Directors takes pleasure in presenting the 52<sup>nd</sup> Annual report together with the Audited Financial Statements and Auditors' Report for the financial year ended March 31, 2019. The financial highlights for the year under review are given below:

### STATE OF AFFAIRS :

(Rs. in Lakh)

Particulars	2018-19	2017-18
Income	3920.48	3372.00
Profit/ Loss before depreciation and tax	186.98	113.99
Less: Depreciation	91.46	88.18
Profit/ Loss before Tax	95.52	25.81
<b>Less :</b>		
Provision for Current Tax	-	6.67
Deferred Tax Liability/(Assets)	47.21	6.08
(Excess)/Short Provision of the earlier years	0.42	-
<b>Profit after Tax</b>	<b>143.15</b>	<b>19.73</b>
<b>Add:</b>		
The amount brought forward from- the last year's account	259.78	354.78
Total available	402.93	374.51
<b>APPROPRIATIONS :</b>		
a) Proposed Dividend	11.34	-3.78
b) Provision for Corporate		
Tax On Dividend	2.33	-0.78
General Reserve	10.00	6.56
c) Adjustment against Gratuity provision	-	112.73
d) Balance carried forward	379.26	259.78
<b>TOTAL</b>	<b>402.93</b>	<b>374.51</b>

## DIVIDEND

The Board of Director has Recommend dividend @ 15% i.e. Rs.1.5 per equity share of Rs. 10/- each for F.Y. 2018-19.

## PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

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

Particular	Amount (Rs. In Lakh)
Investment in Mutual Fund	42.45
Investment in Equity Instruments	0.18

## DIRECTORS

Smt. Dakshaben S. Amin (DIN: 00368790), Non-Executive women Director and Promoter of the Company passed away on December 3, 2018. Board noted the same and recorded the deepest condolences and loss happened to the company due the death of Smt. Dakshaben Amin (DIN: 00368790).

Board has appointed Dr. Arpitaben A. Amin (DIN: 01927591), to fill the Casual Vacancy of Women Director on February 9, 2019 till the Ensuing Annual General Meeting.

All Independent Directors have given Declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

None of the Directors of your company is disqualified as per section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provision of Companies Act, 2013 and SEBI (LODR) Regulation-2015.

## 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 Audit Committee |
| 2. Smt. Dakshben S. Amin | Member of the N & R Committee * |
| 3. Dr Arpita A. Amin     | Member of the N & R Committee   |
| 4. Shri M H Joshi        | Member of the N & R Committee   |

(\* Passed away on December 3, 2018)

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

## 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   |

## MEETINGS

The Details of the meetings of Board of Directors, Audit Committee and Nomination & Remuneration Committee held for the F.Y. 2018-19 are given in **Annexure-A**

## DIRECTOR'S RESPONSIBILITY STATEMENT

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

- 1) that in the preparation of the Annual financial statements for the year ended March 31, 2019, the applicable Accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- 3) that Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 and for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- 4) that the Annual Accounts have been prepared on a going concern basis;
- 5) that the proper internal financial controls were in place and that the financial control were adequate and were operating effectively;
- 6) that the systems to ensure compliance with the provision of all applicable laws were in place and were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

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

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

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

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

## CODE OF CONDUCT

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

## AUDITORS

Shri P. D. Parikh Proprietor, M/s P. D. Parikh & Co., Chartered Accountant statutory Auditor of the Company passed away on 8th January, 2019 and has occurred the casual vacancy under Section 139(8) of the Companies Act, 2013, The Board noted the same and recorded the deepest condolences and loss happened to the company due his death.

Board of Directors at their meeting held on January 28, 2019, fill the Casual vacancy by appointing M/s JHS & Associates–LLP, Mumbai Chartered Accountants (133288W/W100099) for the F.Y. 2018-19 till ensuing Annual General Meeting.

The Audit Committee and the Board of Directors respectively at their meeting held on May 16, 2019, have recommended the Appointment of M/s JHS & Associates–LLP, Mumbai Chartered Accountants (133288W/W100099), as Statutory Auditor of the Company, to hold office from conclusion of this Annual General Meeting till the conclusion of the 57th Annual General Meeting. M/s JHS & Associates-LLP, Mumbai Chartered Accountants (133288W/W100099), Chartered Accountants have given their consent, confirming that their appointment, if made, would be in accordance with the provision of section 139 and 140 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014.

The Auditor's Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark.

## SECRETARIAL AUDIT

Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. 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 - C**.

The Secretarial Auditor's Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark

## 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 2<sup>nd</sup> September, 2015 in Connection with Corporate Governance is not applicable to the Company, since the paid-up capital of the Company is less than Rs. 10 Crores and Net Worth of the Company is below Rs. 25 Crores as on last day of previous financial year.

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

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

## FIXED DEPOSIT

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

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

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

## **EXTRACT OF ANNUAL RETURN**

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

## **PARTICULARS OF EMPLOYEES**

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

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

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

Company has not received any complaints during the financial year.

## **ACKNOWLEDGEMENT**

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

For and on Behalf of Board of Directors  
Rolcon Engineering Company Limited

**S. H. AMIN**

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar

May 16, 2019

## ANNEXURE – ‘A’ TO BOARD’S REPORT

Type of Meeting	Date
Board Director’s Meeting	May 18, 2018
	July 26, 2018
	November 14, 2018
	January 28, 2019
	February 9, 2019
Audit Committee Meeting	May 18, 2018
	July 26, 2018
	November 14, 2018
	January 28, 2019
	February 9, 2019
Nomination & Remuneration Committee Meeting	May 18, 2018
	February 9, 2019

For and on Behalf of Board of Directors  
 Rolcon Engineering Company Limited

**S. H. AMIN**

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar

May 16, 2019

## ANNEXURE – ‘B’ TO BOARD’S REPORT

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

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

A) There was no Contracts or Arrangements or transactions entered during the year ended March 31, 2019 which were not at arm’s length basis.

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

(Amt. in Lakh)

Name of the Related Party	Nature of Relationship	Duration of Contract/ Arrangement/ Transaction	Approval by Board/ Committee meeting	Value of Contract/ Arrangement/ Transaction (Rs.)	Advance Amount paid if Any
Rent payment: CYTO Pvt. Ltd.	Significant Influence	On Going	Board Meeting	1.41	NIL
Purchase of materials: Sudeep Rub-Chem Pvt. Ltd	Significant Influence	On Going	Board Meeting	0.63	NIL
Sales: The Seksaria Biswan Sugar Factory Pvt. Ltd.,	Significant Influence	On Going	Board Meeting	1.92	NIL

For and on Behalf of Board of Directors  
Rolcon Engineering Company Limited

**S. H. AMIN**

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar

May 16, 2019

## ANNEXURE – ‘C’ TO BOARD’S REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,

**ROLCON ENGINEERING COMPANY LIMITED**

Vallabh Vidyanagar.

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

Based on our verification of the company’s books, papers, minutes, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 Complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by ROLCON ENGINEERING COMPANY LIMITED for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **As informed to us, there were no FDI transaction in the Company during the year under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992(‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India ( Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India ( Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.



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

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

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

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

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

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

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

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

#### **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

**KIRAN VAGHELA**  
(Proprietor)  
M.No.: 39229/ C.P.No.: 18617

Anand  
May 10, 2019

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

## ANNEXURE - 1

To,  
The Members,  
Rolcon Engineering Company Limited  
Vallabh Vidyanagar

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For KIRAN VAGHELA & ASSOCIATES**  
Company Secretaries

**KIRAN VAGHELA**  
(Proprietor)

M.No.: 39229/ C.P.No.: 18617

Anand  
May 10, 2019

## ANNEXURE – ‘D’ TO BOARD’S REPORT

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

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

#### A. CONSERVATION OF ENERGY

Energy conservation measures taken:

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

#### B. TECHNOLOGY ABSORPTION

- a) The Company is using Latest technology for manufacture of Chains and Sprockets which has been implemented as per International Standard in Consultation with our technical collaborator M/s. KOBO – DONGHUA GmbH & Co. KG. GERMANY, and same has been fully absorbed.
- b) Company has obtained ISO 9001-2015 certificate for industrial Chain and Sprocket separately from TUV (RWTUV SYSTEMS GmbH) GERMANY.
- c) The Company is continuously improving its quality and installed Latest Equipments and new Testing & Measuring Equipments viz. Fatigue Testing Machine, Wear Testing Machine, Spectroscope, Ultrasonic Tester, Magnetic Crack Detector etc.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:

Used: Rs. 55,51,556/-

Earned: Rs. 72,12,766/-

For and on Behalf of Board of Directors  
Rolcon Engineering Company Limited

**S. H. AMIN**

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar

May 16, 2019

## ANNEXURE – ‘E’ TO BOARD’S REPORT

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

As on financial year ended on 31.03.2019

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Industrial Chain – Roller & Conveyors Chain	2913	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.	-	-	-	-	-

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on April 1, 2018]				No. of Shares held at the end of the year[As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	3,26,361	500	3,26,361	43.24	3,26,861	-	3,26,861	43.24	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	3,26,361	500	3,26,361	43.24	3,26,861	-	3,26,861	43.23	-
(2) Foreign									
a) Individual (NRI) / Foreign Individuals	-	-	-	-	-	-	-	-	-
b) Bodies Corporates	-	31,520	31,520	4.17	-	-	-	-	(4.17)
c) Government	-	-	-	-	-	-	-	-	-
d) Institutions	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investor	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	31,520	31,520	4.17	-	-	-	-	(4.17)
<b>Total Shareholding of Promoter &amp; Promoter group (A)=(A)(1)+(A)(2)</b>	3,26,361	32,020	3,58,381	47.40	3,26,861	-	3,26,681	43.23	(4.17)
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,35,000	-	1,35,000	17.86	1,35,000	-	1,35,000	17.86	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1,35,000	-	1,35,000	17.86	1,35,000	-	1,35,000	17.86	-

2. Non-Institutions										
a) Bodies Corp.										
i) Indian	943	36,108	37,051	4.90	943	36,108	37,051	4.90	-	
ii) Overseas	-	-	-	-	-	31,520	31,520	4.17	4.17	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,527	33,801	44,328	5.93	11,234	33,094	44,328	5.86	-	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1,81,240	1,81,240	23.97	-	1,81,240	1,81,240	23.97	-	
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
I) NRI	-	-	-	-	-	-	-	-	-	-
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-	-
iv) Clearing Members	-	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-	-
vi) Foreign Bodies - DR	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	11,470	2,51,149	2,62,619	34.74	12,177	2,81,962	2,94,139	38.91	4.17	
Total Public Shareholding <b>(B)=(B)(1)+ (B)(2)</b>	1,46,470	2,51,149	3,97,619	52.60	1,47,177	2,81,962	4,29,139	56.76	4.17	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,72,831</b>	<b>2,83,169</b>	<b>100.00</b>	<b>2,83,169</b>	<b>4,74,038</b>	<b>2,81,962</b>	<b>7,56,000</b>	<b>100.00</b>	<b>0</b>	

## (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	Dakshaben Sureshbhai Amin	1,36,245	18.02	-	-	-	-	(18.02)
2	Suresh Himabhai Amin	64,953	8.59	-	1,96,198	25.95	-	17.36
3	Suresh Himabhai Amin (HUF)	5,625	0.74	-	5,625	0.74	-	-
4	Ashish Suresh Amin	81,350	10.76	-	86,350	11.42	-	0.66
5	Prashant Chandrakant Amin	11,720	1.55	-	11,720	1.55	-	-
6	Hemant Chandrakant Amin	6,850	0.91	-	6,850	0.91	-	-
7	Kunal H Amin	6,550	0.87	-	6,550	0.87	-	-
8	Chirag H Amin	6,095	0.81	-	6,095	0.81	-	-
9	Rajendra Himabhai Amin	3,151	0.42	-	3,151	0.42	-	-
10	Arpita Ashish Amin	2,432	0.32	-	2,432	0.32	-	-
11	Asha Pradip Desai	1,890	0.25	-	1,890	0.25	-	-
12	M/s. Kobo- Donghua gmbh & co.kg.	31,520	4.17	-	-	-	-	(4.17)
	<b>Total</b>	<b>3,58,381</b>	<b>47.41</b>	<b>-</b>	<b>3,26,861</b>	<b>43.24</b>	<b>-</b>	<b>(4.17)</b>

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

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,58,381	47.41	3,58,381	47.41
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	31520 no of Shares of M/s. Kobo- Donghua Gmbh & Co.kg. Re-classified to public category			
	At the end of the year	-	-	3,26,861	43.24



**(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	75,600	10.00	75,600	10.00	-
2	Neha Mukesh Patel	70,920	9.38	70,920	9.38	-
3	Malay Satish Shah	63,040	8.34	63,040	8.34	-
4	National insurance Co. Ltd	54,000	7.14	54,000	7.14	-
5	Rupal Nilesh Patel	47,280	6.25	47,280	6.25	-
6	M/s. Kobo- Donghua Gmbh & Co.Kg.	-	-	31520	4.17	4.17
7	Cyto Pvt Ltd	24,518	3.24	24,518	3.24	-
8	Japsaw Pvt Ltd	8,890	1.18	8,890	1.18	-
9	Anita Kumari Parikh	8,370	1.11	8,370	1.11	-
10	General Insurance Corp. of India	5,400	0.71	5,400	0.71	-
11	Rodhan Hiralal Shroff	2,700	0.36	2,700	0.36	-
12	Bipra Invest And Trust PVT. LTD	2,700	0.36	2,700	0.36	-
13	Anant Nanubhai Amin	2,700	0.36	2,700	0.36	-
14	Jayesh Babubhai Patel	2,700	0.36	2,700	0.36	-
15	Jitendra B. Patel	2,700	0.36	2,700	0.36	-
16	Raginiben S. Patel	2,700	0.36	2,700	0.36	-
17	Savitaben Nanubhai Amin	2,700	0.36	2,700	0.36	-
	<b>Total</b>	<b>376918</b>	<b>49.87</b>	<b>408438</b>	<b>54.04</b>	<b>4.17</b>

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

Sr. No	Particulars of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Shri Suresh H Amin.</b> Chairman & WTD / KMP				
	At the beginning of the year	64,953	8.59	64,953	8.59
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease. 500 number of shares purchased on March 28, 2018.	-	-	1,31,245	17.36
	At the end of the year	-	-	1,96,198	25.95

<b>2. Shri Ashish S Amin.</b> Managing Director / KMP					
	At the beginning of the year	81,350	10.76	81,350	10.76
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. (Share Transfer/Transmission of late Smt. Dakshaben S. Amin)			5000	0.66
	At the end of the year	-	-	86,350	11.42
<b>3. Shri Ashok K Parikh (Director)</b>					
	At the beginning of the year	1,687	0.22	1,687	0.22
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	-	-	-	-
	At the end of the year	-	-	1,687	0.22
<b>4. Shri Kailashchandra K Seksaria (Director)</b>					
	At the beginning of the year	50	0.007	50	0.007
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	-	-	-	-
	At the end of the year	-	-	50	0.007
<b>5. Smt. Daksha S Amin*</b>					
	At the beginning of the year	1,36,245	18.02	1,36,245	18.02
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease. (* Share Transferred to joint shareholders shri Suresh H Amin & Shri Ashish S. Amin as she passed away on December 3, 2019)	-	-	-	-
	At the end of the year	-	-	0	0
<b>6. Dr. Arpita A. Amin (Appointed on February 9, 2019)</b>					
	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
<b>7. Shri M. H. Joshi</b>					
	At the beginning of the year	Director Do not hold share in the Company			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.				
	At the end of the year				

<b>8. Shri Wolfgang Fuchs (Director)</b>		
	At the beginning of the year	Director do not hold share in the Company
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
	At the end of the year	
<b>9. Shri Kiran M Patel</b>		
	At the beginning of the year	Director do not hold share in the Company
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
	At the end of the year	
<b>10. Shri Navin U Patel – C.F.O. (Kmp)</b>		
	At the beginning of the year	C. F. O. do not hold share in the Company
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
	At the end of the year	
<b>11. Shri Dharmesh Chauhan – Company Secretary (Kmp)</b>		
	At the beginning of the year	Company Secretary do not hold share in the Company
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease.	
	At the end of the year	

## (V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

(Amt. in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	51,32,853	-	-	51,32,853
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>51,32,853</b>	<b>-</b>	<b>-</b>	<b>51,32,853</b>
<b>Change in Indebtedness during the financial year</b>				
*Addition	1,08,39,028	-	-	1,08,39,028
*Reduction	1,38,11,105	-	-	1,38,11,105
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	22,80,596	-	-	22,80,596
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,80,596</b>	<b>-</b>	<b>-</b>	<b>22,80,596</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs.)
		Shri S. H. Amin Chairman WTD	Shri A. S. Amin M. D.	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	15,00,000	27,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,20,000	1,50,000	2,70,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>13,20,000</b>	<b>16,50,000</b>	<b>29,70,000</b>
	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.)
		Shri Ashok Parikh	Shri K K Seksaria	Shri M H Joshi	Shri Kiran Patel	Shri W. Fuchs	
1.	Independent Directors						
	Fee for attending board committee meetings	30,000	30,000	50,000	50,000	-	1,60,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	30,000	30,000	50,000	50,000	-	1,60,000
2.	Other Non-Executive Directors	Smt. Daksha Amin	Dr. Arpita Amin				-
	Fee for attending board committee meetings	20,000					-
	Commission	-					-
	Others, please specify	-					-
	<b>Total (2)</b>	20,000	-	-	-	-	20,000
	<b>Total (B)=(1+2)</b>	-	-	-	-	-	<b>1,80,000</b>

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	TOTAL
1.	Gross salary	4,35,362	1,44,000	5,79,362
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify.	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>4,35,362</b>	<b>1,44,000</b>	<b>5,79,362</b>



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no Penalties, Punishment or Compounding of offences during the year ended March 31, 2019.

For and on Behalf of Board of Directors  
Rolcon Engineering Company Limited

**S. H. AMIN**

Chairman & WTD

DIN: 00494016

Vallabh Vidyanagar

May 16, 2019

## Independent Auditor's Report

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

### **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 31st March 2019, 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 31st March, 2019, 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 judgement, 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**

The audited standalone financial statements for the year ended 31st March, 2018, was carried out and reported by P.D.PARIKH & CO., vide their unmodified audit report dated 18th May, 2018, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this 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 March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - f. in our opinion considering nature of business and size of operation, 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, 2019, 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.
  - g. 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 28 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

**(Virendra Nayyar)**  
Partner  
Membership No: 048136

Vallabh Vidyanagar  
May 16, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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, 2019 OF ROLCON ENGINEERING COMPANY LIMITED.**

(i)	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.
(ii)	(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.
(iii)	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.
(iv)	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.
(v)	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.
(vi)	The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the product of the Company.
(vii)	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, 2019 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.
(viii)	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.

(ix)	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.
(x)	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.
(xi)	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.
(xii)	The Company is not a Nidhi Company and hence, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
(xiii)	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.
(xiv)	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.
(xv)	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.
(xvi)	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

**(Virendra Nayyar)**

Partner

Membership No: 048136

Vallabh Vidyanagar  
May 16, 2019

## **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, 2019 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 2019, 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

**(Virendra Nayyar)**  
Partner  
Membership No: 048136

Vallabh Vidyanagar  
May 16, 2019



**ROLCON ENGINEERING COMPANY LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amt. in Rs. )

PARTICULARS	Note No	(Rupees in Actual)	(Rupees in Actual)
		as at 31 March 2019	as at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	4,26,02,965	4,69,19,169
Financial assets			
- Non-Current investments	2	42,62,472	24,06,390
- Long-term loans and advances			
- Others			
Deferred tax assets (Net)	3	1,20,61,439	73,40,750
Other non-current assets	4	15,76,915	15,54,303
<b>Current assets</b>			
Inventories	5	2,60,94,681	4,14,54,784
Financial assets			
- Current investments			
- Trade and other receivables	6	7,06,56,372	6,90,93,968
- Cash and cash equivalents	7	5,33,05,087	4,27,57,360
- Short term loans and advances	8	34,81,191	29,76,145
Other current assets	9	41,43,738	13,11,122
<b>TOTAL</b>		<b>21,81,84,861</b>	<b>21,58,13,991</b>
<b>Equity</b>			
Equity Share capital	10	75,60,000	75,60,000
Other equity	11	9,78,42,347	8,44,38,802
<b>Non-current liabilities</b>			
Financial liabilities			
- Long term borrowings	12	20,07,965	31,52,348
- Other financial liabilities			
Long term provisions	13	19,65,384	-
Other non-current liabilities	14	-	-
<b>Current liabilities</b>			
Financial liabilities			
- Short term borrowings	15	-	18,06,395
- Trade and other payables	16	8,03,17,732	8,79,49,986
- Other financial liabilities			
Other current liabilities	17	1,77,21,867	1,41,87,909
Short-term provisions	18	1,07,69,566	1,67,18,550
Liabilities for current tax (net)			
<b>TOTAL</b>		<b>21,81,84,861</b>	<b>21,58,13,991</b>

See accompanying notes to 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

Chairman : S. H. Amin

Managing Director : A. S. Amin

CFO : N.U.Patel

**Virendra Nayyar**  
Partner  
Membership No. 048136

COMPANY SECRETARY : D. A. Chauhan

Vallabh Vidyanagar  
May 16, 2019

Place: Vallabh Vidyanagar  
Date: May 16, 2019



**ROLCON ENGINEERING COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2019**

(Amt. in Rs. )

PARTICULARS	Note No	For the year ended	For the year ended
		31 March, 2019	31 March, 2018
<b>Revenue from Operations</b>	19	39,20,47,637	33,71,99,782
<b>Other Income</b>	20	55,91,999	53,42,718
<b>Total Revenue</b>		<b>39,76,39,636</b>	<b>34,25,42,500</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	18,03,98,497	15,45,76,142
Changes In Inventories Of Finished Goods, Work In Progress and stock in trade	22	1,14,66,460	9,95,215
Excise Duty on sales		-	80,67,651
Employee Benefit Expenses	23	6,38,02,081	6,41,10,754
Finance Costs	24	9,89,875	9,15,928
Depreciation & Amortisation Expenses	01	91,46,220	88,17,594
Other Expenses	25	12,22,84,279	10,24,78,083
<b>Total Expenses</b>		<b>38,80,87,412</b>	<b>33,99,61,368</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>95,52,224</b>	<b>25,81,132</b>
Exceptional Items		-	-
<b>Profit / (loss) before tax</b>		<b>95,52,224</b>	<b>25,81,132</b>
<b>less: Tax expense</b>			
(a) Current Tax		18,49,215	-
Less : Mat Credit Entitlement		18,49,215	-
Net Current tax		-	-
(b) Deferred Tax		(47,20,689)	6,08,460
(c) for earlier years (including MAT credit for previous year)		(42,083)	-
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>1,43,14,996</b>	<b>19,72,672</b>
<b>Profit/(Loss) from Discontinuing Operations</b>		-	-
Tax Expense of Discounting Operations		-	-
<b>Profit / (Loss) from Discontinuing Operations (After Tax)</b>		-	-
<b>Profit/(Loss) for the period</b>		<b>1,43,14,996</b>	<b>19,72,672</b>
<b>Other Comprehensive Income</b>		-	-
- Items that will not be reclassified to profit or loss			
- 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			
<b>Total Comprehensive Income for the Period</b> (Profit/ loss + other comprehensive income)		<b>1,43,14,996</b>	<b>19,72,672</b>
<b>Earning per equity share (for continuing operations)</b>			
(a) Basic		18.94	2.61
(b) Diluted		18.94	2.61
<b>Earning per equity share (for discontinued &amp; continuing operations)</b>			
(a) Basic		-	-
(b) Diluted		-	-
<b>Earning per equity share (for continuing &amp; discontinued operations)</b>			
(a) Basic		<b>18.94</b>	<b>2.61</b>
(b) Diluted		<b>18.94</b>	<b>2.61</b>



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**ROLCON ENGINEERING COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2019**

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

**Virendra Nayyar**  
Partner  
Membership No. 048136

Vallabh Vidyanagar  
May 16, 2019

**For ROLCON ENGINEERING COMPANY LIMITED**

**Chairman : S. H. Amin**

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

**CFO : N.U.Patel**

**COMPANY SECRETARY : D. A. Chauhan**

Place: Vallabh Vidyanagar  
Date: May 16, 2019





**ROLCON ENGINEERING COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Amt. in Rs.)**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
<b>[A] Cashflow From Operating Activities</b>		
1. Net Profit before Tax	95,52,224	25,81,131
2. Adjustments for:		
[i] Depreciation and Amortisation	91,46,220	88,17,594
[ii] Interest Expenses	3,10,833	2,63,628
[iii] Interest & Dividend Income	(25,86,541)	(26,58,206)
[iv] Loss / (Profit) on Sales of Assets	-	(3,93,788)
<b>Operating Profit Before Working Capital Changes ( 1 + 2 )</b>	<b>1,64,22,737</b>	<b>86,10,360</b>
3. Adjustments for Working Capital changes:		
[i] Trade & Other Receivables		
* (Increase) / decrease in Trade receivables	(15,62,404)	1,37,86,205
* (Increase) / decrease in Short term Loans and Advances	(20,06,016)	(58,491)
* (Increase) / decrease in other Current Assets	(4,90,416)	10,51,861
* (Increase) / decrease in other Non - Current Assets	(22,612)	-
[ii] Trade & Other payables		
* Increase / (decrease) in Trade payables	(76,32,255)	(21,35,925)
* Increase / (decrease) in Short term provisions	(68,60,434)	-
* Increase / (decrease) in other current liabilities	35,33,959	(49,71,658)
* Increase / (decrease) in other long term liabilities	19,65,384	-
[iii] (Increase) / decrease in in Inventories	1,53,60,103	(16,94,059)
<b>Cash Generated From Operations</b>	<b>1,87,08,044</b>	<b>1,45,88,293</b>
4. Less: Net Direct Taxes Paid (Retund)	7,99,147	8,74,885
<b>Net Cash From Operating Activities [A]</b>	<b>1,79,08,897</b>	<b>1,37,13,408</b>
<b>[B] Cashflow From Investing Activities</b>		
1. Purchase of Fixed Assets	(48,30,017)	(82,02,062)
2. Sale of Fixed Assets	-	5,04,901
3. (purchase) / Sale of Investments	(18,56,082)	(23,98,890)
4. Interest Received	25,85,329	26,57,081
5. Dividend Received	1,212	1,125
<b>Net Cash Generated from / (Used in) Investing Activities [B]</b>	<b>(40,99,558)</b>	<b>(74,37,445)</b>
<b>[C] Cashflow From Financing Activities</b>		
1. Proceeds from Long Term borrowings	(18,06,395)	29,16,116
2. Proceeds from Other Borrowings	(11,44,383)	(28,80,027)
3. Interest Paid	(3,10,833)	(2,63,628)
4. Dividends Paid (incl. tax thereon)	-	-
<b>Net Cash Generated from / (Used in) Financing Activities [C]</b>	<b>(32,61,611)</b>	<b>(2,27,540)</b>
<b>[D] Net Incr./ (Decr.) In Cash &amp; Cash Equivalents [A+B+C]</b>	<b>1,05,47,727</b>	<b>60,48,024</b>
<b>[E] Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>4,27,57,360</b>	<b>3,67,09,336</b>
<b>[F] Cash &amp; Cash Equivalents at the end of the year</b>	<b>5,33,05,087</b>	<b>4,27,57,360</b>
<b>[G] Net Incr./ (Decr.) In Cash &amp; Cash Equivalents [F-E]</b>	<b>1,05,47,727</b>	<b>60,48,024</b>



**ROLCON ENGINEERING COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Amt. in Rs.)**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
<b>1 Components of Cash &amp; Cash Equivalents</b>		
Cash on hand	63,229	23,323
Balances with banks		
- In Current Accounts	68,57,427	67,90,021
- In Fixed Deposit Account	4,63,78,610	3,59,38,194
- Unclaimed Dividend Account	5,822	5,822
<b>4</b> The above cashflow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
<b>5</b> Previous year figures have been regrouped wherever necessary to conform with current year's classification.		

As per our report of even date attached

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

**Virendra Nayyar**  
Partner  
Membership No. 048136

Vallabh Vidyanagar  
May 16, 2019

**For ROLCON ENGINEERING COMPANY LIMITED**

Chairman : S. H. Amin  
Managing Director : A. S. Amin  
CFO : N.U.Patel  
COMPANY SECRETARY : D. A. Chauhan

Place: Vallabh Vidyanagar  
Date: May 16, 2019

**ROLCON ENGINEERING COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

Equity share capital	Opening balance as at April 1, 2017	Changes in equity share capital during the year	Closing balance as at 31 March 2018
Equity shares of Rs. 10 each	75,60,000.00	0.00	75,60,000.00
	<b>75,60,000.00</b>	<b>75,60,000.00</b>	<b>75,60,000.00</b>

Other Equity	Opening balance as at April 1, 2017	Changes in accounting policy/prior period errors	Restated balance as at April 1, 2018	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)	Closing balance as at March 31, 2019
Equity component of other financial instrument	2,55,21,996.00		2,55,21,996.00	1,43,14,996.00	-13,67,150.00	-10,00,000.00	4,55,700.00	3,79,25,542.00
Retained Earning @		0.00						
Reserves								
Reserves representing unrealised gains/ losses								
- Debt instruments through other comprehensive income								
- Equity instruments through other comprehensive income								
- Effective portion of cash flow hedges								
- Revaluation surplus								
- Remeasurements of the net defined benefit plans								
- Exchange differences on translating the financial statements of a foreign operation								
- Others								
- Other reserves (to be specified separately)	4,00,000.00	0.00	4,00,000.00	0.00	0.00	0.00	0.00	4,00,000.00
- Capital Redemption Reserve	5,85,16,806.00	0.00	5,85,16,806.00	0.00	0.00	10,00,000.00	0.00	5,95,16,806.00
- General Reserves	8,44,38,802.00	0.00	8,44,38,802.00	1,43,14,996.00	-13,67,150.00	0.00	4,55,700.00	9,78,42,347.00
Total reserves								
Money received against share warrants								

As per our report of even date attached

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

**Virendra Nayyar**  
 Partner  
 Membership No. 048136

Vallabh Vidyannagar  
 May 16, 2019

**For ROLCON ENGINEERING COMPANY LIMITED**

Chairman : S. H. Amin  
 Managing Director : A. S. Amin  
 CFO : N.U.Patel

COMPANY SECRETARY : D. A. Chauhan

Place: Vallabh Vidyannagar  
 Date: May 16, 2019



**ROLCON ENGINEERING CO. LTD.**  
Notes forming part of Financial Statements as at March 31, 2019

**Note 1 FIXED ASSETS**

(Amt. in Rs.)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2018	Additions	Disposals/Transfers	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation charge for the year	Disposals/Transfers	Balance as at 31 March 2019	Balance as at 31 March 2018
	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	5,38,34,539	20,34,796	-	5,58,69,335	2,59,80,170	26,64,105	-	2,72,25,060	2,78,54,369
Plant and Equipments	15,80,46,498	15,01,800	-	15,95,48,298	14,42,34,188	50,20,739	-	1,02,93,371	1,38,12,310
Computer	30,30,645	2,37,180	-	32,67,825	29,19,654	29,492	-	3,18,679	1,10,991
Furniture & Fixtures	1,07,78,169	9,35,950	-	1,17,14,119	93,56,816	4,33,226	-	19,24,077	14,21,353
Vehicles	1,27,29,184	-	-	1,27,29,184	98,87,525	8,87,450	-	19,54,209	28,41,659
Office Equipment	67,25,550	1,20,291	-	68,45,841	63,60,344	1,11,209	-	3,74,288	3,65,206
<b>Total</b>	<b>24,56,57,866</b>	<b>48,30,017</b>	<b>-</b>	<b>25,04,87,883</b>	<b>19,87,38,697</b>	<b>91,46,221</b>	<b>-</b>	<b>4,26,02,965</b>	<b>4,69,19,169</b>
<b>Previous Year</b>	<b>23,90,18,477</b>	<b>82,02,062</b>	<b>15,62,673</b>	<b>24,56,57,866</b>	<b>19,13,72,664</b>	<b>88,17,594</b>	<b>14,51,561</b>	<b>4,69,19,169</b>	<b>4,76,45,813</b>

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2017	Additions	Disposals/Transfers	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the year	Disposals/Transfers	Balance as at 31 March 2018	Balance as at 31 March 2017
	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	5,35,18,082	3,16,457	-	5,38,34,539	2,31,79,358	28,00,812	-	2,78,54,369	3,03,38,724
Plant and Equipments	15,38,39,314	42,07,184	-	15,80,46,498	13,99,65,584	42,68,604	-	1,38,12,310	1,38,73,729
Computer	29,34,217	96,428	-	30,30,645	28,41,462	78,192	-	1,10,991	92,755
Furniture & Fixtures	1,04,78,949	2,99,220	-	1,07,78,169	89,29,496	4,27,320	-	14,21,353	15,49,453
Vehicles	1,11,74,333	31,17,524	15,62,673	1,27,29,184	1,03,37,316	10,01,770	14,51,561	28,41,659	8,37,017
Office Equipment	65,60,301	1,65,249	-	67,25,550	61,19,447	2,40,897	-	3,65,206	4,40,854
<b>Total</b>	<b>23,90,18,477</b>	<b>82,02,062</b>	<b>15,62,673</b>	<b>24,56,57,866</b>	<b>19,13,72,663</b>	<b>88,17,595</b>	<b>14,51,561</b>	<b>4,69,19,169</b>	<b>4,76,45,813</b>
<b>Previous Year</b>	<b>23,46,93,854</b>	<b>47,37,283</b>	<b>4,12,660</b>	<b>23,90,18,477</b>	<b>18,29,14,265</b>	<b>88,62,365</b>	<b>4,03,965</b>	<b>4,76,45,813</b>	<b>5,17,79,591</b>

**ROLCON ENGINEERING CO. LTD.**  
**Notes forming part of Financial Statements as at March 31, 2019**

**Note 2 NON CURRENT INVESTMENTS**

(Amt. in Rs. )

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>A Investments in Mutual Funds</b>		
ADITYA BIRLA SL-EQUITY HYBRID 95 FUND-EQUITY	5,12,690	-
DSP BLACKROCK BALANCED FUND	25,00,000	9,31,483
DSP BLACKROCK DYNAMIC ASSET ALLOCATION FUND-REG-GR	7,00,000	99,891
ADITYA BIRLA SUN LIFE BALANCED FUND -95 GR	-	44,942
ADITYA BIRLA SUN LIFE CASH PLUS FUND - GR	-	4,57,963
DSP BLACKROCK MONEY MANAGER FUND	-	3,61,448
RELIANCE LIQUID FUND	-	5,03,063
DSP ULTRA SHORT FUND-GR	16,727	-
RELIANCE-EQUITY HYBRID FUND(G)-EQUITY	5,15,155	-
<b>Total (A)</b>	<b>42,44,572</b>	<b>23,98,790</b>
<b>B Other Investments</b>		
Investment in Equity Instruments	17,900	7,600
<b>Total (B)</b>	<b>17,900</b>	<b>7,600</b>
<b>Total ( A + B )</b>	<b>42,62,472</b>	<b>24,06,390</b>

PARTICULARS	As at March 31	
	2019	2018
	Amount	Amount
Aggregate amount of quoted investments	42,44,572	23,98,790
Aggregate amount of unquoted investments	17,900	7,600
Aggregate market value of quoted investments	-	-

**ROLCON ENGINEERING CO. LTD.**  
Notes forming part of Financial Statements as at March 31, 2019



A.	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
			2019 (4)	2018 (5)			2019 (8)	2018 (9)	2019 (10)	2018 (11)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	<b>Investment in Equity Instruments</b> The Charotar Gas Sahkari Mandali Ltd The Vallabh Vidyannagar Comm Co Op Bank Ltd	Other Other	15 104	15 1	Unquoted Unquoted	Fully Paid Fully Paid	- -	- -	7,500 10,400	7,500 -	Yes Yes	-
	<b>Total</b>		<b>119</b>	<b>16</b>					<b>17,900</b>	<b>7,600</b>		
(b)	<b>Investments in Mutual Funds</b> ADITYA BIRLA SL-EQUITY HYBRID 95 FUND-EQUITY DSP BLACKROCK BALANCED FUND DSP BLACKROCK DYNAMIC ASSET ALLOCATION FUND-REG-GR ADITYA BIRLA SUN LIFE BALANCED FUND -95 GR ADITYA BIRLA SUN LIFE CASH PLUS FUND - GR DSP BLACKROCK MONEY MANAGER FUND RELIANCE LIQUID FUND DSP ULTRA SHORT FUND-GR RELIANCE-EQUITY HYBRID FUND(G)- EQUITY	Other Other Other Other Other Other Other Other Other Other Other	688.72 17,296.67 48,271.23 - - - 7.40 9,528.82	60.99 6,539.80 7,033.59 1,645.97 - 155.99 186.67 -	Unquoted Quoted				5,12,690 25,00,000 7,00,000 - - - 16,727 5,15,155	- 9,31,483 99,891 44,942 4,57,963 3,61,448 5,03,063 -	Yes Yes	
	<b>Total</b>		<b>75,792.84</b>	<b>15,623.00</b>					<b>42,44,572.00</b>	<b>23,98,789.70</b>		
	<b>Total</b>								<b>42,62,472</b>	<b>24,06,390</b>		

**ROLCON ENGINEERING CO. LTD.**  
Notes forming part of Financial Statements as at March 31, 2019

**Note 3 DEFERRED TAX ASSET (NET)**

(Amt. in Rs.)

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
Deferred Tax Assets		
- On account of unabsorbed Depreciation	46,28,744	-
- On account of Unabsorbed Business Loss	7,18,117	-
- On account of Disallowances Under income tax act	29,55,628	39,09,584
- On account of Difference Between Book Depreciation And Depreciation As per Income Tax Act	37,58,950	34,31,166
<b>Total</b>	<b>1,20,61,439</b>	<b>73,40,750</b>

**Note 4 OTHER NON CURRENT ASSETS**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Unsecured, considered good :</b>		
Deposits	15,76,915	15,54,303
<b>Total</b>	<b>15,76,915</b>	<b>15,54,303</b>

**Note 5 INVENTORIES**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Stock in Hand</b>		
a) Raw Materials	1,34,19,141	1,73,12,784
b) Semi-Finished Goods	69,93,000	78,66,000
c) Finished Goods	56,82,540	1,62,76,000
<b>Total</b>	<b>2,60,94,681</b>	<b>4,14,54,784</b>

**Note 6 TRADE RECEIVABLES**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Unsecured, considered good :</b>		
Outstanding for a period exceeding six months from the date they are due for payment	41,83,777	96,46,918
Outstanding for a period less than six months from the date they are due for payment	6,64,72,595	5,94,47,050
<b>Total</b>	<b>7,06,56,372</b>	<b>6,90,93,968</b>

**ROLCON ENGINEERING CO. LTD.**  
**Notes forming part of Financial Statements as at March 31, 2019**

**Note 7 CASH AND BANK BALANCES**

(Amt. in Rs.)

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>I. Cash &amp; Cash Equivalents</b>		
a. Balances with banks	68,63,249	67,95,844
b. Cash on hand	63,229	23,323
<b>II. Other Balances</b>		
Fixed Deposit (Including maturity below 12 months)	4,63,78,610	3,59,38,194
<b>Total</b>	<b>5,33,05,087</b>	<b>4,27,57,360</b>

**Note 8 SHORT TERM LOANS & ADVANCES**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Unsecured, considered good :</b>		
a. Loans & Advances to Staff	64,000	12,500
b. Advance to Suppliers - Others	23,83,007	4,28,491
c. Advance Payment of Income Tax ( Net of Provisions)		
- Advance income tax & TDS	33,76,386	55,35,154
- Less: Provision for Taxation	23,42,202	30,00,000
	10,34,184	25,35,154
<b>Total</b>	<b>34,81,191</b>	<b>29,76,145</b>

**Note 9 OTHER CURRENT ASSETS**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Unsecured, considered good :</b>		
a) Interest Receivable	5,48,879	8,04,434
b) Cenvat Receivable (For Others)	-	85,908
c) Service Tax Receivable	3,33,779	3,33,779
d) VAT / CST Receivable	-	13,378
e) Tax On Advance GST	-	73,623
f) Prepaid Expenses	6,60,382	-
g) Mat Credit Entitlement	23,42,200	-
g) GST Receivable	2,58,499	-
<b>Total</b>	<b>41,43,738</b>	<b>13,11,122</b>



**ROLCON ENGINEERING CO. LTD.**
**Notes forming part of Financial Statements as at March 31, 2019**
**Note 10 SHARE CAPITAL**

(Amt. in Rs.)

PARTICULARS	as at March 31			
	2019		2018	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	14,60,000	1,46,00,000	14,60,000	1,46,00,000
10% Redeemable Preference Share of Rs. 100/- each	4,000	4,00,000	4,000	4,00,000
	-	-	-	-
<b>Total</b>		<b>1,50,00,000</b>		<b>1,50,00,000</b>
<b>Issued Subscribed &amp; Paid up</b>				
Equity Share of Rs. 10/- each fully Paid - Up	7,56,000	75,60,000	7,56,000	75,60,000
<b>Subscribed but not fully Paid up</b>				
	NILL	NILL	NILL	NILL
<b>Total</b>	<b>7,56,000</b>	<b>75,60,000</b>	<b>7,56,000</b>	<b>75,60,000</b>

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

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

Name of Shareholders holding more than 5% of Equity Shares	as at March 31		as at March 31	
	2019		2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares :</b>				
DAKSHABEN S AMIN	-	-	1,36,245	18.02
THE ORIENTAL INSURANCE COMPANY LTD.	75,600	10.00	75,600	10.00
NATIONAL INSURANCE COMPANY LTD.	54,000	7.14	54,000	7.14
SURESH H AMIN	1,96,198	25.95	64,353	8.53
NEHA M PATEL	70,920	9.38	70,920	9.38
RUPAL N PATEL	47,280	6.25	47,280	6.25
MALAY S SHAH	63,040	8.34	63,040	8.34
ASHISH S AMIN	86,350	11.42	81,350	10.76

PARTICULARS	Aggregate No. of Shares As at March 31,				
	2019	2018	2017	2016	2015
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Unpaid Calls	Amount
By Directors	-
By Officers	-

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

**Equity Shares:** The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, Except in case of 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 CO. LTD.**  
**Notes forming part of Financial Statements as at March 31, 2019**

**Note 11 Other Equity**

(Amt. in Rs.)

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>a. Capital Redemption Reserve</b>		
Opening Balance	4,00,000	4,00,000
<b>Closing Balance</b>	<b>4,00,000</b>	<b>4,00,000</b>
<b>b. General Reserves</b>		
Opening Balance	5,85,16,806	5,83,16,806
<b>Add:-</b>		
Current Year Transfer	10,00,000	2,00,000
<b>Closing Balance</b>	<b>5,95,16,806</b>	<b>5,85,16,806</b>
<b>c. Surplus</b>		
Opening balance	2,55,21,996	3,54,78,291
<b>Add:-</b>		
Net Profit/(Net Loss) For the Current Year	1,43,14,996	19,72,671
Proposed Dividend of Previous Year Not Approved	3,78,000	-
Tax on Dividend of Previous Year Not Approved	77,700	-
	1,47,70,696	19,72,671
<b>Less:-</b>		
Transfer to Reserves	10,00,000	2,00,000
Proposed Dividend	11,34,000	3,78,000
Tax on Proposed Dividend	2,33,150	77,700
Other Adjustment due to Provision of Gratuity & Leave Enchasmnt	-	1,12,73,266
	23,67,150	1,19,28,966
<b>Closing Balance</b>	<b>3,79,25,542</b>	<b>2,55,21,996</b>
<b>Total</b>	<b>9,78,42,347</b>	<b>8,44,38,802</b>

**Note 12 LONG TERM BORROWINGS**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Secured</b>		
Car loans from State Bank of India	1,92,638	2,36,233
Car loans from HDFC Bank	14,15,979	19,16,115
The VVCC Loan from Co-operative Bank (Morgage of Land Opp. GMM)	3,99,348	10,00,000
<b>Total</b>	<b>20,07,965</b>	<b>31,52,348</b>

**Note 13 LONG TERM PROVISIONS**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>(a) Provision for employee benefits</b>		
- For Gratuity	19,65,384	-
<b>(b) Other Provisions of Long Term Nature</b>		
<b>Total</b>	<b>19,65,384</b>	<b>-</b>

**ROLCON ENGINEERING CO. LTD.**  
Notes forming part of Financial Statements as at March 31, 2019

**Note 14 OTHER LONG TERM LIABILITIES**

(Amt. in Rs. )

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
Deposits	-	-
<b>Total</b>	-	-

**NOTE 15 SHORT TERM BORROWINGS**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Secured</b>		
Over Draft / Cash Credit from Banks		
(I) Overdraft from Indian Bank (Against Lien of Fixed Deposits )	-	18,06,395
<b>Total</b>	-	<b>18,06,395</b>

**NOTE 16 TRADE PAYABLES**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
(a) Trade Payables for Goods		
- Dues to micro, small and medium enterprises	1,81,84,539	2,69,25,130
- Dues to other than micro, small and medium enterprises	5,18,81,662	4,87,20,826
(b) Trade Payables for Expenses		
- Due to other	1,02,51,531	1,23,04,029
<b>Total</b>	<b>8,03,17,732</b>	<b>8,79,49,986</b>

**Note 17 OTHER CURRENT LIABILITIES**

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>Secured</b>		
- Current Maturity of Long Term Borrowings	2,72,631	1,74,110
<b>Unsecured</b>		
Other Payables		
- Advance from Customers	84,69,034	64,68,752
- Salary Payable	51,42,099	47,28,435
- Statutory Dues	35,20,954	23,97,589
- Rent Payable	79,326	-
- Other Payable	2,37,823	4,19,023
<b>Total</b>	<b>1,77,21,867</b>	<b>1,41,87,909</b>

**ROLCON ENGINEERING CO. LTD.**  
**Notes forming part of Financial Statements as at March 31, 2019**

**Note 18 SHORT TERM PROVISIONS**

(Amt. in Rs. )

PARTICULARS	as at March 31	
	2019	2018
	Amount	Amount
<b>(a) Provision for employee benefits</b>		
- For Bonus	8,92,980	10,80,000
- For Leave Benefit	-	12,28,141
- For Gratuity	85,09,436	1,39,54,709
<b>(b) Dividend Payable</b>		
- Proposed Dividend	11,34,000	3,78,000
- Dividend Distribution Tax On Proposed Dividend	2,33,150	77,700
<b>Total</b>	<b>1,07,69,566</b>	<b>1,67,18,550</b>

**ROLCON ENGINEERING CO. LTD.**  
**Notes forming part of profit & loss Statement**

**Note 19 OTHER OPERATING REVENUE**

(Amt. in Rs. )

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
(a) Domestic Sales:		
Chains	29,00,24,451	25,27,88,917
Sprockets	6,94,02,399	5,03,44,003
(b) Exports Sales :		
Chains	1,71,81,611	2,41,89,673
Sprockets	61,91,356	13,93,495
Scrap Sales	92,47,820	84,83,694
<b>Total</b>	<b>39,20,47,637</b>	<b>33,71,99,782</b>

**Note 20 OTHER INCOME**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
<b>Income from Investments</b>		
a) Dividend Income From Investments	1,212	1,125
b) Profit on sale of Mutual Funds	60,292	-
c) Interest on Bank Fixed Deposits	25,85,329	24,71,624
d) Interest on Income Tax Refund	2,42,968	-
e) Interest on MGVCL Deposits	86,871	1,85,457
Rent Income	45,000	1,58,775
Profit on Sale of Asset	-	3,93,788
Prior Period Income	35,960	-
Income from Wind Electric Generators	10,38,618	9,29,119
Packing and Forwarding Income	14,95,749	12,02,830
<b>Total</b>	<b>55,91,999</b>	<b>53,42,718</b>

**Note 21 COST OF MATERIAL CONSUMED**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
Opening Stock	1,73,12,784	1,46,23,510
Add : Purchases during the Year	17,65,04,854	15,72,65,416
<b>SUB TOTAL</b>	<b>19,38,17,638</b>	<b>17,18,88,926</b>
Less : Closing Stock	1,34,19,141	1,73,12,784
<b>Total</b>	<b>18,03,98,497</b>	<b>15,45,76,142</b>

**Break up Of Raw Materials Consumed :**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
Flats	6,10,43,577	4,50,42,160
Round Bars	4,57,50,811	4,47,26,263
Plates	2,74,88,386	1,86,65,066
Others (Angles, Bearings, C.I.Castings, Pipe & Tubes, Steel Strips)	1,64,61,466	98,02,294
Other components	2,96,54,257	3,63,40,359
<b>TOTAL</b>	<b>18,03,98,497</b>	<b>15,45,76,142</b>

**ROLCON ENGINEERING CO. LTD.**  
Notes forming part of profit & loss Statement

(Amt. in Rs.)

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

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
<b>Opening Stock:</b> Semi -Finished Goods	78,66,000	56,27,215
Finished Goods	1,62,76,000	1,95,10,000
<b>Total</b>	<b>2,41,42,000</b>	<b>2,51,37,215</b>
<b>Closing Stock :</b> Semi -Finished Goods	69,93,000	78,66,000
Finished Goods	56,82,540	1,62,76,000
<b>Total</b>	<b>1,26,75,540</b>	<b>2,41,42,000</b>
<b>(Increase)/Decrease in Stock</b>	<b>1,14,66,460</b>	<b>9,95,215</b>

**Note 23 EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
Managerial Remuneration	29,70,000	34,26,500
Salaries & Wages	5,10,32,804	5,01,83,323
Contribution to Provident Fund	31,73,810	32,45,455
Staff Welfare Expenses	15,68,084	9,14,700
Exgratia / Bonus / Contribution to Superannuation Fund	13,69,411	17,71,675
Gratuity	36,87,972	45,69,101
<b>Total</b>	<b>6,38,02,081</b>	<b>6,41,10,754</b>

**Note 24 FINANCE COST**

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
Interest : Fixed Period Loan	2,72,631	1,74,110
: Others	38,201	1,72,455
Bank Charges	6,79,042	5,69,362
<b>Total</b>	<b>9,89,875</b>	<b>9,15,928</b>



**ROLCON ENGINEERING CO. LTD.**  
**Notes forming part of profit & loss Statement**

**Note 25 OTHER EXPENSES**

(Amt. in Rs. )

PARTICULARS	Year ended March 31	
	2019	2018
	Amount	Amount
Power & Fuel	2,65,72,644	2,22,93,456
Store, Tools, Oil & Packing Material Consumed	2,76,75,877	2,39,06,255
Machining Charges	2,51,22,371	1,87,23,782
Clearing & Forwarding Expenses	7,92,164	7,13,201
Freight Inwards	31,70,521	26,34,307
<b>Total A</b>	<b>8,33,33,577</b>	<b>6,82,71,001</b>
Rent	11,83,680	10,57,680
Rates & Taxes	2,09,165	2,80,620
Stationery, Printing, Postage, etc.	17,48,996	22,27,301
Insurance Premium	3,02,093	6,65,838
Works & Office Expense	9,19,370	10,55,092
Advertisement	1,13,525	1,08,342
Forwarding & Transport Charges	72,45,244	53,25,597
Commission to Distributors/Agents	54,66,282	70,57,355
Professional, Consultation & Legal Fees	33,97,312	29,65,368
Travelling & Conveyance	63,90,965	62,18,224
Computer Expenses	2,87,824	7,20,803
Repairs & Maintenance		
: Machineries	15,48,116	19,24,928
: Buildings	40,99,825	13,57,083
: Others	10,96,300	10,04,972
Payment to Auditors		
- As Audit Fees	92,000	84,600
- For Tax Audit Fees	35,000	30,000
- In Other Capacity	50,000	44,400
- Re-imburement of expenses	7,704	-
Donation	-	45,000
Subscription & Membership Fees	73,749	2,80,404
Garden Expenses A/c	2,39,043	1,52,641
Liquidated Damages	11,87,930	5,45,586
Bab Debts Written off	10,90,096	1,632
Director Sitting Fees	1,80,000	1,90,000
Foreign Exchange Variation ( Loss )	45,574	9,629
Service Tax/Sales Tax / Central Excise/GST Exp	84,607	2,88,385
Tender Fees	-	1,494
Festival Expense	34,091	71,593
Security Service	5,44,242	4,82,150
Short Term Capital loss	-	10,367
Prior Period Expense	12,971	-
Discount And Claims	12,65,000	-
<b>Total B</b>	<b>38950702</b>	<b>34207082</b>
<b>TOTAL</b>	<b>12,22,84,279</b>	<b>10,24,78,083</b>

## ROLCON ENGINEERING CO. LTD.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

#### NOTE: 26 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 recognised 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 authorised for issue in accordance with a resolution of the Board of Directors on 16th May, 2019.

##### 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

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 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 valuer 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 26(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.



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### **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.



## ROLCON ENGINEERING COMPANY LIMITED

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

**NOTE: 27 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:

PARTICULARS	Gratuity Funded Rs. in Lakhs	Previous Year
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**Expense to be recognized in the Statement of Profit & Loss for the year ended March 31, 2019**

Current Service Cost	8.27	7.21
Interest Cost	12.19	14.14
Employer Contribution	-	-
Expected return on Plan Assets	-0.12	-0.12
Net Actuarial (Gains) / Losses	2.34	-6.39
Past Service Cost	-	-
Settlement Cost	-	-
<b>Total Expense</b>	<b>22.68</b>	<b>14.83</b>

**Net Asset / (Liability) to be recognized in the Balance Sheet at March 31, 2019**

Present value of Defined Benefit Obligation as at March 31, 2019	161.12	141.11
Fair value of plan assets as at March 31, 2019	56.37	1.57
Funded status { Surplus / (Deficit) }	-104.75	-139.55
<b>Net asset / (liability) as at March 31, 2019</b>	<b>104.75</b>	<b>139.55</b>

**Change in Obligation during the Year ended March 31, 2019**

Present value of Defined Benefit Obligation at beginning of the year	157.27	176.75
Current Service Cost	8.27	7.21
Interest Cost	12.19	14.14
Past Service Cost	-	-
Employer Contributions	-	-
Actuarial (Gains) / Losses	2.60	-6.49
Benefits Payments	-19.21	-50.49
<b>Present value of Defined Benefits Obligation at the end of the year</b>	<b>161.12</b>	<b>141.11</b>

**Change in Assets during the year ended March 31, 2019**

Plan assets at the beginning of the year	1.57	1.53
Assets acquired in amalgamation in previous year	-	-
Settlements	-	-
Expected return on plan assets	0.12	0.12
Contributions by Employer	73.63	50.50
Actual benefits paid	-19.21	-50.49
Actuarial (Gains) / Losses	0.26	-0.09
<b>Plan Assets at the end of the year</b>	<b>56.37</b>	<b>1.57</b>

**Actuarial Assumptions:**

Discount Rate:	7.75%	8.00 %
Expected Rate of Return on Plan Asset:	7.75%	8.00 %
Mortality Rates:		IALM (2006-08) Ultimate Published Table of Rates
Withdrawals Rates:	5% p.a.	2% p.a.
Retirement Age:		58 years
Rate of Escalation in Salary (p.a.):		6.00 %

**Liability of Defined Benefit Obligation as at 31-03-2019** 1,61,12,202/-

**Profit & Loss Charge for the year ended 31-03-2019** 36,87,972/-

2. Liability in respect of **Superannuation Benefits** extended to eligible employees is contributed by the Company to Life Insurance Corporation of India against a Master Policy @ 8% of the Basic Salary of all the eligible employees.
3. The Company's contribution Rs.31,73,810/- (P.Y. Rs. 32,45,455/-) paid / payable for the year to **Provident Fund** is charged to the Statement of Profit And Loss.

**NOTE: 28 Contingent Liabilities:**

There is no any contingent liability.

**Note 29 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	-
b. Individual/Enterprise having control Significant Influence	Shri S. H. Amin Shri A. S. Amin Smt. Daksha S Amin (Up To 28/01/2019)
c. Key Management Personnel	Shri S. H. Amin Shri A. S. Amin Smt. A. A. Amin (From 09/02/2019) Shri A. K. Parikh Shri Wolfgang Funchs Smt. Daksha S Amin (Up to 28/01/2019) Shri K. K. Seksaria Shri K. M. Patel Shri M. H. Joshi <b>Executive Officers</b> Shri N. U. Patel Shri D. A. Chauhan

Party	Relationship
d. Enterprises over which (b) or (c) above have significant influence	Sudeep Rub-Chem Pvt. Ltd. Cyto Pvt. Ltd. The Seksaria Biswan Sugar Factory 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 Smt. A.A.Amin	Purchase of Material	63,480	2,625
2	Mr. S.H.Amin	Chairman & Whole Time Director	—	Remuneration	13,20,000	15,84,000
3	Mr. A.S.Amin	Managing Director	—	Remuneration	16,50,000	18,42,500
4	Mrs. A.A.Amin	Managing Director's Wife	—	Remuneration	2,14,265.75	2,89,770
5	APS Diverter valve Pvt. Ltd.	Directors are members in the company	Shri. A.S.Amin	Rent and Electricity expense	—	1,29,229
6	Cyto Pvt Ltd.	Directors are members in the company	Shri. S.H.Amin Shri. A.S.Amin Smt. A.A.Amin	Rent	1,41,250	—
7	The Seksaria Biswan Sugar Factory Pvt.Ltd	Directors are members in the company	Shri. Kailashchandra K. Seksaria	Sales Of Finish Goods	1,90,524	—

**Note 30 Segment information**
**Segment information for the year ended March 31, 2019.**

(Rs. in Lakhs)

Sr. No.	Particulars	Rs. (2018-19)	Rs. (2017-18)
1.	Segment Revenue		
	(A) Industrial Chain	3136.38	2832.51
	(B) Sprocket Wheel	784.09	539.49
	<b>Total</b>	<b>3920.47</b>	<b>3372.00</b>
	Less : Inter Segment Revenue	-----	-----
	<b>Net Sales / Income from Operations</b>	<b>3920.47</b>	<b>3291.32</b>
2.	Segment result (Profit & (Loss) before tax and Finance Costs)		
	(A) Industrial Chain	77.64	24.30
	(B) Sprocket Wheel	27.78	7.55
	<b>Total</b>	<b>105.42</b>	<b>31.85</b>
	LESS		
	(A) Finance Costs	9.90	6.04
	(B) Other un-allocable expenditure net off un-allocable income	-----	-----
	<b>Total Profit / (loss) Before Tax</b>	<b>95.52</b>	<b>25.81</b>
3.	Capital Employed		
	(Segment Assets - segment Liabilities)		
	(A) Industrial Chain	1042.02	907.99
	(B) Sprocket Wheel	12.00	12.00
	(C) Un-allocable Corporate Assets less Liabilities	-----	-----
	<b>Total Capital Employed in Company</b>	<b>1054.02</b>	<b>919.99</b>

**Note 31 Earning per Share:**

	2018-19	2017-18
	Rs.	Rs.
Basic Earning Per Share	18.94	2.61
Diluted Earning Per Share	18.94	2.61
Face Value Per Share	10.00	10.0

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

	Current Year	Previous Year
	Rs.	Rs.
Profit/ (Loss) after Taxation (in Rs.)	1,43,14,996	19,72,672
Weighted average No. of share during year	7,56,000	7,56,000

**Note 32 Value of Imports on CIF basis during the year in respect of :**

	<b>Current Year</b>	<b>Previous Year</b>
	<u>Rs.</u>	<u>Rs.</u>
Raw Materials	57,94,565	86,15,279
Stores and Spares	NIL	NIL
Capital Goods	NIL	NIL

**Note 33 Expenditure in Foreign Currency on account of :**

	<b>Current Year</b>	<b>Previous Year</b>
	<u>Rs.</u>	<u>Rs.</u>
Travelling	196083	362642

**Note 34 Value of Stores & Spares Consumed :**

Imported	NIL	0.00	NIL	0.00
Indigenous	2,76,75,877	100.00	2,39,06,255	100.00
<b>Total</b>	<b>2,76,75,877</b>	<b>100.00</b>	<b>2,39,06,255</b>	<b>100.00</b>

**Note 35 Remittance in Foreign Currency on account of dividend to Non-Resident Share-holders:**

	<b>Current Year</b>	<b>Previous Year</b>
	<u>Rs.</u>	<u>Rs.</u>
Dividend of financial year	2017-18	2016-17
No. of shareholders	4	4
No. of Shares held	212760	212760
Net amount of Dividend Remitted	NIL	NIL

**Note 36 Earnings in Foreign Exchange - Export of Goods on FOB basis :**

	<b>Current Year</b>	<b>Previous Year</b>
	<u>Rs.</u>	<u>Rs.</u>
Industrial Chains	2149748	17904012
Sprocket Wheels	1282179	447820
	<b>3431927</b>	<b>18351832</b>

**Note 37 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 31.03.2019	For the year ended 31.03.2018
Principal Amount due at year end	1,81,84,539	2,69,25,130
Interest due and remaining unpaid	NIL	NIL
Principal amount paid beyond due date	8,39,53,939	4,29,38,762
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	35,20,067	21,12,079
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 38** The amount Receivable from Debtors, M/s. Ruchi Soya Industries Limited and M/s. Electrosteel Limited of Rs. 5,38,647/- and Rs.14,70,000/- respectively for sales transactions of previous years. The said Companies had filed Insolvency Resolution Process under Regulation 13(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulation, 2016, through NCLT and Company's claim has been admitted and confirmed. Further the management is of the opinion that the said amounts are recovered in full from the said debtors namely M/s. Ruchi Soya Industries Limited and M/s. Electrosteel Limited.

**Note 39** The Balances of the most of the Debtors, Creditors and Loans and Deposits of the Company are confirmed periodically.

**Note 40** The figures have been rounded upto a Rupee. Parties Balances are subject to their confirmations and reconciliation and consequential adjustments, if any.

**Note 41** Previous year figures have been regrouped and recast wherever necessary to make them comparable with current year's figures.

**Note 42** Note No. 1 to 42 form an integral part of Financial Statements

Signature to Balance Sheet, Statement of Profit & Loss and Note 1 to Note 41.  
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

**Virendra Nayyar**  
Partner  
Membership No. 048136

Vallabh Vidyanagar  
May 16, 2019

**For ROLCON ENGINEERING COMPANY LIMITED**

**Chairman : S. H. Amin**

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

**CFO : N.U.Patel**

**COMPANY SECRETARY : D. A. Chauhan**

Place: Vallabh Vidyanagar  
Date: May 16, 2019



Form No. MGT-11

PROXY FORM

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

ROLCON ENGINEERING COMPANY LTD

Registered Office: Anand- Sojitra Road, Vallabh Vidyanagr-388120, Gujarat, India.

CIN: L29259GJ1961PLC001439, E-MAIL: rolcon@rolconengineering.com

52nd ANNUAL GENERAL MEETING – July 16, 2019

Table with 2 columns: Field Name, Value. Fields include Name of the Member(s), Registered address, E-mail Id, Folio No. / Client Id, DP ID.

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

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

As my/our proxy to attend and vote ( on a poll ) for me/us and on my/ our behalf at Annual General Meeting of the Company, to be held on the 16 day of July, 2019 at 3.00 p.m. at registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

- 1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended as at 31st March 2019, and the Reports of the Board of Directors and Auditors thereon.
2. To Declare Dividend on Equity Shares of the Company for the F.Y. 2018-19.
3. To Appoint Shri Ashish S. Amin, who retires by rotation and being eligible offer himself for re-appointment..
4. Appointment of M/s JHS & Associates-LLP, Mumbai Chartered Accountants(133288W/W100099) as an auditor and to pass the resolution as an Ordinary Resolution:

SPECIAL BUSINESS:

- 5. Re-appointment of Shri Kailashchandra K Seksaria (DIN: 00115565) as an Independent Director of the Company
6. Re-appointment of Shri Mahesh H Joshi (DIN: 00856573) as an Independent Director of the Company
7. Ratification for the Continuation of Directorship of Shri Ashok K Parikh (DIN: 00359634), as an Independent Director.
8. Appointment of Dr. Arpita A. Amin (DIN: 01927591), as Non-Executive, Non-Independent Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





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**NOTE**

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# ROLCON

ENGINEERING CO. LTD

CIN: L29259GJ1961PLC0001439

(ISO 9001 : 2015 COMPANY)

ROLCON ENGINEERING CO LTD  
ANAND-SOJITRA ROAD,  
VALLABH VIDYANAGAR - 388120,  
GUJARAT, INDIA.



02692-230766  
02692-230866



[rolcon@rolconengineering.com](mailto:rolcon@rolconengineering.com)



[www.rolconengineering.com](http://www.rolconengineering.com)