



BOARD OF DIRECTORS

Smt. Sushila S. Patel	Chairperson
Shri Suresh H. Amin	Managing Director
Shri Ashish S. Amin	Joint Managing Director
Shri Ashok Krishnadas	Director
Shri Kailashchandra K. Seksaria	Director
Shri Knut Bovenkamp	Director
Smt. Daksha S. Amin	Director
Shri Bhulabhai D. Patel	Director
Shri Anil D Gandhi	Director

AUDITORS

THACKER BUTALA DESAI
Chartered Accountants
Navsari, Gujarat.

BANKERS

STATE BANK OF INDIA
CORPORATION BANK

REGISTERED OFFICE

Anand - Sojitra Road
Vallabh Vidyanagar 388 120 (Gujarat)
INDIA.



NOTICE

Notice is hereby given that the **44th Annual General Meeting** of the shareholders of **ROLCON ENGINEERING COMPANY LIMITED** will be held on Thursday, the **28th July-2011**, at 3.00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar to transact the following business;

ORDINARY BUSINESS:

- 1 To consider and adopt the Audited Balance Sheet as at 31st March 2011, the profit & Loss Account for the year ended on that date, together with report of the Board of Directors and Auditors thereon.
- 2 To declare dividend.
- 3 To appoint a director in place of Mr. Anil D. Gandhi, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4 To appoint a director in place of Smt. Daksha S. Amin, who retires by rotation, and being eligible, offers herself for re-appointment.
- 5 To appoint Auditors and to fix their remuneration.

By Order of the Board

Suresh H Amin
Managing Director

Place: Vallabh Vidyanagar

Date: 28th April-2011

NOTES

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE 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 Monday 25th July-2011 to 28th July-2011. (Both days inclusive).
- 4 Subject to the provisions of the Section 206A of the Companies Act, 1956 dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 28th July-2011 to those members whose names appear on the Register of Member as on 28th July-2011.

By Order of the Board

Suresh H Amin
Managing Director

Place : Vallabh Vidyanagar

Date : 28th April-2011



DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present their report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31st March-2011. The financial highlights for the year under review are given below:

WORKING RESULTS:

	Rupees in lacs	
	2010-11	2009-10
Income	3384.78	2940.76
Profit Before Depreciation & Tax	274.57	313.59
Less: Depreciation	115.33	99.73
Profit before Tax	159.24	213.86
Less: Provision for Taxation	53.78	80.14
Deferred Tax Assets	-1.33	-6.54
Profit after Tax	106.79	140.26
Add:		
a) The amount brought forward from the last Year's account	416.16	327.56
b) (Excess) / Short Provision of the earlier years	-6.24	3.72
Total available	516.71	471.54

APPROPRIATIONS :

a) Proposed Dividend	22.68	30.24
b) Provision for Corporate Tax On Dividend	3.77	5.14
c) General Reserve	15.00	20.00
d) Balance carried forward	475.26	416.16
	516.71	471.54

DIVIDEND :

Your directors has recommended a dividend of Rs. 3.00 per share, aggregating to (30 %) for the current year. The dividend payout, if approved, will result in outflow of Rs. 26.45 Lacs inclusive of Rs. 3.77 Lacs for dividend tax.

PRODUCTION:

Chains and Sprockets :

The year under review has been another landmark year for your Company with all time high production and sales. For the first time in the history of the Company, Company has achieved sales target to Rs.3384.78 Lacs as against Rs. 2940.76 Lacs of the previous year but profit before tax has been reduced to 159.24 Lacs as against Rs.213.86 Lacs for the previous due to increase in the cost of Raw Materials and Reduction in selling price due to reverse auction manipulation resorted by some of the companies. During the year company also made additions in plant & machinery & extension of factory shed for atomization in production cycle time.

WIND MILL :

During the year the Wind Mill has generated 127866 Units. Against the units generated at Lamba, Gujarat Electricity Board has given credit for equal units in consumption every month.

DIRECTORS' RESPONSIBILITY STATEMENT

Persuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- 1 the applicable accounting standards were followed in the preparation of annual accounts for the year ended 31st March, 2011 along with proper explanation relating to material departure.
- 2 the accounting Policies are applied consistently to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the Profit of the Company for the year ended on that date.
- 3 proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 and for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- 4 the Annual Accounts have been prepared on a "going concern" basis.

CORPORATE GOVERNANCE

Provisions of clause 49 of Listing Agreement in connection with Corporate Governance are not applicable to the Company, since the paid up capital of the Company is less than Rs.3.00 crores as well as the net worth of Company is below Rs.25.00 crores.



DISCLOSURE AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

The required particulars are set out in the Annexure forming part of the report.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as at the balance sheet date. There was no deposit, which had matured and remained unpaid at the close of the year.

PARTICULARS OF EMPLOYEES:

There are no employees, as required to be included in accordance with Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended in 1988.

PERSONNEL:

The Strength of your Company lies in its team of highly competent and highly motivated personnel and because of these industrial relations during the year has been cordial. Your Directors wish to place on record their appreciation for the devoted services rendered by the employees.

DIRECTORS:

With deep heartfelt, it is to state that Shri Suryakant M. Patel, Director of the Company expired on 8th November, 2010. The Board of Directors, places on record the contribution made by Shri Suryakant M. Patel, during

his tenure of about four decades for the growth and development of the company and members of the Board pray to the God for ultimate peace to the departed soul of Shri Suryakant Patel.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Anil. Gandhi and Smt. Daksha S. Amin will retire by rotation at the ensuing Annual General Meeting and they being eligible offer themselves for re-appointment.

AUDITORS:

Thacker Butala Desai, Chartered Accountants, Auditors of the company retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT:

Your Directors place on record their 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.

On behalf of the Board

SUSHILA S. PATEL
CHAIRPERSON

Place: V.V.NAGAR.

Date : 28th April-2011



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH-2011.

A. CONSERVATION OF ENERGY:

Energy conservation measures taken:

- 1) The Company has installed 70W and 15W loss metal halide in new Packing Shed to reduce the energy conservation.
- 2) Wind Driven Ventilation Plant which also enables the Plant to be well lit and results in power consumption.
- 3) Switch off the Heat Treatment Section during work break.
- 4) Installation of additional capacitor resulted in improved power factor.
- 5) Implementing & changing the delta connection to star connection in most of all the electric motors, resulted in to saving of electric energy.
- 6) 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:

Efforts made in technology absorption as per from -B of the Annexure to the rules

1) Research & Development (R & D)

- (a) The Company has installed latest CNC VTL Machine & PMT Auto Lathe for repetitive accuracy, Heavy Duty Presses & for better finishing of Chain Components, Gas Fired Flame Less Furnace with oxygen probe for upgrading Heat Treatment process & Induction Heating Machine for improved wear life of Chain Components. We are also installing SPMS to improve the repetitive accuracy and raise the production.

- (b) R & D is striving to improve quality of the chain to the latest standards and for achieving this have already installed Latest Equipments and new Testing & Measuring Equipments viz. S1 Sorter Portable X-Ray Spectrometer.

- (c) Expenditure on R & D (Rs. In Lacs)

i) Capital	10.24
ii) Recurring	---
iii) Total	10.24
iv) Total R & D Expenditure as Percentage of total turnover.	0.31 %

2) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- a) 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.

- b) Company has obtain ISO 9001-2008 certificate for industrial Chain and Sprocket separately from TUV (RWTUV Systems GmbH) GERMANY.

- c) API License No. 7F-0017 issued by American Petroleum Institute to use API monogram on chain use in Oil Exploration activity by ONGC & Oil India Corporation.

3) Foreign Exchange Earnings and Outgo:

- (a) Activities relating to exports initiatives taken to increase export, development of new export markets for products and services and export plans.

Efforts are being made to increase the export to different countries.

- (b) Total foreign exchange used and earned:

Used : Rs.98,23,319/-

Earned : Rs.33,10,897/-

On behalf of the Board

**SUSHILA S. PATEL
CHAIRPERSON**

Place: V.V.NAGAR

Date : 28th April-2011



COMPLIANCE **CERTIFICATE**

[As per rule 3 of the Companies
(Compliance Certificate) Rules, 2001]

Registration No. of the Company:
U29259GJ1961PLC001439
Nominal Capital: Rs.1, 50, 00,000/-

To,
The Members
Rolcon Engineering Company Limited,
Vallabh Vidyanagar,
Anand-Gujarat, India.

We have examined the registers, records, books and papers of Rolcon Engineering Company Ltd., (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year beginning from 1st April, 2010 and ended on 31st March, 2011(Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year;

- 1 The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and entries therein have been recorded.
- 2 The Company has filed the forms and returns as stated in Annexure 'B' to this

certificate, with the Registrar of Companies at the time stated in the above annexure.

- 3 The Company being a Public Limited Company, comments are not required.
- 4 The Board of Directors duly met four times on 23rd April, 2010, 28th July, 2010, 28th October, 2010 and 28th January, 2011 in respect of which meetings, proper notices were given and the proceedings were properly recorded.
- 5 The Company closed its Register of members from Monday 12th July, 2010 to Thursday 15th July, 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
- 6 The Annual General Meeting for the financial year ended on 31st March-2010 was held on 15th July, 2010 after giving due notice to the members of the Company and the resolutions passed thereat duly recorded in Minutes Book maintained for the purpose.
- 7 No Extra Ordinary General Meeting was held during the year under review.
- 8 The Company has not advanced any loan to its Directors and/ or persons or firms or Companies referred in the Section 295 of the Act.
- 9 The Company has complied with the provisions of Section 297 of the Act in respect of the contracts specified in that section.
- 10 The Company has made necessary



- entries in the register maintained under Section 301 of the Act.
- 11 As, there were no instances falling within the preview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
- 12 The Company has not issued any duplicate share certificates during the financial year.
- 13 (i) The Company has delivered all the certificates on transfer of securities.
- ii) The Company has deposited the amount for unpaid dividend in separate Bank Accounts specially opened for the purpose with Corporation Bank. During the year, the Company has also sent reminders to the shareholders for claiming their unpaid dividend and the responses from some of the Share Holders have been received against which Company has paid the dividend.
- (iii) The Company has paid/posted warrants by issue of Cheques and demand draft for dividends to all the members of the company within period of 30 days from the date of declaration and any dividend warrants not encashed / remain unpaid subsequently, the said amount has been transferred to unpaid dividend account.
- (iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- (v) The Company has complied with the requirements of Section 217 of the Act.
- 14 The Board of Directors of the Company is duly constituted. During the year, Mr. Suryakant M. Patel is expired and requisite formalities for filing of Form-32 are completed.
- 15 As the Company has already appointed Managing Director and Joint Managing Director with the approval of the Shareholders, the terms of which are valid, hence no re-appointment either of Managing Director or Joint Managing Director were made.
- 16 The Company has not appointed any sole selling agents during the financial year.
- 17 The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
- 18 The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant of the Act and the rules made thereunder.
- 19 The Company has not issued any shares, debentures or other securities during the financial year.
- 20 The Company has not bought back any



- shares during the financial year.
- 21 The Company has not redeemed any preference shares or debentures during the financial year.
- 22 There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights share and bonus shares pending registration of transfer to shares.
- 23 The Company has not invited/accepted any deposits including unsecured loans falling within the preview of Sections 58A during the financial year.
- 24 During the year, the Company has availed financial accommodations from Company's Bankers. However, the said banking facilities from various Banks do not exceed to the limit as specified in terms of the provisions of Section 293 (1) (d) of the Act, as such no approvals of the Shareholder are required.
- 25 The Company has not made any loans or investment or given guarantees or provided securities to other bodies corporate as per Section 372A of the Act and consequently no entries have been made in the register kept for the purpose.
- 26 The Company has not altered the provision of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
- 27 The Company has not altered the provisions of the Memorandum with respect of the objects of the Company during the year under scrutiny.
- 28 The Company has not altered the provision of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29 The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30 The Company has not altered its Articles of Associations during the year under scrutiny.
- 31 As per the information given by the management, no prosecution has been initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
- 32 The Company has not received any security deposits from its employees during the financial year.
- 33 The Company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of Section 418 of the Act.

**For, Surendra Tamboli & Associates
Company Secretaries**

(Surendra Tamboli)

Proprietor

Place : Vadodara

Date : 28th April, 2011



ANNEXURE 'A'

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Transfers
3. Register of Directors, Managing Director, Manager and Secretary u/s 303
4. Register of Director Shareholding u/s 307
5. Register of contracts, companies and firms in which Directors etc. are interested u/s 301 (3)
6. Register of charges u/s 143
7. Minutes of Meeting of Board of Directors
8. Minutes of General Meeting.

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Register of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

Sr. No.	Form No./ Return	Filed u/s.	For	Date of Filing	Whether filed within prescribed time Yes/No.	If delay in filing, whether requisite additional fees paid Yes/No.
1.	Annual Return	159 Form- 20B	The Financial Year ended 31-03-2010	23/07/2010	Yes	N.A.
2.	Balance Sheet	220 (1) Form 23AC	The Financial Year ended 31-03-2010	24/07/2010	Yes	N.A.
3.	Compliance Certificate	383A (1) Form -66-Form CC	The Financial Year ended 31-03-2010	23/07/2010	Yes	N.A.
4.	Form 32	303(2), 264(2) or 266 (1) (a) & 266 (1) (b) (iii)	Cessation of Director	02/12/2010	Yes	N.A.

Auditors' Report

**TO,
THE SHAREHOLDERS,
ROLCON ENGINEERING CO. LTD.,
VALLABH VIDYANAGAR**

1. We have audited the attached Balance Sheet of **ROLCON ENGINEERING COMPANY LIMITED** as at 31st March, 2011 and also the Profit & Loss Account as well as Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles, used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the amended Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the annexure referred to in paragraph 3 above, we report that:

(1) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- (2) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (3) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (4) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956.
- (5) On the basis of written representation received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) to section 274 of the Companies Act, 1956.
- (6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March- 2011;
 - (b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - (c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

**For THACKER BUTALA DESAI
Chartered Accountants**

**M.T.Desai
Partner**

**MEMBERSHIP NO.-030911
FIRM REGI. NO. 110864W**

Place: NAVSARI

Date : 4th May-2011

Auditors' Report

**TO,
THE SHAREHOLDERS,
ROLCON ENGINEERING CO. LTD.,
VALLABH VIDYANAGAR**

1. We have audited the attached Balance Sheet of **ROLCON ENGINEERING COMPANY LIMITED** as at 31st March, 2011 and also the Profit & Loss Account as well as Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles, used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the amended Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the annexure referred to in paragraph 3 above, we report that:

(1) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- (2) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (3) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (4) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956.
- (5) On the basis of written representation received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) to section 274 of the Companies Act, 1956.
- (6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March- 2011;
 - (b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - (c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

**For THACKER BUTALA DESAI
Chartered Accountants**

**M.T.Desai
Partner**

**MEMBERSHIP NO.-030911
FIRM REGI. NO. 110864W**

Place: NAVSARI

Date : 4th May-2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our
Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification
- (c) No substantial part of Fixed Assets has been disposed off during the year;
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to information and explanation given to us, the discrepancies noticed on verification between the physical stock and book were not material.
- (iii) (a) The Company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(b) to (d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provision of clauses 4 (iii) (f) and 4(iii) (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials, including components, plant and machinery, equipment and other assets and with regard to the sales of goods & services. We have not noticed any continuing failure to correct major weakness in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the Company has entered the particulars of contracts or arrangements that need to be entered in to a register in pursuance of section 301 of the Act.
- (b) According to the information and explanations given to us, each of these transactions made in pursuance of such contracts or arrangements have been made at price which are reasonable having regard to the prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) (a) According to the records of the Company, the Company is regular in-depositing undisputed statutory dues including Provident Funds, Investor Education and Protection Fund, Income Tax, Central Sales/ Vat Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. We are informed that the Employees State



- Insurance Scheme is not applicable to the Company. No undisputed amount payable in respect thereof were outstanding at year end for a period of more than 6 months from the date they become payable.
- (b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, there are no dues of Income Tax, CST, VAT, Wealth Tax, Custom Duty and Cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) According to our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to any Financial Institution or Bank. The Company has not issued any Debenture.
- (xii) The Company has not granted any loans against security by way of pledge of shares, debentures and other securities, so the question of deficiency does not arise.
- (xiii) As the Company is a manufacturing company, the provisions of any special statute applicable to chit fund are not applicable. Accordingly, the provision of sub-clause 4C(xiii) of the Order are not applicable.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Order are not applicable
- (xv) The Company has not given any guarantee for loans taken by others from banks or Financial Institutions. Therefore, the question of terms and conditions whereof are prejudicial to the interest of the Company does not arise.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans obtained during the year under review have been applied for the purpose for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year under review.
- (xix) The Company has not issued any debentures during the year. Therefore, the question of creation of securities or charges in respect thereof does not arise.
- (xx) The Company has not made any public issue during the year. Therefore, the question of disclosure and verification of end use of money so raised does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under review.

For **THACKER BUTALA DESAI**

Chartered Accountants

M. T. Desai

Partner

MEMBERSHIP NO. 030911

FIRM REGI. NO. 110864W

Place: NAVSARI

Date: 4th May-2011

BALANCE SHEET AS AT 31st MARCH, 2011

	<u>Schedule</u>	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
<u>SOURCES OF FUNDS:</u>			
Capital	1	7560000	7560000
Reserves & Surplus	2	101642872	94233165
		<u>109202872</u>	<u>101793165</u>
<u>LOANS :</u>			
Secured	3	NIL	NIL
Unsecured		757245	NIL
		<u>109960117</u>	<u>101793165</u>
<u>APPLICATION OF FUNDS:</u>			
Fixed Assets - Gross Block Rs.177937198/- Less : Dep. Rs.119383191/-			
Net Block	4	58554007	41225251
Investments	5	13750	5013750
Deferred Tax Assets		998995	866558
Current Assets, Loans and Advances	6	125220522	121710610
Less: Current Liabilities and Provisions	7	74827157	67023005
Net Current Assets		<u>50393365</u>	<u>54687605</u>
		<u>109960117</u>	<u>101793165</u>
Notes Forming Part of Accounts	16		

As per our Report of even date attached

For THACKER BUTALA DESAI

Chartered Accountants

M.T.Desai

Partner

(Membership No.030911)

(FIRMREGI.No. 110864W)

Chairperson

Managing Director

Jt. Managing Director

Directors

: Sushila S. Patel

: S. H. Amin

: A. S. Amin

: Ashok Krishnadas

: Daksha S. Amin

: K.K.Seksaria

: A. D. Gandhi

Place : Navsari

Date : 4th May-2011

Place : V.V.NAGAR

Date : 28th April-2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	<u>Schedule</u>	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
<u>INCOME:</u>			
SALES - Gross		Rs. 367631710/-	
Less Excise Duty		Rs. 33133597/-	
Less Sales Tax		Rs. 8599248/-	
Other Income	8	325898865	282430160
	9	12579343	11645451
		<u>338478208</u>	<u>294075611</u>
<u>EXPENDITURE :</u>			
Consumption of Material and Other Charges	10	186563174	151636103
Power and Fuel		21618693	18603025
Emp. Remuneration and Benefits	11	44372913	42463603
Administrative, Selling and General Expenses	12	38018098	34983943
Machining Charges		19809171	15183331
Interest	13	352822	266142
Bank Charges		1183808	1000139
Depreciation		11533054	9973394
		<u>323451733</u>	<u>274109680</u>
(Increase)/Decrease in Stock	14	-897630	-1420594
		<u>322554103</u>	<u>272689086</u>
<u>PROFIT BEFORE TAXATION</u>			
Provision for Taxation	15	15924105	21386526
		<u>5246048</u>	<u>7360725</u>
<u>PROFIT AFTERTAXATION APPROPRIATION</u>			
Add:- Balance brought forward		41616362	32755691
Less:			
(Excess)/Short Provison For Taxation		623664	-372799
Old Balance Written Off			
<u>PROFIT AVAILABLE FOR APPROPRIATION</u>			
		<u>51670755</u>	<u>47154291</u>
Proposed Dividend		2268000	3024000
Corporate Tax on Proposed Dividend		376686	513929
General Reserve		1500000	2000000
Surplus Carried To Balance Sheet		47526069	41616362
TOTAL		<u>51670755</u>	<u>47154291</u>
Notes Forming Part of Accounts	16		
As per our Report of even date attached			

For, THACKER BUTALA DESAI
Chartered Accountants

M.T.Desai
Partner
(Membership No.030911)
(FIRMREGI.No. 110864W)

Place : Navsari
Date : 4th May-2011

Chairperson : **Sushila S. Patel**
Managing Director : **S. H. Amin**
Jt. Managing Director : **A. S. Amin**
Directors : **Ashok Krishnadas**
: **Daksha S. Amin**
: **K.K.Seksaria**
: **A. D. Gandhi**

Place : V.V.NAGAR
Date : 28th April-2011

SCHEDULES FORMING PART OF THE BALANCE SHEET.

	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
<u>SCHEDULE 1 : SHARE CAPITAL</u>		
(A) Authorised Share Capital		
14,60,000, Equity Share of Rs. 10/- each	14600000	14600000
4,000, 10% Redeemable Cumulative Preference Share of Rs. 100/- each	400000	400000
	<u>15000000</u>	<u>15000000</u>
(B) Issued, Subscribed and Paid-Up Capital		
7,56,000 Equity Shares of Rs. 10/- each fully paid up	7560000	7560000
Of the above		
i) 39,400 Equity Shares of Rs.10/- each were allotted as fully paid up pursuant to contract without payment being received in cash		
ii) 6,16,000 Equity Shares of Rs. 10/- each have been issued as Bonus Shares by way of capitalisation of reserve.		
	<u>7560000</u>	<u>7560000</u>
<u>SCHEDULE 2: RESERVES AND SURPLUS</u>		
Capital Redemption Reserve:		
As per last Balance Sheet	400000	400000
General Reserve		
As per last Balance Sheet	52216806	50216806
Add: Transferred from Profit & Loss A/C	1500000	20000000
	<u>53716806</u>	<u>52216806</u>
Profit and Loss Accounts :	47526066	41616359
	<u>101642872</u>	<u>94233165</u>
<u>SCHEDULE 3: LOANS</u>		
SECURED LOANS		
	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED LOANS :		
HDFC BANK CAR LOAN	757244	NIL
	<u>757244</u>	<u>NIL</u>

SCHEDULE 4 : FIXED ASSETS

ASSETS	GROSS BLOCK AT COST					DEPRECIATION				NET BLOCK	
	As at 1st April 2010 (Rupees)	Additions During the Year (Rupees)	Deductions During the Year (Rupees)	As at 31st March 2011 (Rupees)	As at 1st April 2010 (Rupees)	For the year (Rupees)	On Deduction Adjustment (Rupees)	As at 31st March 2011 (Rupees)	As at 31st March 2011 (Rupees)	AS AT 31st March 2010 (Rupees)	
Air Conditioners	1074160	132611	0	1206771	681660	68868	0	750528	456243	392500	
Computer	2215800	97110	32990	2279920	1561235	281179	20100	1822314	457606	654565	
Elect. Heat. Flameless Fur.	2119000	0	0	2119000	1547359	159031	0	1706390	412610	571641	
Electric Fittings & Fixtures	1668106	489355	0	2157461	688954	150393	0	839347	1318114	979152	
Electric Installations	2030747	0	0	2030747	1117100	127088	0	1244188	786559	913647	
Factory Building	14313725	8918508	0	23232233	4402128	1395636	0	5797764	17434469	9911596	
Furniture & Fixtures	2417790	696206	0	3113996	1526436	241249	0	1767685	1346310	891353	
Gas Cylinders	378800	0	231068	147732	378028	271	230748	147551	181	772	
Land (Free hold Wind Mill)	493702	0	0	493702	0	0	0	0	493702	493702	
Land (Free hold)	19579	0	0	19579	0	0	0	0	19579	19579	
Office Building	3117742	46729	0	3164471	1417849	87041	0	1504890	1659581	1699893	
Office Equipments	2772311	246385	12500	3006196	1358186	221644	1837	1577993	1428203	1414125	
Plant & Machinery	98660576	17443530	2290750	113813356	80366277	7264419	2235440	85395256	28418100	18294299	
Turbine Air Ventilators	965249	0	0	965249	679225	79573	0	758798	206451	286024	
Vehicles	9774344	1556898	1048245	10282997	5125836	1440492	361905	6204423	4078574	4648508	
Wind Electr. Generabrs	9903789	0	0	9903789	9849892	16170	0	9866062	37727	53897	
	15 19254 18	29 6273 32	36 155 53	17 793 71 98	11 070 01 67	11 533 0 54	28 500 30	11 938 31 91	58 554 0 07	41 225 2 51	
	14 405 72 79	11 015 3 15	31 471 76	15 192 54 18	10 364 38 87	9 973 3 95	29 171 15	11 070 01 67	41 225 2 51		

Notes: (1) Figures have been regrouped and recast wherever necessary.

SCHEDULE 5 : INVESTMENTS (AT COST)**Investment in Mutual Funds:**

	Current Year	Previous Year
	Rupees	Rupees
(I) UTI Infrastructure Advantage Fund-1,00,000 Units (Market Value ason 31/03/2011 Rs. NIL Prev. Year 10.10 Lacs)	NIL	1000000
(II) Franklin Templeton Investment- 48,899 Units (Market Value ason 31/03/2011 Rs. NIL Prev. Year 5.98 Lacs)	NIL	500000
(III) Reliance Mutual Fund - 50,000 Unit (Market Value ason 31/03/2011 Rs. NIL Prev. Year 5.42 Lacs)	NIL	500000
(IV) Birla Sunlite Dynamic Bond - 96493 Units (Market Value ason 31/03/2011 Rs. NIL Prev. Year 10.15 Lacs)	NIL	1000000
(V) Birla Sunlite Savings Fund - 202042 Units (Market Value ason 31/03/2011 Rs. NIL Prev. Year 20.31 Lacs)	NIL	2000000

Investment in Shares:

(I) 600 Shares of The Karamsad Urban Co-Operative Bank of Rs. 10/- each	6000	6000
(II) 10 Shares of The Anand Urban Co_Op.Bank Ltd. Of Rs.25/-each	250	250
(III) 15 Shares of The Charotar Gas Sakhari Mandali Ltd of Rs. 500/- each	7500	7500

13750**5013750****SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES****A Current Assets : Inventories:**

Stock-in-Trade (as taken, valued and certified by the
Managing Director)

i) Raw Materials (At Cost)	16834004	8012044
ii) Semi-Finished Goods (lower of cost or realisable value)	490189	3158189
iii) Finished Goods (lower of cost or realisable value)	3663828	98198
	20988021	11268431

Sundry Debtors: (Unsecured, Considered Good)

I) Outstanding for a period exceeding six months	1967744	1505600
II) Others	54607786	48406565
	56575530	49912165

Cash and Bank Balances :

a) Cash on Hand	129511	128989
b) Balance with Scheduled Banks		
1) In Current Accounts	12255604	18622442
2) In Deposit Accounts	29558579	34491339
c) Balance with Non Scheduled Banks		
1) In Current Accounts	49650	49650
The kalupur Com. Co. Op. Bank Ltd. ANAND (Maximum Balance Rs.49650/- Previous Yr. Rs.49650/-)		
The A.U.Co-Op Bank Ltd.	17336	17336
(Maximum Balance Rs.17336/- Previous year Rs.17336/-)		
2) In Deposit Accounts		
The Anand Urban Co-Op. Bank Ltd., Anand.	107905	107905
	42118585	53417661



	<u>Current Year</u>	<u>Previous Year</u>
	<u>Rupees</u>	<u>Rupees</u>
B Loans and Advances (Unsecured, Considered Good)		
a) Advances recoverable in cash or kind or for value to be received	1337937	2939545
b) Advances to Staff	116800	86200
c) Deposits (Includes intercorporate deposits - NIL)	1545880	1545880
d) Interest Receivable A/C	726476	581856
e) Balance with Central Excise	113852	108109
f) cenvat receivable (capital goods)	949905	190980
g) Advance Income -Tax (Net of provisions)	747537	1659784
	<u>5538386</u>	<u>7112352</u>
	<u>125220522</u>	<u>121710610</u>
<u>SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS</u>		
A Current Liabilities :		
Sundry Creditors	62791286	57032745
T.D.S.	27545	167165
Due to Distributors/Agents	1469170	1849862
Advance from Customers	7799470	4340304
Deposits (Security)	95000	95000
	<u>72182471</u>	<u>63485076</u>
B Provisions :		
Proposed Dividend	2268000	3024000
Corporate Tax On Proposed Dividend	376686	513929
	<u>2644686</u>	<u>3537929</u>
	<u>74827157</u>	<u>67023005</u>
<u>SCHEDULE 8 : SALES</u>		
Chain	252701304	208776154
Sprocket	69828274	63583780
Export	3369287	10070226
	<u>325898865</u>	<u>282430160</u>
<u>SCHEDULE 9 : OTHER INCOME</u>		
Job Work income	401389	NIL
Rectification & Adjustment	NIL	465881
Insurance Claim	NIL	150729
Interest (TDS Rs . 247479/-)	3344753	4102871
Dividend Income	176432	54590
Income from Wind Electric Generators	614084	892661
Miscellaneous Income	1670	15445
Scrap Sales	7487350	5500830
Rent	6000	1800
Profit on Sale of Assets	547665	460644
	<u>12579343</u>	<u>11645451</u>



SCHEDULE 10 : CONSUMPTION OF RAW MATERIALS & OTHER CHARGES

OPENING STOCK	8012044	8666224
Add: Purchases	172650720	133703489
	<u>180662764</u>	<u>142369713</u>
Less: Closing Stock	16834004	8012044
	<u>163828760</u>	<u>134357669</u>
Stores, Tools Oil, & Packing Materials Consumed	19486496	14638643
Other Manufacturing Expenses	3247919	2639791
	<u>186563174</u>	<u>151636103</u>

SCHEDULE 11: EMPLOYEES' REMUNERATION & BENEFITS

Managerial Remuneration & Commission	2772000	2441273
Salaries, Wages and Bonus	35640785	33402835
Contribution to Provident Fund	3685428	3406837
Employees' Welfare Expenses	1022935	906249
Contribution to Superannuation Fund	264265	206409
Gratuity Paid	987500	2100000
	<u>44372913</u>	<u>42463603</u>

SCHEDULE 12 : ADMINISTRATIVE, SELLING & GENERAL EXPENSES

Rates & Taxes	202053	229973
Festival expense	53595	58906
Insurance	414525	461993
Travelling	5257633	5433911
Advertisement	211503	242145
Forwarding & Transport Charges	4156829	3329307
Computer Expenses	314862	661280
<u>Repairs and Maintenance of :</u>		
1) Buildings	3050933	3948041
2) Machinery	2162010	2078903
3) Others.	2361835	1564333
Stationery, Printing, Postage, Telephone etc.	2408921	2533105
Legal & Professional Fees	2813742	3040071
Loss & Professional Fees	118380	NIL
Payment of Auditors	99214	97586
Directors Fees	50000	50000
Commission to Distributors/Agents	9022233	5352226
Donation	275000	166750
Garden Expenses A/c	141472	89900
Rent Paid	958585	857648
Liquidated Damages	582699	104931
Bab Debts Written off	1044185	292193



Miscellaneous Expenses

Foreign Exchange Variation (loss)	33711	516856
Security Services	468014	434059
Service Tax	139111	328638
MemberShip & Subscription	85027	90333
Sales Tax / Central Excise	96210	2193040
Tender Fees	9149	10348
Works & Office Exps.	1486667	817469
	<u>38018098</u>	<u>34983943</u>

SCHEDULE 13: INTEREST

On Fixed Period Loans	132223	264921
On others	220599	1221
	<u>352822</u>	<u>266142</u>

SCHEDULE 14: (INCREASE)/DECREASE IN STOCK

Opening Stock: Semi-Finished Goods	3158189	1749465
Finished Goods	98198	86328
	<u>3256387</u>	<u>1835793</u>

Closing Stock : Semi Finished Goods	490189	3158189
Finished Goods	3663828	98198
	<u>4154017</u>	<u>3256387</u>

(Increase) /Decrease in Stock	<u>-897630</u>	<u>-1420594</u>
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SCHEDULE 15: TAXATION EXPENSES

Income Tax	5362000	8000000
Deferred Tax	-132437	-653763
Wealth Tax	16485	14488
	<u>5246048</u>	<u>7360725</u>



SCHEDULES FORMING PART OF THE
BALANCE SHEET AND PROFIT &
LOSS ACCOUNT

**SCHEDULE: 16
NOTES TO THE ACCOUNTS**

1) Accounting Policies:

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

a) Basis of Accounts:

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

b) Fixed Assets:

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

c) Depreciation:

Depreciation has been provided on WDV on all assets at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation is provided on pro-rata basis:

- i) From the date of additions on additions to fixed assets during the year and
- ii) Up to the date of disposal on disposal of fixed assets during the year.

d) Inventories:

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

Raw Material and stores :-
Monthly moving weighted average cost
Stock in Process :-
At lower of the cost or realizable value
Finished Goods :-
At lower of the cost or realizable value

e) Accounting of Cenvat Credit:

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

f) Foreign Currency Transaction:

- (1) Transaction in foreign currencies are generally recorded by applying to the foreign

currency amount, the exchange rate existing at the time of the transaction.

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

g) Retirement Benefits:

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

PARTICULARS	Gratuity Funded Rs. in Lacs
Expense to be recognized in the Statement of Profit & Loss account for the year ended March 31, 2011	
Current Service Cost	8.86
Interest Cost	18.74
Employer Contribution	—
Expected return on Plan Assets	- 8.38
Net Actuarial (Gains) / Losses	- 3.06
Past Service Cost	—
Settlement Cost	—
Total Expense	16.16
Net Asset / (Liability) recognized in the Balance Sheet at March 31, 2011	
Present value of Defined Benefit Obligation as at March 31, 2011	228.87
Fair value of plan assets as at March 31, 2011	83.68
Funded status { Surplus / (Deficit) }	-145.19
Net asset / (liability) as at March 31, 2011	-145.19
Change in Obligation during the Year ended March 31, 2011	
Present value of Defined Benefit Obligation at beginning of the year	236.34
Current Service Cost	8.86
Interest Cost	18.74
Past Service Cost	—
Employer Contributions	—
Actuarial (Gains) / Losses	3.25
Benefits Payments	- 38.32
Present value of Defined Benefits Obligation at the end of the year	228.87
Change in Assets during the year ended March 31, 2011	
Plan assets at the beginning of the year	97.44
Assets acquired in amalgamation in previous year	—
Settlements	—
Expected return on plan assets	8.38
Contributions by Employer	9.88
Actual benefits paid	- 38.33
Actuarial (Gains) / Losses	6.31
Plan Assets at the end of the year	83.68



Actuarial Assumptions:

Discount Rate:	7.93%
Expected Rate of Return on Plan Asset:	9.25 %
Mortality Rates:	LIC (1994-96) Ultimate Published Table of Rates
Withdrawals Rates:	3% at younger age reducing To 1% at older age
Retirement Age:	58 years
Rate of Escalation in Salary (p.a.):	6.00 %

Liability of Defined Benefit Obligation as at

31-03-2011 Rs.2, 28, 86,477

Profit & Loss Charge for the year ended

31-03-2011 Rs. 16, 15,832

The Company has covered Rs.83,67,720/- out of Total Liability of Rs.2,28,86,477/- by paying yearly premium to Life Insurance Corporation of India over the past years. And the Company has charged Rs.9,87,500/- towards contribution paid to LIC to Profit & Loss Account for the year ended 31-03-2011 as per consistent past practice.

- 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 @ 15% of the Basic Salary of all the eligible employees.
- Liability in respect of **Provident Fund** is provided on actual contribution basis.
- Liability in respect of **Leave Encashment** is provided on actual payment basis.

h) Investment:

Investments are generally of Long Term nature and are stated at cost unless there is a other than temporary diminution in their value as

at the date of Balance Sheet.

i) Revenue Recognition:

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

j) Contingent Liabilities:

There is no any Contingent Liability

2) Payment to Auditors (paid/payable)

	31.03.2011	31.03.2010
	Rs.	Rs.
As Audit Fees	50,000	50,000
For Taxation Matters	5,000	5,000
In other capacity	28,000	25,000
Tax Audit Fee	15,000	15,000
Re-inbursement of Expenses	1,214	2,586
TOTAL	99,214	97,586

Payment to Auditors Rs. 99,214/- is excluding Service Tax of Rs. 10,094/- (Previous Year Rs. 10,033/-)

- As required by the Accounting Standard 18 "Transactions with Related Parties", the Company has entered into following transactions during the year under review

Sr No.	Name	Nature of Transaction	Transaction During The Year
1.	Sudeep-Rub-Chem Pvt. Ltd.,	Purchase	634259/-
2	Mr. S.H.Amin	Remuneration	1452000/-
3	Mr. A.S.Amin	Remuneration	1320000/-
4	Mrs. A. A. AMIN	Remuneration	120600/-

4) Segment information for the year ended 31st March 2011.

Sr. No.	Particulars	Rs. (In Lacs)
1.	Segment Revenue	
	(A) Industrial Chain	2643.40
	(B) Sprocket Wheel	741.38
	Total	3384.78
	Less : Inter Segment Revenue	---
	Net Sales / Income from Operations	3384.78
2.	Segment result (Profit & Loss before tax and interest)	
	(A) Industrial Chain	77.65
	(B) Sprocket Wheel	85.12
	Total	162.77
	Less	
	(A) Interest	3.53
	(B) Other un-allocable expenditure net off un-allocable income	---
	TOTAL PROFIT BEFORE TAX	159.24
3.	Capital Employed (Segment Assets - segment Liabilities)	
	(A) Industrial Chain	1080.03
	(B) Sprocket Wheel	12.00
	(C) Un-allocable Corporate Assets less Liabilities	---
	Total Capital Employed in Company	1092.03

5) Deferred Taxation

Deferred Tax Assets and Liabilities are recognized as per Accounting Standard AS-22 on Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India. During the year 2010-2011, the Deferred Tax Assets / Liabilities comprise of tax effect of following timing differences :

2010-2011		2009-2010	
Def. Tax Liabilities	Def. Tax Assets	Def. Tax Liabilities	Def. Tax Assets
0.00	3007436	0.00	2549450
0.00	998995	0.00	866558

Difference between book & Tax W.D.V.

Net Deferred Tax Assets/ Liability

6) Earning Per Share :

	<u>Current Year</u> <u>Rs.</u>	<u>Previous Year</u> <u>Rs.</u>
Basic Earning Per Share	14.12	18.55
Diluted Earning Per Share	---	---
Nominal Value Per Share	10.00	10.00

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

	<u>Current Year</u> <u>Rs.</u>	<u>Previous Year</u> <u>Rs.</u>
Profit/(Loss) after Taxation	10678057	14025801
Weighted average number of share outstanding during the year	756000	756000

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

8) The figures have been rounded upto a Rupee. Parties Balance are subjected to their confirmation.

9) Previous year figures have been regrouped and recast wherever necessary.



10. Managerial Remuneration

(I) Managerial Remuneration under Section- 198 of the Companies Act-1956

<u>Sr. Particulars</u>	<u>2010-2011</u>	<u>2009-2010</u>
1 Remuneration	2520000	2220000
2 Perquisite	252000	221273
3 Commission on Net Profit	NIL	NIL
4 Contribution towards P.F., Gratuity & Superannuation	540092	490707
TOTAL	<u>3312092</u>	<u>2931980</u>

(II) Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956.

NET PROFIT AS PER PROFIT & LOSS A/C 15924105 21386526

Add:

Provision For Depreciation 11533054 9973394
Managerial Remuneration 2772000 2441273
Directors' Fees 50000 50000
30279159 33851193

Less:

Depreciation as per Section 309(5) of the Companies Act, 1956 11533054 9973394
Net Profit as per Section 309(5) of the Companies Act, 1956 18746105 23877799

Commission :

(1) Managing Director(Shri S.H.Amin) at 1.5% on Rs.18746105/-= 281192/- but Limited in terms of Section 198 appointment NIL NIL
(2) Joint Managing Director(Shri A.S.Amin) at 1.25% Rs.18746105/-= 234326/- but Limited in terms of Section 198 appointment NIL NIL
NIL NIL

Managerial remuneration for the Managing Director and Joint Managing Director amounting Rs.3312092/- (Previous Year Rs.2931980/-) Includes estimated money value of benefit Rs.252000 /- (Previous Rs.221273/-) and commission Rs.NIL (Previous Year Rs. NIL)

11. INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 4C & 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (As Certified By The Managing Director)

A. TURNOVER :

	Current Year		Previous Year	
	Unit/Qty.	Value	Unit/Qty.	Value
		Rupees		Rupees
Industrial chains	85526 Mtrs.	254662623	69332 Mtrs.	216797519
Spares	48413 Nos.		44803 Nos.	
Sprocket Wheels	5381 Nos.	71236242	6444 Nos.	65632641
		<u>325898865</u>		<u>282430160</u>

B. RAW MATERIALS CONSUMED :

	Previous Year			
	Unit/Qty.	Value	Unit/Qty.	Value
	Tons	Rupees	Tons	Rupees
Flats	1222.690	54019136	1097.149	41690653
Strips	37.19	1905429	23.21	1150395
Pipes & Tubes (mtrs.)	13735	1565822	17279	2122535
Round Bars/Angles	932.109	50605775	887.852	42750463
Plates	310.038	14139543	445.120	17034263
Cast/Iron Steel	170.440	10546950	139.796	8687157
Bearings (nos.)	12089	2271964	14854	1724794
Other components		28774141		19197409
		<u>163828760</u>		<u>134357669</u>

C. STOCKS :

Opening : Industrial Chains	380 Mtr +890 Nos.	95220	380 Mtr +890 Nos.	86328
Sprocket Wheels	2 Nos.	2978	NIL	NIL
Closing : Industrial Chains	680 Mtr +890 Nos.	3663828	380 Mtr +890 Nos.	95220
Sprocket Wheels	NIL	NIL	2 Nos.	2978

D. CAPACITY AND PRODUCTION :

	Capacity			Previous Year		
	Capacity		Actual	Capacity		Actual
	Licensed	Installed	Production	Licensed	Installed	Production
	Industrial Chain-	500000 Mtr	500000 Mtr.	85826 Mtrs. 48413 Nos.	500000 Mtr.	500000 Mtr.
Sprocket Wheels-	30000 Nos.	30000 Nos.	5379 Nos.	30000 Nos.	30000 Nos.	4644 Nos.



E. Value of imports on CIF basis during the year in respect of :

	<u>Current Year</u>	<u>Previous Year</u>
	<u>Rupees</u>	<u>Rupees</u>
Raw Materials	8,717,256	4,121,452
Stores and Spares	NIL	NIL
Capital Goods	823,713	NIL

F. Expenditure in Foreign Currency on account of :

Travelling	\$ 4500	\$ 5500
	Euro 1300	Euro 1600
		£ 500

G. Value of Raw Materials Consumed :

	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Value</u>	<u>% of Total</u>	<u>Value</u>	<u>% of Total</u>
	<u>Rupees</u>	<u>Consumption</u>	<u>Rupees</u>	<u>Consumption</u>
Imported	8,717,256	5.32	4,121,452	3.07
Indigenous	155,111,504	94.68	130,236,217	96.93
	<u>163,828,760</u>	<u>100.00</u>	<u>134,357,669</u>	<u>100.00</u>

H. Value of stores & Spares Consumed :

Imported	NIL	NIL	NIL	NIL
Indigenous	19,486,496	100.00	14,638,643	100.00
	<u>19,486,496</u>	<u>100.00</u>	<u>14,638,643</u>	<u>100.00</u>

I. Remittance in foreign Currency on account of dividend to Non-Resident Shareholders.

	<u>Current Year</u>	<u>Previous Year</u>
No. of shareholders	Four	Four
No. of Shares held	212760	212760
	<u>Rupees</u>	<u>Rupees</u>
Net amount of dividend remitted	851040	851040

J. Earnings in Foreign Exchange Export of Goods on FOB basis :

	<u>Rupees</u>	<u>Rupees</u>
Industrial Chains	1954429	7928213
Sprocket Wheels	1386937	2026021
	<u>3341366</u>	<u>9954234</u>

12) Balance Sheet Abstract and Company's General Business Profile.

I Registration Details

Registration No.: **1439**
State Code No.: **4**
Balance Sheet Date **31-03-2011**

II Capital Raised During the year

Rs./Thousands

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III Position of Mobilisation and Development of fund

Total Liabilities	109960
Total Assets	109960

Source of Funds

Paid-up Capital	7560
Reserves & Surplus	101643
Secured Loans	NIL
Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	58554
Investments	14
Deferred Tax Assets	999
Net Current Assets	50393
Misc. Expenditure	NIL
Accumulated Losses	NIL

IV Performance of Company

Turnover (including Other Income)	338478
Total Expenditure	322554
Profit/Loss Before Tax	15924
Profit/Loss After Tax	10678
Earning per Share in Rs.	14.12
Dividend Rate %	30.00

V Generic Names of Three Principal Product/Services of the Company

Item Code No. (ITC Code)	Product Description
73151100	Industrial Chains
84839000	Sprockets

Chairperson : **Sushila S.Patel**
Managing Director : **S.H.Amin**
Jt.Managing Director : **A.S.Amin**
Directors : **Ashok Krishnadas**
: **Daksha S. Amin**
: **K.K.Seksaria**
: **A. D. Gandhi**

For, THACKERBUTALA DESAI

Chartered Accountants

M.T.Desai

Partner

(Membership No. 030911)

(FIRMREGI.NO. 110864W)

Place : Navsari

Date : 4th May-2011

Place :

Date :

Vallabh Vidyanagar

28th APRIL-2011

ROLCON ENGINEERING COMPANY LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	Amount Rupees <u>31.03.2011</u>	Amount Rupees <u>31.03.2010</u>
(A) CASHFLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	159.24	213.87
Adjustments For :		
Depreciation	115.33	99.73
Interest/Dividend Income	-35.21	-41.57
Loss / (Profit) of Sale of Investment	1.18	0.00
Unrealised Foreign Exchange (Gain) / Losses	0.34	5.17
Profit / Loss Disposal / Write Off of Fixed Assets (Net)	-5.48	-4.61
Interest Paid	3.53	2.66
Operating Profit before Working Capital Charges Adjustment For :		
Sundry Debtors	-66.63	-175.12
Inventories	-97.20	-7.66
Other Loans And Advances	15.74	-20.28
Sundry Creditors	86.97	106.82
Cash Generated From Operations		
Income Tax Paid / Provision	-61.54	-82.52
Net Cash From Operating Activities	<u>116.27</u>	<u>96.51</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets	-296.27	-110.16
Sale Of Fixed Assets	13.02	7.85
Purchase Of Investments	0.00	-30.00
Sale of Investments	50.00	0.00
Interest Received	33.45	41.03
Dividend Received	1.76	0.55
Net Cash Used In Investing Activities	<u>-198.04</u>	<u>-90.73</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Issue of Share Capital	0.00	0.00
Proceeds From Long Term Borrowings	7.57	0.00
Repayment of Long Term Borrowings	0.00	-36.18
Interest Paid	-3.53	-2.66
Dividend Paid	-30.24	-30.24
Tax On Dividend Paid	-5.02	-5.14
Net Cash Used In Financing Activities	<u>-31.22</u>	<u>-74.22</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	-112.99	-68.48
Cash and Cash Equivalents at beginning of the year	534.18	602.66
Cash and Cash Equivalents at the end of the year	421.19	534.18

As per our Report of even date attached

For, THACKERBUTALA DESAI

Chartered Accountants

M.T.Desai

Partner

(Membership No. 030911)

(FIRM REGI. NO. 110864W)

Place : Navsari

Date : 4th May-2011

Chairperson

Managing Director

Jt. Managing Director

Directors

: Sushila S. Patel

: S.H.Amin

: A.S.Amin

: Ashok Krishnadas

: Daksha S. Amin

: K.K.Seksaria

: A. D. Gandhi

Place :

Date :

Vallabh Vidyanagar

28th April - 2011

Proxy Form

ROLCON ENGINEERING COMPANY LIMITED

Registered Office : Anand-Sojitra Road, Vallabh Vidyanagar 388 120, Gujarat, India.

Folio No. _____ DP ID No. _____ Client ID No. _____

No. of Shares held _____

I/We _____

_____ of member/members of the above

named Company hereby appoint Mr./Mrs. _____

of _____ or _____ failing

him/her, Mr./Mrs. _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at 44th Annual Meeting of the Company to be held on Thursday, 28th day of July, 2011 at 3.00 p.m. or any adjournment thereof.

Address _____

Signature

affix
Rs.1
Revenue
Stamp

This form is to be used in favour of/against* the Resolution. Unless otherwise instructed, the proxy will act as he thinks fit.

*Please Strike out whichever is not desired.

Note : The proxy form duly signed across the revenue stamp of One Rupee should reach at the Company's Registered office at least 48 hour before the date of the meeting.

Proxy Form

