



BOARD OF DIRECTORS

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

AUDITORS

THACKER BUTALA DESAI

Chartered Accountants
Navsari, Gujarat.

BANKERS

STATE BANK OF INDIA
CORPORATION BANK

REGISTERED OFFICE

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



NOTICE

Notice is hereby given that the 43rd Annual General Meeting of the shareholders of **ROLCON ENGINEERING COMPANY LIMITED** will be held on **15th JULY 2010**, the **Thursday** at 3.00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar to transact the following business;

ORDINARY BUSINESS:

- 1 To consider and adopt the Audited Balance Sheet as at 31st March 2010, the profit & Loss Account for the year ended on that date, together with report of the Board of Directors and Auditors thereon.
- 2 To declare dividend.
- 3 To appoint a director in place of Smt.S.S.Patel, who retires by rotation, and being eligible, offers herself for re-appointment.
- 4 To appoint a director in place of Mr.B.D.Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
- 5 To appoint a director in place of Mr.K. K. SEKSARIA, who retires by rotation, and being eligible, offers himself for re-appointment.
- 6 To appoint Auditors and to fix their remuneration.

By Order of the Board
Suresh H Amin
Managing Director

Place: Vallabh Vidyanagar
Date: 23rd April-2010

NOTES

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2 The instrument of proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not later than 48 hours before the meeting.
- 3 The Register of Members and Share Transfers Books of the Company will remain closed from Monday 12th July-2010 to Thursday 15th July-2010. (both days inclusive).
- 4 Subject to the provisions of the Section 206A of the Companies Act, 1956 dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 15th July-2010 to those members whose names appear on the Register of Member as on 15th July-2010.

By Order of the Board

Suresh H Amin
Managing Director

Place : V. V. NAGAR

Date : 23rd April-2010



DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present their report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31st March-2010. The financial highlights for the year under review are given below:

WORKING RESULTS:

	Rupees in lacs	
	<u>2009-10</u>	<u>2008-09</u>
Income	2940.76	3317.15
Profit Before Depreciation & Tax	313.59	376.71
Less: Depreciation	<u>99.73</u>	<u>103.39</u>
Profit before Tax	213.86	273.32
Less: Provision for Taxation	80.14	105.71
Fringe Benefit Tax	0.00	4.31
Deferred Tax Assets	<u>-6.54</u>	<u>-12.22</u>
Profit after Tax	140.26	175.52

Add:

a) The amount brought forward from the last Year's account	327.56	217.87
b) Excess / Short Provision of the earlier years	<u>3.72</u>	<u>10.45</u>
Total available	<u>471.54</u>	<u>382.94</u>

APPROPRIATIONS :

a) Proposed Dividend	30.24	30.24
b) Provision for Corporate Tax On Dividend	5.14	5.14
c) General Reserve	20.00	20.00
d) Balance carried forward	<u>416.16</u>	<u>327.56</u>
	<u>471.54</u>	<u>382.94</u>

DIVIDEND :

Your directors has recommended a dividend of Rs. 4.00 per share, aggregating to (40 %) for the current year. The dividend payout, if approved, will result in outflow of Rs. 35.38 Lacs inclusive of Rs. 5.14 Lacs for dividend tax.

PRODUCTION:

Chains and Sprockets :

Sales & other income for the year amounted to Rs.2940.76 Lacs against Rs.3317.15 Lacs for the previous due to recession in the overall Engineering Industries.

WIND MILL :

During the year the Wind Mill has generated 167155 Units. Against the units generated at Lamba, Madhya Gujarat Vij Co. Ltd., has given credit for equal units in consumption every month.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1 the applicable accounting standards were followed in the preparation of annual accounts for the year ended 31st March-2010.
- 2 the accounting Policies are applied consistently to give a true and fair view of the state of affairs of the Company as on 31st March-2010 and of the Profit of the Company for the year ended on that date.
- 3 proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 and for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- 4 the Annual Accounts have been prepared on a "going concern" basis.

CORPORATE GOVERNANCE

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



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

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

FIXED DEPOSITS:

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

PARTICULARS OF EMPLOYEES:

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

PERSONNEL:

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

DIRECTORS:

In accordance with the provisions of the

Companies Act, 1956 and Articles of Association of the Company, Smt. S. S. Patel, K.K.Seksaria and Shri. B. D. Patel retire by rotation at the ensuing Annual General Meeting and they being eligible offers themselves for re-appointment.

AUDITORS:

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

ACKNOWLEDGEMENT:

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

On behalf of the Board

SUSHILA S. PATEL
CHAIRPERSON

Place: V.V.NAGAR.

Date : 23rd April-2010



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH-2010.

A. CONSERVATION OF ENERGY:

Energy conservation measures taken:

- 1) Company has replaced number of high voltage consuming lighting system in to low voltage consuming FL Tubes in the factory shed and workshop to conserve the energy.
- 2) Wind Driven Ventilation Plant which also enables the Plant to be well lit and results in power consumption.
- 3) Switch off the Heat Treatment Section during work break.
- 4) Installation of additional capacitor resulted in improved power factor.
- 5) Implementing & changing the delta connection to star connection in most of all the electric motors, resulted in to saving of electric energy.
- 6) Impact of the measures of 1,2,3 & 4 above for reduction of energy consumption and consequent impact on the cost of production of goods. Saving in fuel cost was achieved.

B. TECHNOLOGY ABSORPTION:

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

1) Research & Development (R & D)

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

accuracy and raise the production. New CNC VTL have also been ordered to improve the accuracies of Sprockets.

- (b) Future plan of action:

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

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

i) Capital	27.51
ii) Recurring	Nil
iii) Total	27.51
iv) Total R & D Expenditure as Percentage of total turnover.	0.94 %

2) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- a) Latest technology for manufacture of Chains and Sprockets which has been implemented as per International Standard in consultation with our technical collaborator M/s. KOBO KTB GmbH + CO. KG, GERMANY.

- b) Company has obtain ISO 9001-2000 certificate for industrial Chain and Sprocket separately from TUV (RWTUV Systems GmbH) GERMANY.

3) Foreign Exchange Earnings and Outgo:

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

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

- (b) Total foreign exchange used and earned:

Used : Rs.28,76,301/-
Earned : Rs.1,00,70,226/-

On behalf of the Board

SUSHILA S. PATEL
CHAIRPERSON

Place: V.V.NAGAR

Date : 23rd April-2010



COMPLIANCE **CERTIFICATE**

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

Registration No. of the Company: 04-1439
Nominal Capital: Rs.1, 50, 00,000/-

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

We have examined the registers, records, books and papers of Rolcon Engineering Company Ltd., (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year beginning from 1st April, 2009 and ended on 31st March, 2010(Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year;

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

Companies at the time stated in the above annexure.

- 3 The Company being a public Limited Company, comments are not required.
- 4 The Board of Directors duly met four times on 23rd April, 2009, 29th July, 2009, 29th October, 2009 and 28th January, 2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded.
- 5 The Company closed its Register of members from 22nd June, 2009 to 25th June, 2009 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
- 6 The Annual General Meeting for the financial year ended on 31st March-2009 was held on 25th June, 2009 after giving due notice to the members of the Company and the resolutions passed thereat duly recorded in Minutes Book maintained for the purpose.
- 7 No Extra Ordinary General Meeting was held during the year under review.
- 8 The Company has not advanced any loan to its Directors and/ or persons or firms or Companies referred in the Section 295 of the Act.
- 9 The Company has complied with the provisions of Section 297 of the Act in respect of the contracts specified in that section.
- 10 The Company has made necessary entries in the register maintained under



Section 301 of the Act.

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



- the financial year.
- 22 There were no transactions necessitating the Company to keep in abeyance rights to dividend, rightsshare and bonus shares pending registration of transfer to shares.
- 23 The Company has not invited/accepted any deposits including unsecured loans falling within the preview of Sections 58A during the financial year.
- 24 The Loan from Corporation bank, V.V.Nagar. As the total limit dose not exceed to the limit as specified in terms of the provisions of Section 293 (1) (d) of the Act, as such no approvals of the shareholder are required. Company has sanctioned bank finance / overdraft and other facilities of Rs.75.00
- 25 The Company has not made any loans or investment or given guarantees or provided securities to other bodies corporate as per Section 372A of the Act and consequently no entries have been made in the register kept for the purpose.
- 26 The Company has not altered the provision of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
- 27 The Company has not altered the provisions of the Memorandum with respect of the objects of the Company during the year under scrutiny.
- 28 The Company has not altered the provision of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29 The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30 The Company has not altered its Articles of Associations during the year under scrutiny.
- 31 As per the information given by the management, no prosecution has been initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
- 32 The Company has not received any security deposits from its employees during the financial year.
- 33 The Company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of Section 418 of the Act.

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

(Surendra Tamboli)

Proprietor

Place : Vadodara

Date : 30th April, 2010



ANNEXURE 'A'

Registers as maintained by the Company

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

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Register of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

Sr. No.	Form No./ Return	Filed u/s.	For	Date of Filing	Whether filed within prescribed time Yes/No.	If delay in filling, whether requisite additional fees paid Yes/No.
1.	Annual Return	159 Form- 20B	The Financial Year ended 31-03-2009	20/2/2010	No.	Yes
2.	Balance Sheet	220 (1) Form 23AC	The Financial Year ended 31-03-2009	14/07/09	Yes	N.A.
3.	Compliance Certificate	383A (1) Form -66-Form CC	The Financial Year ended 31-03-2009	14/07/09	Yes	N.A.
4.	Form 32	303(2), 266(1)	Appointment as Additional Director	16/5/09	Yes	N.A.
5.	Form 32	303(2), 266(1)	Appointment as rotational Director	25/7/09	Yes	N.A.
6.	DIN3	266-E(1)	Intimation of appointment	1/2/2010	No	Yes
7.	DIN3	266-E(1)	Intimation of appointment	11/2/2010	No	Yes



Auditors' Report

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

1. We have audited the attached Balance Sheet of **ROLCON ENGINEERING COMPANY LIMITED** as at 31st March, 2010 and also the Profit & Loss Account as well as Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

- (2) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (3) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (4) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956.
- (5) On the basis of written representation received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) to section 274 of the Companies Act, 1956.
- (6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March- 2010;
 - (b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - (c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **THACKER BUTALA DESAI**
Chartered Accountants

M.T.Desai
Partner

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

Place: NAVSARI

Date : 30th April-2010



ANNEXURE TO THE AUDITORS' REPORT

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

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



Insurance Scheme is not applicable to the Company. No undisputed amount payable in respect thereof were outstanding at year end for a period of more than 6 months from the date they become payable.

(b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, there are no dues of Income Tax, CST, VAT, Wealth Tax, Custom Duty and Cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) According to our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to any Financial Institution or Bank. The Company has not issued any Debenture.

(xii) The Company has not granted any loans against security by way of pledge of shares, debentures and other securities, so the question of deficiency does not arise.

(xiii) As the Company is a manufacturing company, the provisions of any special statute applicable to chit fund are not applicable. Accordingly, the provision of sub-clause 4C(xiii) of the Order are not applicable.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Order are not applicable

(xv) The Company has not given any guarantee for loans taken by others

from banks or Financial Institutions. Therefore, the question of terms and conditions whereof are prejudicial to the interest of the Company does not arise.

(xvi) In our opinion and according to the information and explanations given to us, the term loans obtained during the year under review have been applied for the purpose for which they were obtained.

(xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year under review.

(xix) The Company has not issued any debentures during the year. Therefore, the question of creation of securities or charges in respect thereof does not arise.

(xx) The Company has not made any public issue during the year. Therefore, the question of disclosure and verification of end use of money so raised does not arise.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under review.

For **THACKER BUTALA DESAI**
Chartered Accountants

M.T.Desai

Partner

MEMBERSHIP NO.-30911

FIRM REGI. NO. 110864W

Place: NAVSARI

Date: 30th April-2010



BALANCE SHEET AS AT 31st MARCH, 2010

	<u>Schedule</u>	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
<u>SOURCES OF FUNDS:</u>			
Capital	1	7560000	7560000
Reserves & Surplus	2	94233168	83372497
		<u>101793168</u>	<u>90932497</u>
LOANS :			
Secured	3	NIL	294145
Unsecured		NIL	3323633
		<u>101793168</u>	<u>94550275</u>
<u>APPLICATION OF FUNDS:</u>			
Fixed Assets - Gross Block Rs.151925418/-			
Less : Dep. Rs.110700167/-			
Net Block	4	41225251	40413392
Investments	5	5013750	2013750
Deferred Tax Assets		866558	212795
Current Assets, Loans and Advances	6	121710610	108251739
Less: Current Liabilities and Provisions	7	67023001	56341401
Net Current Assets		<u>54687609</u>	<u>51910338</u>
		<u>101793168</u>	<u>94550275</u>
Notes Forming Part of Accounts	16		

As per our Report of even date attached

For THACKER BUTALA DESAI

Chartered Accountants

M.T.Desai

Partner

(Membership No.030911)

(FIRM REGI. No. 110864W)

Chairperson

Managing Director

Jt. Managing Director

Directors

: **Sushila S. Patel**

: **S. H. Amin**

: **A. S. Amin**

: **Ashok Krishnadas**

: **S. M. Patel**

: **Daksha S. Amin**

: **K.K.Seksaria**

: **A. D. Gandhi**

Place : Navsari

Date : 30th April-2010

Place : V.V.NAGAR

Date : 23rd April-2010

ROLCON ENGINEERING COMPANY LIMITED





PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	<u>Schedule</u>	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
INCOME:			
SALES - Gross			
Rs. 313824453/-			
Less Excise Duty			
Rs. 23976296/-			
Less Sales Tax			
Rs. 7417997/-	8	282430160	318120708
Other Income	9	11645451	13593809
		<u>294075611</u>	<u>331714517</u>
EXPENDITURE :			
Consumption of Material and Other Charges	10	151636103	178248302
Power and Fuel		18603025	20612594
Emp. Remuneration and Benefits	11	42463603	35465493
Administrative, Selling and General Expenses	12	34983943	37622438
Machining Charges		15183331	20028917
Interest	13	266142	1032555
Bank Charges		1000139	982461
Depreciation		9973394	10338685
		<u>274109680</u>	<u>304331445</u>
(Increase)/Decrease in Stock	14	-1420594	50376
		<u>272689086</u>	<u>304381821</u>
PROFIT BEFORE TAXATION			
		21386526	27332695
Provision for Taxation	15	7360725	9780508
PROFIT AFTER TAXATION APPROPRIATION			
		14025801	17552187
Add:- Balance brought forward		32755691	21786914
Less:			
(Excess)/Short Provision For Taxation		-372799	697481
Old Balance Written Off		0	348000
PROFIT AVAILABLE FOR APPROPRIATION			
		<u>47154291</u>	<u>38293620</u>
Proposed Dividend		3024000	3024000
Corporate Tax on Proposed Dividend		513929	513929
General Reserve		2000000	2000000
Surplus Carried To Balance Sheet		41616362	32755691
	TOTAL	<u>47154291</u>	<u>38293620</u>
	16		

Notes Forming Part of Accounts
As per our Report of even date attached

For, **THACKER BUTALA DESAI**
Chartered Accountants

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

Place : Navsari
Date : 30th April-2010

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

Place : V.V.NAGAR
Date : 23rd April-2010

SCHEDULES FORMING PART OF THE BALANCE SHEET.

	Current Year Rupees	Previous Year Rupees
<u>SCHEDULE 1 : SHARE CAPITAL</u>		
(A) Authorised Share Capital		
14,60,000, Equity Share of Rs. 10/- each	14600000	14600000
4,000, 10% Redeemable Cumulative Preference Share of Rs. 100/- each	400000	400000
	15000000	15000000
(B) Issued, Subscribed and Paid-Up Capital		
7,56,000 Equity Shares of Rs. 10/- each fully paid up	7560000	7560000
Of the above		
i) 39,400 Equity Shares of Rs.10/- each were allotted as fully paid up pursuant to contract without payment being received in cash		
ii) 6,16,000 Equity Shares of Rs. 10/- each have been issued as Bonus Shares by way of capitalisation of reserve.		
	7560000	7560000
<u>SCHEDULE 2: RESERVES AND SURPLUS</u>		
Capital Redemption Reserve:		
As per last Balance Sheet	400000	400000
General Reserve		
As per last Balance Sheet	50216806	48216806
Add: Transferred from Profit & Loss A/C	2000000	2000000
	52216806	50216806
Profit and Loss Accounts :		
	41616362	32755691
	94233168	83372497
<u>SCHEDULE 3: LOANS</u>		
SECURED LOANS		
CORPORATION BANK	NIL	294145
(Secured By Hypothetacion of Plant & M/c)	NIL	294145
UNSECURED LOANS :		
HDFC BANK LOAN	NIL	695751
ICICI CAR LOAN	NIL	2627882
	NIL	3323633



SCHEDULE 4 : FIXED ASSETS

ASSETS	GROSS BLOCK AT COST					DEPRECIATION				NET BLOCK	
	As at 1st April 2009 (Rupees)	Additions During the Year (Rupees)	Deductions During the Year (Rupees)	As at 31st March 2010 (Rupees)	As at 1st April 2009 (Rupees)	For the year (Rupees)	On Deduction Adjustment (Rupees)	As at 31st March 2010 (Rupees)	As at 31st March 2010 (Rupees)	AS AT 31st March 2009 (Rupees)	
Air Conditioners	1027160	47000	0	1074160	619968	61691	0	681659	392501	407192	
Computer	1829048	386752	0	2215800	1284627	276609	0	1561236	654564	544421	
Elect. Heat. Flameless Fur.	2119000	0	0	2119000	1327034	220325	0	1547359	571641	791966	
Electric Fittings & Fixtures	1648274	19832	0	1668106	532974	155980	0	688954	979152	1115300	
Electric Installations	1892647	138100	0	2030747	975122	141979	0	1117101	913646	917525	
Factory Building	11072266	3241458	0	14313724	3255817	1146311	0	4402128	9911596	7816449	
Furniture & Fixtures	1795522	622269	1	2417790	1382486	143952	1	1526437	891354	413037	
Gas Cylinders	378800	0	0	378800	377514	514	0	378028	771	1286	
Land (Free hold Wind Mill)	493702	0	0	493702	0	0	0	0	493702	493702	
Land (Free hold)	19579	0	0	19579	0	0	0	0	19579	19579	
Office Building	2880823	236919	0	3117742	1331591	86258	0	1417849	1699892	1549232	
Office Equipments	2241515	530796	0	2772311	1177008	181178	0	1358186	1414125	1064507	
Plant & Machinery	96015562	5792189	3147176	98660575	77482070	5801322	2917115	80366277	18294298	18533492	
Turbine Air Ventilators	965249	0	0	965249	568985	110240	0	679225	286024	396264	
Vehicles	9774344	0	0	9774344	3501900	1623936	0	5125836	4648508	6272444	
Wind Electric Generators	9903789	0	0	9903789	9826792	23099	0	9849891	53897	76996	
	144057280	11015315	3147176	151925418	103643888	9973395	2917115	110700167	41225250	40413392	
	135419189	9729311	1091217	144057281	94253075	947875	10338685	103643889	40413392		

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

<u>SCHEDULE 5 : INVESTMENTS (AT COST)</u>	Current Year	Previous Year
	Rupees	Rupees
<u>Investment in Mutual Funds:</u>		
(I) UTI Infrastructure Advantage Fund- 1,00,000 Units (Market Value ason 31/03/2010 Rs. 10.10 Lacs Prev.Year 5.83 Lacs)	1000000	1000000
(II) Franklin Templeton Investment- 48,899 Units (Market Value ason 31/03/2010 Rs.5.98 Lacs Prev.Year 2.76 Lacs)	500000	500000
(III) Reliance Mutual Fund - 50,000 Unit (Market Value ason 31/03/2010 Rs.5.42 Lacs Prev.Year 3.43 Lacs)	500000	500000
(IV) Birla Sunlite Dynamic Bond - 96493 Units (Market Value ason 31/03/2010 Rs.10.15 Lacs Prev. Year Nil)	1000000	0
(V) Birla Sunlite Savings Fund - 202042 Units (Market Value ason 31/03/2010 Rs.20.31 Lacs Prev. Year Nil)	2000000	0
<u>Investment in Shares:</u>		
(I) 600 Shares of The Karamsad Urban Co-Operative Bank of Rs. 10/- each	6000	6000
(II) 10 Shares of The Anand Urban Co_Op.Bank Ltd. Of Rs.25/- each	250	250
(III) 15 Shares of The Charotar Gas Sahkari Mandali Ltd of Rs. 500/- each	7500	7500
	<u>5013750</u>	<u>2013750</u>

SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES

A Current Assets : Inventories:

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

i) Raw Materials (At Cost)	8012044	8666224
ii) Semi-Finished Goods (lower of cost or realisable value)	3158189	1749465
iii) Finished Goods (lower of cost or realisable value)	98198	86328
	<u>11268431</u>	<u>10502017</u>

Sundry Debtors: (Unsecured, Considered Good)

I) Outstanding for a period exceeding six months	1505600	9691747
II) Others	48406565	22708181
	<u>49912165</u>	<u>32399928</u>

Cash and Bank Balances :

a) Cash on Hand	128989	113435
b) Balance with Scheduled Banks		
1) In Current Accounts	18622442	20630738
2) In Deposit Accounts	34491339	39365421
c) Balance with Non Scheduled Banks		
1) In Current Accounts	49650	49650
The kalupur Com. Co. Op. Bank Ltd. ANAND (Maximum Balance Rs.49650/- Previous Yr. Rs.49650/-)		
The A.U.Co-Op Bank Ltd. (Maximum Balance Rs.17336/- Previous year Rs.17336/-)	17336	17336
2) In Deposit Accounts		
The Anand Urban Co-Op. Bank Ltd., Anand.	107905	89309
	<u>53417661</u>	<u>60265889</u>



	<u>Current Year</u>	<u>Previous Year</u>
	<u>Rupees</u>	<u>Rupees</u>
B Loans and Advances (Unsecured, Considered Good)		
a) Advances recoverable in cash or kind or for value to be received	2939545	1310203
b) Advances to Staff	86200	146200
c) Deposits (Includes intercorporate deposits - NIL)	1545880	2009436
d) Interest Receivable A/C	581856	0
e) Balance with Central Excise	108109	453436
f) cenvat receivable (capital goods)	190980	321260
	<u>5452570</u>	<u>4240535</u>
g) Advance Income -Tax (Net of provisions)	1659784	843369
	<u>7112353</u>	<u>5083904</u>
	<u>121710610</u>	<u>108251739</u>
<u>SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS</u>		
A Current Liabilities :		
Sundry Creditors	57032740	40662728
T.D.S.	167165	22350
Due to Distributors/Agents	1849862	2391512
Advance from Customers	4340304	9631798
Deposits (Security)	95000	95000
	<u>63485071</u>	<u>52803387</u>
B Provisions :		
Proposed Dividend	3024000	3024000
Corporate Tax On Proposed Dividend	513929	513929
Provision For Fringe Benefit Tax (Net of Advance Paid)	0	85
	<u>3537929</u>	<u>3538014</u>
	<u>67023005</u>	<u>56341401</u>
<u>SCHEDULE 8 : SALES</u>		
Chain	208776154	225902118
Sprocket	63583780	62027077
Export	10070226	30191513
	<u>282430160</u>	<u>318120708</u>
<u>SCHEDULE 9 : OTHER INCOME</u>		
Rectification & Adjustment	465881	686525
Insurance Claim	150729	6295
Interest (TDS Rs . 331861/-)	4102871	2954987
Dividend Income	54590	0
Income from Wind Electric Generators	892661	749509
Miscellaneous Income	15445	10250
Scrap Sales	5500830	7813236
Rent	1800	1800
Profit on Sale of Assets	460644	39408
Foreign Exchange Rate Variation	0	1126957
Non Refundable Central Excise A/C	0	197342
Engineering Charges	0	7500
	<u>11645451</u>	<u>13593809</u>

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SCHEDULE 10 : CONSUMPTION OF RAW MATERIALS & OTHER CHARGES

OPENING STOCK	8666224	11423086
Add: Purchases	133703489	155828052
	<u>142369713</u>	<u>167251138</u>
Less: Closing Stock	8012044	8666224
	<u>134357669</u>	<u>158584914</u>
Stores, Tools Oil, & Packing Materials Consumed	14638643	17114812
Other Manufacturing Expenses	2639791	2548576
	<u>151636103</u>	<u>178248302</u>

SCHEDULE 11: EMPLOYEES' REMUNERATION & BENEFITS

Managerial Remuneration & Commission	2441273	2645688
Salaries, Wages and Bonus	33402835	28306684
Contribution to Provident Fund	3406837	2757388
Employees' Welfare Expenses	906249	855628
Contribution to Superannuation Fund	206409	160885
Gratuity Paid	2100000	729120
Workmen Compensation	0	10100
	<u>42463603</u>	<u>35465493</u>

SCHEDULE 12 : ADMINISTRATIVE, SELLING & GENERAL EXPENSES

Rates & Taxes	229973	530793
Festival expense	58906	61974
Insurance	461993	545906
Travelling	5433911	4606465
Advertisement	242145	179808
Forwarding & Transport Charges	3329307	3246707
Computer Expenses	661280	863221
Repairs and Maintenance of :		
1) Buildings	3948041	5483860
2) Machinery	2078903	4782406
3) Others.	1564333	504937
Stationery, Printing, Postage, Telephone etc.	2533105	2537141
Legal & Professional Fees	3040071	2519886
Payment to Auditors	97586	77000
Directors Fees	50000	42500
Warranty Charges	0	499222
Commission to Distributors/Agents	5352226	7200634
Donation	166750	410000
Garden Expenses A/c	89900	151986
Rent Paid	857648	773910
Liquidated Damages	104931	383460
Bab Debts Written off	292193	82239



Miscellaneous Expenses

Foreign Exchange Variation (loss)	516856	0
Security Services	434059	553648
Service Tax	328638	259124
MemberShip & Subscription	90333	332393
Sales Tax / Central Excise	2193040	116032
Tender Fees	10348	29183
Works & Office Exps.	817469	848003
	<u>34983943</u>	<u>37622438</u>

SCHEDULE 13: INTEREST

On Fixed Period Loans	266142	1032555
	<u>266142</u>	<u>1032555</u>

SCHEDULE 14: (INCREASE)/DECREASE IN STOCK

Opening Stock: Semi -Finished Goods	1749465	1803245
Finished Goods	86328	82924
	<u>1835793</u>	<u>1886169</u>

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

(Increase) /Decrease in Stock	<u>-1420594</u>	<u>50376</u>
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SCHEDULE 15: TAXATION EXPENSES

Income Tax	8000000	10550000
Deferred Tax	-653763	-1222077
Fringe Benefit Tax	0	431660
Wealth Tax	14488	20925
	<u>7360725</u>	<u>9780508</u>



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

**SCHEDULE: 16
NOTES TO THE ACCOUNTS**

1) Accounting Policies:

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

a) Basis of Accounts:

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

b) Fixed Assets:

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

c) Depreciation:

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

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

d) Inventories:

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

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

e) Accounting of Cenvat Credit:

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

f) Foreign Currency Transaction:

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

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

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

g) Retirement Benefits:

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

PARTICULARS	Gratuity Funded Rs. in Lacs
Expense to be recognized in the Statement of Profit & Loss account for the year ended March 31, 2010	
Current Service Cost	9.19
Interest Cost	14.73
Employer Contribution	—
Expected return on Plan Assets	-8.36
Net Actuarial (Gains) / Losses	36.89
Past Service Cost	—
Settlement Cost	—
Total Expense	52.45
Net Asset / (Liability) recognized in the Balance Sheet at March 31, 2010	
Present value of Defined Benefit Obligation as at March 31, 2010	236.34
Fair value of plan assets as at March 31, 2010	97.44
Funded status { Surplus / (Deficit) }	-138.90
Net asset / (liability) as at March 31, 2010	-138.90
Change in Obligation during the Year ended March 31, 2010	
Present value of Defined Benefit Obligation at beginning of the year	195.90
Current Service Cost	9.19
Interest Cost	14.73
Past Service Cost	—
Employer Contributions	—
Actuarial (Gains) / Losses	36.71
Benefits Payments	(20.18)
Present value of Defined Benefits Obligation at the end of the year	236.34
Change in Assets during the year ended March 31, 2010	
Plan assets at the beginning of the year	88.44
Assets acquired in amalgamation in previous year	—
Settlements	—
Expected return on plan assets	8.36
Contributions by Employer	21.00
Actual benefits paid	-20.19
Actuarial (Gains) / Losses	-0.18
Plan Assets at the end of the year	97.44



Actuarial Assumptions:

Discount Rate:	7.52 %
Expected Rate of Return on Plan Asset:	9.00 %
Mortality Rates:	LIC (1994-96) Ultimate Published Table of Rates
Withdrawals Rates:	3% at younger age reducing To 1% at older age
Retirement Age:	58 years
Rate of Escalation in Salary (p.a.):	6.00 %

Liability of Defined Benefit Obligation as at

31-03-2010 Rs.2, 36, 34,174.00

Profit & Loss Charge for the year ended

31-03-2010 Rs. 52, 45,150.00

The Company has covered Rs.97,43,749/- out of Total Liability of Rs.2,36,34,174/- by paying yearly premium to Life Insurance Corporation of India over the past years. And the Company has charged Rs.21,00,000/- towards contribution paid to LIC to Profit & Loss Account for the year ended 31-03-2010 as per consistent past practice.

2. Liability in respect of **Superannuation Benefits** extended to eligible employees is contributed by the Company to Life Insurance Corporation of India against a Master Policy @ 15% of the Basic Salary of all the eligible employees.
3. Liability in respect of **Provident Fund** is provided on actual contribution basis.
4. Liability in respect of **Leave Encashment** is provided on actual payment basis.

h) Investment:

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

at the date of Balance Sheet.

i) Revenue Recognition:

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

j) Contingent Liabilities:

There is no any Contingent Liability

2) Payment to Auditors (paid/payable)

	31.03.2010	31.03.2009
	Rs.	Rs.
As Audit Fees	50,000	50,000
For Taxation Matters	5,000	5,000
In other capacity	25,000	7,000
Tax Audit Fee	15,000	15,000
Re-inbursement of Expenses	2,586	4,252
TOTAL	<u>97,586</u>	<u>81,252</u>

Payment to Auditors Rs. 97,586/- is excluding Service Tax of Rs. 10033/- (Previous Year Rs. 7,931/-)

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

Sr No.	Name	Nature of Transaction	Transaction During The Year
1.	Sudeep-Rub-Chem Pvt. Ltd.,	Purchase	5,40,153/-
2.	Mr. S.H.Amin	Remuneration & Commission	12,53,273/-
3.	Mr. A.S.Amin	Remuneration & Commission	11,88,000/-
4.	Mrs. A. A. AMIN	Remuneration	1,07,000/-

4) Segment information for the year ended 31st March 2010.

Sr. No.	Particulars	Rs. (In Lacs)
1.	Segment Revenue	
	(A) Industrial Chain	2263.64
	(B) Sprocket Wheel	677.12
	Total	2940.76
	Less : Inter Segment Revenue	---
	Net Sales / Income from Operations	2940.76
2.	Segment result (Profit & Loss before tax and interest)	
	(A) Industrial Chain	105.88
	(B) Sprocket Wheel	110.64
	Total	216.52
	Less	
	(A) Interest	2.66
	(B) Other un-allocable expenditure net off un-allocable income	---
	TOTAL PROFIT BEFORE TAX	213.86
3.	Capital Employed (Segment Assets - segment Liabilities)	
	(A) Industrial Chain	1005.93
	(B) Sprocket Wheel	12.00
	(C) Un-allocable Corporate Assets less Liabilities	---
	Total Capital Employed in Company	1017.93

5) Deferred Taxation

Deferred Tax Assets and Liabilities are recognized as per Accounting Standard AS-22 on Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India. During the year 2009-2010, the Deferred Tax Assets / Liabilities comprise of tax effect of following timing differences :

2009-2010		2008-2009	
Def. Tax Liabilities	Def. Tax Assets	Def. Tax Liabilities	Def. Tax Assets
0	2549450	0	626056
0	2549450	0	626056

Difference between book & Tax W.D.V.

Net Deferred Tax Assets/ Liability

6) Earning Per Share :

Current Year Previous Year

Rs. Rs.

Basic Earning Per Share 18.55 23.21

Diluted Earning Per Share --- ---

Nominal Value Per Share 10.00 10.00

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

Current Year Previous Year

Rs. Rs.

Profit/(Loss) after Taxation 14025801 17552187

Weighted average number of share 756000 756000

outstanding during the year

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

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

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



10. Managerial Remuneration

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

Sr. Particulars	2009-2010	2008-2009
1 Remuneration	2220000	2100000
2 Perquisite	221273	210000
3 Commission on Net Profit	0	335688
4 Contribution towards P.F., Gratuity & Superannuation	490707	396000
TOTAL	2931980	3041688

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

NET PROFIT AS PER PROFIT & LOSS A/C 21386526 27332695

Add:

Provision For Depreciation 9973394 10338685
Managerial Remuneration 2441273 3041688
Directors' Fees 50000 42500
33851193 40755568

Less:

Depreciation as per Section 309(5) of the Companies Act, 1956 9973394 10338685
Net Profit as per Section 309(5) of the Companies Act, 1956 23877799 30416883

Commission :

(1) Managing Director(Shri S.H.Amin) at 1.5% on Rs.23877799 /- = 358167/- but Limited in terms of Section 198 appointment NIL 130044
(2) Joint Managing Director(Shri A.S.Amin) at 1.25% Rs.23877799 /- = 298472/- but Limited in terms of Section 198 appointment NIL 205644

NIL 335688

Managerial remuneration for the Managing Director and Joint Managing Director Amounting Rs.2931980/- (Previous Year Rs.3041688/-) Includes estimated money value of benefit Rs.221273 /- (Previous Rs.210000/-) and commission Rs.NIL (Previous Year Rs.335688/-)

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

A. TURNOVER :

	Current Year		Previous Year	
	Unit/Qty.	Value	Unit/Qty.	Value
		Rupees		Rupees
Industrial chains	69332 Mtrs.	216797519	72448 Mtrs.	250760790
Spares	44803 Nos.		66472 Nos.	
Sprocket Wheels	4644 Nos.	65632641	5343 Nos.	67359918
		<u>282430160</u>		<u>318120708</u>

B. RAW MATERIALS CONSUMED :

			Previous Year	
	Unit/Qty.	Value	Unit/Qty.	Value
	Tons	Rupees	Tons	Rupees
Flats	1097.149	41690653	1281.999	54581207
Strips	23.21	1150395	30.43	1855345
Pipes & Tubes (mtrs.)	17279	2122535	15750	1728138
Round Bars/Angles	887.852	42750463	793.976	44755464
Plates	445.120	17034263	369.785	18138062
Cast/Iron Steel	139.796	8687157	168.397	12368193
Bearings (nos.)	14854	1724794	12096	710734
Other components		19197409		24447771
		<u>134357669</u>		<u>158584914</u>

C. STOCKS :

Opening : Industrial Chains	380 Mtr +890 Nos.	86328	380 Mtr +890 Nos.	82924
Sprocket Wheels	0	0	0	0
Closing : Industrial Chains	380 Mtr +890 Nos.	95220	380 Mtr +890 Nos.	86328
Sprocket Wheels	0	0	0	0

D. CAPACITY AND PRODUCTION :

	Capacity			Previous Year		
	Capacity		Actual	Capacity		Actual
	Licensed	Installed	Production	Licensed	Installed	Production
	Industrial Chain-	500000 Mtr	500000 Mtr.	69332 Mtrs. 44803 Nos.	500000 Mtr.	500000 Mtr.
Sprocket Wheels-	30000 Nos.	30000 Nos.	4644 Nos.	30000 Nos.	30000 Nos.	5343 Nos.



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

	<u>Current Year</u>	<u>Previous Year</u>
	<u>Rupees</u>	<u>Rupees</u>
Raw Materials	4,121,452	3,067,482
Stores and Spares	NIL	NIL
Capital Goods	NIL	NIL

F. Expenditure in Foreign Currency on account of :

Travelling	\$ 5500	\$ 2200
	Euro 1600	Euro 1300
	£ 500	

G. Value of Raw Materials Consumed :

	<u>Current Year</u>		<u>Previous Year</u>	
<u>Value</u>	<u>% of Total</u>	<u>Value</u>	<u>% of Total</u>	
<u>Rupees</u>	<u>Consumption</u>	<u>Rupees</u>	<u>Consumption</u>	
Imported	4,121,452	3.07	3,067,482	1.93
Indigenous	130,236,217	96.93	155,517,432	98.07
	<u>134,357,669</u>	<u>100.00</u>	<u>158,584,914</u>	<u>100.00</u>

H. Value of stores & Spares Consumed :

Imported	0	0.00	0	0
Indigenous	14,638,643	100.00	17114812	100.00
	<u>14,638,643</u>	<u>100.00</u>	<u>17,114,812</u>	<u>100.00</u>

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

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

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

	<u>Rupees</u>	<u>Rupees</u>
Industrial Chains	7928213	24703298
Sprocket Wheels	2026021	5275703
	<u>9954234</u>	<u>29979001</u>



12) Balance Sheet Abstract and Company's general business profile.

I Registration Details

Registration No.: **1439**
State Code No.: **4**
Balance Sheet Date **31-03-2010**

II Capital Raised During the year

Rs./Thousands

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

III Position of Mobilisation and Development of fund

Total Liabilities 101793
Total Assets 101793

Source of Funds

Paid-up Capital 7560
Reserves & Surplus 94233
Secured Loans NIL
Unsecured Loans NIL

Application of Funds

Net Fixed Assets 41225
Investments 5014
Deferred Tax Assets 867
Net Current Assets 54688
Misc. Expenditure NIL
Accumulated Losses NIL

IV Performance of Company

Turnover (including Other Income) 294076
Total Expenditure 272689
Profit/Loss Before Tax 21387
Profit/Loss After Tax 14026
Earning per Share in Rs. 18.55
Dividend Rate % 40.00

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

Item Code No. (ITC Code)	Product Description
731511.00	Industrial Chains
848340.00	Sprockets

For, THACKER BUTALA DESAI

Chartered Accountants

M.T.Desai

Partner

(Membership No. 030911)

(FIRM REGI. NO. 110864W)

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

Place : Navsari
Date : 30th April-2010

Place : Vallabh Vidyanagar
Date : 23rd APRIL-2010

ROLCON ENGINEERING COMPANY LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	Amount Rupees <u>31.03.2010</u>	Amount Rupees <u>31.03.2009</u>
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	213.87	273.33
Adjustments For :		
Depreciation	99.73	103.39
Interest/Dividend Income	-41.57	-29.55
Unrealised Foreign Exchange (Gain) / Losses	5.17	-11.27
Profit / Loss Disposal / Write Off of Fixed Assets (Net)	-4.61	-0.39
Interest Paid	2.66	10.33
Operating Profit before Working Capital Charges Adjustment For :		
Sundry Debtors	-175.12	91.12
Inventories	-7.66	28.07
Other Loans And Advances	-20.28	30.41
Sundry Creditors	106.82	-72.11
Cash Generated From Operations		
Income Tax Paid / Provision	-82.52	-108.82
Net Cash From Operating Activities	<u>96.47</u>	<u>314.51</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets	-110.15	-97.29
Sale Of Fixed Assets	7.85	1.43
Purchase Of Investments	-30.00	0.00
Sale of Investments	0.00	0.00
Interest Received	41.03	29.55
Dividend Received	0.55	0.00
Net Cash Used In Investing Activities	<u>-90.73</u>	<u>-66.31</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Issue of Share Capital	0.00	0.00
Proceeds From Long Term Borrowings	0.00	0.00
Repayment of Long Term Borrowings	-36.18	-37.73
Intrest Paid	-2.66	-10.33
Dividend Paid	-30.24	-30.24
Tax On Dividend Paid	-5.14	-5.14
Net Cash Used In Financing Activities	<u>-74.22</u>	<u>-83.44</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	-68.48	164.76
Cash and Cash Equivalents at beginning of the year	602.66	437.90
Cash and Cash Equivalents at the end of the year	534.18	602.66

As per our Report of even date attached

For, THACKER BUTALA DESAI
Chartered Accountants

M.T.Desai
Partner
(Membership No. 030911)

Place : Navsari
Date : 30th April-2010

Chairperson : **Sushila S.Patel**
Managing Director : **S.H.Amin**
Jt.Managing Director : **A.S.Amin**
Directors : **Ashok Krishnadas**

: **S. M. Patel**
: **Daksha S. Amin**
: **K.K.Seksaria**
: **A. D. Gandhi**
Place : Vallabh Vidyanagar
Date : 23rd April - 2010

Proxy Form

ROLCON ENGINEERING COMPANY LIMITED

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

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

No. of Shares held _____

I/We _____

_____ of member/members of the above

named Company hereby appoint Mr./Mrs. _____

of _____ or _____ failing

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

as my/our proxy to vote for me/us and on my/our behalf at 43nd Annual Meeting of the Company to be held on Thursday, 15th day of July, 2010 at 3.00 p.m. or any adjournment thereof.

Address _____

Signature

affix
Rs.1
Revenue
Stamp

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

*Please Strike out whichever is not desired.

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

Proxy Form

