

2017-2018

Sixteenth

Annual Report

Of

**ROLEX RINGS PRIVATE LIMITED**





## ROLEX RINGS PRIVATE LIMITED

[CIN: U28910GJ2003PTC041991]

**Regd. Office:** - BEHIND GLOWTECH PRIVATE LIMITED, GONDAL ROAD, KOTHARIA, RAJKOT  
Phone: (281 )2360406/ 6699577 Fax (0281) 91 281 2362376  
Email: [compliance@rolexrings.com](mailto:compliance@rolexrings.com) website. [www.rolexrings.com](http://www.rolexrings.com)

### NOTICE

NOTICE is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of the Company will be held on **Saturday, 29<sup>th</sup> September, 2018** at 11:00 a.m. at the Registered Office of the Company situated at **B/h. Glowtech Private Limited, Gondal Road, Kotharia, Rajkot - 360004, Gujarat** to transact the following business:

❖ **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To ratify the remuneration of Cost Auditors for the Financial Year ending March 31, 2019 and in this regard, pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this Meeting, to be paid to the Cost Auditors appointed by the Board of Directors of the company, to conduct audit of cost records of the company for the financial year ending March 31, 2019, be and is hereby ratified."

Date: 24/09/2018

Place: Rajkot

By Order of the Board of Directors,

For, Rolex Rings Private Limited

(Manesh D. Madeka)

Chairman & Managing Director [DIN: 01629788]



## ROLEX RINGS PRIVATE LIMITED

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### NOTES:

- A. Members please note that this Notice is a shorter notice in terms of Section 101 of the Companies Act, 2013, read with Article of the Articles of Association of the Company and also in line with Notification dated 09th February, 2018 issued by the Ministry of Corporate Affairs. The Company has obtained consent of all Shareholders of the Company, holding 100% shares, having 100% voting powers, for calling the AGM at a shorter Notice.
- B. A Member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
- C. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Sundays, up to and including the date of the Annual General Meeting of the Company.
- D. Members are advised to refer to the information provided in the Annual Report.



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E. At the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2017, the members approved appointment of S R B C & CO LLP, Chartered Accountants, (ICAI registration No.324982E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by members at every Annual General Meeting if so required by the Companies Act 2013. Vide notification dated May 7, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the this forthcoming Annual General Meeting.

Date: 24/09/2018

Place: Rajkot

By Order of the Board of Directors,  
For, Rolex Rings Private Limited



(Manesh D. Madeka)  
Chairman & Managing Director [DIN: 01629788]



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### REPORT OF THE BOARD OF DIRECTORS

To,  
The Members,  
Rolex Rings Private Limited,

Your Directors are pleased to present their 16<sup>th</sup> Annual Report for the financial year ended on 31<sup>st</sup> March, 2018.

#### FINANCIAL RESULTS:

Your Company's performance for the year ended on 31<sup>st</sup> March, 2018, is summarized as under:

(Amt. Rupees in million)

SR. NO.	PARTICULARS	2017-18	2016-17
1.	Revenue from Operation	7843.11	7480.32
2.	Less: Excise Duty	141.58	535.29
3.	Revenue from Operations (Net)	7701.53	6945.03
4.	Other Income	72.32	87.44
5.	<b>Total Revenue (1-2+3)</b>	<b>7773.85</b>	<b>7032.47</b>
6.	Cost of Materials consumed	3716.32	3209.63
7.	Employees Benefits Expense	545.13	443.41
8.	Depreciation & Amortization Exp.	233.78	231.42
9.	Other Expenses	1902.72	1758.56
10.	<b>Profit/(Loss) Before Tax</b>	<b>947.94</b>	<b>839.15</b>
11.	Current Tax	203.74	74.05
12.	Deferred Tax	--	--
13.	<b>Profit/(Loss) After Tax (PAT)</b>	<b>735.96</b>	<b>765.10</b>



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### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the year under report, total revenue (net of excise duty) from operations of business increased to INR 7701.53 millions as compared to INR 6945.03 millions of previous fiscal 2016-17 at an approximate growth of 10.89%. Further, net profit after tax of the company has decreased from INR 765.10 millions to INR 735.96 millions.. The Company had paid Current Tax for the fiscal 2017-18 amounting to INR 203.74 millions as compared to previous fiscal of INR 74.05 millions. The management also puts emphasize on decrease in Cost of Raw materials consumed as turnover of the company has also increased during the reporting year. However, profitability of the company is not affected as there is reduction in finance cost and increase in Export incentive. The Company is exploring to new customers to increase revenue base.

### DECLARATION OF DIVIDEND & TRANSFER OF AMOUNT TO RESERVES:

With a view to plough back profits and in order to conserve resources for operational purposes, your Directors do not recommend any dividend.

Further, no amount has been transferred to general reserves in the Financial Year 2017-18.

### CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the Company during the year under Company.

### SHARE CAPITAL:

During the year under report, the company has increased Authorised Share Capital FROM Rs. 41,00,00,000/- (Rupees Forty One Crores only) TO Rs. 51,00,00,000/- (Rupees Fifty One Crores only) by passing Ordinary Resolution in an Extra-ordinary General Meeting held on 20<sup>th</sup> February, 2018.

The paid up Equity Share Capital as on March 31, 2018 was Rs. 37,58,69,530/- of Rs. 10/- each divided into 2,39,81,090 equity shares of Rs. 10/- each and 1,36,05,863 Non-Convertible Redeemable Preference shares of Rs. 10/- each. During the year under review, the Company has not issued any share or any convertible instrument.



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### EXTRACT OF ANNUAL RETURN:

In terms of Section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return, in format MGT -9 [as specified in Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014], for the Financial Year 2017-18 has been attached to this report.

### BOARD MEETINGS:

During the year under report, Meetings of the Board of Directors of the Company were held on 12/05/2017, 18/08/2017, 25/09/2017, 14/10/2017 and 19/01/2018 and following Directors were granted leave of absence during the meetings mentioned herein below:

Sr. No.	Date of Board Meeting in which absent	Name of Director
1	18 <sup>th</sup> August, 2017	Mr. Bhautik Madeka Mr. Mihir R Madeka
2	14 <sup>th</sup> October, 2017	Mr. Bhautik Madeka Mr. Mihir R Madeka
3	19 <sup>th</sup> January, 2018	Mr. Vivek Sett

### AUDIT COMMITTEE:

Though not required under the law, but as a matter of good corporate practice, the Board has formed an Audit Committee to review all financial functions of the Company. The Committee consists of Mr. Manesh Madeka, Chairman & Managing Director, CA (Mr.) Vivek Sett & Mr. Mihir Madeka, Whole-time Director, as a Member of the Audit Committee. Main functions of the Audit Committee are as under:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information
- 2) Review of Company's financial and risk management policies,
- 3) Review of accounting and financial policies and practices,
- 4) Review of internal control and internal audit systems,
- 5) Discussion with Internal Auditor and Statutory Auditors on any significant findings and follow - up thereon.
- 6) Reviewing the Company's financial statements and risk management policies.





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During the year under report, Meetings of the Audit Committee of the Board of Directors of the Company were held on 12/05/2017, 18/08/2017, 25/09/2017, 14/10/2017 and 19/01/2018 and following members were granted leave of absence during the meetings mentioned herein below:

Sr. No.	Date of Audit Committee Meeting in which absent	Name of Member
1	18 <sup>th</sup> August, 2017	Mr. Mihir R Madeka
2	14 <sup>th</sup> October, 2017	Mr. Mihir R Madeka
3	19 <sup>th</sup> January, 2018	Mr. Vivek Sett

### FINANCE & BORROWING COMMITTEE:

The Board has formed Finance & Borrowing Committee to look after the borrowing requirements of the Company. The Committee consists of Mr. Manesh D Madeka, Chairman & Managing Director of the Company, Mr. Bhautik Madeka, Whole-time Director and CA Vivek Sett, Director. The Committee, on the basis of requirements of the Company for funds/borrowings, finalizes the terms & conditions of various credit facilities enjoyed by the Company. The Committee also authorizes directors to execute various security documents from time to time.

### BOARD'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Directors based on the information and representations received from the operating management confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- the directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;





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- d) the directors had prepared the annual accounts on a going concern basis; and
- e) directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. The Directors would like to clarify that the Company is an unlisted Company and does not require to give any statement regarding internal financial controls in terms of Section 134(5)(e). However, the Board has voluntarily laid down such financial controls to safeguard the interest of the Company.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### STATUTORY AUDITOR AND AUDITORS' REPORT:

Members are aware that at the Annual General Meeting of the Company held on 30th September, 2017, the members approved appointment of S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by members at every Annual General Meeting if so required by the Companies Act 2013. Vide notification dated May 7, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting.

Further, in terms of Section 143(3)(i) of the Companies Act, 2013 read with Rule 10A of the Companies (Audit and Auditors) Rules, 2014, Auditors have reported that the Company has adequate internal financial controls system and such system is having operating effectiveness.

As regards, Auditors' observations related to default in repayment of loans taken from Banks, the Board would like to clarify that as on date of this Report, the total outstanding arrears were paid to the respective banks. The Board assures the Members that the management is planning & executing its financial strategy in best possible way, and the Company will make repayments of loans in time in future.



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### COST AUDITOR:

The Board has appointed S K Rajani & Co., Cost Accountants, Bhavnagar, for carrying out Cost audit of cost accounting records maintained by the Company for the financial year 2017-18.

### COST AUDIT REPORT:

The Board has obtained Cost Audit report for the Financial Year 2017-18 from CMA Sunil Rajani, Proprietor, S.K. Rajani & Co., Cost Accountants, Bhavnagar.

### INTERNAL AUDIT:

Since long, the Company is implementing proper and adequate systems of internal control in all areas of operations. The Company has taken all steps to strengthen IT Security, data security, improvisation of Human Resources functions such as mapping of each department, preparation of data for requirement of staff in each department. Internal Audit has been carried out in following departments by M/s. Bhatt & Associates along with Heads of each departments:

- Sales Department: CA Hiren Doshi
- Inventory Department: Mr. Rajesh K. Patel
- Purchase Department: Mr. Vinod Nayar
- Finance Department: CA Hiren Doshi

### RELATED PARTY TRANSACTIONS:

During the year under report, the Company has entered into transactions with related parties regarding payment of Remuneration and sale of property. The said transactions were carried on at arm's length price in the ordinary course of business, which were duly approved by the Board falling within the purview and threshold limits as prescribed under Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board & its Powers) Rules, 2014, as amended. The detail of Related Party Transactions is given in Annexure B to this report in prescribed Form AOC-2.



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### PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:

During the year under report, the company has complied with the provisions of Section 185 of the Companies Act, 2013. No transactions under Section 186 of the Companies Act, 2013 were carried on during the year under report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of Rs. 500 Crores or more OR an annual turnover of Rs.1000 Crores or more OR net profit of Rs. 5 Crores or more, during any of three previous year (i.e. 2013-14, 2014-15 & 2015-16) is required to constitute a CSR Committee. Rolex Rings Private Limited is fallen in any of the above criteria during the year 2016-17. Therefore, it is required mandatorily to carry out any CSR activities and constitute any Committees under provisions of Section 135 of the Act. The Board has constituted a CSR Committee in the Financial Year 2015-16 consisting of Mr. Manesh D. Madeka as Chairman of the committee and Mr. Bhautik D, Madeka and Mr. Mihir R. Madeka as the members of the committee. The said committee was constituted on 12<sup>th</sup> June, 2015 for monitoring Corporate Social Responsibility. The details of CSR activities is given in Annexure to this Report. Further reason for under spending CSR funds is that company is looking for prospective and better prospects for Corporate Social Responsibility and in next year it will try to help society more by fulfilling its Social Responsibility towards society.

### DETAILS OF BOARD OF DIRECTORS:

Following are Directors of the Company as on 31st March, 2018:

Sr. No.	Director Identification Number	Name of the Director	Designation
1	01629788	Mr. Manesh D. Madeka	Chairman & Managing Director
2	01761543	Mr. Bhautik D. Madeka	Whole-time Director
3	01778561	Mr. Mihir R. Madeka	Whole-time Director
4	00031084	Mr. Vivek Sett	Nominee Director



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### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

#### a) Conservation of Energy:

Steps taken for conservation	<p>Installation of 7 Windmills, for generating electricity through non-conventional source of energy.</p> <ul style="list-style-type: none"><li>• Number of power units generated through the said windmills were 1,05,91,164.</li><li>• By using electricity generated through Windmill company saves around Rs. 6. 82per unit.</li></ul>
Steps taken for utilizing alternate sources of energy	<ul style="list-style-type: none"><li>• Couple of the heating furnace is operated through CNG gas pipeline of GSPC.</li><li>• Average daily consumption through electric furnace is around 2500 SCM (Standard Cubic Meters)</li></ul> <p>By usage of Electric Furnace operated through CNG Gas, company avails benefit of around 15-17% in cost and as an additional benefit it gets better quality of output.</p>
Capital investment on energy conservation equipments	<ul style="list-style-type: none"><li>- Capital Investment on Electric Furnace is of Rs. 235 Lacs.</li><li>- Capital Investment on Windmill is of Rs. 40 Crores which is installed since year 2003, 2006.</li></ul>

*M. K. Singh*



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## b) Technology Absorption:

Efforts made for technology absorption	<ul style="list-style-type: none"> <li>- During the company has installed</li> <li>- Japan make high speed hot former forging line: SAKAMURA- HFW 1000 having installed capacity of 1500 MT per month.</li> <li>- 30 Machining Lines have been installed for production of Bearing Rings and Auto Components.</li> <li>- Further, because of increased operations heating furnaces also installed.</li> </ul>
Benefits derived	<ul style="list-style-type: none"> <li>- Company has been able to increase its production of heavy components with large diameters and also it gets benefit of precise machining.</li> </ul>
Expenditure on Research &Development, if any	<ul style="list-style-type: none"> <li>- Company has incurred revenue &amp; capital expenditure on new product development, by procuring of testing and lab equipment also deployed dedicated team of officials on the new product development front during the year under report.</li> </ul>
Details of technology imported	<ul style="list-style-type: none"> <li>- Company has imported 4Twin Spindle CNCs of Muratech from Japan for faster output and better precision.</li> </ul>
Year of import	<ul style="list-style-type: none"> <li>- 2017-18</li> </ul>
Whether imported technology fully absorbed	<ul style="list-style-type: none"> <li>- As the major machineries have been imported/procured in last quarter of 2017-18, the fullabsorption of the same couldn't bepossible. Utilization of importedtechnology is made to the extent of 30%.</li> </ul>

*M. Chaudhary*





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Areas where absorption of imported technology has not taken place, if any

- No such areas where absorption of technology has not taken place

a) Foreign Exchange Earnings/ Outgo: (Amount in INR millions)

Earnings	INR 4337.06
Outgo	INR 73.75

### PARTICULARS OF EMPLOYEES:

No employees have received remuneration of more than Rs. 8.5 lacs per month or Rs. 1.02 Crores per annum as per Rule 5 of the Companies (Appointment and Remuneration) Amendment Rules, 2016.

### SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

During the year under report the Company doesn't have any Subsidiary, Joint Venture or Associate Companies.

### OTHER DISCLOSURES AS REQUIRED UNDER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER:

1. There have been no material changes /commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
2. The Directors have submitted the disclosure of interest as per section 184 read with applicable Rules of the Companies Act, 2013 in the format Form MBP-1.
3. During the year under review the company has not accepted the deposit from the public under section 73 to 76 of the Companies Act, 2013 and the Rules made there under.
4. The Company is not covered in class of Companies as mentioned in Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and hence it has not appointed any Independent Director, and hence, it is not required to disclose details of independence of Independent Directors.





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5. The Company is in process of developing a Risk Management Policy which safeguards the Company from all risks to the best possible manner.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
8. The Company is not covered in class of Companies as mentioned in Section 178(2) of the Act read with the Companies (Accounts) Rules, 2014, as amended and hence, it is not required to give statement indicating the manner in which formal annual evaluation has been made by the Board of Directors of its own performance or its committees and individual directors of the Company.
9. There has been no instance of any revision in the Board's Report or the financial statement, hence disclosure under Section 131(1) of the Act.
10. The Company has not issued any shares to any employee, under any specific scheme, and hence, disclosures under Section 67(3) are not required to be made.
11. The Company is not covered in class of Companies as mentioned in Section 178(1) of the Act read with the Companies (Accounts) Rules, 2014, and the Companies (Meeting of Board and its powers) Rules, 2014, as amended and hence, it is not required to constitute the Audit Committee, Nomination & Remuneration Committee or Stakeholders' Committee and therefore, requirements of disclosures of composition of these committees or its policies, are not applicable.
12. The Company is not covered in class of Companies as mentioned in Section 177(9) of the Act read with the Companies (Meeting of Board and its powers) Rules, 2014, as amended and hence, requirement of disclosures of vigil mechanism is not applicable.
13. The Company, being a private limited Company, provisions of Section 197 is not applicable to it. However, it is clarified that, during the year under Report, the Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
14. The Company is not covered in class of Companies as mentioned in Section 204 (3) of the Act and hence, it is not required to obtain the Secretarial Audit Report from Practising Company Secretary and therefore, such report is not attached to this Report of Board of Directors.
15. The Company has not issued (a) any share with differential voting rights (b) sweat equity shares (c) shares under any Employee Stock Option Scheme, and hence no disclosures are required to be made as per the Companies (Share Capital and Debentures) Rules, 2014.



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### ACKNOWLEDGEMENT:

Your directors put on record their whole hearted gratitude to bankers, employees of the Company for their sincere efforts for the Company.

**Date:** 24/09/2018

**Place:** Rajkot

By Order of the Board of Directors,  
For, **Rolex Rings Private Limited**



**(Manesh D. Madeka)**

Chairman & Managing Director [DIN: 01629788]

FORM MGT 9 - EXTRACT OF ANNUAL RETURN

"ANNEXURE - A" TO DIRECTORS' REPORT

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

Financial Year ended on 31/03/2018

(I) REGISTRATION AND OTHER DETAILS:

(i)	CIN	U28910GJ2003PTC041991
(ii)	Registration date	13 <sup>th</sup> FEBRUARY,2003
(iii)	Name of the Company	ROLEX RINGS PRIVATE LIMITED
(iv)	Category Sub-category of the Company	Company limited by shares Indian Non-Government Company
(v)	Address of the Registered Office and Contact Details	<p><b>Address of Registered Office:</b> B/h. Glowtech Private Limited Gondal Road, Kotharia Rajkot - 360004 Gujarat</p> <p><b>Contact Details:</b> Phone: 0281-6699577,  E-Mail Id: <a href="mailto:compliance@rolexrings.com">compliance@rolexrings.com</a> Website: <a href="http://www.rolexrings.com">www.rolexrings.com</a></p>
(vi)	Whether Listed Company? Yes / No	No
(vii)	Name, address and contact details of Registrar and Share Transfer Agent.	NA

*Munday*

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

**(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Forged and Machined Rings	2814- Manufacture of bearings, gears, gearing and driving elements	100%

**(III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1			NONE		

*Murthy*

FORM MCT 9 - EXTRACT OF ANNUAL RETURN

(IV) SHAREHOLDING PATTERN: (Equity Share capital Break up as % to total Equity)

(i) Category - wise share holding:

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year 01.04.2017				No of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>PROMOTERS</b>									
(1)	Indian									
(a)	Individual/HUF	---	13,066,667	13,066,667	54.49%	---	13,066,667	13,066,667	54.49%	---
(b)	Central Govt.	---	---	---	---	---	---	---	---	---
(c)	State Govt.(s)	---	---	---	---	---	---	---	---	---
(d)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(e)	Banks/FIs	---	---	---	---	---	---	---	---	---
(f)	Any Other	---	---	---	---	---	---	---	---	---
	Sub - Total (A) (1)	---	13,066,667	13,066,667	54.49%	---	13,066,667	13,066,667	54.49%	---
(2)	Foreign									
(a)	NRI - Individuals	---	---	---	---	---	---	---	---	---
(b)	Other -Individuals	---	---	---	---	---	---	---	---	---
(c)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(d)	Banks/FI	---	---	---	---	---	---	---	---	---
(e)	Any Other	---	---	---	---	---	---	---	---	---
	Sub - Total (A) (2)	---	---	---	---	---	---	---	---	---
	TOTAL Shareholding of Promoter (A) = (A) (1) + (A) (2)	---	13,066,667	13,066,667	54.49%	---	13,066,667	13,066,667	54.49%	---
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
1	Institutions									
(a)	Mutual Funds	---	---	---	---	---	---	---	---	---
(b)	Banks/FI	---	---	---	---	---	---	---	---	---
(c)	Central Govt.	---	---	---	---	---	---	---	---	---
(d)	State Govt.	---	---	---	---	---	---	---	---	---
(e)	Venture Capital Funds	---	---	---	---	---	---	---	---	---
(f)	Insurance Companies	---	---	---	---	---	---	---	---	---
(g)	FIs	---	---	---	---	---	---	---	---	---
(h)	Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
(i)	Others (Specify)	---	---	---	---	---	---	---	---	---
(j)	Sub - Total (B)	---	---	---	---	---	---	---	---	---
2	Non-Institutions									

*Mohit*

FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(a)	Bodies Corporate	---	---	---	---	---	---	---	---	---
(i)	Indian	---	---	---	---	---	---	---	---	---
(ii)	Overseas	10,914,423	---	10,914,423	45.51%	10,914,423	---	10,914,423	45.51%	---

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FORM MGT 9 - EXTRACT OF ANNUAL RETURN

Continue from previous page....

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year 01.04.2017				No of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto Rs.1 Lakh	---	---	---	---	---	---	---	---	---
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	---	---	---	---	---	---	---	---	---
(c)	Others (specify)	---	---	---	---	---	---	---	---	---
	Sub-total(B) (2)									
	Total Public shareholding (B)=B(1)+B(2)	---	---	---	---	---	---	---	---	---
C	Shares held by Custodian for ADRs and GDRs.	---	---	---	---	---	---	---	---	---
	<b>GRAND TOTAL</b>	<b>10,914,423</b>	<b>13066667</b>	<b>23,981,090</b>	<b>100%</b>	<b>10,914,423</b>	<b>13066667</b>	<b>23,981,090</b>	<b>100%</b>	<b>---</b>

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FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% Change
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Rupesh D. Madeka	2,090,667	8.72%	---	2,090,667	8.72%	---	---
2	Jiten D. Madeka	2,090,667	8.72%	---	2,090,667	8.72%	---	---
3	Ashok D. Madeka	1,306,667	5.45%	---	1,306,667	5.45%	---	---
4	Manesh D. Madeka	2,090,667	8.72%	---	2,090,667	8.72%	---	---
5	Pinakin D. Madeka	2,221,333	9.26%	---	2,221,333	9.26%	---	---
6	Bhautik D. Madeka	1,437,333	5.99%	---	1,437,333	5.99%	---	---
7	Paresh D. Madeka	2,61,333	1.11%	---	2,61,333	1.11%	---	---
8	Mihir R. Madeka	3,92,000	1.63%	---	3,92,000	1.63%	---	---
9	Hemal P. Madeka	3,92,000	1.63%	---	3,92,000	1.63%	---	---
10	Sanjay Bole	3,92,000	1.63%	---	3,92,000	1.63%	---	---
11	Bharat J. Madeka	3,92,000	1.63%	---	3,92,000	1.63%	---	---
<b>GRAND TOTAL</b>		<b>13,066,667</b>	<b>54.49%</b>	<b>---</b>	<b>13,066,667</b>	<b>54.49%</b>	<b>---</b>	<b>---</b>

*M. Madeka*

FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(iii) Change in Promoter's Shareholding:

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2017			Increasing Decreasing in Share holding	Reason	Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of Company	Date			No. of Shares	% of total shares of the Company
1	Rupesh D. Madeka	2,090,667	8.72%	---	---	N.A	2,090,667	8.72%
2	Jiten D. Madeka	2,090,667	8.72%	---	---	N.A	2,090,667	8.72%
3	Ashok D. Madeka	1,306,667	5.45%	---	---	N.A	1,306,667	5.45%
4	Manesh D. Madeka	2,090,667	8.72%	---	---	N.A	2,090,667	8.72%
5	Pinakin D. Madeka	2,221,333	9.26%	---	---	N.A	2,221,333	9.26%
6	Bhautik D. Madeka	1,437,333	5.99%	---	---	N.A	1,437,333	5.99%
7	Pareesh D. Madeka	2,61,333	1.11%	---	---	N.A	2,61,333	1.11%
8	Mihir R. Madeka	3,92,000	1.63%	---	---	N.A	3,92,000	1.63%
9	Hemal P. Madeka	3,92,000	1.63%	---	---	N.A	3,92,000	1.63%
10	Sanjay Bole	3,92,000	1.63%	---	---	N.A	3,92,000	1.63%
11	Bharat J. Madeka	3,92,000	1.63%	---	---	N.A	3,92,000	1.63%

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FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(iv) Shareholding Pattern of top ten shareholders:

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2017			Increasing Decreasing in Share holding	Reason	Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of Company	Date			No. of Shares	% of total shares of the Company
1	Rivendell PE LLC (formerly Known as NSR-PE Mauritius LLC)	10,914,423	45.51%	---	---	N.A.	10,914,423	45.51%

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Name	Shareholding at the Beginning of the year i.e. 01/04/2017		Shareholding at the end of the year i.e. 31/03/2018	
		No. of shares	% of total shares of company	No. of shares	% of total shares of the company
<b>A.</b>	<b>Managing Director</b>				
1	Manesh D. Madeka	2,090,667	8.72%	2,090,667	8.72%
<b>B.</b>	<b>Directors</b>				
1	Bhautik D. Madeka	1,437,333	5.99%	1,437,333	5.99%
2	Mihir R. Madeka	3,92,000	1.63%	3,92,000	1.63%

*Manesh*

FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(V) INDEBTEDNESS/ BORROWINGS: (Amount in INR millions)

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

	Secured Loans Excluding Deposited	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i)Principal Amount	5663.7	---	---	5663.7
(ii)Interest due but not paid	---	---	---	---
(iii)Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	<b>5663.7</b>	<b>---</b>	<b>---</b>	<b>5663.7</b>
<b>Change in Indebtedness During the financial year</b>				
• Addition	---	---	---	---
• Reduction	(1350.65)	---	---	(1350.65)
<b>Net Change</b>	<b>(1350.65)</b>	<b>---</b>	<b>---</b>	<b>(1350.65)</b>
<b>Indebtedness at the end of the financial year</b>				
(i)Principal Amount	4313.05	---	---	4313.05

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FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(ii) Interest due but not paid	---	---	---	---
(iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	<b>4313.05</b>	---	---	<b>4313.05</b>

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director

(Amount in INR millions)

Sr. No	Particulars of Remuneration	Manesh D. Madeka Chairman & Managing Director	Total Amount
1.	Gross Salary:		
	(a) Salary as per provision contained in section 17(1) of the Income tax Act, 1961	9.60	9.60
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	---	---
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---
2.	Stock option	---	---
3.	Sweat equity	---	---
4.	Commission:		
	- As % of profit	---	---
	- Other, specify...		
5.	Others, please specify	---	---
	<b>Total (A)</b>	<b>9.60</b>	<b>9.60</b>

*Manesh*



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B. Remuneration to other Directors:

Sr No	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Director</b>  Fees for attending Board/ Committee Meeting  Commission  Other, please specify  TOTAL (B) (1)	---	---	---	---
2	<b>Other Non - Executive Director</b>  - Fees for attending Board/ committee meeting  - Commission  - Other, please specify  -- TOTAL (B) (2)	---	---	---	---
	TOTAL (B) (2)	---	---	---	---
	Total (B) = (1+2)	---	---	---	---
	<b>Total Managerial Remuneration</b>	---	---	---	---
	Overall Ceiling as per the Act	---	---	---	---

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FORM MGT 9 - EXTRACT OF ANNUAL RETURN

C. Remuneration to Key Managerial Personnel other than as Managing Director/Manager/Whole-time Director:

(Amount in INR millions)

Sr No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS HARDIK GANDHI Company Secretary	CFO	Total
1.	Gross Salary <ul style="list-style-type: none"> <li>• Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961</li> <li>• Value of perquisites under section 17(2) Income tax Act, 1961</li> <li>• Profit in lieu of salary under section 17(3) Income tax, 1961</li> </ul>	---	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission <ul style="list-style-type: none"> <li>• As % of profit</li> <li>• Other, specify</li> </ul>	---	---	---	---
5.	Other, please, specify	---	---	---	---
	<b>Total</b>	---	---	---	---

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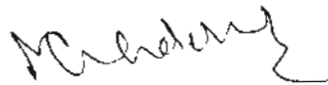
FORM MGT 9 - EXTRACT OF ANNUAL RETURN

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>B. DIRECTORS</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

Date : 24/09/2018  
Place : Rajkot

By Order of the Board of Directors  
For, **ROLEX RINGS PRIVATE LIMITED,**



(Manesh D. Madeka)  
Chairman & Managing Director  
(DIN: 01629788)

Form AOC 2

"Annexure -B"

To

Directors' Report of Rolex Rings Private Limited  
(Pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of material contracts or arrangements or transactions not at Arm's length basis: NOT APPLICABLE

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transactions/transaction	Salient Features & value	Date of approval by the Board	Amount paid as advances, if any
a)	-	-	-	-	-	-

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2. Details of material contracts or arrangements or transactions at Arm's length basis. (Figures in INR Millions)

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transactions/transaction	Salient Features & value	Date of approval by the Board	Amount paid as advances, if any
a)	Hemal Madeka Relative of Director	Remuneration	Annually	Rs. 6.00	12/05/2017	---
b)	Bharat Madeka Relative of Director	Remuneration	Annually	Rs. 6.00	12/05/2017	---
c)	Paresh Madeka Relative of Director	Remuneration	Annually	Rs. 0.60	12/05/2017	---
d)	Rupesh Madeka Relative of Director	Remuneration	Annually	Rs. 4.80	12/05/2017	---
e)	Jiten Madeka Relative of Director	Remuneration	Annually	Rs. 4.80	12/05/2017	---
f)	Ashok Madeka Relative of Director	Remuneration	Annually	Rs. 3.78	12/05/2017	---
g)	Pinakin Madeka Relative of Director	Remuneration	Annually	Rs. 4.80	12/05/2017	---
h)	Sanjay Bole Relative of Director	Remuneration	Annually	Rs. 1.50	12/05/2017	---

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transactions/transaction	Salient Features & value	Date of approval by the Board	Amount paid as advances, if any
i)	Fillenpac Industries Private Limited Enterprise in which Directors are interested	Sale of License	Annually	Rs. 7.50	12/05/2017	---

**Note:**

Date of approval by the Board: Not Applicable, since the contracts were entered into in the ordinary course of business and on arm's length basis.

All transactions are reviewed at regular interval and it is generally renewed on year to year basis.

Date: 24/09/2018

Place: Rajkot

By Order of the Board of Directors,

For, **Rolex Rings Private Limited**



(Manesh D. Madeka)

Chairman & Managing Director [DIN: 01629788]

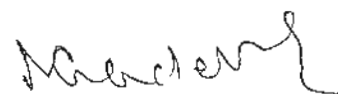


"Annexure - C"

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility) Rules, 2014]

Sr. No.	Particulars	Details
1	A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer Section CSR in Board's Report <a href="http://www.rolexrings.com">www.rolexrings.com</a>
2	The Composition of the CSR Committee	Mr. Manesh D. Madeka, Chairman of the Committee  Mr. Bhautik D. Madeka - Member of the Committee  Mr. Mihir R. Madeka - Member of the Committee
3	Average Net Profit of the Company for last three financial years	Rs. 36,10,43,333/-
4	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	Rs. 7220866.66/-
5	Details of CSR spent during the financial year;  a. Total amount actual spent for the financial year 2017-18  b. Amount unspent, if any  c. Manner in which the amount spent during the financial year	Rs. 20,69,000/-  Rs. 51,51,866.66/-  As tabled hereunder

  
P. T. O

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Rolex Rings Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Rolex Rings Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereafter referred to as "the financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

## **Other Matter**

The financial statements of the Company for the year ended March 31, 2017, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on September 25, 2017.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



# **S R B C & CO LLP**

Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2018.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



**per Sukrut Mehta**  
Partner  
Membership Number: 101974

Place of Signature: Ahmedabad  
Date: **24 SEP 2018**



**Annexure 1 referred to in paragraph 1 on Report on Other Legal And Regulatory Requirements of our Report of even date of Rolex Rings Private Limited for the year ended March 31, 2018**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of certain old assets where the company is in process of updating the quantitative and other details.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification of property plant and equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The inventory except in transit has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to manufacturing of automobile components, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, Income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sale tax, custom duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



# SRBC & CO LLP

Chartered Accountants

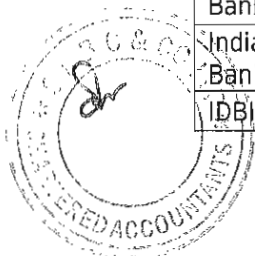
(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, custom duty, excise duty, service tax and value added tax of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in millions) *	Period to which the amount relates	Forum where the dispute is pending
The Customs Tariff Act 1975	DEPB duty credit	106.53	2015-16	Gujarat High Court
The Central Excise Tariff Act 1985	Duty drawback	11.41	2011-12/2013-14	Gujarat High Court
The Gujarat (Sales Tax) Act 1969	Value added tax and Central sales tax	5.05	2004-05	Gujarat High Court
The Gujarat (Sales Tax) Act 1969	Value added tax and Central sales tax	0.25	2013-14	Commissioner of Appeals
The Finance Act, 1992	Service tax	17.71	2011 to 2017	Commissioner of Central Excise - Appeals
The Central Excise Act 1944	Excise duty	0.45	2014-15	Commissioner of Central Excise - Appeals
The Central Excise Act 1944	Excise duty	4.33	2012-13	Dy. Commissioner of Central Excise - Appeals
The Customs Tariff Act 1975	DEPB	1.05	2009-10	Dy. Commissioner of Central Excise - Appeals
The Income Tax Act, 1961	Income tax	55.52	2014-15	Commissioner of Income tax Appeals

\* Above amounts are net of amount paid under protest of INR 7.5 million for Income tax and INR 5.1 million for indirect taxes.

(viii) According to the information and explanations given by the management, the Company has delayed in repayment of loans to financial institutions and banks during the year to the extent of Rs. 1,032 million (the delay in such repayments being for less than 110 days in each individual case) and Rs. 154 million of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Particulars	Amount (in million)	Period of default since	Remarks
Corporation Bank	39.85	31-Mar-18	Paid subsequent to balance sheet date.
Oriental Bank of Commerce	32.08	31-Mar-18	Paid subsequent to balance sheet date.
Bank of Baroda	16.13	31-Mar-18	Paid subsequent to balance sheet date.
Union Bank of India	33.55	31-Mar-18	Paid subsequent to balance sheet date.
Bank of India	16.52	31-Mar-18	Paid subsequent to balance sheet date.
India Overseas Bank	6.45	31-Mar-18	Paid subsequent to balance sheet date.
IDBI	9.20	31-Mar-18	Paid subsequent to balance sheet date.





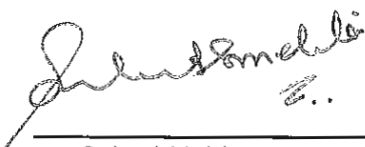
# **S R B C & CO LLP**

Chartered Accountants

The Company did not have any dues outstanding to government or debenture holders and hence we have not commented upon the same.

- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The company did not raised any money on account of initial public offer or further public offer (including debt instrument) during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
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per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date:

24 SEP 2018



## **Annexure 2 to the Independent Auditor's report of even date on the financial statements Of Rolex Rings Private Limited**

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

We have audited the internal financial controls over financial reporting of Rolex Rings Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.



## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

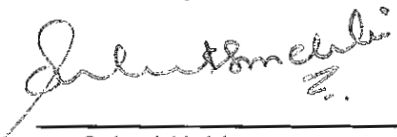
## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**  
Partner  
Membership Number: 101974  
Place of Signature: Ahmedabad  
Date:

**24 SEP 2018**



	Notes	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	375.86	375.86
Reserves and surplus	4	1,262.98	527.02
		<b>1,638.84</b>	<b>902.88</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,672.50	2,294.50
Deferred tax liabilities (net)	6	-	-
Long-term provisions	7	22.17	14.73
		<b>1,694.67</b>	<b>2,309.23</b>
<b>Current liabilities</b>			
Short-term borrowings	8	2,640.55	2,769.20
Trade payables	9	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		982.00	859.73
Other current liabilities	10	753.89	653.63
Short-term provisions	7	325.61	149.50
		<b>4,702.05</b>	<b>4,432.06</b>
<b>TOTAL</b>		<b>8,035.56</b>	<b>7,644.17</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, Plant and Equipment	11 (a)	3,351.38	3,450.94
Intangible assets	11 (b)	6.49	6.10
Capital work-in-progress		396.13	-
Loans and advances	12	215.77	292.69
Other non-current assets	13	1.85	135.85
		<b>3,971.62</b>	<b>3,885.58</b>
<b>Current assets</b>			
Inventories	14	1,608.69	1,323.20
Trade receivables	15	2,012.23	1,752.01
Cash and bank balances	16	157.30	221.04
Loans and advances	12	146.37	357.32
Other current assets	13	139.35	105.01
		<b>4,063.94</b>	<b>3,758.59</b>
<b>TOTAL</b>		<b>8,035.56</b>	<b>7,644.17</b>

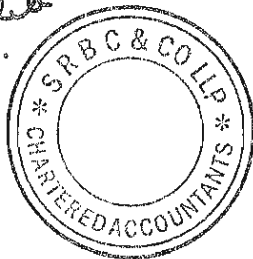
Summary of significant accounting policies 2

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For S R B C & Co. LLP  
ICAI Firm Registration No.: 324982E/E300003  
Chartered Accountants

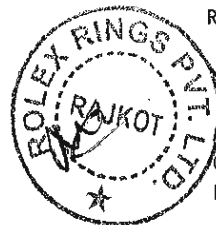
per Sukrut Mehta  
Partner  
Membership No.: 101974



For and on behalf of the Board of Directors of  
Rolex Rings Private Limited  
Registration No: U28910GJ2003PTC041991

Manesh D Madeka  
Chairman and MD  
DIN: 01629788

Bhoutik D Madeka  
Whole Time Director  
DIN: 01761543



Hardik Gandhi  
Company Secretary  
Membership No. 39931

Place: Ahmedabad  
Date: 24 SEP 2018

Place: Rajkot  
Date: 24 SEP 2018

	Notes	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
<b>Income</b>			
Revenue from operations (gross)	17	7,843.11	7,480.32
Less: Excise duty	17	141.58	535.29
<b>Revenue from operations (net)</b>		<b>7,701.53</b>	<b>6,945.03</b>
Other income	18	72.32	87.44
<b>Total revenue</b>		<b>7,773.85</b>	<b>7,032.47</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	19	3,716.32	3,209.63
(Increase) / decrease in inventories of finished goods and work-in-progress	20	(73.28)	2.43
Employee benefits expenses	21	545.13	443.41
Depreciation and amortization expense	11	233.78	231.42
Finance costs	22	501.24	547.87
Other expenses	23	1,902.72	1,758.56
<b>Total expenses</b>		<b>6,825.91</b>	<b>6,193.32</b>
<b>Profit Before tax</b>		<b>947.94</b>	<b>839.15</b>
<b>Tax expenses</b>			
Current tax ( MAT)		203.74	74.05
Deferred tax		-	-
Provision of tax relating to earlier years		8.24	-
		<b>211.98</b>	<b>74.05</b>
<b>Profit for the year</b>		<b>735.96</b>	<b>765.10</b>
<b>Earnings per equity share (nominal value of share Rs. 10 (31 March 2017: Rs. 10)</b>	24		
Basic and Diluted		30.69	31.90

Summary of significant accounting policies. 2

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For S R B C & Co. LLP  
ICAI Firm Registration No.: 324982E/E300003  
Chartered Accountants



*Sukrut Mehta*  
per Sukrut Mehta  
Partner  
Membership No.: 101974

For and on behalf of the Board of Directors of  
Rolex Rings Private Limited  
Registration No: U28910GJ2003PTC041991



*Manesh D Madeka*  
Manesh D Madeka  
Chairman and MD  
DIN: 01629788

*Bhoutik D Madeka*  
Bhoutik D Madeka  
Whole Time Director  
DIN: 01761543

*Hardik Gandhi*  
Hardik Gandhi  
Company Secretary  
Membership No. 39931

Place: Ahmedabad

Date: 24 SEP 2018

Place: Rajkot

Date: 24 SEP 2018

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
<b>Cash Flow from Operating Activities</b>		
Profit before tax	947.94	839.15
Depreciation and amortization charges	233.78	231.42
Interest and finance charges	501.24	547.87
Loss on sale of property, plant and equipment (net)	0.80	0.53
Interest income	(13.11)	(19.80)
Unrealised gain on foreign exchange (net)	(38.30)	-
<b>Operating profit before working capital changes</b>	<b>1,632.35</b>	<b>1,599.17</b>
Movements in working capital :		
Increase in trade payables	121.67	156.07
Increase in provisions	8.66	66.22
Increase in other current liabilities	41.91	(67.70)
(Increase) in trade receivables	(206.94)	(27.13)
(Increase) in inventories	(285.49)	(4.82)
Decrease in loans and advances	126.86	(74.40)
(Increase) in other current assets	(31.54)	(7.49)
<b>Cash Generated from Operations</b>	<b>1,407.48</b>	<b>1,639.92</b>
Direct taxes paid (net of refunds)	(49.42)	(73.75)
<b>Net Operating Cash Flow from Operating Activities (A) :</b>	<b>1,358.06</b>	<b>1,566.17</b>
<b>Cash Flow from Investing Activities :</b>		
Purchase of fixed assets, including CWIP and capital advances	(360.78)	(394.90)
Proceeds from sale of fixed assets	0.32	2.93
Redemption of margin money deposits having original maturity more than 12 months	134.00	232.84
Investment in margin money deposits (net)	(105.95)	-
Interest received	10.31	19.80
<b>Net Operating Cash Flow used in Investing Activities (B) :</b>	<b>(322.10)</b>	<b>(139.33)</b>
<b>Cash Flow from Financing Activities :</b>		
Proceeds from long-term borrowings	43.58	98.98
Repayment of long-term borrowings	(602.41)	(713.68)
Repayment of short-term borrowings (net)	(144.88)	(94.65)
Interest and finance charges paid	(501.94)	(547.94)
<b>Net Operating Cash Flow from Financing Activities (C) :</b>	<b>(1,205.65)</b>	<b>(1,257.29)</b>
<b>Net Increase /(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(169.69)</b>	<b>169.55</b>
Cash and cash equivalents at the beginning of the year	176.63	7.08
<b>Cash and cash equivalents at the end of the year</b>	<b>6.94</b>	<b>176.63</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.31	0.33
With banks		
On current accounts	0.88	168.50
On cash credit accounts	5.75	7.80
<b>Total cash and cash equivalents (note 16)</b>	<b>6.94</b>	<b>176.63</b>

**Note:**

- The cash flow statement has been prepared under the indirect method as per Accounting Standard-3 "Cash Flow Statement" specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures in brackets represent outflow.

Summary of significant accounting policies

2

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For S R B C & Co. LLP

ICAI Firm Registration No.: 324982E/E300003

Chartered Accountants

For and on behalf of the Board of Directors of

Rolex Rings Private Limited

Registration No: U28910GJ2003PTC041991

per Sukrut Mehta  
Partner  
Membership No.: 101974



24 SEP 2018

Place: Ahmedabad  
Date:



Manesh D Madeka  
Chairman and MD  
DIN: 01629788

Bhoutik D Madeka  
Whole Time Director  
DIN: 01761543

Hardik Gandhi  
Company Secretary  
Membership No. 39931

24 SEP 2018

Place: Rajkot  
Date:

## 3. Share capital

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
<b>Authorised share capital</b>		
35,025,000 (31 March 2017: 25,025,000) equity shares of Rs. 10 each	350.25	250.25
15,975,000 (31 March 2017: 15,975,000) non convertible redeemable preference shares of Rs. 10 each	159.75	159.75
	<b>510.00</b>	<b>410.00</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
23,981,090 (31 March 2017: 23,981,090) equity shares of Rs. 10 each	239.81	239.81
13,605,863 (31 March 2017: 13,605,863) non convertible redeemable preference shares of Rs. 10 each	136.05	136.05
	<b>375.86</b>	<b>375.86</b>

## (a) Reconciliation of the shares outstanding at the beginning and at the end of the year :

	31 March 2018		31 March 2017	
	No.	Rupees in Millions	No.	Rupees in Millions
<b>Equity shares</b>				
At the beginning and at the end of the financial year	23,981,090	239.81	23,981,090	239.81
<b>Preference shares</b>				
At the beginning and at the end of the financial year	13,605,863	136.05	13,605,863	136.05

## (b) Terms / rights attached to equity shares:

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (c) Terms of redemption of non convertible redeemable preference shares

The company has issued non convertible redeemable preference shares with 0% dividend, to be redeemed at par on completion of 10 years from the date of allotment. In the event of liquidation of the company before redemption of non convertible redeemable preference shares, the holders of non convertible redeemable preference shares will have priority over equity shareholders in the payment of dividend and repayment of capital.

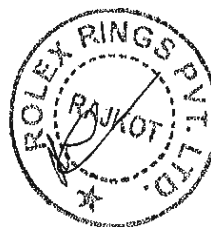
## (d) Details of shareholders holding more than 5% shares in the company

Name of shareholders	31 March 2018		31 March 2017	
	No. of shares	% holding in class	No. of shares	% holding in class
<b>Equity shares of Rs. 10 each, fully paid</b>				
Rupesh D Madeka	2,090,667	8.72%	2,090,667	8.72%
Jiten D Madeka	2,090,667	8.72%	2,090,667	8.72%
Ashok D Madeka	1,306,667	5.45%	1,306,667	5.45%
Manesh D Madeka	2,090,667	8.72%	2,090,667	8.72%
Pinakin D Madeka	2,221,333	9.26%	2,221,333	9.26%
Bhautik D Madeka	1,437,333	5.99%	1,437,333	5.99%
NSR LLC Mauritius	10,914,423	45.51%	10,914,423	45.51%
<b>Non convertible redeemable preference shares of Rs. 10 each, fully paid</b>				
Rupesh D Madeka	3,889,338	28.59%	3,889,338	28.59%
Jiten D Madeka	1,814,338	13.33%	1,814,338	13.33%
Ashok D Madeka	879,586	6.46%	879,586	6.46%
Manesh D Madeka	1,569,338	11.53%	1,569,338	11.53%
Pinakin D Madeka	1,371,797	10.08%	1,371,797	10.08%
Bhautik D Madeka	2,067,045	15.19%	2,067,045	15.19%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 4. Reserves and surplus

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Securities premium account	1,626.14	1,626.14
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	(1,099.12)	(1,864.22)
Add : Profit for the year	735.96	765.10
Net surplus in statement of profit and loss	<b>(363.16)</b>	<b>(1,099.12)</b>
<b>Total reserves and surplus</b>	<b>1,262.98</b>	<b>527.02</b>





5. Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
<b>Term loans from banks</b>				
Indian rupee loans from banks (secured)	1,672.50	2,294.50	663.17	600.00
	<b>1,672.50</b>	<b>2,294.50</b>	<b>663.17</b>	<b>600.00</b>
<b>The above amount includes</b>				
Secured borrowings	1,672.50	2,294.50	663.17	600.00
Amount disclosed under the head "other current liability" (note 10)	-	-	(663.17)	(600.00)
<b>Net amount</b>	<b>1,672.50</b>	<b>2,294.50</b>	<b>-</b>	<b>-</b>

(i) The company has taken borrowings from various banks towards funding of its capital expenditure and working capital. A summary of security provided by the company is as follows:

Facility Category	Security Details	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Term loan	First pari-passu charge over the entire fixed assets of the company. Second pari-passu charge over the entire current assets of the company.	1,902.13	2,333.53
Term loan	First pari-passu charge over the plant and machinery of the company. Second pari-passu charge over the plant and machinery of the company.	227.11	292.15
Term loan	First pari-passu charge over the entire fixed assets of the company.	99.46	123.96
Term loan	First pari-passu charge over the plant and machinery of the company.	5.07	6.17
Term loan	Exclusive charge by way of hypothecation of SMS Meer Machine (including accessories)	101.90	138.69

(ii) Terms of repayment of total borrowings outstanding as of March 31, 2018 as well as the interest rates prevailing as on March 31, 2018 are provided below:

Facility Category	Terms of repayment	Interest rate
<b>Term Loan</b>		
Deferred term loan	Repayable in 24 to 32 quarterly instalments ranging from INR 4 million to INR 20 million.	15.25% - 19%
Balance term loan	Repayable in 24 to 32 quarterly instalments ranging from INR 1.13 million to INR 11.05 million.	8.35% - 9.70%
Working capital term loan	Repayable in 28 to 32 quarterly instalments ranging from INR 0.20 million to INR 9 million.	8.35% - 9.70%
Funded interest term loan	Repayable in 32 quarterly instalments ranging from INR 1.08 million to INR 7.72 million.	8.35% - 9.70%
New term loan	Repayable in 20 to 32 quarterly instalments ranging from INR 0.31 million to INR 3.45 million.	9.50% - 13.85%

(iii) Details of the sanction amount of terms loans is as follows:

	Sanctioned term loan amount
Corporation Bank	1,281.70
Oriental Bank of Commerce	1,002.30
Bank of Baroda	511.10
Union Bank of India	1,070.20
Bank of India	472.00
Indian Overseas Bank	203.30
IDBI	329.60
	4,870.20
	<b>9,740.40</b>

6. Deferred tax liabilities (net)

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	443.81	423.31
<b>Gross deferred tax liability</b>	<b>443.81</b>	<b>423.31</b>
<b>Deferred tax asset</b>		
Provision for gratuity	1.33	0.87
Unabsorbed depreciation set off	442.48	422.45
<b>Gross deferred tax asset</b>	<b>443.81</b>	<b>423.31</b>
<b>Deferred tax liability (net)</b>	<b>-</b>	<b>-</b>

As on date, deferred tax asset has been accumulated to Rs. 443.81 million (31 March 2017: Rs. 423.31 million). However, as a matter of prudence in absence of virtual certainty, deferred tax asset (DTA) has been recognised only to the extent of deferred tax liability and accordingly, DTA is nil as on date of balance sheet.



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7. Provisions

	Long-term		Short-term	
	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
<b>Provision for employee benefits</b>				
Provision for leave benefits	-	-	1.64	0.35
Provision for gratuity (note 25)	13.07	8.39	5.82	5.89
<b>Other provisions</b>				
Provision for taxation (net of advance tax and TDS)	-	-	318.15	143.26
Provision for litigations (note 37)	9.10	6.34	-	-
	<b>22.17</b>	<b>14.73</b>	<b>325.61</b>	<b>149.50</b>

8. Short-term borrowings\*

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Cash credit from banks (secured)	263.36	322.10
Other working capital facilities from banks (secured)	2,377.19	2,447.10
	<b>2,640.55</b>	<b>2,769.20</b>
<b>The above amount includes</b>		
Secured borrowings	2,640.55	2,769.20
Unsecured borrowings	-	-

(i) The company has taken borrowings from various banks towards funding of its working capital. A summary of security provided by the company is as follows:

Facility Category	Security Details	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Cash credit facility	First pari-passu charge on stock and receivables / current assets. Second pari-passu charge on the fixed assets of the company.	197.98	266.19
Cash credit facility	First pari-passu charge on the CENVAT/ Gujarat/ VAT/ DEPB receivables of the company along with other consortium banks. Second pari-passu charge on fixed assets of the company.	31.47	32.66
Cash credit facility	First pari-passu charge on stock and receivables / current assets Second pari-passu charge on the plant and machinery of the company.	23.27	23.26
Cash credit facility	First pari-passu charge on the CENVAT/ Gujarat/ VAT/ DEPB receivables of the company along with other consortium banks.	10.64	-
Other working capital facilities*	First pari-passu charge on stock and receivables / current assets. Second pari-passu charge on the fixed assets of the company.	1,564.10	1,670.11
Other working capital facilities*	First pari-passu charge on stock and receivables / current assets. Advance shall be covered under Whole Turnover Packing Credit Guarantee obtained by the Bank from ECGC	199.31	197.08
Other working capital facilities*	Foreign Documentary Demand/Usance Bill having maximum usance of 180 days accompanied by Airway Bills/Bill of Lading and drawn under Irrevocable letter of credit / confirmed orders only. Advance shall be covered under Whole Turnover Packing Credit Guarantee ( WTPCG) obtained by the Bank from ECGC.	333.33	317.97
Other working capital facilities*	First pari-passu charge on stock and receivables / current assets.	104.32	123.86
Other working capital facilities*	First charge on the stocks procured under L/C. Second pari-passu charge on the fixed assets of the company.	128.54	56.01
Other working capital facilities*	Documents of title to goods in case of L/C on DP basis Hypothecation charge over the goods in case of L/C on DA basis	47.59	82.07

(ii) Terms of repayment of total borrowings outstanding as of March 31, 2018 as well as the interest rates prevailing as on March 31, 2018 are provided below:

Facility Category	Terms of repayment	Interest rate
Cash credit		
Cash credit	Repayable on demand	8.45% - 9.95%

\*Other working capital facilities consist of letter of credit, packing credit and FUDBP facilities.

9. Trade payables

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	982.00	859.73
	<b>982.00</b>	<b>859.73</b>

\* The company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given. This has been relied upon by the Auditor.

10. Other current liabilities

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Current maturities of long-term borrowings (note 5)	663.17	600.00
Interest accrued and due on borrowings	-	0.70
Other interest payable	26.04	-
Payables for capital goods	14.75	18.87
Statutory dues payable	9.34	4.81
Employee benefits payable	40.59	29.25
	<b>753.89</b>	<b>653.63</b>



11. (a) Property, Plant and Equipment

Particulars	Land (Freehold)	Land (Windmill)	Buildings	Plant & machinery	Furniture and fixtures	Vehicles	Computers	Windmill -1	Windmill -2	Total
Cost or valuation	170.20	3.00	711.37	5,077.43	55.44	17.48	45.17	159.00	235.63	6,474.72
At April 1, 2016	38.23	-	9.54	281.99	4.95	1.83	1.63	-	-	338.17
Additions	2.60	-	-	-	-	0.86	-	-	-	3.46
Deletions	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	205.83	3.00	720.91	5,359.42	60.39	18.45	46.80	159.00	235.63	6,809.43
Additions	-	-	28.98	87.54	6.25	7.81	3.34	-	-	133.92
Deletions	-	-	-	1.57	-	1.42	-	-	-	2.99
At March 31, 2018	205.83	3.00	749.89	5,445.39	66.64	24.84	50.14	159.00	235.63	6,940.36
Depreciation										
At April 1, 2016	-	-	175.02	2,488.84	21.26	9.22	39.30	159.00	235.63	3,128.27
Charge for the year	-	-	32.63	186.96	5.48	1.34	3.82	-	-	230.23
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	-	207.65	2,675.80	26.74	10.56	43.12	159.00	235.63	3,358.50
Charge for the year	-	-	31.71	190.23	5.58	1.62	3.21	-	-	232.35
Disposals	-	-	-	0.94	-	0.93	-	-	-	1.87
At March 31, 2018	-	-	239.36	2,865.09	32.32	11.25	46.33	159.00	235.63	3,588.98
Net Block										
At March 31, 2018	205.83	3.00	510.53	2,580.30	34.32	13.59	3.81	-	-	3,351.38
At March 31, 2017	205.83	3.00	513.26	2,683.62	33.65	7.89	3.68	-	-	3,450.94

11. (b) Intangible assets

Particulars	Software	Total
Gross block		
At April 1, 2016	6.54	6.54
Additions	1.69	1.69
Deletions	-	-
At March 31, 2017	8.23	8.23
Additions	1.82	1.82
Deletions	-	-
At March 31, 2018	10.05	10.05
Amortization		
At April 1, 2016	0.94	0.94
Charge for the year	1.19	1.19
Disposals	-	-
At March 31, 2017	2.13	2.13
Charge for the year	1.43	1.43
Disposals	-	-
At March 31, 2018	3.56	3.56
Net Block		
At March 31, 2018	6.49	6.49
At March 31, 2017	6.10	6.10



12. Loans and advances (Unsecured, considered good)

	Non Current		Current	
	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Capital advances	85.00	258.35	-	-
Security deposits	2.75	1.27	-	-
Loans and advances to related parties (note 35)	25.00	25.00	-	-
Advances recoverable in cash or kind	-	-	24.14	121.17
<b>Others loans and advances</b>				
Advance income-tax (net of provision for tax)	20.42	8.07	-	-
Prepaid expenses	-	-	6.37	10.14
Advances to employees	-	-	0.73	0.07
Receivable from PGVCL	12.63	-	-	-
Gravuty asset	-	-	1.58	-
Balances with statutory authorities	69.97	-	113.56	225.94
	<b>215.77</b>	<b>292.69</b>	<b>146.37</b>	<b>357.32</b>

13. Other current assets (Unsecured, considered good)

	Non Current		Current	
	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Non-current bank balances (note 16)	1.85	135.85	-	-
Accrued windmill income	-	-	3.66	4.96
Export incentives receivable	-	-	132.89	98.63
Gain on reinstatement of forward contracts	-	-	-	1.42
Interest accrued on loans	-	-	2.80	-
	<b>1.85</b>	<b>135.85</b>	<b>139.35</b>	<b>105.01</b>

14. Inventories (valued at lower of cost and net realizable value)

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Raw materials (note 19)	681.88	420.93
Work-in-progress (note 20)	262.32	286.95
Finished goods (note 20)	533.05	484.19
Stores and spares	129.09	129.62
Scrap	2.35	1.51
	<b>1,608.69</b>	<b>1,323.20</b>



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15. Trade receivables

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Outstanding for a period exceeding six months from the date from which they are due for payment		
Unsecured, considered good	84.98	14.98
Unsecured, considered doubtful	16.88	9.87
	<b>101.86</b>	<b>24.85</b>
Less : Provision for doubtful receivables	16.88	9.87
	<b>84.98</b>	<b>14.98</b>
Other receivables		
Unsecured, considered good	1,927.25	1,737.03
Unsecured, considered doubtful	-	7.01
	<b>1,927.25</b>	<b>1,744.04</b>
Less : Provision for doubtful receivables	-	7.01
	<b>1,927.25</b>	<b>1,737.03</b>
	<b>2,012.23</b>	<b>1,752.01</b>

\* Receivables consist the outstanding of Rs.7.50 mn (nil) from related party.

16. Cash and bank balances

	Non-current		Current	
	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Cash on hand	-	-	0.31	0.33
Balance with banks				
On current accounts	-	-	0.88	168.50
On cash credit accounts	-	-	5.75	7.80
	-	-	<b>6.94</b>	<b>176.63</b>
Other bank balances				
Margin money deposit (refer note below)	1.85	135.86	150.36	44.41
	<b>1.85</b>	<b>135.86</b>	<b>150.36</b>	<b>44.41</b>
(-) Amount disclosed under non-current assets (note 13)	(1.85)	(135.86)	-	-
	-	-	<b>157.30</b>	<b>221.04</b>

Note: Margin money deposit includes pledged lien against bank guarantees, letter of credit and other credit facilities.



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17. Revenue from operations

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Sale of products	7,179.91	6,967.65
Other operating revenue		
Sale of scrap	354.71	251.42
Export incentives	236.26	188.96
Windmill income	72.23	72.29
	663.20	512.67
Revenue from operations (gross)	7,843.11	7,480.32
Less: Excise duty * #	141.58	535.29
Revenue from operations (net)	7,701.53	6,945.03

# Excise duty on sales amounting to Rs. 141.58 million (31 March 2017: Rs. 535.29 million) has been reduced from sales in profit & loss account and excise duty on increase/decrease in stock amounting to Rs. 21.71 million (31 March 2017: Rs. 4.62 million) has been considered as (income)/expense in note 19 of financial statements.

\* Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards, the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended 31 March 2018 is not with comparable 31 March 2017.

Details of products sold

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Manufactured goods		
Forged & Machined Bearing rings	4,006.47	3,608.77
Auto Components	3,173.44	3,358.79
Others	-	0.09
	7,179.91	6,967.65

18. Other income

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Interest income on		
Bank deposits	10.35	19.72
Others	2.76	0.08
Rental income	0.87	0.82
Miscellaneous income	-	1.88
Net gain on foreign currency transactions and translation	58.34	64.94
	72.32	87.44

19. Cost of raw materials and components consumed

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Inventory at the beginning of the financial year	420.93	385.28
Add : Purchases during the period	3,977.27	3,245.28
	4,398.20	3,630.56
Less : Inventory at the end of the period	681.88	420.93
	3,716.32	3,209.63

Details of raw materials and components consumed

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Steel	3,716.32	3,209.63
	3,716.32	3,209.63



20. (Increase) / decrease in inventories

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
<b>Inventories at the end of the year</b>		
Finished goods	533.05	484.19
Work-in-progress	262.32	286.95
	<b>795.37</b>	<b>771.14</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	484.19	534.30
Work-in-progress	286.95	239.27
Opening prior period adjustment	(49.05)	
	<b>722.09</b>	<b>773.57</b>
	<b>(73.28)</b>	<b>2.43</b>

Details of inventory

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
<b>Finished Goods</b>		
Rings	96.80	37.50
Auto Components	85.87	61.92
In transit	407.92	384.77
	<b>590.59</b>	<b>484.19</b>
<b>Work-in-progress</b>		
Rings	172.72	143.30
Auto Components	89.61	143.65
In transit	-	-
	<b>262.33</b>	<b>286.95</b>

21. Employee benefits expenses

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Salaries, wages and bonus	490.26	398.91
Contribution to provident and other funds	27.57	23.22
Gratuity expense (note 25)	6.28	2.55
Staff welfare expenses	21.02	18.73
	<b>545.13</b>	<b>443.41</b>

22. Finance costs

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
<b>Interest</b>		
Interest expense on borrowings	426.27	501.86
	<b>426.27</b>	<b>501.86</b>
<b>Finance charges</b>		
Other finance charges	74.97	46.01
	<b>501.24</b>	<b>547.87</b>





## 23. Other expenses

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Power and fuel *	664.39	597.45
Repairs and maintenance		
Plant and machinery	46.72	45.26
Buildings	18.61	12.60
Others	8.72	5.19
Labour charges	105.13	172.56
Consumption of stores, spares and consumables	596.06	517.94
Sorting, segregation and testing charges	33.25	42.10
Windmill expenses	12.92	13.28
Freight and forwarding charges	340.07	266.00
Sales promotion	2.80	3.25
CSR expenses (note 34)	2.07	2.60
Travelling and conveyance	10.36	13.69
Rates and taxes	2.05	1.29
Insurance	21.21	20.46
Legal and professional fees	15.65	16.92
Printing and stationery	3.91	3.24
Loss on sale of property, plant and equipment	0.80	0.53
Communication costs	3.83	3.42
Payment to auditors **	1.40	1.29
Annual maintenance charges	4.73	3.66
Provision for doubtful receivables	-	4.31
Donations	3.34	1.74
Miscellaneous expenses	4.70	9.78
	<b>1,902.72</b>	<b>1,758.56</b>

## \* Power and fuel

Gross power and fuel cost	664.39	597.45
windmill income (refer note 17)	72.23	72.29
Net power and fuel	<b>592.16</b>	<b>525.16</b>

## \*\*Payment to auditors

As Auditor		
Statutory audit fees	0.90	1.29
Other services	0.50	-
	<b>1.40</b>	<b>1.29</b>



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24 Earning per share

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Basic and Diluted		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	735.96	765.10
Weighted average number of equity shares	2,39,81,090.00	2,39,81,090.00
Par value per share	10.00	10.00
Earnings per share	30.69	31.90

25 Employee benefits

Defined contribution plans:

Amount recognised as expense for the period towards contribution to the following funds:

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Provident fund	27.57	23.22
	27.57	23.22

Defined benefit plans

The Company has a defined gratuity plan. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in the form of a qualifying insurance policy for future payment of gratuity to the employees. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amount recognized in the balance sheet for the plan.

Statement of profit and loss

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Net employee benefit recognized in the employee cost		
Current service cost	5.89	5.52
Interest cost on benefit obligation	1.17	1.64
Expected return on plan assets	(0.36)	(0.19)
Net actuarial (gain) / loss recognised in the year	(0.49)	(1.51)
Past service cost	0.07	-
Net benefit expense	6.28	5.46

Balance sheet

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Benefit asset / liability		
Present value of defined benefit obligation	(22.31)	(17.42)
Fair value of plan assets	3.42	3.13
Plan liability	(18.89)	(14.29)

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	17.42	22.19
Current service cost	5.89	5.52
Interest cost	1.17	1.64
Benefits paid during the year	(0.97)	(9.92)
Actuarial (gains) / losses on obligation	(1.27)	(2.01)
Past service cost	0.07	-
Closing defined benefit obligation	22.31	17.42

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	3.13	0.37
Expected return	0.36	0.19
Contributions by the employer	0.73	12.99
Benefits paid	(0.02)	(9.92)
Actuarial gains / (losses)	(0.78)	(0.50)
Closing fair value of plan assets	3.42	3.13

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Policy of insurance	100%	100%
---------------------	------	------

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

Discount rate	7.35%	7.15%
Expected return on plan assets	7.35%	7.15%
Salary escalation	4.50%	4.50%
Employee turnover	30% at younger ages reducing to 5% at older ages	20% at younger ages reducing to 1% at older ages



Amounts for the current and previous four periods are as follows:

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)	31 Mar 2016 (Rupees in Millions)	31 Mar 2015 (Rupees in Millions)	31 Mar 2014 (Rupees in Millions)
Gratuity					
Defined benefit obligation	22.31	17.42	22.19	23.46	14.64
Plan assets	3.42	3.13	0.38	0.93	1.19
Surplus / (deficit)	(18.89)	(14.29)	(21.81)	(22.53)	(13.45)
Experience adjustments on plan liabilities	(0.70)	1.88	(3.91)	4.99	*
Experience adjustments on plan assets	0.78	0.50	0.27	(0.06)	*

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

\* To the extent information available with management.

## 26 Capital and other commitments

	31 March 2018 (Rupees in Millions)	31 Mar 2017 (Rupees in Millions)
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	151.85	246.00
	<b>151.85</b>	<b>246.00</b>

## 27 Contingent liabilities

### Income tax:

Income tax with respect to the matters decided against the company in respect of which the company as filed appeal with higher authorities

58.69

2.29

### Sales tax:

For non receipt of the required forms and non acceptance of the companies claim of certain sales as an exempted sales and related matters

14.39

135.12

### Service tax:

Service tax with respect to the matters decided against the company in respect of which the company as filed appeal with higher authorities

5.08

**78.16**

**137.41**

## 28 Derivative instruments and unhedged foreign currency exposure

### Particulars of unhedged foreign currency exposure

	Currency	31 March 2018 (In Millions)	31 Mar 2017 (In Millions)
Trade receivables	USD	17.16	13.96
	EUR	8.96	11.35
	ZAR	0.40	-
	Equivalent INR in million	<b>1,832.60</b>	<b>1,732.44</b>
Trade payables	USD	3.67	3.94
	EUR	0.08	0.03
	JPY	0.47	1.58
	Equivalent INR in million	<b>244.76</b>	<b>269.94</b>
Payables for capital goods	USD	0.04	-
	EUR	0.01	-
	Equivalent INR in million	<b>3.16</b>	<b>269.94</b>
Advances recoverable in cash or kind	JPY	0.24	-
	USD	0.02	-
	Equivalent INR in million	<b>1.22</b>	<b>179.98</b>
Capital advances	CHF	0.17	0.12
	JPY	28.95	276.76
	USD	0.00	-
	Equivalent INR in million	<b>29.42</b>	<b>179.98</b>
Working capital facilities	USD	17.93	179.98
	EUR	9.28	113.34
	Equivalent INR in million	<b>1,906.27</b>	<b>2,148.95</b>

## 29 Value of Imports calculated on CIF basis

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Raw materials	949.91	959.18
Spare parts	7.27	6.77
Capital goods	299.91	19.60
	<b>1,257.08</b>	<b>985.55</b>



## 30 Expenditure in foreign currency

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Sorting, segregation and testing charges	8.04	29.53
Freight and forwarding charges	56.55	42.97
Sales promotion	7.29	0.53
Advertisement expenses	1.16	-
Membership, subscription and other charges	0.13	-
Representation & support charges	0.59	-
	<b>73.75</b>	<b>73.03</b>

## 31 Details of consumption of imported and indigenous items

	31 March 2018		31 March 2017	
	% of total consumption	Value (Rupees in Millions)	% of total consumption	Value (Rupees in Millions)
Raw materials, stores and spares				
Imported	21%	884.97	28%	1,041.87
Indigenously obtained	79%	3,427.41	72%	2,701.74
	<b>100%</b>	<b>4,312.38</b>	<b>100%</b>	<b>3,743.61</b>

## 32 Earnings in foreign exchange

	31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
Export of goods calculated on FOB basis	4,337.06	4,208.60
	<b>4,337.06</b>	<b>4,208.60</b>

## 33 Segment Reporting

The company is in the business of manufacturing and selling of machined / forged rings and auto components. Since the company's business falls within a single business segment of 'diversified auto components', no disclosure of separate segment reporting as required in terms of Accounting Standard (AS) - 17 "Segment Reporting" is required.

## Secondary segment - Geographical segment:

The company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue, expenditure and certain asset information regarding the company's geographical segments:

Year ended March 31, 2018	India	Rest of the world	Total
Sales of goods to customers	2,932.84	4,768.68	7,701.53
Revenue from operations	<b>2,932.84</b>	<b>4,768.68</b>	<b>7,701.53</b>

Year ended March 31, 2017	India	Rest of the world	Total
Sales of goods to customers	1,850.44	4,595.53	6,445.97
Revenue from operations	<b>1,850.44</b>	<b>4,595.53</b>	<b>6,445.97</b>

## Other segment information

Year ended March 31, 2018	India	Rest of the world	Total
Segment assets	6,172.32	1,863.23	8,035.56
Segment assets	<b>6,172.32</b>	<b>1,863.23</b>	<b>8,035.56</b>

Year ended March 31, 2017	India	Rest of the world	Total
Segment assets	5,907.75	1,732.44	7,640.19
Segment assets	<b>5,907.75</b>	<b>1,732.44</b>	<b>7,640.19</b>

Year ended March 31, 2018	India	Rest of the world	Total
Capital expenditure	531.87	-	531.87
Capital expenditure	<b>531.87</b>	<b>-</b>	<b>531.87</b>

Year ended March 31, 2017	India	Rest of the world	Total
Capital expenditure	394.90	-	394.90
Capital expenditure	<b>394.90</b>	<b>-</b>	<b>394.90</b>

34 As per section 135 of Companies Act, 2013, every company which fulfils the prescribed thresholds, shall constitute a CSR Committee, prepare a CSR policy and spend amount equal to 2% of the average profits of past 3 years. The company has formed CSR Committee as prescribed under Act however, not spent amount as mentioned in section 135 of the Act. The company should have spent INR 3.91 million (31 March 2017: not applicable) as CSR expense for year ended March 31, 2018 as per section 135 of the Act.

a. Gross amount required to be spent by the group during the year

31 March 2018 (Rupees in Millions)	31 March 2017 (Rupees in Millions)
3.91	-

b. Amount spent for CSR till 31 March 2018

- i) Construction/Acquisition of any asset  
 ii) On purposes other than (i) above

2.07	2.60
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35 Related party disclosures

Name of related parties having transactions with the company during the current year	
Key management personnel	Mr. Manesh D Madeka Mr. Bhautik D Madeka Mr. Mihir D Madeka
Relatives of key management personnel	Mr. Hernal P. Madeka Mr. Bharat J Madeka Mr. Paresih D Madeka Mr. Rupesh D Madeka Mr. Jiten D Madeka Mr. Ashok D Madeka Mr. Pinakin D Madeka Mr. Sanjay B Bole
Entity in which relative of key managerial personnel has control	M/s. Fillenpac Industries Private Limited

Particulars	Key management personnel		Relatives of key management personnel		Entity in which relative of key managerial personnel has control	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
<b>(1) Transactions with related parties during the year</b>						
<b>A) Remuneration</b>						
Mr. Manesh Madeka	9.60	10.17	-	-	-	-
Mr. Bhautik Madeka	7.20	7.63	-	-	-	-
Mr. Mihir Madeka	6.00	6.36	-	-	-	-
Mr. Hernal Madeka	-	-	6.00	6.00	-	-
Mr. Bharat Madeka	-	-	6.00	6.36	-	-
Mr. Paresih Madeka	-	-	0.60	0.65	-	-
Mr. Rupesh Madeka	-	-	4.80	5.16	-	-
Mr. Jiten Madeka	-	-	4.80	5.03	-	-
Mr. Ashok Madeka	-	-	3.78	4.02	-	-
Mr. Pinakin Madeka	-	-	4.80	5.09	-	-
Mr. Sanjay Bole	-	-	1.50	1.60	-	-
<b>B) Interest income</b>						
Mr. Manesh Madeka	1.12	-	-	-	-	-
Mr. Bhautik Madeka	0.84	-	-	-	-	-
Mr. Mihir Madeka	0.84	-	-	-	-	-
<b>C) Amount received during the period</b>						
Mr. Mihir Madeka	-	1.41	-	-	-	-
Mr. Paresih Madeka	-	-	-	0.09	-	-
Mr. Rupesh Madeka	-	-	-	1.83	-	-
Mr. Pinakin Madeka	-	-	-	2.97	-	-
Mr. Sanjay Bole	-	-	-	0.10	-	-
<b>(2) Balance at the year end</b>						
<b>A) Secured loan</b>						
Mr. Manesh Madeka	10.00	10.00	-	-	-	-
Mr. Bhautik Madeka	7.50	7.50	-	-	-	-
Mr. Mihir Madeka	7.50	7.50	-	-	-	-
<b>B) Interest receivable</b>						
Mr. Manesh Madeka	1.12	-	-	-	-	-
Mr. Bhautik Madeka	0.84	-	-	-	-	-
Mr. Mihir Madeka	0.84	-	-	-	-	-
<b>C) Remuneration outstanding</b>						
Mr. Manesh Madeka	0.34	-	-	-	-	-
Mr. Bhautik Madeka	1.75	0.50	-	-	-	-
Mr. Jiten Madeka	-	-	1.94	-	-	-
Mr. Ashok Madeka	-	-	0.22	-	-	-
<b>D) Trade receivable</b>						
M/s. Fillenpac Industries Private Limited	-	-	-	-	7.50	9.09



**36 Disclosure required under Sec 186(4) of the Companies Act 2013**

Included in loans and advance are loans given to directors, the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Particulars	Rate of Interest	Secured/ Unsecured	31 March 2018 (Rupees in Millions)
Loan given to directors	11%	Unsecured	25.00

**37 Prior Year comparatives**

The previous year financial statements were audited by firm of Chartered Accountant other than S R B C & Co LLP. Previous year figure has been regrouped/ reclassified wherever necessary to confirm to current year's reclassification.

Particulars	Amount before reclassification	Adjustments	Amount after reclassification
<b>Revenue from operations (gross)</b>			
Sale of product	7,493.84	(13.52)	7,480.32
<b>Cost of raw materials and components consumed</b>	3,223.24	(13.61)	3,209.63
<b>Other expenses</b>			
Power and fuel	597.45	-	597.45
Sales commission	3.02	(3.02)	-
Freight and forwarding charges	262.89	3.11	266.00
Sales promotion	-	3.25	3.25
CSR expenses (note 34)	5.85	(3.25)	2.60
Legal and professional fees	16.72	0.20	16.92
Payment to auditors (refer note below)	1.49	(0.20)	1.29
<b>Long-term provisions</b>			
Provision for litigations (note 37)	-	6.34	6.34
<b>Trade payable</b>	1,251.30	(391.57)	859.73
<b>Short-term borrowings</b>	2,405.77	363.43	2,769.20
<b>Other current liabilities</b>			
Employee benefits payable	-	29.25	29.25
<b>Short-term provisions</b>			
Provision for leave benefits	-	0.35	0.35
<b>Cash and bank balances</b>			
On cash credit accounts	-	7.80	7.80
Margin money deposit (refer note below)	-	(135.86)	(135.86)
<b>Other non-current assets</b>			
Non-current bank balances (note 16)	-	135.86	135.86
<b>Loans and advances</b>			
Advance income-tax (net of provision for tax) - Non-current assets	-	8.07	8.07
Advance income-tax (net of provision for tax) - Current assets	8.07	(8.07)	-

As per our report of even date attached

For S R B C & Co. LLP  
ICAI Firm Registration No.: 324982E/E300003  
Chartered Accountants

*Sukrut Mehta*  
per Sukrut Mehta  
Partner  
Membership No.: 101974



For and on behalf of the Board of Directors of  
Rolex Rings Private Limited  
Registration No: U28910GJ2003PTC041991

*Manesh D Madeka*  
Manesh D Madeka  
Chairman and MD  
DIN: 01629788

*Bhoutik D Madeka*  
Bhoutik D Madeka  
Whole Time Director  
DIN: 01761543

*Hardik Gandhi*  
Hardik Gandhi  
Company Secretary  
Membership No. 39931



Place: Ahmedabad  
Date:

24 SEP 2018

Place: Rajkot  
Date:

24 SEP 2018

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**1 Corporate information**

Rolex Rings Private Limited ('the Company') is a public company which was incorporated on February 13, 2003 under the provision of the Companies Act, 1956. The company is engaged in manufacturing of forged & machined bearing rings and automotive components.

**2 Significant accounting policies**

**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.2 Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**2.3 Inventories**

Raw materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials is determined on a specific identification price basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Material cost is valued at moving weighted average cost.

Spares and consumables are valued at lower of cost and net realizable value. Cost of spares and consumables is determined on a moving weighted average cost basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Scrap is valued at estimated realisable value.

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

**2.4 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**2.5 Property, Plant and Equipment**

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.



## 2.6 Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a written down value basis using the rates arrived at, based on the useful lives estimated by the management. The management, on the basis of internal technical assessment of usage pattern, believes that the useful lives as mentioned below best represents the period over which management expects to use these assets. Hence, the useful lives in respect of certain assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Class of Assets	Useful Life Estimated by Management	Useful Life as per Schedule II of the Companies Act, 2013
Buildings	30	30
Plant & machinery	25	15
Vehicles	10	10
Furniture and fixtures	8	8
Computers	3	3
Windmill	22	22

Further, based on the internal technical assessment, the management believes that the scrap value as mentioned below best represents the net realisable value of the assets at the end of their useful lives.

Class of Assets	Scrap Value Estimated by Management
Buildings	15%
Plant & machinery	17%
Vehicles	28%
Furniture and fixtures	20%
Computers	6.50%

## 2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life of 5 years. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

## 2.8 Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 2.9 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. The following specific recognition criteria must also be met before revenue is recognized:

### Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

The company collects Goods and Service Tax (GST) and sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

The goods dispatched to export customer-nominated / dedicated godowns are consistently recognised as sales as and when reaches at destination port. The management is of opinion that the legal title in goods is transferred to the buyers as and when they reach to the destination and move to the customer nominated warehouse and the rewards associated with ownership in the goods stand transferred to the buyers considering the substance of the arrangement, when goods are delivered at the godowns.

Export incentives are accounted for export of goods if entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.



#### Windmill energy income

Consideration for electricity generated by the windmill division and fed into the state power grid is received in the form of credit in the manufacturing division's power bill. Credits are recognised as income net of wheeling charges.

#### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### 2.10 Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The company operates a defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

### 2.11 Foreign currency transactions and translations

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### Treatment of exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise .

### 2.12 Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 respective asset. All other borrowing costs are expensed in the period they occur.

### 2.13 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.





Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

#### 2.14 Provisions and contingent liabilities

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### 2.15 Segment reporting

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

#### 2.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

