NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 one 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 18th May, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 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.

For all periods up to and including the year ended 31-March-2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31-March-2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 39 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis.

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 profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

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 remeasured 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))

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

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added tax. With regard to sale of product, income is reported when significant risks and rewards connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined. The Company provides normal warranty provisions for general repairs for 12-18 months on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold – see Note 15 for more information. 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 is 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 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 except for the assets mentioned below for which useful lives estimated by the management. The identified component of fixed assets are 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.

Plant and Machinery & Road has been depreciated on straight line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected not to measure certain items of property, plant and equipment at fair value as at 01-April-2017 and used their present book value as cost of the property, plant and equipment.

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	7 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. 01-April-2016.

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 the 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 inventory 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.

Plant and Machinery & Road has been depreciated on straight line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

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. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in 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 assets 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 P&L, 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 P&L

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 remeasurement 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(g).

Taxes

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

Allowance for uncollectible trade receivables

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

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 10.

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 10.

Notes forming part of Financial Statements

Note 1 SHARE CAPITAL

(Amt. in Rs.)

PARTICULARS	As at March 31			
	2018		2017	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	14,60,000	1,46,00,000	14,60,000	1,46,00,000
10% Redeemable Preference Share of Rs. 100/- each	4,000	4,00,000	4,000	4,00,000
	-	-	-	-
Total		**1,50,00,000**		**1,50,00,000**
Issued Subscribed & Paid up				
Equity Share of Rs. 10/- each fully Paid - Up	7,56,000	75,60,000	7,56,000	75,60,000
Subscribed but not fully Paid up	N.A.	N.A.	N.A.	N.A.
Total	**7,56,000**	**75,60,000**	**7,56,000**	**75,60,000**

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 2018		As at March 31 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares :				
DAKSHABEN S AMIN	1,36,245	18.02	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	64,953	8.59	64,453	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	81,350	10.76	81,350	10.76

PARTICULARS	Aggregate No. of Shares As at March 31,				
	2018	2017	2016	2015	2014
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
Preference Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Unpaid Calls	Amount
By Directors	-
By Officers	-

Rights, preferences and restrictions attached to shares:

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

Note 2 OTHER EQUITY (Amt. in Rs.)

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
a. Capital Redemption Reserve		
Opening Balance	4,00,000	4,00,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	**4,00,000**	**4,00,000**
b. General Reserves		
Opening Balance	5,83,16,806	5,83,16,806
(+) Current Year Transfer	2,00,000	-
(-) Written Back in Current Year	-	-
Closing Balance	**5,85,16,806**	**5,83,16,806**
c. Surplus		
Opening balance	3,54,78,290	5,25,14,363
(+) Net Profit/(Net Loss) For the Current Year	19,72,671	(1,70,36,072)
(-) Proposed Dividend	3,78,000	-
(-) Tax on Dividend	77,700	-
(-) Transfer to Reserves	2,00,000	-
(-) Other Adjustment During Year due to Provision of Gratuity & Leave Enchasment	1,12,73,266	-
Closing Balance	**2,55,21,996**	**3,54,78,290**
Total	**8,44,38,802**	**9,41,95,096**

NOTE 3 LONG TAEM BORROWINGS

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Secured		
Car loans from SBI Bank	2,36,233	2,36,233
Car loans from HDFC Bank	19,16,115	
Machinary loans from VVCC Bank	10,00,000	
Terms of Repayment:		
Repayable in Fixed Monthly Installment, Interest & Charges payable as an when applied.		
Secured by:		
Hypothecation of respective vehicles		
Total	**31,52,348**	**2,36,233**

Note 4 OTHER NON-CURRENT LIABILITIES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Deposits	-	-
Total	-	-

Note 5 NON CURRENT PROVISIONS

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
(a) Provision for employee benefits	-	-
(b) Other Provisions of Long Term Nature	-	-
Total	-	-

NOTE 6 SHORT TEAM BORROWINGS

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Secured		
Over Draft / Cash Credit from Banks		
(I) Overdraft from Indian Bank	18,06,395	46,86,422
(Against Lien of Fixed Deposits)		
Total	**18,06,395**	**46,86,422**

NOTE 7 TRADE AND OTHER PAYABLES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
(a) Trade Payables for Goods		
Due to SME	-	-
Due to Others	7,42,46,948	7,90,68,683
Due to Subsidiary	-	-
(b) Advance From Customers		
Due to SME	-	-
Due to Others	64,68,752	52,55,359
Due to Subsidiary	-	-
(c) Trade Payables for Expenses		
Due to SME	-	-
Due to Others	18,79,130	4,06,713
Due to Subsidiary	-	-
Total	**8,25,94,830**	**8,47,30,755**

Note 8 OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Secured		
Current Maturity of Long Term Borrowings	1,74,110	69,840
Unsecured		
Other Payables	3,45,51,805	2,44,44,883
Total	**3,47,25,915**	**2,45,14,723**

Note 9 CURRENT PROVISIONS

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
(a) Provision for employee benefits		
Bonus	10,80,000	10,80,000
(b) Dividend Payable		
Proposed Dividend	3,78,000	-
Dividend Distribution Tax	77,700	-
Total	**15,35,700**	**10,80,000**

Note 10 FIXED ASSETS

(Amt. in Rs.)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2017	Additions	Disppsals/ 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 2018	Balance as at 31 March 2017
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
a	**Tangible Assets**										
	Land										
	LAND (FREE HOLD WIND MILL)	4,93,702	-	-	4,93,702	-		-	-	4,93,702	4,93,702
	LAND (FREE HOLD)	19,579	-	-	19,579	-		-	-	19,579	19,579
	Buildings										
	OFFICE BUILDING	38,58,351	1,44,708	-	40,03,059	20,19,940	92,446	-	21.12.386	18,90,673	18,38,411
	FACTORY BUILDINGS	4,96,59,731	1,71,749	-	4,98,31,480	2,11,59,418	27,08,366	-	2,38,67,784	2,59,63,696	2,85,00,313
	Plant and Equipments										
	PLANT & MACHINERIES	13,74,91,151	42,07,184	-	14,16,95,335	12,43,93,224	40,20,549	-	12,84,13,773	1,32,84,562	1,30,97,927
	FLAMELESS FURNACE	53,04,300	-	-	53,04,300	48,59,128	1,61,152	-	50,20,280	2,84,020	6,97,761
	TURBINE AIR VENTILATORS	11,40,074	-	-	11,40,074	11,14,713	9,181	-	11,23,894	16,180	25,361
	WIND ELECTRIC GENERATORS	99,03,789	-	-	99,03,789	95,95,519	77,722	-	96,76,241	2,27,548	3,05,270
	GAS CYLINDERS	-	-	-	-	-		-	-	-	-
	Computer										
	COMPUTER SYSTEMS	29,34,217	96,428	-	30,30,645	28,41,462	78,192	-	29,19,654	1,10,991	92,755
	Furniture & Fixtures										
	FURNITURE & FIXTURES	50,56,723	2,99,220	-	53,55,943	40,55,685	2,85,335	-	43,41,020	10,04,923	10,01,038
	ELE. FITTINGS & FIXTURES	23,59,814	-	-	23,59,814	21,73,476	48,243	-	22,21,719	1,38,095	1,86,338
	ELECTRICAL INSTALLATIONS	30,62,412	-	-	30,62,412	27,00,335	93,742	-	27,94,077	2,68,335	3,62,077
	Vehicles										
	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	98,87,525	28,41,659	8,37,017
	Office Equipment										
	OFFICE EQUIPMENTS	40,18,980	1,14,499	-	41,33,479	38,74,994	88,174	-	39,63,168	1,70,311	1,43,986
	AIR CONDITIONERS	25,41,321	50,750	-	25,92,071	22,44,453	1,52,723	-	23,97,176	1,94,895	2,96,868
	Total	**23,90,18,477**	**82,02,062**	**15,62,673**	**24,56,57,866**	**19,13,72,664**	**88,17,594**	**14,51,561**	**19,87,38,697**	**4,69,19,169**	**4,76,45,813**
b	**Intangible Assets**	-	-	-	-	-	-	-	-	-	-
c	**Capital Work In Progress**	-	-	-	-	-	-	-	-	-	-
d	**Intangible assets under Development**	-	-	-	-	-	-	-	-	-	-
	Total	**23,90,18,477**	**82,02,062**	**15,62,673**	**24,56,57,866**	**19,13,72,664**	**88,17,594**	**14,51,561**	**19,87,38,697**	**4,69,19,169**	**4,76,45,813**
	Previous Year	**23,46,93,854**	**47,37,283**	**4,12,660**	**23,90,18,477**	**18,29,14,265**	**88,62,365**	**4,03,965**	**19,13,72,664**	**4,76,45,813**	**5,17,79,591**

Note 11 INVESTMENTS

(Amt. in Rs.)

	PARTICULARS	As at March 31	
		2018	2017
		Amount	Amount
A	**Trade Investments**	-	-
	Total (A)	-	-
B	**Other Investments**		
	Investment in Equity Instruments	7,600	7,500
	Investment in Mutual Funds	23,98,790	
	Total (B)	24,06,390	7,500
	Total (A + B)	24,06,390	7,500

PARTICULARS	As at March 31	
	2018	2017
	Amount	Amount
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	7,600	7,500
Aggregate market value of quoted investments	23,98,790	-

A. Details of Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No'- Basis of Valuation
			2018	2017			2018	2017	2018	2017		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	**Investement in Equity Instruments**											
	The Charotar Gas Sahkari Mandali Ltd	Other	15	15	Unquoted	Fully Paid	-	-	7,500	7,500	Yes	-
	The V.V.C.C. Bank	Other	1	-	Unquoted	Fully Paid	-	-	100.00	0	Yes	
(b)	**Investments in Government or Trust**	-	-	-	-	-	-	-	-	-	-	-
(c)	**Investments in Mutual Funds**	-	-	-	-	-	-	-	-	-	-	-
	Total								7800	7500		

Note 12 DEFERRED TAX ASSET (NET) (Amt. in Rs.)

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Deferred Tax Assets	73,40,750	40,39,626
Less: Deferred Tax Liabilities	-	-
Total	**73,40,750**	**40,39,626**

Note 13 OTHER NON CURRENT ASSETS

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Unsecured, considered good :		
Deposits	15,54,303	15,54,303
Advance for Capital Expenditure	-	-
Total	**15,54,303**	**15,54,303**

Note 14 INVENTORIES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Stock in Hand		
a) Raw Materials	1,73,12,784	1,46,23,510
b) Semi-Finished Goods	78,66,000	56,27,215
c) Finished Goods	1,62,76,000	1,95,10,000
Total	**4,14,54,784**	**3,97,60,725**

Note 15 TRADE RECEIVABLES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Unsecured, considered good :		
Trade receivables outstanding for a period less than six months from the date they are due for payment	5,94,47,050	7,31,68,930
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	96,46,918	97,11,244
Total	**6,90,93,969**	**8,28,80,174**

Trade Receivable stated above include debts due by:

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
Total	**-**	**-**

Note 16 CASH AND BANK BALANCES (Amt. in Rs.)

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
I. Cash & Cash Equivalents		
a. Balances with banks	67,95,844	21,95,474
This includes:		
Unpaid Dividend A/c (C.Y. Rs.5822.10/-, P.Y. Rs.28741.10/-)	-	-
Margin Money (C.Y. Rs. Nil , P.Y. Rs.Nil)	-	-
Security against Borrowings (C.Y. Rs. Nil , P.Y. Rs. Nil/-)	-	-
Security against Guarantees (C.Y. Rs. Nil , P.Y. Rs.Nil)	-	-
Security against Other Commitments (C.Y. Rs. Nil , P.Y. Rs.Nil)	-	-
Bank deposits with less than 3 months maturity (C.Y Rs.Nil ,P.Y Rs. Nil)	-	-
b. Cheques, drafts on hand		
c. Cash on hand	23,323	51,233
d. Others (specify nature)		
II. Other Balances		
Fixed Deposit (Inclunding maturity below and after 12 months)	3,59,38,194	3,44,62,629
This includes: (Given under Security for the Borrowing)		
Security against Borrowings		
(C.Y. Rs.8250000 /- , P.Y. Rs.8229425/-)		
Total	**4,27,57,360**	**3,67,09,336**

Note 17 LOANS & ADVANCES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Unsecured, considered good :		
a. Advance Recoverable in Cash or Kind	-	-
b. Loans & Advances to Staff	12,500	49,500
c. Inter Corporate Deposit	-	-
d. Advance to Suppliers - Others	4,28,491	3,33,000
e. Advance Payment of Income Tax (Net of Provisions)	25,35,154	16,60,269
Total	**29,76,145**	**20,42,769**

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

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
Total	**-**	**-**

*Either severally or jointly

Note 18 OTHER CURRENT ASSETS

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Unsecured, considered good :		
a) Interest Receivable	8,04,434	12,92,940
b) Cenvat Receivable (For Capital Goods)	-	2,48,983
c) Cenvat Receivable (For Others)	85,908	3,06,946
d) Service Tax Receivable	3,33,779	4,46,499
e) VAT / CST Receivable	13,378	67,615
f) Tax On Advance GST	73,623	-
Total	**13,11,122**	**31,12,624**

Notes forming part of Statement of Profit & Loss

Note 19 REVENUE FROM OPERATION

(Amt. in Rs.)

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
(a) Sales :		
Chains	25,27,88,917	23,33,19,184
Sprockets	5,03,44,003	4,49,23,808
Exports	2,55,83,168	1,06,27,168
Job Work Income	-	-
Scrap Sales	84,83,694	74,06,855
Total	**33,71,99,782**	**29,62,77,015**

Note 20 OTHER INCOME

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Interest Income	26,57,081	31,13,259
Rent Income	1,58,775	2,88,015
Dividend Income	1,125	1,125
Net Gain/Loss on Sale of Asset	3,93,788	3,85,150
Foreign Exchange Variation	-	-
Income from Wind Electric Generators	9,29,119	15,65,504
Total	**41,39,888**	**53,53,053**

Note 21 COST OF MATERIAL CONSUMED

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Opening Stock	1,46,23,510	1,23,10,319
Add : Purchases during the Year	15,72,65,416	13,97,21,742
SUB TOTAL	17,18,88,926	15,20,32,061
Less : Closing Stock	1,73,12,784	1,46,23,510
Total	**15,45,76,142**	**13,74,08,551**

Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

PARTICULARS		As at March 31	
		2018 Amount	2017 Amount
Opening Stock:	Semi -Finished Goods	56,27,215	68,08,000
	Finished Goods	1,95,10,000	1,00,12,000
		2,51,37,215	1,68,20,000
Closing Stock :	Semi -Finished Goods	78,66,000	56,27,215
	Finished Goods	1,62,76,000	1,95,10,000
		2,41,42,000	2,51,37,215
(Increase)/Decrease in Stock		**9,95,215**	**(83,17,215)**

Note 23 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Managerial Remuneration	34,26,500	32,34,000
Salaries & Wages	5,01,83,323	4,26,18,472
Contribution to Provident Fund	32,45,455	34,94,502
Staff Welfare Expenses	9,14,700	8,89,472
Exgratia / Bonus / Contribution to Superannuation Fund	17,71,675	19,26,290
Gratuity	45,69,101	34,07,000
Total	**6,41,10,754**	**5,55,69,736**

Note 24 FINANCE COST

PARTICULARS		As at March 31	
		2018 Amount	2017 Amount
Interest :	Fixed Period Loan	1,74,110	33,045
:	Others	89,518	66,752
Bank Charges		3,40,728	1,798
Total		**6,04,357**	**1,01,595**

Note 25 OTHER EXPENSES

PARTICULARS	As at March 31	
	2018 Amount	2017 Amount
Power & Fuel	2,22,93,456	1,84,35,769
Store, Tools, Oil & Packing Material Consumed	2,27,03,425	1,87,98,845
Machining Charges	1,87,23,782	1,95,54,388
Clearing & Forwarding Expenses	7,13,201	9,09,828
Freight Inwards	26,34,307	30,86,899
Total (A)	**6,70,68,171**	**6,07,85,729**
Rent	10,57,680	10,57,680
Rates & Taxes	2,80,620	2,21,921
Stationery, Printing, Postage,etc.	22,27,301	20,14,376
Insurance Premium (Net)	6,65,838	6,90,238
Works & Office Expense	10,55,092	7,91,026
Advertisement	1,08,342	93,508
Forwarding & Transport Charges	53,25,597	60,18,237
Commission to Distributors/Agents	70,57,355	49,72,788
Professional,Consultation & Legal Fees	29,65,368	27,47,412
Travelling & Conveyance	62,18,224	55,30,565
Computer Expenses	7,20,803	2,84,979
Repairs & Maintenance		
: Machineries	19,24,928	18,80,660
: Buildings	13,57,083	14,41,180
: Others	10,04,972	13,18,766
Payment to Auditors	1,59,000	1,46,400
Donation	45,000	21,000
Subscription & Memebership Fees	2,80,404	2,98,821
Garden Expenses A/c	1,52,641	70,333
Liquidated Damages	5,45,586	3,02,046
Bab Debts Written off	1,632	9,12,955
Director Sitting Fees	1,90,000	1,80,000
Foreign Exchange Variation (Loss)	9,629	1,60,876
Service Tax Exp	21,386	6,99,042
Sales Tax / Central Excise	2,66,999	1,06,736
Bank Charges - Others	2,28,634	6,61,069
Interest Expense - Others	82,937	1,92,044
Tender Fees	1,494	25,825
Festival Expense	71,593	67,979
Security Service	4,82,150	5,92,825
Short Term Capital loss	10,367	-
Totel (B)	**3,45,18,654**	**3,35,01,287**
TOTAL (A+B)	**10,15,86,825**	**9,42,87,016**

NOTE: 26 ACCOUNTING POLICIES

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

a) Basis of Accounts:

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

b) Fixed Assets:

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

c) Depreciation & Amortisation:

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

d) Inventories:

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

Raw Material and Stores	:-	Weighted Average Cost
Stock in Process	:-	Raw Materials at Weighted Average Cost & absorption of Labour and Overheads
Finished Goods	:-	Raw Materials at Weighted Average Cost & absorption of Labour and Overheads

e) Accounting of Cenvat Credit:

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

f) Foreign Currency Transactions:

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

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

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

g) Retirement Benefits:

1.The Gratuity liability is determined based on the Actuarial Valuation done by Actuary as at balance sheet date in context of the Revised IND AS-19 issued by the ICAI, as follows:

PARTICULARS	Gratuity Funded Rs. in Lakhs
Expense to be recognized in the Statement of Profit & Loss for the year ended March 31, 2018	
Current Service Cost	7.21
Interest Cost	14.14
Employer Contribution	–
Expected return on Plan Assets	-0.12
Net Actuarial (Gains) / Losses	-6.39
Past Service Cost	—
Settlement Cost	—
Total Expense	14.83
Net Asset / (Liability) to be recognized in the Balance Sheet at March 31, 2018	
Present value of Defined Benefit Obligation as at March 31, 2018	141.11
Fair value of plan assets as at March 31, 2018	1.57
Funded status { Surplus / (Deficit) }	-139.55
Net asset / (liability) as at March 31, 2018	139.55
Change in Obligation during the Year ended March 31, 2018	
Present value of Defined Benefit Obligation at beginning of the year	176.75
Current Service Cost	7.21
Interest Cost	14.14
Past Service Cost	—
Employer Contributions	—
Actuarial (Gains) / Losses	-6.49
Benefits Payments	-50.49
Present value of Defined Benefits Obligation at the end of the year	141.11
Change in Assets during the year ended March 31, 2018	
Plan assets at the beginning of the year	1.53
Assets acquired in amalgamation in previous year	—
Settlements	—
Expected return on plan assets	0.12
Contributions by Employer	50.50
Actual benefits paid	-50.49
Actuarial (Gains) / Losses	-0.09
Plan Assets at the end of the year	1.57

Actuarial Assumptions:

Discount Rate:	8.00 %
Expected Rate of Return on Plan Asset:	8.00 %
Mortality Rates:	IALM (2006-08) Ultimate Published Table of Rates
Withdrawals Rates:	2% p.a.
Retirement Age:	58 years
Rate of Escalation in Salary (p.a.):	6.00 %
Liability of Defined Benefit Obligation as at 31-03-2018	1,41,11,449/-
Profit & Loss Charge for the year ended 31-03-2018	45,69,101/-

The re-measurement gain/loss arising primarily due to change in actuarial assumption have been recognized in statement of profit and loss a/c under Ind-AS and any difference which has increase liability from previous year due to changes in assumption has been adjusted to opening balance of "Reserves and Surplus" as opening balance adjustment of Ind-AS.

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.32,45,455/- (P.Y. Rs. 34,94,502/-) paid / payable for the year to Provident Fund is charged to the Statement of Profit And Loss.
4. Liability in respect of Leave Encashment is provided on actual basis. The re-measurement gain/loss arising primarily due to change in actuarial assumption have been recognized in statement of profit and loss a/c under Ind-AS and any difference which has increase liability from previous year due to changes in assumption has been adjusted to opening balance of "Reserves and Surplus" as opening balance adjustment of Ind-AS.

h) Investments:

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

i) Revenue Recognition:

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

j) Contingent Liabilities:

There is no any contingent liability.

Note 27 Payment to Auditors (paid/payable)

	31.03.2018 Rs.	31.03.2017 Rs.
As Audit Fees	84600	72000
For Tax Audit Fees	30000	30000
In other capacity	44400	44400
Re-imbursement of Expenses	-	-
TOTAL	**159000**	**146400**

Payment to Auditors Rs.1,59,000/- is excluding GST of Rs. 28,620/- (Previous Year Rs. 21,960/-)

Note 28 Transactions with Related Parties – IND AS 24

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

Sr No	Name	Nature of Relationship	Nature of Transaction	Transaction During The Year
1.	Sudeep-Rub-Chem Pvt. Ltd.	Directors are members in the company	Purchase	2,625
2.	Mr. S.H.Amin	Chairman & Whole Time Director	Remuneration	15,84,000
3.	Mr. A.S.Amin	Managing Director	Remuneration	18,42,500
4.	Mrs. A.A.Amin	Managing Director's Wife	Remuneration	2,89,770
5.	APS Diverter valve pvt. Ltd.	Directors are members in the company	Rent and Electricity expense	1,29,229

Note 29 Segment information

Segment information for the year ended 31st March 2018.

(Rs. in Lakhs)

Sr. No.	Particulars	Rs. (2017-18)	Rs. (2016-17)
1.	Segment Revenue		
	(A) Industrial Chain	2762.87	2230.05
	(B) Sprocket Wheel	528.45	424.75
	Total	**3291.32**	**2654.80**
	Less : Inter Segment Revenue	-----	-----
	Net Sales / Income from Operations	**3291.32**	**2654.80**
2.	Segment result (Profit & (Loss) before tax and Finance Costs)		
	(A) Industrial Chain	17.59	(94.65)
	(B) Sprocket Wheel	14.26	(75.12)
	Total	**31.85**	**(169.77)**
	LESS		
	(A) Finance Costs	(6.04)	(1.02)
	(B)Other un-allocable expenditure net off un-allocable income	-----	-----
	TOTAL PROFIT / (LOSS) BEFORE TAX	**25.81**	**(170.79)**
3.	Capital Employed		
	(Segment Assets - segment Liabilities)		
	(A) Industrial Chain	907.99	1005.55
	(B) Sprocket Wheel	12.00	12.00
	(C) Un-allocable Corporate Assets less Liabilities	-----	------
	Total Capital Employed in Company	**919.99**	**1017.55**

Note 30 Earning per Share:

	Current Year Rs.	Previous Year Rs.
Basic Earning Per Share	2.61	(22.53)
Diluted Earning Per Share	2.61	(22.53)
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 Rs.	Previous Year Rs.
Profit/ (Loss) after Taxation (in Rs.)	19,72,672	(1,70,36,072)
Weighted average No. of share during year	7,56,000	7,56,000

Note 31 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

Note 32. Other Informations

A. TURNOVER :

	Current Year		Previous Year	
	Unit/Qty.	Value Rupees	Unit/Qty.	Value Rupees
Industrial chains & Spares	48796.61 Mtrs.&94065 Nos.	27,07,37,420	37304.85 Mtrs.&130424 Nos.	21,76,31,795
Sprocket Wheels	3523 Nos.	4,99,11,017	3523 Nos.	4,04,41,250
Total		32,06,48,437	Total	25,80,73,045

B. Raw Materials Purchased :

	Unit/Qty.	Value Rupees	Unit/Qty.	Value Rupees
Flats	972.584	4,74,85,072	963.392	5,27,63,244
Round Bars	741.781	4,48,98,679	587.307	3,16,11,593
Plates	323.768	1,89,11,066	325.140	1,47,42,950
Other components	-	3,63,54,667	-	2,98,46,756
Others	-	96,15,932	-	1,07,57,199
Total		15,72,65,417	Total	13,97,21,742

C. Raw Materials Consumed :

	Unit/Qty.	Value Rupees	Unit/Qty.	Value Rupees
Flats	940.810	4,50,42,160	914.694	4,98,65,316
Round Bars	740.360	4,47,26,263	606.345	3,26,92,678
Plates	321.285	1,86,65,066	327.005	1,46,96,642
Other components	-	3,63,40,359	-	2,92,74,526
Others	-	98,02,294	-	1,08,79,389
Total		15,45,76,142	Total	13,74,08,551

D. Stocks :

Opening : Industrial Chains	1658.92 Mtr + 7 Nos.	1,28,53,000	690.5 Mtr + 1 Lot	82,75,000
Sprocket Wheels	42 Nos + 15 set	66,57,000	96 Nos	17,37,000
Closing : Industrial Chains	1296.92 Mtr +5800 Nos.	1,28,53,000	1658.92 Mtr +7 Nos.	1,28,53,000
Sprocket Wheels	295Nos + 1 Lot	3423,000	42Nos + 15 set	6657000

NOTE 33. Value of Imports on CIF basis during the year in respect of :

	Current Year Rupees	Previous Year Rupees
Raw Materials	86,15,269	85,54,803
Stores and Spares	NIL	NIL
Capital Goods	NIL	NIL

NOTE 34. Expenditure in Foreign Currency on account of :

	Current Year Rupees	Previous Year Rupees
Travelling	3,62,642	1,17,355

NOTE 35. Value of Raw Materials Consumed :

	Current Year		Previous Year	
	Value Rupees	% of Total Consumption	Value Rupees	% of Total Consumption
Imported	68,15,269	4.41	85,54,803	6.23
Indigenous	14,77,60,873	95.59	12,88,53,748	93.77
Total	15,45,76,142	100.00	13,74,08,551	100.00

NOTE 36. Value of Stores & Spares Consumed :

Imported	NIL	0.00	NIL	0.00
Indigenous	2,27,03,425	100.00	1,87,98,845	100.00
Total	2,27,03,425	100.00	1,87,98,845	100.00

NOTE 37. Remittance in Foreign Currency on account of dividend to Non-Resident Share-holders:

	Current Year	Previous Year
Dividend of Financial Year	2016-17	2015-16
No. of shareholders	Four	Four
No. of Shares held	2,12,760	2,12,760
	Rupees	Rupees
Net amount of Dividend Remitted	NIL	NIL

NOTE 38. Earnings in Foreign Exchange - Export of Goods on FOB basis :

	Rupees	Rupees
Industrial Chains	1,79,04,012	1,00,52,230
Sprocket Wheels	4,47,820	4,60,660
Total	1,83,51,832	1,05,12,890

Note 39 : First- time adoption of Ind AS

These financial statements, for the year ended 31-March-2018 are the first annual Ind AS financial statements, the Company has prepared in accordance with the Ind AS. For periods up to and including the year ended 31-March-2017, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on 31-March-2018, together with the comparative period data as at and for the year ended 31-March-2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company opening Balance Sheet was prepared as at 01-April-2016, the Company date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 01-April-2016 and the previously published Indian GAAP financial statements as at and for the year ended 31-March-2017.

Exemptions Applied

Ind AS 101 “First-time Adoption of Indian Accounting Standards” allows first-time

adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions

1. Deemed Cost

Ind AS 101 permits a a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2017 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the year ended 31-March-2017 and equity as at 01-April 2016 (Opening Balance Sheet). The following tables represent the reconciliations from previous GAAP to Ind AS:

Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity as at 31-March-2017 & 01-April-2016

(In Rupees)

As at	Notes	31 March 2017	01 April 2016
Equity under previous GAAP		**10,17,55,096**	**10,17,55,096**
Impact of fair valuation of Property, plant and equipment	i	-	-
Impact of fair valuation of Financial Instruments	ii	-	-
Proposed dividend reversed including tax on dividend	iii	-	-
Tax impact on Ind AS adjustments	v	-	-
Equity as per Ind AS		**10,17,55,096**	**10,17,55,096**

2. **Reconciliation of total comprehensive income reconciliation for the year ended 31-March-2017**

(In Rupees)

As at	Notes	2016-17
Profit after tax as per previous GAAP		**(17036073)**
Impact of fair valuation of Property, plant and equipments	I	-
Other Adjustments	ii	-
Tax impacts on Ind AS adjustments	v	-
Profit after tax as per Ind AS		**(17036073)**
Other comprehensive income (net of tax)		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	iv	-
Total Comprehensive Income under Ind AS, net of tax		**(17036073)**

Notes to the reconciliation of equity as at 01-April-2017 and 31-March-2017 and total comprehensive income for the year ended 31-March-2017.

I. Fair Valuation of Property, plant and equipment

The Company has not elected to measure certain items of Property, Plant and Equipment (PPE) at fair value at the date of transition to Ind AS and decided to use the present book value as cost on the date of transition.

ii. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any and current investment were measured at cost and fair value whichever is lower. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

iii. Proposed Dividend and tax thereon

Under Previous GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a dividend distribution is recognised as a liability in the period in which it is declared by the company (on approval of Shareholders in a general meeting) or paid. Therefore, the liability recorded under previous GAAP has been derecognised.

iv.Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

v. Retained Earnings

Retained earnings as at 01-April-2016 has been adjusted consequent to the above Ind AS transition adjustments.

vi. Classification & Presentation

a. Investment Property

Under the previous GAAP, Building given on lease has been shown as Investment property and disclosed under the head Investments. Under Ind AS, Building given on lease are disclosed separately as Investment property on the face of the Balance sheet.

b. Excise Duty

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense. Thus sale of goods under Ind AS has increased by ` 307.97 lakhs with a corresponding increase in other expense.

vii. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss and difference in the definition of cash and cash equivalents under these two GAAPs like bank overdraft.

Note 40: Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

In March 2017, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017, notifying amendments to Ind AS 7,

Statement of Cash Flows' and Ind AS 102, 'Share-based Payments'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based Payment', respectively. The amendments are applicable to the Group from 01-April-2017.
Amendment to Ind AS 7

The amendment to Ind AS 7 required the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group has evaluated the disclosure requirements of the amendment and the effect on the financial statements is not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for the measurement of cash settled awards, modification of cash settled awards and awards that includes a net settlement features in respect of withholding taxes. As the Group does not have such nature of transaction, this amendment does not have any effect on the financial statements of the Group.

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

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

Note 43 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 43

As per our report of even date attached herewith

For P. D. PARIKH & CO
Chartered Accountants
Firm Reg. No 114136W

P. D. PARIKH
Propritor
Membership No. 013247

Place: Vallabh Vidyanagar
Date: May 18, 2018

For ROLCON ENGINEERING COMPANY LIMITED

Chairman	**: S. H. Amin**
Managing Director	**: A. S. Amin**
Directors	**: K. M. Patel**
	: K. K. Seksaria
	: D. S. Amin
	: M. H. Joshi
CFO	**: N. U. Patel**
COMPANY SECRETARY	**: D. A. Chauhan**

Place: Vithal Udyognagar
Date: May 18, 2018