

**ROLEX**  
ROLLED RINGS

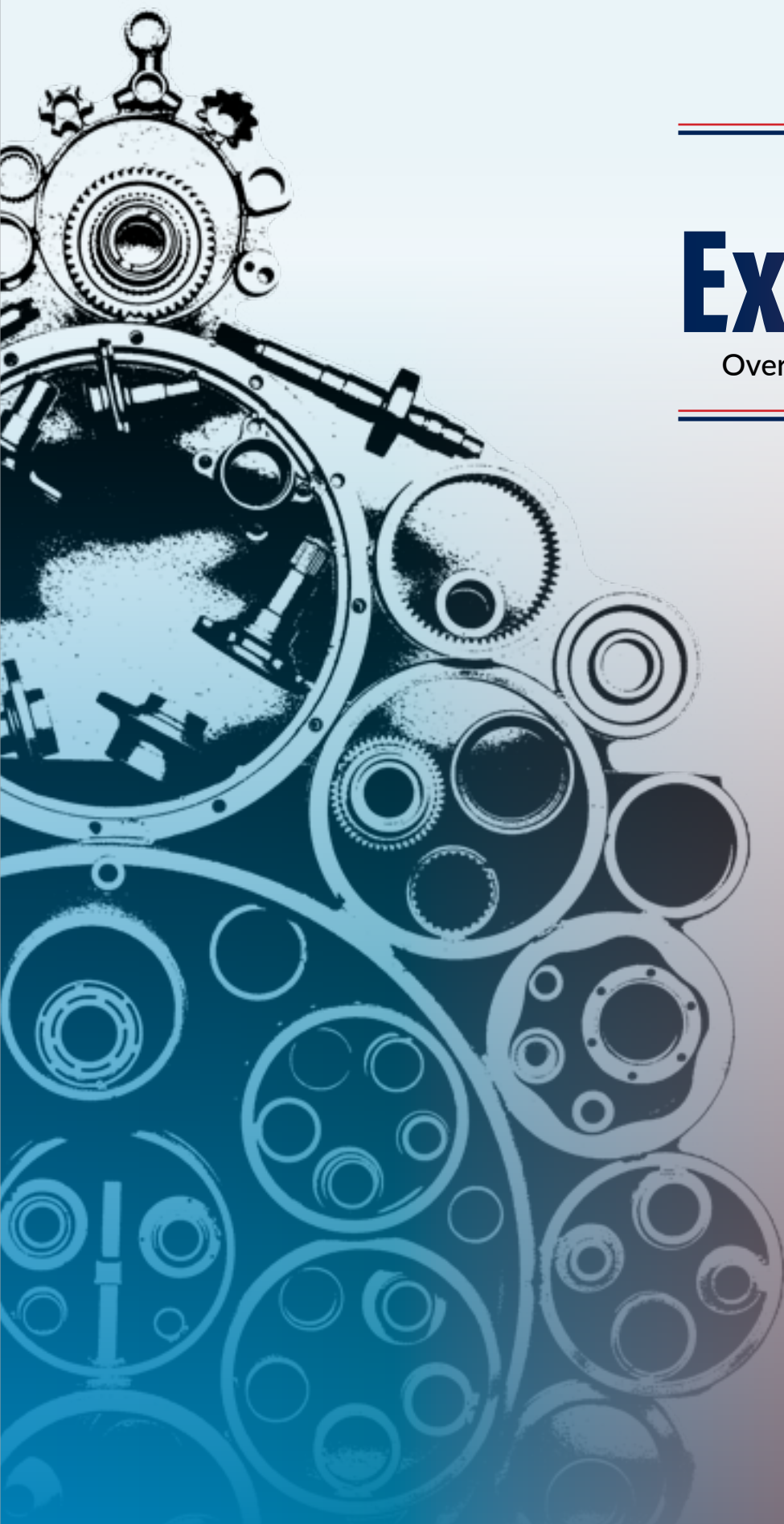
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# Engineering **Excellence**

Over three decades and counting...

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Rolex Rings Limited  
Annual report **2021-22**





For more information,  
please, visit our website:

## Highlights of the year

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### 130 Notice

**10,167** millions  
Revenue

**64.9%**  
Y-o-Y Increase in revenue

**0.37**  
Debt to equity ratio

**60%**  
Reduction in debt in 5 years

**144750** MTPA  
Forging capacity

**58%**  
Export revenue

**70** millions  
parts per annum  
Machining capacity

**1,963**  
Permanent employees

# Contents

**Opportunities lie amid uncertainties. Today’s challenges help us develop the strength needed for tomorrow.** At Rolex Rings, we remain committed to scripting our success by capitalising on these opportunities.

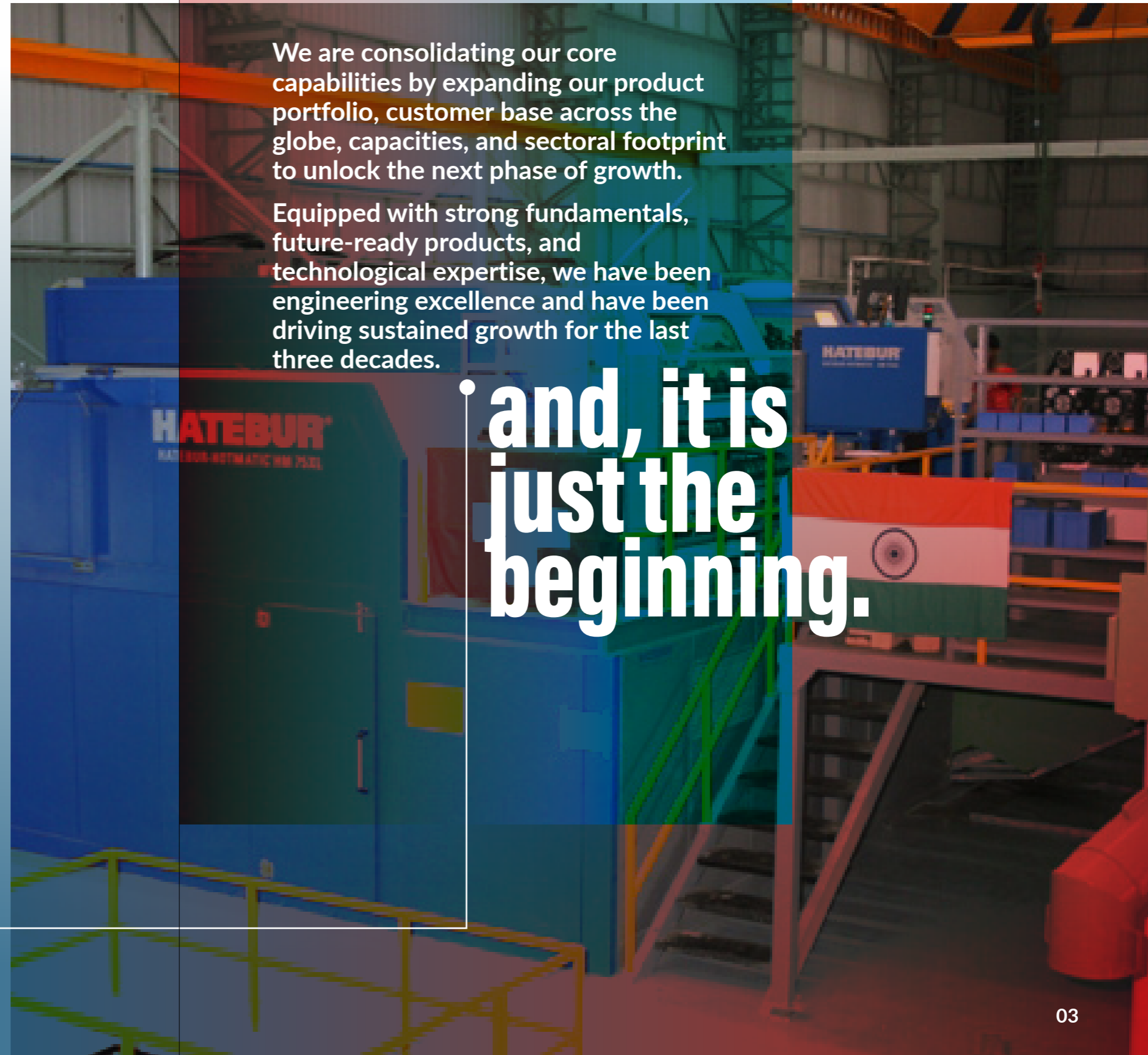
**The emerging technologies in the automotive and machined components landscape offer exciting prospects.** Innovation and technological upgrades are driving growth of the sectors. We are well positioned to tap the opportunities that stem from the changing realities, by leveraging our robust supply chain and skilled human capital, to deliver excellence at scale.

**Our extensive experience of over three decades, manufacturing excellence, innovation capabilities, and efficient operations provide us a competitive edge and enable us to produce niche products for motion engineering.**

We are consolidating our core capabilities by expanding our product portfolio, customer base across the globe, capacities, and sectoral footprint to unlock the next phase of growth.

Equipped with strong fundamentals, future-ready products, and technological expertise, we have been engineering excellence and have been driving sustained growth for the last three decades.

**and, it is just the beginning.**



## Driving motion engineering towards excellence

With an immaculate experience of over three decades, Rolex Rings Limited is among the top five leading manufacturers of forged and machined components in India in terms of installed capacity

**We began our journey with humble resources and an immense passion for engineering.** We started manufacturing various types of rings for ball bearing, tapered, cylindrical, railway bearing components, and spacers with additional operations like drilling, milling and marking. We strive to provide holistic value to our customers by offering high-quality products customised as per their requirements.

**We are a leading development partner manufacturing unique, high-quality automobile parts and bearing rings for a huge consumer base located all over the world.** With our proficiency in precise engineering of diverse forging and machining, we have amassed a wealth of skill in producing transmission, engine, chassis, exhaust system, and bearing ring components.

**We have three manufacturing facilities in Rajkot, which offer us proximity to ports and help catalyse our export business.** We supply products to over 60 customers in 17 countries across the world including the USA, Europe and Southeast Asia. We have also been investing in enhancing our renewable energy capacity to serve the dual purpose of cost reduction and ecological sustainability.



## Strong presence in prominent geographies

We supply bearing rings and automotive components to leading domestic and international customers spread across 60 customers in 17 countries.



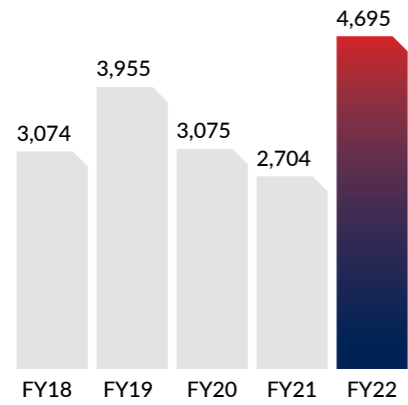
The proximity of our manufacturing units to the ports of Kandla, Mundra, and Pipavav in Rajkot allows us to serve the export markets as well as the numerous automotive clusters in North, West, and South India. Rajkot's smaller machining facilities, which we occasionally use for pre-machining, and the availability of skilled labour have also been beneficial to us

- India
- Canada
- USA
- Argentina
- Slovakia
- France
- Portugal
- Poland
- Germany
- Romania
- Czech Republic
- Hungary
- Austria
- Italy
- South Africa
- Thailand
- China

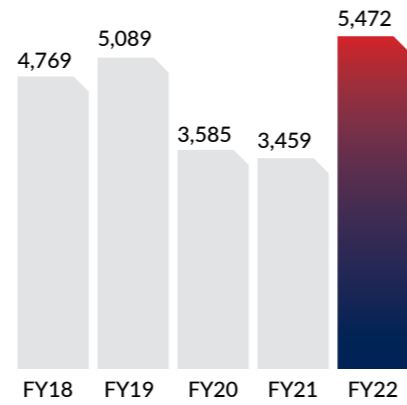


# A year of stellar performance

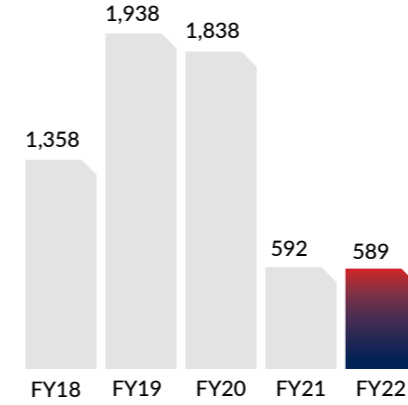
**Revenue (Domestic)** (INR Million)



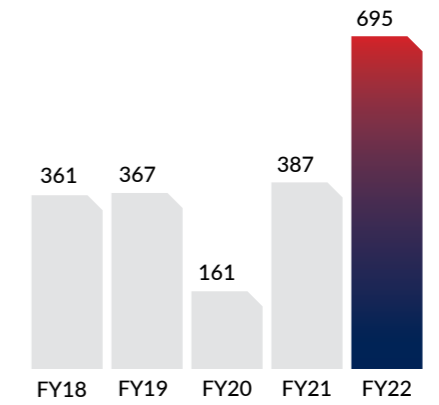
**Revenue (Export)** (INR Million)



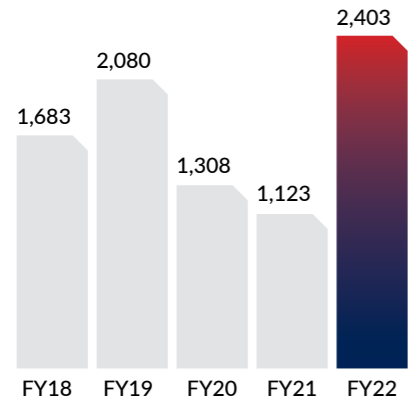
**Operating Cash Flow** (INR Million)



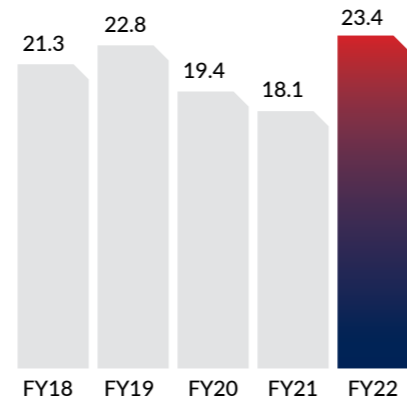
**Capex** (INR Million)



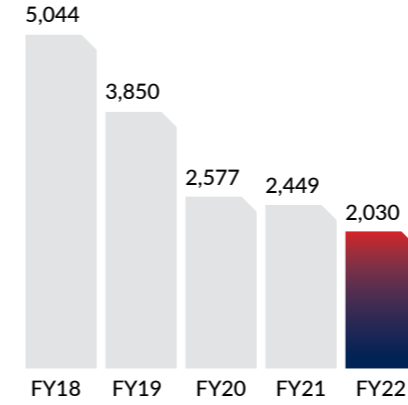
**EBITDA** (INR Million)



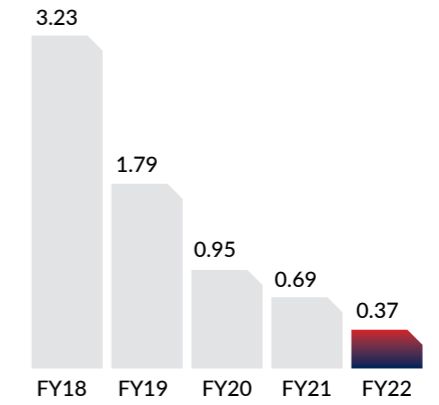
**EBITDA margin** (%)



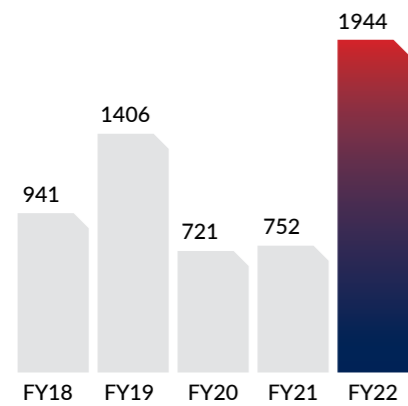
**Net Debt** (INR Million)



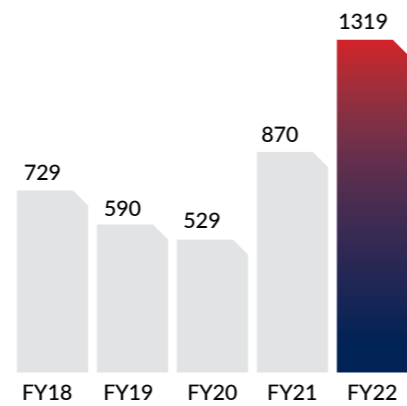
**Net Debt: Equity** (%)



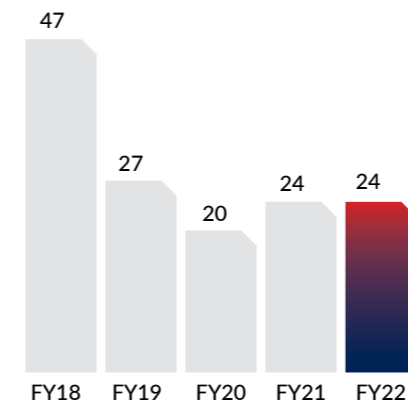
**PBT** (INR Million)



**PAT** (INR Million)



**ROE** (%)



# Chairman's message



### Dear Shareholders,

It gives me immense pleasure to write to you at the end of an eventful year for our Company. I hope this letter finds you and your families safe and well.

The last two years were battered by the relentless impact of the pandemic had an adverse impact on Human Health, and loss of lives and livelihoods. As the world navigated the pandemic-related disruptions, the geopolitical conflict resulted in further volatility and uncertainty.

The global economy, already buffeted by several headwinds was further stressed by the Russia-Ukraine military conflict that led to supply chain shocks, soaring commodity prices, and elevated inflationary pressures. In a volatile environment such as this, businesses had to cope with the

unprecedented sequence of events with speed and agility to remain relevant.

### Registering robust growth

The year, marred a number of headwinds, proved to be a busy one for us at Rolex Rings as we navigated challenges to strengthen our business and register strong growth. We delivered robust performance and positioned our business for continued growth in 2022-23 and beyond. New milestone achieved in terms of utilisation of production capacity. Also surpassed pre-pandemic levels in terms of revenue, capacity, and margin. The consolidated revenue for the fiscal 2021-22 stood at ₹ 10,167 millions, recording a growth of 64.9%. EBITDA increased to ₹ 2,403 millions from ₹ 1,123 millions, an incremental EBITDA of 5.3% compared to previous fiscal. Our PAT stood at ₹ 1,319 millions in comparison to ₹ 870 millions in 2020-21.

Both the overseas and domestic market contributed to our strong revenues with 58% to 60% revenue from the exports market and 40-42% from the domestic market.

I would also like to mention that for the first time in the history of the Company, we have recorded dispatches of ₹ 3000 millions in Q4 FY2022 with monthly run rate of ₹ 1000 Millions We expect the momentum to continue with the same kind of margin and growth in the overall top line as well as operations.

### Capitalising on the EV momentum

The gradual momentum has been triggered in Electric Vehicle (EV) segment in India. The Government, in the Union Budget 2022-23, has reiterated its focus on promoting EVs as a means of transportation in the country. With the encouraging scope

for growth in the EV sector, we have strategically forayed into the EV and hybrid vehicle component segments to capitalise on opportunities the segment has to offer.

During 2021-22, electric and hybrid vehicles contributed to 7.1% of our total revenues and we are expecting this to reach 10% to 12% in the current fiscal. As a result of the accepted European standards in this segment, we are hoping to be benefitted significantly from the growing demand for EV components from customers in the United States.

Besides our new ventures, we have also added several customers to our portfolio, particularly from the overseas market. Our business is expected to be further benefited by them in the second and third quarter of 2022-23, thereby providing a major boost to the overall revenue of the Company. [update needed] Though company has started at the same pace in Q1- FY2023 compared to Q4-FY2022. Global economy is envisaging downfall in western countries which may reduce our estimates to some extent but the same will be offset by the new customer added during the current fiscal.

### Adopting greener alternatives

Since, power and fuel expenses contribute to one of the largest single expenses for the company, the major source of power is from State Electricity Board. Your Company is in the process of installing Ground mounted Solar Plant to reduce power cost significantly. The Company has installed 8.75 MW Wind Turbine for generation of power. Further the company has already initiated for setting up Ground mounted solar Project of 16 MW which may expect to save ₹ 3 to ₹ 5 Cr and ₹ 12 to ₹ 14 Cr in FY23 and FY24 respectively, thus reducing our dependence on conventional power by 30%.

### Several tailwinds on the horizon

As we look forward to 2022-23 and beyond, there are several tailwinds that we believe will keep supporting our growth. Given that we supply industrial bearing rings to some of the leading Bearing Manufacturers in India, the industrial pick-up, owing to the spike in consumption as well as investment, will benefit us significantly. Additionally, we are looking forward to make the most of the opportunity stemming from the 'China plus one' strategy, wherein global players are diversifying their businesses and broadening the scope of manufacturing beyond China. There is an ongoing innovation and technological upgrade in the automotive and machined components landscape fuelling the growth of the sectors. Through our robust supply chain, future-ready products and skilled human capital, we have positioned ourselves well to tap these opportunities.

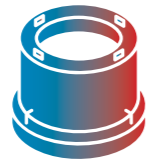
Amid the uncertainties, it is our team whose continued resilience in the face of challenges has ensured that we remained focused on the future. Energised by the belief that together we shine brighter, we continue being engines of value creation for all our stakeholders.

I would like to conclude by expressing gratitude to our employees, shareholders, customers, suppliers, bankers, Government authorities, and all other stakeholders, for being integral part of our ever growing journey.

Regards,

**Manesh Dayashankar Madeka**  
Chairman & Managing Director  
DIN 01629788

# Poised to deliver innovative solutions



## Comprehensive product portfolio

We provide a wide variety of hot forged and machined alloy steel bearing rings with inner and outer diameters ranging from 25 millimetres to 900 millimetres and weights ranging from 0.01 kilogrammes to over 163 kilogrammes. This qualifies our products for application in a variety of end-user industries, including transportation, rail, infrastructure, and renewable energy sectors, among others. Additionally, we sell auto parts like gears, shafts, and spindles for wheels. The fact that we supply each of our products domestically and internationally demonstrates the robustness of our product portfolio.

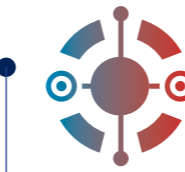
Our product portfolio enables us to provide a wide range of products to our customers, improves our potential to draw in new clients and in turn our market share with existing customers. Our product diversity also helps reduce our business risk by limiting reliance on a single product category.



## Efficient manufacturing capacity

Our infrastructure investment provides us with the adaptability to produce high-volume parts efficiently. Our vertical forging lines are best suited for medium- and lower-volume manufacturing while our high-speed hot formers are best suited for high-volume, precision components. This, in our opinion, enables us to serve a wider range of end-user sectors as well as our clients across a wider spectrum of product offerings.

High-speed hot formers from Sakamura and Hatebur, vertical forging lines from Manyo, Mitsubishi, SMS Meer, Enomoto, and Eumoco, as well as traditional forging lines linked with induction heating furnaces, are all part of our manufacturing infrastructure. Spindles from DMG, FUJI, ACE, TSUGAMI, Hyundai, Mazak, Muratec, and domestic CNC Turning centres make for a sizable portion of our current machining lines.



## Diversified revenue base

We supply to the top bearing manufacturers, Tier-I and Tier-II auto component suppliers, and specific vehicle OEMs both Domestic and Overseas. We have also been able to preserve enduring relationships with our customers. The Top ten customers have been with the company for more than a decade. Our products are used in a variety of automotive applications including two-wheelers, passenger cars, commercial trucks, off-road vehicles, and electric vehicles. They are also used in industrial machines, wind turbines, and railroads among other applications.

With Indian bearing market showing a healthy growth prospect and the growing domestic auto component industry offers us the opportunity to enhance our sales.



## Experienced promoters and management team

Our business is managed and expanded by a skilled management team that possesses the knowledge and insight necessary. In addition to our promoters, the senior management team at our Company has members with an average experience of over 24 years, the majority of whom have been with us for more than ten years. Our competitive edge helps us in our efforts to grow in our current areas and enter new geographical regions, thanks to the expertise and experience of our promoters, senior and middle management, and our sales team and marketing staff.

Our operations have grown, and internal procedures and competencies have been developed with the help from our seasoned promoters and senior management group.



## Strong balance sheet

With a reduction in the debt-to-equity ratio from 1.79 times as of FY19 to 0.37 times as of FY22, which is also reflected in our credit rating, we have been able to significantly enhance our financial profile. With the majority of our long-term debt being paid off, we have sharply reduced our net debt. Our prudent management has also been reflected on our balance sheet as we have a healthy ROI of 24% in this fiscal.

We have also made large investments in plant and machineries and equipments for various value added processes. These investments have been made to increase our capacity for forging and machining, heat treatment facilities, and to purchase equipment for solar energy production.



## Leveraging expertise to augment value

Our expertise in tool design, engineering, and product development complements our production capabilities. We cater to our customers' huge orders through operational efficiency and quality achieved by employing our flexible manufacturing infrastructure, skilled workforce and well-structured procedures. With a machining capability of 69 millions pieces per year and a forging capacity of 144,750 MTPA, we are one of India's leading producers of bearing rings.

Leveraging our state-of-the-art manufacturing facilities in Rajkot, we produce high-quality products at scale to meet the global demand. Each of the facilities is equipped with the latest

technology and the processes are automated to reduce the cycle time and enhance workplace safety by reducing worker intervention in critical operations.



**Unit 1**

- Forging
- Heat treatment
- Shot blasting



**Unit 2**

- Forging
- Heat treatment
- Shot blasting
- Cold rolling
- Machining
- Quality control and testing
- Packing and dispatch



**Unit 3**

- Tool-and-die making
- Shot blasting
- Machining
- Quality control and testing
- Finished good warehouse
- Packing and dispatch

### Manufacturing units equipped with end-to-end capabilities to ensure quality control

#### Engineering, design and procurement

##### Engineering, design, tooling and die-making

- Converts customer designs, drawings and inputs into actionable part drawings, cost estimates, process parameters, monitoring protocols, production simulation, trial runs, sample preparation;
- Tool making is done through CNC machine programming with relevant 2D drawing, 3D model and other machines

##### Raw material procurement

- Raw material - sourced from customer approved vendors
- In most customer contracts, raw material costs are pass through to the client

#### Manufacturing Process

##### Forging

- Diversified forging infrastructure converts steel rods into rings/ gear blanks/ other shapes as required
- High-speed hot formers are best suited for high volume precision components while vertical forging lines are ideally suited for medium as well as lower volume production

##### Heat treatment

- Heat treatment provide the proper hardness & wear
- Normalizing, Spheroidize -annealing, Iso-annealing, Hardening and tempering, Case carburizing and Induction hardening

##### Cold Rolling

- Components are passed through one or more pairs of rolls to reduce the thickness, increase diameter, to make the thickness uniform, to impart desired mechanical properties and improve yield in manufacturing process

##### Machining

- Pre-Machining - forged parts are pre-machined on conventional lathe and manually operated CNC turning centres; o CNC Turning 81 Vertical Machining Centres ("VMC") - milling, grooving, facing, threading, drilling, boring etc.

## Leveraging expertise to augment value (Contd.)

### Tooling and die-making

Tool design, die material inspection upon arrival, tool and die manufacture and testing are all steps in the tool and die-making process. Through the use of necessary 2D drawings, 3D models, and other machines, tool manufacture is accomplished by employing CNC machine programming. After that, the die is examined, and each tool and die are given a special identification number and stored designated location. In accordance with the manufacturing, planning, and control plan, dies and tools with die history cards are sent to the production department.

### Manufacturing process

#### Forging

We have a significant advantage in hot forging as it has traditional and incredibly flexible forging lines that enable us to simultaneously meet the expectations of various clients. The Company continues to operate with efficiency and economy, which translates into cost savings for the clients, by making the most of its capabilities. All our forging lines are integrated with induction heating furnaces.

**22**

Forging lines

**1,44,750**

**MTPA**

Forging capacity

Depending on the quantity to be produced and the design input for a specific item to forge, a vertical forging press, high-speed hot formers or conventional forging line is chosen. Our vertical forging lines are best suited for medium- and lower-volume manufacturing, while our high-speed hot formers are best suited for large volume, precision components. For the majority of our forging lines, the bars are fed continuously into the forging line where they are heated using electric induction heating, chopped to size, and hot-formed into the required shape according to the die profile. The forging is examined to see if it complies with the control plan and drawing print requirements.

#### Heat treatment

Sperodised annealing, FP annealing, ISO thermal annealing, solution annealing, and stress relieving are few of the annealing and normalising processes we can perform in our cutting-edge furnaces. All of the furnaces have CQI9 certification and are SCADA Level II-controlled. We have several facilities including a continuous cast link furnace, four sealed quench furnaces and a vacuum hardening furnace.

**7,500**

**MT/month**

### Cold rolling

Rolling is used to creating shapes that are close to net shapes, including cylindrical, tapered, spherical, angular, and more. The forged and annealed components are passed between one or more pairs of rolls during the cold rolling process to reduce thickness, increase diameter, make thickness uniform, impart desirable mechanical qualities, and increase manufacturing yield.

The finished product's material qualities depend on how much strain is applied.

### Machining

The key to our cost-effective components is the entire value-added process from forging to final machining. Working tirelessly on new improvements in the machining process, we strive to maintain perfect precision engineering in all product segments. Our machining facility is technologically advanced to raise its manufacturing standards to the highest level and performs a variety of operations including turning, drilling, milling, and other processes. CNC and

**532**

Spindles

**70**

**millions parts per annum**

Machining capacity

VMC machines significantly bolster our manufacturing standard.

### CNC turning

In the CNC turning process, which is used to create cylindrical parts, the workpiece spins as the cutting tool moves linearly. Turning is a common lathe operation that reduces the item's diameter, usually to a predetermined specification, and creates a smooth part finish. A lathe with computer numerical control is referred to as a turning centre. Additionally, a wide range of operations, such as grooving, facing, threading, drilling, and boring, can be carried out using CNC turning centres. Additionally, a wide range of operations, such as grooving, facing, threading, drilling, and boring, can be carried out using CNC turning centres.

### Vertical Machining Centres (VMC)

Rotary cutters are used by VMC to remove metal from a workpiece. The spindle used by VMC is oriented vertically. Tools that have a vertically oriented spindle jut out from the tool holder and frequently slash across the top of a workpiece. VMC machines are capable of a wide range of tasks,

including milling, facing, threading, drilling, and boring. Our machining capabilities as of the date of this RHP are as follows:

### Ensuring high quality standards

We believe in upholding the established standards of quality for our products because they are crucial to the success of our business and client pleasure. To ensure that the high standards demanded by our clients are consistently reached, we make sure that our products are put through stringent quality tests across the whole production chain. We practise rigorous prevention-based quality control checks that include incoming, in-process, and outgoing quality controls.

We uphold the established standards of quality for our products as they are crucial to the success of our business and customer satisfaction. We make sure that our products are subjected to rigorous quality checks across the whole production chain to ensure that the high standards demanded by our clients are regularly met. We employ stringent prevention-based quality control checks, including incoming, in-process, and outgoing quality controls

**Enhancing our share in EV and hybrid**

In the past year, we have started the delivery of electric and hybrid vehicles, which accounts for close to 7.1% of the total. We anticipate that this will climb by more than 10% to 12%. We will benefit greatly from the growing demand for electric vehicle components from customers in the US as a result of the accepted European standards in this area.

**IATF 16949 and ISO 9001 certified**

**ISO 14001:2015  
ISO 45001: 2018**

# Designing a blueprint for growth

## Enhancing business with existing customers

We are the chosen partners to some OEMs and Tier 1 suppliers since we have established significant, long-lasting connections with our customers over the years.

In order to develop and provide more complex, higher-margin goods, we leverage our established relationships and understanding of the needs and preferences of our clients. Additionally, we work to strengthen our partnership by continuing to offer high-quality goods at affordable costs and concentrating on creating new products that meet shifting consumer demands.

## Expanding our consumer base

Our expansion has been largely dependent on our capacity to establish new customer relationships. We ought to be able to enter new markets owing to our track record of upholding quality standards.

We want to continue sourcing new business by utilising our product line, long-standing connections, and our credentials. There are several regions including Europe and India, where we are under-represented in the automotive component market. We will work to increase our market share in these regions. We have begun pursuing the same goal and have a 10-millions-euro contract with a Tier-1 European supplier.

## Improving financial risk profile

We now have more flexibility in managing our borrowings and making other business-related decisions.

With the CDR debt being paid off, we have drastically lowered the net debt. We had a debt-equity ratio of 0.37 as opposed to 0.69 in the prior fiscal year, and in FY 22 we produced a respectable ROI of 24%.



## Strengthening our capability

In order to raise the proportion of value-added and high-margin components, we plan to improve our machining and post-machining skills.

We strive to make investments to accommodate changes in the market landscape as we continue to assess dynamic technology, market trends, and customer preferences. Our heat treatment facilities and machining capabilities are currently being expanded. We are looking towards investing in cold forging since it could help us diversify our product offerings.



## Sustainable power sourcing

One of the largest single expenses for the company is from power and fuel and majority of the chunk is being procured from State Electricity Board.

We operate wind turbines that have an installed capacity of 8.75 MW. Further the company has already initiated for setting up Ground mounted solar Project of 16 MW which may expect to save ₹ 30 Millions to 50 Millions and ₹ 120 Millions to ₹ 140 Millions in FY23 and FY24 respectively which reduce power cost by 30%.



## Improving operational efficiency

By continuously reducing costs, strengthening the contribution of higher-value machined goods, and maximising capacity utilisation, we want to continue to increase profitability.

In certain of our machining centres, we have used automated technologies to shorten cycle times and use fewer workers. To enable us to concentrate our efforts on producing the highest-quality products within our core sectors, we constantly assess the cost-benefit of outsourcing non-critical processes.



# Management of the Company



## Our Board of Directors & Key Managerial Personnel



**Mr. Manesh Dayashankar Madeka**  
Chairman & Managing Director



**Mr. Bhautik Dayashankar Madeka**  
Wholetime Director



**Mr. Mihir Rupeshkumar Madeka**  
Wholetime Director



**Mr. Pravinchandra Ratilal Dholakia**  
Independent Director



**Mr. Dipesh Dhirajlal Kundaliya**  
Independent Director



**Mr. Ashit Ravinshankar Vankani**  
Independent Director



**Ms. Jignasa Pravinchandra Mehta**  
Independent Director



**Mr. Hiren Dilip Doshi**  
Chief Financial Officer



**Mr. Hardik Dhimantbhai Gandhi**  
Company Secretary & Compliance Officer

## Corporate Information

### Board of Directors

- |  |  |
|--|--|
| 1. <b>Mr. Manesh Dayashankar Madeka</b>      | Chairman & Managing Director [DIN: 01629788] |
| 2. <b>Mr. Bhautik Dayashankar Madeka</b>     | Wholetime Director [DIN: 01761543]           |
| 3. <b>Mr. Mihir Rupeshkumar Madeka</b>       | Wholetime Director [DIN: 01778561]           |
| 4. <b>Mr. Pravinchandra Ratilal Dholakia</b> | Independent Director [DIN: 00844014]         |
| 5. <b>Mr. Dipesh Dhirajlal Kundaliya</b>     | Independent Director [DIN: 08035547]         |
| 6. <b>Mr. Ashit Ravinshankar Vankani</b>     | Independent Director [DIN: 08988523]         |
| 7. <b>Ms. Jignasa Pravinchandra Mehta</b>    | Independent Director [DIN: 08035567]         |

### Corporate Identification Number

L28910GJ2003PLC041991

### Bankers

Union Bank of India  
Punjab National Bank  
Bank of Baroda  
Bank of India  
Indian Overseas Bank

### Registered Office

Behind Glowtech Steel Private Limited,  
Gondal Road, Kotharia, Rajkot-360 004 (Gujarat)

### Corporate Office

Nr. Kotharia Railway Crossing, Opp. Hotel Krishna Park,  
Gondal Road, Rajkot - 360004, Gujarat

### Chief Financial Officer

Mr. Hiren Dilip Doshi

### Company Secretary & Compliance Officer

Mr. Hardik Dhimantbhai Gandhi

### Statutory Auditors

S R B C & Co. LLP  
Chartered Accountants

### Secretarial Auditors

CS Purvi Dave  
Partner  
MJP Associates  
Practising Company Secretaries

### Listed at

National Stock Exchange of India Limited  
BSE Limited

### Registrar and Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400 083

### E-mail and Website

compliance@rolexrings.com  
www.rolexrings.com

# Report of the Board of Directors

To,  
The Members,  
**Rolex Rings Limited,**  
(Formerly known as Rolex Rings Private Limited)

Your Directors are pleased to present their 20<sup>th</sup> Annual Report for the financial year ended on 31<sup>st</sup> March, 2022.

## 1. Financial Results:

Your Company's performance for the year ended on 31<sup>st</sup> March, 2022, is summarized as under:

(Figures in ₹ million)

Sr. No.	PARTICULARS	2021-22	2020-21
1.	Revenue from Operation	10,167.05	6163.32
2.	Other Income	114.24	34.25
3.	<b>Total Revenue (1+2)</b>	<b>10,281.29</b>	<b>6197.57</b>
4.	Cost of Materials consumed	5,194.80	3165.95
5.	(Increase)/decrease in inventories	(553.55)	(291.60)
6.	Employee Benefits Expense	587.60	518.66
7.	Finance Cost	204.29	116.99
8.	Depreciation & Amortization Exp.	255.51	254.09
9.	Other Expenses	2,649.04	1681.63
10.	<b>Profit/(Loss) Before Tax</b>	<b>1,943.60</b>	<b>751.85</b>
11.	Current Tax	666.19	130.42
12.	Deferred Tax	(41.38)	(248.12)
13.	<b>Profit/(Loss) After Tax (PAT)</b>	<b>1,318.79</b>	<b>869.55</b>
14.	<b>Total Comprehensive income for the year, net of tax</b>	<b>1,318.30</b>	<b>874.63</b>

## 2. State of Company's Affairs and Future Outlook:

During the year under report, revenue from operations of the Company for fiscal 2021-22 was ₹ 10,167.05 millions, higher by almost 65% over the previous year's revenue from operations of ₹ 6,163.32 millions. The Profit after tax ("PAT") for the year 2021-22 was ₹ 1,318.79 millions as compared to PAT in previous year which was ₹ 869.55 millions showing a growth of 51.66% compared to previous year. Further, the total revenue of the company has been increased by 65% in the current fiscal. Also, in terms of quantum, it has been increased by 40%. The Company is looking forward to make better capacity utilization which will extend scale of economy benefit. Further, the Company is focusing on new product development as well as adding new customers in portfolio.

## 3. Declaration of Dividend & Transfer of Amount to Reserves:

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

Further, no amount has been transferred to general reserves in the Financial Year 2021-22.

## 4. Change in Nature of Business:

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

## 5. Change in Share Capital of the Company:

Allotment of Equity shares pursuant to Initial Public Offer:

The Company had its Initial Public Offer (IPO) which was opened for subscription from 28<sup>th</sup> July, 2021 to 30<sup>th</sup> July, 2021. Further, the Board of Directors of the Company, had vide its Resolution dated 05<sup>th</sup> August, 2021 approved allotment and transfer of 81,22,222 Equity shares comprising of fresh issue of 6,22,222 Equity shares and offer for sale of 75,00,000 Equity shares by Rivendell PE LLC in connection with Initial Public Offer at an offer price of ₹ 900/- per Equity share. All equity shares are listed on BSE Limited & National Stock Exchange of India Ltd, w.e.f. 9<sup>th</sup> August, 2021.

Post IPO, the paid up equity share capital is increased to ₹ 27,23,33,120/- consisting of 2,72,33,312 equity shares of ₹ 10/- each.

The net proceeds from the IPO were not fully utilized during the year under Report and following is the position of Net proceeds utilized for the Objects as disclosed in the Prospectus:

Original Object	Modified Object, if any	Original Allocation (Amt. in millions)	Modified Allocation, if any	Funds Utilised (Amt. in millions)
Funding long-term working capital requirement	-	450.00	-	400.00
General Corporate Purpose	-	79.57	-	79.57
<b>Total</b>	-	<b>529.57</b>	-	<b>479.57</b>

#### Redemption of Non-Convertible Redeemable Preference Shares:

During the year under Report, Company had redeemed Non-Convertible Redeemable Preference Shares ('NCRPS') in two tranches i.e. 16,80,000 NCRPS redeemed on 26<sup>th</sup> August, 2021 and 1,19,25,863 NCRPS on 20<sup>th</sup> September, 2021.

#### Conversion of Optionally Convertible Redeemable Preference shares into Equity Shares:

During the year under Report, company had converted 26,30,000 Optionally Convertible Redeemable Preference Shares into fully paid Equity Shares, by passing Board Resolution on 16<sup>th</sup> July, 2021 at a face value of ₹ 10/- each.

### 6. Management Discussion and Analysis:

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report for the Financial Year 2021-22, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report.

### 7. Extract of Annual Return:

In terms of Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 is placed on the website of the company viz <https://www.rolexrings.com>.

### 8. Board Meetings:

During the year under report, 10 Meetings of the Board of Directors of the Company were held. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

### 9. Audit Committee:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which is a part of this report.

### 10. Nomination and Remuneration Committee:

The details pertaining to composition of Nomination & Remuneration Committee are included in the Corporate Governance Report, which is a part of this report.

### 11. Stakeholders Relationship Committee:

The details pertaining to composition of Stakeholders Relationship Committee are included in the Corporate Governance Report, which is a part of this Report.

### 12. IPO Committee:

The IPO Committee of the company was formulated for specific purpose relating to administering IPO work. On completion of the IPO process and other ancillary matters, the Board recommended to dissolve the IPO Committee w.e.f. 03<sup>rd</sup> February, 2022.

### 13. Risk Management Committee:

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of the SEBI (LODR) Regulations, 2015, the Company has formulated and adopted a Risk Management policy. The primary objectives of the policy is to create a framework for identifying the potential risks impacting the Company's business and applying the various strategies for its minimization, optimization and maximizing the opportunities.

The Board has entrusted the Risk Management Committee with overseeing the processes of identification, evaluation and mitigation of risks. The Committee would periodically review the organizational risks that are spread across operational, financial, technological and environmental spheres and shall provide guidance to the management team.

Your Company is committed to protect the interests of its customers, shareholders, investors, employees and each person or entity with whom it is associated. Towards this goal, your company will further strengthen the internal processes and evaluate even more innovative ways to curb the risk impact. The details of Risk Management Committee along with its Charter are set out in Corporate Governance Report, forming part of this report.

### 14. 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;

- b) 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;
- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively.
- 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, statutory and Secretarial Auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022.

#### **15. Statutory Auditor and Auditors' Report:**

S R B C & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. FRN 324982E/E300003) the statutory auditors of the company, will hold office till the conclusion of the twenty fifth Annual General Meeting of the company. The Board has recommended the re-appointment of S R B C & Co. LLP, Chartered Accountants, Ahmedabad, as Statutory Auditors of the company, for a second term of five consecutive years, from the conclusion of twentieth Annual General Meeting scheduled to be held in the year 2022 till the conclusion of the Twenty Fifth Annual General Meeting to be held in the year 2027, for approval of shareholders of the company based on the recommendation of the Audit Committee.

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.

#### **16. Cost Auditor & Cost Audit Report:**

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 2022-23. The Board had approved Cost Audit Report for the Financial Year 2021-22.

#### **17. Secretarial Audit:**

The Board in its meeting dated 23<sup>rd</sup> May, 2022, had appointed CS Purvi Dave, Partner, MJP Associates, Practising Company Secretaries, Rajkot as Secretarial Auditor, to conduct secretarial audit for the Financial Year 2021-22.

The Secretarial Auditor (SA) has observed about the delay in filing of particulars of modification of charge. The Board would like to clarify that the Company had received the copies of the executed documents late from the Bank, and further during the time of these documents, the second wave of corona was on peak, and therefore the delay was occurred. Further, SA has observed about delay in filing of Form CRA 2 & AOC 4. The delay was occurred due to some administrative reasons. The Company shall ensure the timely filing of this Form now onwards. Further, as regards the late deposit of unspent amount of CSR, to the Fund specified under the Act, the Board clarifies that the fund already been deposited/transferred to PM Cares Fund in March 2022, and during the year 2021-22, the Company had fully utilised the CSR Funds as it is required to do in terms of Section 135 of the Act which shows genuine intentions of the Company.

#### **18. 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 the company for the financial year 2021-22 by PMLK & Associates, Rajkot.

#### **19. Corporate Governance:**

The Company is committed to pursue and adhere to the highest standard of Corporate Governance as set out by the Securities and Exchange Board of India ('SEBI') and the Companies Act, 2013. The report on the Corporate Governance as laid down in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report.

#### **20. Related Party Transactions:**

There were no contracts, arrangements or transactions entered into during fiscal 2021-22 that fall under the scope of Section 188(1) of the Companies Act, 2013. As



required under the Companies Act, 2013, the prescribed Form AOC-2 is appended as Annexure A to this Report.

## 21. Particulars of Loan, Guarantees and Investments Made:

During the year under report, there were no transactions which were falling under Section 185 or 186 of the Companies Act, 2013.

## 22. Corporate Social Responsibility (CSR):

The CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure B forming part of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The policy is available on website at <https://www.rolexrings.com/wp-content/uploads/2021/04/CSR-Policy.pdf>

## 23. Details of Board of Directors:

Your Board comprises Seven Directors, including Four Independent Directors (including one Woman Independent Director) and three Executive Directors.

All Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and expert advice to the Management on various aspects of business, governance etc. and play a critical role on strategic issues and add value in the decision making process of the Board of Directors.

### Re-appointment of Mr. Manesh D Madeka, as the Director

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Articles of Association of the Company, Mr. Manesh D Madeka [DIN: 01629788], Managing Director of the company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, to offer himself for re-appointment.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee, the Board recommends re-appointment of Mr. Manesh Dayashankar Madeka [DIN: 01629788] as Managing Director liable to retire by rotation.

The list of key skills, expertise and core competencies of all Directors and number of Board and its Committee meetings and attendance in the said meetings are provided in the Corporate Governance report forming part of this report.

Mr. Vivek Sett, Nominee Director of Rivendell PE LLC had resigned from the Board of the company w.e.f. 03<sup>rd</sup> February, 2022.

## 24. Key Managerial Personnel:

As on 31<sup>st</sup> March, 2022, following are the Key Managerial Personnel ('KMP') of the Company as per Section 2(51) and Section 203 of the Companies Act, 2013:

Name of the KMP	Designation
Mr. Hiren Dilip Doshi	Chief Financial Officer (CFO)
CS Hardik Dhimantbhai Gandhi	Company Secretary & Compliance Officer

During the year under report, there were no changes in KMP of the company.

## 25. Declaration of Independence:

The Company has received declaration under Section 149 (7) of the Companies Act, 2013 from all Independent Directors, that they meet criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013.

The Company has system to ask for Declaration of Independence from all its Independent Directors in First Meeting of Board to be held every year.

## 26. Particulars of Employees:

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure C forming part of this Report.

As per second proviso to Section 136(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the company or by way of email at [compliance@rolexrings.com](mailto:compliance@rolexrings.com)

## 27. Board Evaluation:

In accordance with provisions of Section 178 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the criteria of evaluation are based on "Guidance note on Performance Evaluation" issued by the Securities and Exchange Board of India on 05<sup>th</sup> January, 2017.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried

out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually and the Chairman.

#### **Evaluation of Committees:**

The performance evaluation of Committees was carried out by the Board after seeking inputs from the committee members, on the basis of the criteria such as structure and composition of Committees, fulfilment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency of meetings, adequacy of time allocated at the Committee Meetings, adequacy and timeliness of the agenda and minutes circulated, effectiveness of the Committee's recommendation to the Board etc.

#### **Evaluation of Directors and Board:**

A Separate exercise was carried out by Nomination and Remuneration Committee of the Board to evaluate the performance of individual directors.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The Performance evaluation of the Chairman was also carried out by the Independent Directors, taking into account the views of Executive Directors.

The evaluation of the Directors was based on various factors such as qualification and experience, fulfilment of functions as assigned, attendance at Board and Committee Meetings, contribution to strategy and other areas impacting Company's performance, availability and attendance etc.

The evaluation of the Board was based on the criteria such as composition of the Board, frequency of the meetings, adequacy of time allocated at the Board Meetings, adequacy and timeliness of the agenda and minutes circulated, functions of the Board, Governance and compliances etc.

#### **Evaluation for Independent Directors:**

The performance evaluation of Independent Directors was carried out by the Board of Directors based on various factors such as attendance at the Board and Committee Meetings, qualification, experience, ability to function as a team, commitment, roles performed and understanding of industry.

#### **Outcome of Evaluation:**

The outcome of such evaluation exercise was discussed at a separate meeting of Independent Directors held on 03<sup>rd</sup> February, 2022 and was later tabled at Board Meeting held on the same day.

The Directors expressed their satisfaction with the evaluation process. The overall performance of the Board as whole, Independent Directors and Chairman of the Board was positive.

#### **28. Subsidiaries, Joint Venture or Associate Companies:**

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

#### **29. Compliance with Secretarial Standards:**

The Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **30. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

The information pertaining to conservation of energy, technology absorption, Foreign Exchange earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure D forming part of this report.

#### **31. Vigil Mechanism:**

Your Company is committed to highest standards of professionalism, honesty, integrity, transparency and ethical behavior. Pursuant to the provisions of Section 177(9) & 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil mechanism/Whistle Blower which provides mechanism to its Directors, employees and other stakeholders to raise concerns about any wrongdoing in the Company and provide for adequate safeguards against victimization of employees and other persons who avail this mechanism.

The mechanism under the policy has been appropriately communicated within the organization. The Audit Committee of the Board shall review the functioning and implementation of the Whistle Blower mechanism, on timely basis.

During the year under report, the company has not received any complaints under the said mechanism. The Whistle Blower policy of the company has been hosted on the website at the link <https://www.rolexrings.com/policies>

#### **32. Other Disclosures as Required Under The Provisions of The Companies Act, 2013 and Rules Made Thereunder:**

1. 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.
2. During the year under Report the Company has not accepted the public, falling within purview of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, as amended.

3. 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.
4. 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.
5. 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.
6. 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.
7. 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.

### 33. ACKNOWLEDGEMENT:

Your directors put on record their to conclude by expressing gratitude to our employees, shareholders, customers, suppliers, bankers, Government authorities, and all other stakeholders, for being integral part of our ever growing journey.

By Order of the Board of Directors,

For, Rolex Rings Limited  
[Formerly known as Rolex Rings Private Limited]

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

Date: 17<sup>th</sup> August, 2022

Place: Rajkot



# Annexure A

## Particulars of Contracts/Arrangements Made With Related Parties

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of the Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

### A. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2022, which were not at arm's length basis.

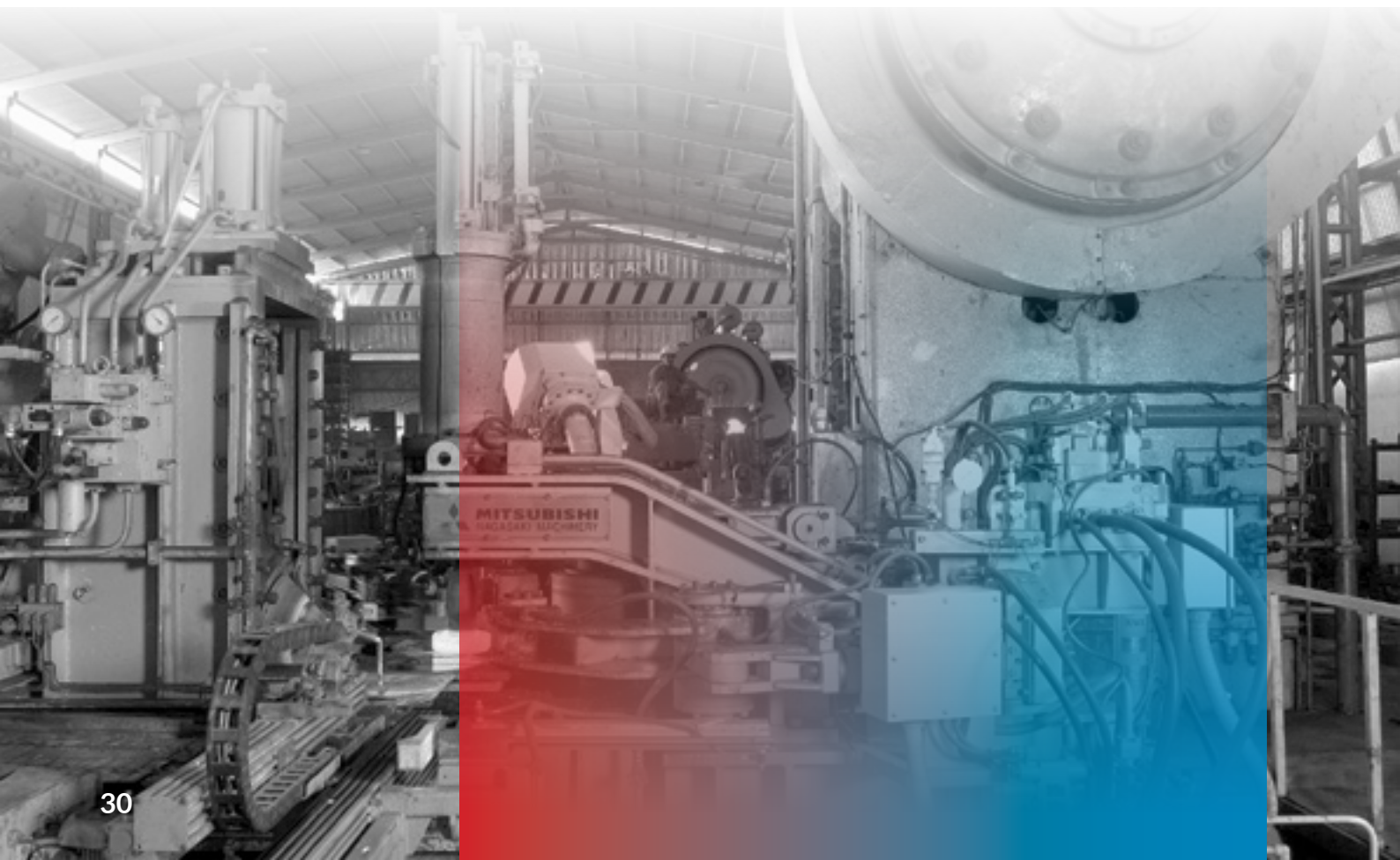
### B. Details of material contacts or arrangement or transactions at arm's length basis:

There were no material contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2022.

By Order of the Board of Directors,  
For, **Rolex Rings Limited**  
[Formerly known as Rolex Rings Private Limited]

Date: 17<sup>th</sup> August, 2022  
Place: Rajkot

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



# Annexure B

## Annual Report on CSR Activities to be Included in Board's Report for The Financial Year 2021-22

### 1. Brief Outline on CSR Policy of The Company

Rolex Rings Limited ("the company") continues to be driven by the purpose of doing business that only generates prosperity but also amplifies the welfare of the society. The Company is committed to overall welfare and development of society including but not limited to education, women empowerment, environmental sustainability, disaster management, health care and sanitation.

### 2. Objective:

Our Main objective through CSR is to make a positive contribution to society through high impact, sustainable programs.

### 3. Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises the following:

Sl. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Manesh D Madeka	Chairman & Managing Director, Chairman of the CSR Committee	05	05
2	Mr. Mihir R Madeka	Whole time Director, Member of CSR Committee	05	02
3	Mr. Dipesh D Kundaliya	Independent Director, Member of CSR Committee	05	03

### 4. WEB LINKS WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

- The Composition of CSR Committee is available on our website at <https://www.rolexrings.com/management-team>
- The Committee with the approval of the Board, has adopted CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR policy is available on our website at <https://www.rolexrings.com/wp-content/uploads/2021/04/CSR-Policy.pdf>

### 5. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014, IF APPLICABLE: NOT APPLICABLE

### 6. DETAILS OF THE AMOUNT AVAILABLE FOR SET-OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY: NIL

### 7. Average Net Profit of the Company as per Section 135: ₹ 809.90 millions

8. (a) Two percent of the Average Net Profit of the Company as per Section 135(5) of the Companies Act, 2013: ₹ 16.20 millions
- (b) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the Financial Year, if any: Nil
- (d) Total CSR obligation for the Financial Year (8a + 8b - 8c): ₹ 16.20 millions

**9. (a) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR 2021-22:**

Total amount spent for the Financial year (Figures in ₹ Millions)	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 16.20 millions	-	-	-	-	-

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(S): Not Applicable**

**(c) Details of CSR amount spent other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Items from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the Project (₹ in millions)	(7) Mode of implementation-Direct (Yes/No)	(8) Mode of implementation - Implementing Agency	
				State	District			Name	CSR Registration Number
1	Harkishanbhai B Marwadi Charitable Trust	(i)	Local	Gujarat	Rajkot	1,00,00,000	No	Harkishanbhai B Marwadi Charitable Trust	CSR00003603
2	Shree Panchnath Sarvajani Medical Trust	(i)	Local	Gujarat	Rajkot	6,00,000	No	Shree Panchnath Sarvajani Medical Trust	CSR00008892
3	Brahmashri Gyan Sarvadak Trust	(i)	Local	Gujarat	Rajkot	50,00,000	No	Brahmashri Gyan Sarvadak Trust	CSR00010542
4	HCG Sun Hospital LLP	(i)	Local	Gujarat	Rajkot	6,00,000	Yes	-	-
<b>Total CSR Expenses</b>						<b>1,62,00,000/-</b>	-	-	-

**(d) Amount spent in administrative overheads: Nil**

**(e) Amount spent on impact assessment, if applicable: Not Applicable**

**(f) Total amount spent for the financial year (9a+9b+9c+9d - 9e): ₹ 16.20 Millions**

**(g) Excess amount for set-off, if any: Nil**



**10. (a) Details of unspent CSR amount for the preceding three financial years:**

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (Figures in ₹ Millions)	Amount spent in reporting financial Year	Amount transferred to any kind of fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (Figures in ₹ Millions)
				Name of the fund	Amount (Figures in ₹ Millions)	Date of transfer	
1	2020-21	-	15.10	PM Cares Fund	15.10	29.03.2022	-

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable****11. In Case of creation or Acquisition of Capital Asset, Furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

No Capital asset was created/acquired for the financial year ending 31<sup>st</sup> March, 2022 through CSR spent.

**12. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):**

The Company has not spent less than two percent of the Average Net Profit in the Reporting period.

By Order of the Board of Directors,  
 For, **Rolex Rings Limited**  
 [Formerly known as Rolex Rings Private Limited]

Date: 17<sup>th</sup> August, 2022  
 Place: Rajkot

**(Manesh D. Madeka)**  
 Chairman- CSR Committee



## Annexure C

Details Pertaining to Remuneration as Required Under Section 197(12) of The Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Name	Ratio to the median remuneration	% increase in remuneration in the financial year
<b>Executive Directors</b>		
Manesh Dayashankar Madeka	53.83	-
Bhautik Dayashankar Madeka	52.48	-
Mihir Rupeshkumar Madeka	47.10	-
<b>Chief Financial Officer</b>		
Hiren Dilipbhai Doshi	23.20	11%
<b>Company Secretary</b>		
Hardik Dhimantbhai Gandhi	1.16	10.78%

- b) The Percentage Increase in the Median Remuneration of Employees in the financial year 2021-22 is 8%.
- c) The Number of Permanent Employees on the rolls of The Company as on 31<sup>st</sup> March, 2022: 1963 employees
- d) The average annual increase was in the range of 5-10 percent. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects the Company's performance, the performance pay is also linked to organization performance and individual utilization in addition to individual performance.
- e) **The Company Affirms that the Remuneration as per the Remuneration Policy of The Company:**

It is hereby informed that the remuneration paid is as per the Remuneration Policy of the Company.

By Order of the Board of Directors,  
For, **Rolex Rings Limited**  
[Formerly known as Rolex Rings Private Limited]

Date: 17<sup>th</sup> August, 2022  
Place: Rajkot

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



## Annexure D

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

#### a) Conservation of Energy:

Steps taken for conservation	<p>Installation of 1.58 MW Solar Panels (Roof-top) in Unit No. 2 &amp; 3 during the financial year 2019-20 &amp; 2020-21.</p> <ul style="list-style-type: none"> <li>Number of Power unit generated through this Solar Panels (Roof-Top) is around 20,00,000 power unit annually.</li> <li>By using electricity generated through Solar, company saves around ₹ 5 per unit.</li> <li>Further, the company is in process of installation of 16 MW ground mounted solar panels at Tal: Muli, Gujarat. Partially would be installed by October 22 and balance by March 2023. The Company expects to get the generation of 17,00,000 power units per Mw/year/ The generated power units shall be credited/reduced in the DISCOM invoices. This would reduce power cost significantly.</li> </ul>
Steps taken for utilizing alternate sources of energy	<ul style="list-style-type: none"> <li>Windmills 8.75 MW generating 10 millions power units per annum.</li> <li>Company has also heating furnaces operated through CNG Gas.</li> </ul>
Capital investment on energy conservation equipments	<ul style="list-style-type: none"> <li>Capital Investment on Solar Power Roof top is as under:</li> <li>Installed 1.58 MW capacity solar power in Unit 2 &amp; 3 which had an investment around ₹ 60.50 millions.</li> <li>The Company would be investing almost ₹ 600 Millions on ground mounted solar project of 16 Mw. After installation of 16 MW, the company expects that power cost would be reduced by ₹ 135 millions on annual basis.</li> </ul>

#### b) Technology Absorption:

Benefits derived	<ul style="list-style-type: none"> <li>Company has been able to increase production of heavy components with large diameters and also it gets benefit of precise machining.</li> <li>Company has started to develop and successfully supplied the components for Electric &amp; Hybrid vehicles;</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 skilled manpower on the new product development front during the year under report.</li> </ul>
Details of technology imported	<ul style="list-style-type: none"> <li>CNC Turning Machines</li> <li>Heat Treatment Furnances</li> <li>Forging Press</li> <li>Mesh Belt Conveyor Furnace</li> </ul>
Year of import/Purchase	<ul style="list-style-type: none"> <li>In FY2021</li> </ul>
Whether imported technology fully absorbed	<ul style="list-style-type: none"> <li>60% absorbed</li> </ul>
Areas where absorption of imported technology has not taken place, if any	<ul style="list-style-type: none"> <li>No such areas where absorption of technology has not taken place</li> </ul>

#### c) Foreign Exchange Earnings/ Outgo: (Figures in ₹ millions)

Earnings	5708.75 millions
Outgo	682.21 millions

# Annexure E

## DECLARATION

[Regulation 34(3) read with Schedule V (Part D) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Manesh Dayashankar Madeka, Chairman & Managing Director of the Company, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2021-22.

For, Rolex Rings Limited,

Date: 17<sup>th</sup> August, 2022  
Place: Rajkot

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

# Annexure F

## CEO/CFO CERTIFICATE

(Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Board of Directors  
**Rolex Rings Limited**  
(Formerly known as Rolex Rings Private Limited)  
Behind Glowtech Steel Private Limited,  
Gondal Road, Kotharia, Rajkot – 360004  
Gujarat

In Compliance with Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby certify that:

1. We have reviewed the Financial Statements and the Cash Flow statement of Rolex Rings Limited for the Financial Year ended 31<sup>st</sup> March, 2022 and to the best of our knowledge, we state that:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed in Auditors Report and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps are taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a) There are no significant changes, in the internal control over financial reporting during the year.
  - b) There are no significant changes in accounting policies made during the year and
  - c) There are no instances of significant fraud of which we have become aware

Yours Sincerely,

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

**(Hiren Dilip Doshi)**  
Chief Financial Officer

Date: 17<sup>th</sup> August, 2022  
Place: Rajkot

# Annexure G

## Certificate of Non-Disqualification of Directors of Rolex Rings Limited for the financial year ending 31<sup>st</sup> March, 2022

[Pursuant to Regulation 34(3) and sub-para (10)(i) of Clause (c) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members,  
**Rolex Rings Limited**  
(Formerly known as Rolex Rings Private Limited)  
B/h. Glowtech Steel Private Limited,  
Gondal Road, Kotharia,  
Rajkot – 360004, Gujarat

1. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rolex Rings Limited having CIN: L28910GJ2003PLC041991 and having registered office at Behind Glowtech Steel Private Limited, Gondal Road, Kotharia, Rajkot – 360004, Gujarat, produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of Directors of the company as on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory Authority.

S. No.	Name of the Director	Director Identification Number	Date of Appointment in the Current Term
1	Manesh D Madeka	01629788	12/03/2021
2	Bhautik D Madeka	01761543	12/03/2021
3	Mihir R Madeka	01778561	12/03/2021
4	Pravinchandra R Dholakia	00844014	12/03/2021
5	Dipesh D Kundaliya	08035547	12/03/2021
6	Ashit R Vankani	08988523	12/03/2021
7	Jignasa P Mehta	08035567	12/03/2021

3. Ensuring the eligibility for the appointment/continuity of every Director on the Board of Directors is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **MJP Associates**  
Practising Company Secretaries  
Firm Reg No: P2001GJ007900

**(CS Purvi Dave)**  
Partner  
ACS 27373 CP 10462  
PR : 1780/2022  
UDIN: A027373D000802367

Place: Rajkot  
Date : 17<sup>th</sup> August, 2022

# Annexure H

## Certificate on Corporate Governance of Rolex Rings Limited for the financial year ended 31<sup>st</sup> March, 2022

(Pursuant to Regulation 34(3) and clause (E) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Rolex Rings Limited  
(Formerly known as Rolex Rings Private Limited)  
B/h. Glowtech Steel Private Limited,  
Gondal Road, Kotharia,  
Rajkot - 360004, Gujarat

1. We have examined the compliance of the conditions of Corporate Governance by Rolex Rings Limited, for the Financial Year 31<sup>st</sup> March, 2022 as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of the sub-regulation 2 of Regulation 46 and Para C, D and E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of the procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations, it is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the declarations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on 31<sup>st</sup> March, 2022.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For, **MJP Associates**  
Practising Company Secretaries  
Firm Reg No: P2001GJ007900

**(CS Purvi Dave)**  
Partner  
ACS 27373 CP 10462  
PR : 1780/2022  
UDIN: A027373D000802400

Place: Rajkot  
Date : 17<sup>th</sup> August, 2022

# Annexure I

## CORPORATE POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandates the formulation of certain policies for all listed companies.

Key policies that have been adopted are as follows:

Name of the policy	Web Link
WhistleBlower Policy (Policy on vigil mechanism)	<a href="http://www.rolexrings.com/wp-content/uploads/2021/03/Vigil-Mechanism-Policy-Whistle-Blower-Policy.pdf">http://www.rolexrings.com/wp-content/uploads/2021/03/Vigil-Mechanism-Policy-Whistle-Blower-Policy.pdf</a>
Code of Conduct for Prevention of Insider Trading	<a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf</a>
Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information	<a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Code-for-UPSI.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Code-for-UPSI.pdf</a>
Policy on Board Diversity	<a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Policy-on-Board-Diversity.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Policy-on-Board-Diversity.pdf</a>
Policy on Related Party Transactions	<a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Policy-on-Related-party-Transactions.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Policy-on-Related-party-Transactions.pdf</a>
Risk Management Policy	<a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Risk-Management-Policy.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Risk-Management-Policy.pdf</a>



# Form No. Mr- 3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March, 2022

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

To,  
The Members,  
**Rolex Rings Limited**  
B/h. Glowtech Steel Private Limited  
Gondal Road, Kotharia  
Rajkot -360 004, Gujarat

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rolex Rings Limited (formerly known as Rolex Rings Private Limited) (CIN: L28910GJ2003PLC041991)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **Rolex Rings Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has during the audit period covering the financial year ended **31<sup>st</sup> March, 2022** (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the Financial Year ended on **March 31, 2022** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under and Companies Amendments Act 2017.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and (External Commercial Borrowings)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Share Based Employee Benefits Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client, to the extent of securities issued & dematerialised;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and;
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

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

- i. Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1<sup>st</sup> July, 2015) and revised (SS-1) & (SS-2) were effective from 1<sup>st</sup> October, 2017.
- ii. The Listing Agreement entered into by the Company with National Stock Exchange Limited and BSE Limited as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

1. The Company created Joint Charge with 6 Banks on working capital on all Moveable Fixed assets & Plant & Machineries [present and future] and on immovable properties for which, the Company had filed the e-Form CHG-1 for modification of Hypothecation & Equitable Mortgage of charge after due dates, with payment of Additional Fees. The said modifications in Charges were duly registered with the Registrar.
2. The Company had filed e-Form CRA-2, for Appointment of Cost Auditor for the Financial year 2021-22, after period of 180 days from date of Closure of Financial year, with payment of additional fees.
3. The Company had filed e-Form AOC-4 XBRL, for filing Financial Statement and other documents with the Registrar for the FY 2020-21, after period of 30 days from date of Annual General Meeting (AGM), with payment of additional fees.
4. During the year 2020-21, the Company was required to spend ₹ 16.80 Millions towards Corporate Social Responsibilities (CSR). However, the Company was able to spend only ₹ 1.70 Millions as CSR expenses. Thus, it was required to transfer the unspent amount to a Fund as specified in Schedule VII to the Companies Act, 2013, within 180 days from closure of financial year (i.e. upto 30<sup>th</sup> September, 2021). However, the Company had transferred this unspent amount to PM Cares Fund on 29<sup>th</sup> March, 2022.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings in compliance, agenda and detailed notes on agenda were sent at least seven days in advance except for some meetings of the Board of Directors and General Meetings, where consent for shorter notice was obtained from all of the directors and members respectively. System

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**I. We further report that,** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (and rules and notification issued thereunder).

**We further report that** during the audit period the Company:

- (a) The Board has approved the redemption of Non-Convertible Redeemable Preference Shares ('NCRPS') in two tranches i.e. 16,80,000 NCRPS redeemed on 26<sup>th</sup> August, 2021 and 1,19,25,863 NCRPS on 20<sup>th</sup> September, 2021.
- (b) The Board approved the conversion of 26,30,000 Optionally Convertible Redeemable Preference Shares into Equity Shares of ₹ 10/- each to the existing shareholders by passing Resolution dated 16<sup>th</sup> July, 2021.
- (c) During the year under Report, the Company had its Initial Public Offer (IPO) which was opened for subscription from 28<sup>th</sup> July, 2021 to 30<sup>th</sup> July, 2021. Further, the Board of Directors of the Company, had vide its Resolution dated 05<sup>th</sup> August, 2021 approved allotment and transfer of 81,22,222 Equity shares comprising of fresh issue of 6,22,222 Equity shares and offer for sale of 75,00,000 Equity shares by Rivendell PE LLC in connection with Initial Public Offer at an offer price of ₹ 900/- per Equity share. All equity shares are listed on BSE Limited & National Stock Exchange of India Ltd, w.e.f. 9<sup>th</sup> August, 2021.

We further report that :

The Compliance by the Company of the applicable financial laws, like Direct and Indirect tax Laws has not been reviewed in this Audit Since the same have been subject to the review by the Statutory Auditors and other designated professionals.

For, **MJP Associates**  
Practising Company Secretaries  
Firm Reg No: P2001GJ007900

**(CS Purvi Dave)**  
Partner  
ACS No. 27373 CP 10462  
PR : 1780/2022  
UDIN: A027373D000665043

Place: Rajkot  
Date : 21<sup>st</sup> July, 2022

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



## ANNEXURE A

To,  
The Members,  
Rolex Rings Limited  
B/h. Glowtech Steel Private Limited  
Gondal Road, Kotharia  
Rajkot -360 004, Gujarat

Our Secretarial Audit Report of even date for the Financial Year ended on 31<sup>st</sup> March, 2022 is to be read along with this letter.

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

For, **MJP Associates**  
Practising Company Secretaries  
Firm Reg No: P2001GJ007900

**(CS Purvi Dave)**  
Partner  
ACS No. 27373 CP 10462  
PR : 1780/2022  
UDIN: A027373D000665043

Place: Rajkot  
Date : 21<sup>st</sup> July, 2022

# Management Discussion and Analysis

## Global economy review

The year 2021 was a year of rebound for the global economy wherein it registered a GDP growth of 6.1% after declining 3.1% in 2020. This came on the back of several governments' fiscal response towards the Covid-19 pandemic, a widespread vaccination coverage that led to resumption of economic activities, strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels, which also marked the highest growth rate in more than four decades .

As per the World Bank, The global economic growth is anticipated to slow to 5.7%. The Russian invasion of Ukraine has exacerbated the pandemic's effects and is leading to a slow pace of recovery for the global economy. Inflation is continually on the rise. Even though global inflation is predicted to decline in the medium term, it will likely remain above inflation targets in many economies.

## Indian economy review

The Indian economy registered a strong recovery in 2021-22 with a recorded GDP growth of 8.7% which was the highest among major economies. Despite a deadly second wave of the pandemic that weighed heavily on lives, the country was quick to get back to normal. This was on the back of government's widespread vaccination coverage programs and a quick reopening of the economy. Several sectors showed resilience by getting back to pre-pandemic levels. However, despite the strong recovery, headwinds of supply chain disruptions that led to rising inflation particularly in the second half came as a challenge to the recovery. The Russia Ukraine war in the fourth quarter further worsened the situation. Despite India's limited dependence on Russia and Ukraine for imports and exports, the war affected India considerably. The skyrocketing crude oil prices led to exacerbating the already rising inflation in the country.

The Russia Ukraine conflict has made the financial environment volatile. Supply chain disruptions, rising commodity prices and thereby inflation would keep hurting the near term growth of the economy. However, despite this, the country's long-term prospects are positive. With the vaccination programme having covered the majority population, government's infrastructure oriented budget, the potential long-term advantages of supply-side reforms in the pipeline, it is expected to grow by a GDP of 7.2% in

2022-23 yet again making India retaining its position as the fastest growing major economy.

## Global bearings industry

The global bearings market experienced a decline in growth during the Covid-19 pandemic due to the supply chain disruptions globally. The decline in automotive market, which is one of the largest consumers of bearings also faced losses that negatively impacted the global bearings market.

While the market has been significantly impacted in the last two years, the long term growth aspects will continue to provide impetus to the market. One of the main drivers of market demand is an increase in the use of bearing in rolling mills and railways. The growing interest in electric vehicles is another window that has opened up opportunities for the sector. Furthermore, the market is experiencing constant waves of technical developments and advancements. Market participants in the automotive components sector are also increasingly coordinating their activities with the changing regulatory environment.

Notably, on regional basis, the growing demand for industrial equipment and durable goods will contribute to the bearings growth by the OEMs operating in developed markets like the US, Japan and Western Europe. Growing demand for railway equipment, electronics, aircraft and motorcycles in the developing regions will support growth for bearings and related products in the developing markets like China and India.

## Indian bearings industry

The Indian bearing industry accounts for less than 4% of the global bearing market. However its share is expected to grow over the medium to long term, supported by increasing industrialisation as well as a healthy growth expected in the automotive market. According to a study by Astute Analytica, the Indian bearing market would grow at a CAGR of 10.9 percent between 2022 and 2027. Revenues for Indian bearings market are projected to increase significantly, from USD 1772.6 millions in 2021 to USD 3374.4 millions in 2027. The Indian government's efforts to revive the domestic manufacturing of bearings in an effort to change consumer preferences toward domestic goods are also accelerating the expansion of the bearing market. This increase in localization in Indian bearings industry (currently 40% imports), will enable domestic suppliers of components for bearings.

<sup>1</sup> <https://www.un.org/en/desa/un-warns-global-economic-recovery-losing-steam>

<sup>2</sup> Reserve Bank of India

<https://timesofindia.indiatimes.com/business/india-business/indian-economy-to-grow-7-1-7-6-in-current-fiscal-report/articleshow/92857676.cms>

## Global automotive sector

The global automotive industry experienced a modest recovery in 2021 after a traumatic 2020. While the demand for vehicles was high, automotive suppliers were confronted with operational and supply-side problems. The semiconductor shortages in the second half of the year slowed the growth of the automotive industry globally. The automobile industry's supply chains were hampered during the coronavirus pandemic. Irregular vehicle manufacturing and a speedier than expected recovery in some markets resulted in the crisis. In addition to the demand from the auto industry for chips, whose production is tied to multiple geographies for components, work from home driven demand for computers, cell phones, and other electronic gadgets amid the Coronavirus pandemic outstripped chip supplies.

As of the outlook, the year 2022 is likely to be a healthier recovery year than 2021. However, uncertainties prevail as Russia Ukraine war's effects are still weighing down on industry. Demand will strong but various logistical issues will continue to restrain production at least during the first half of 2022 and, more likely, to a lesser extent for the rest of the year.

## Indian automotive sector

The automotive sector of India underwent a series of downturns during 2021-22. The automotive sector was expected to register a double digit growth in FY22 due to the low base of FY21. However, the second wave of the pandemic along with its lingering impacts took a toll on the industry. As a result the industry de-grew by -6% in 2021-22.

As per the Society of Indian Automobile Manufacturers (SIAM) Domestic, automobile sales dropped to the lowest level in India in nine years to 17.51 millions in 2021-22. Earlier, the low was reached in 2012-13 when total wholesale fell to 17.82 millions. Among all, sales of three-wheelers and small commercial vehicles overall were hurt the worst. Even strong sales of electric two-wheelers were unable to make up for the overall two-wheeler market's lows.

Similar to the global automotive situation, the second half of 2021 saw a significant issue with a global chip shortage brought on by supply side challenges, which had an effect on sales. The situation grew worse in the fourth quarter as a result of the conflict in Russia and Ukraine and another lockdown in China. In addition to the chip scarcity, the sector saw a continual rise in the price of raw materials, causing OEMs to increase vehicle prices.

Despite the uncertainties, the automotive sector is expected to perform better in FY23 with it being the first year of recovery after the impact of the lockdown. Pockets of exports have given the outlook some hope for growth. Notably, passenger vehicle exports from India increased by a staggering 43 per cent in 2021-22, as per the latest data by industry body Society of Indian Automobile Manufacturers (SIAM). Rapid vaccinations among a larger part of population, recovery of businesses and rise in disposal incomes will aid in recovery of the automotive sector in the near short-term.

While the two-wheeler and tractor segments will benefit from a rebound in the rural economy, CVs will benefit from a strong replacement demand. As automakers start getting chips from many vendors, PV sales, which have been range-bound due to semiconductor difficulties, are expected to increase swiftly and be the first to reach the peak volume levels of the financial year FY19. Additionally, the industry will also be overcoming any additional downturn through its ongoing efforts to domesticate autos and their components.

The major long term growth drivers for the automobile industry in India are the growing household income, favourable demographics with a large proportion of young population, expanding R&D hub and Government's support. Besides growth prospects, India's favourable Foreign Direct Investment (FDI) policy with 100% FDI through automatic route, relatively low cost of manufacturing, adequate manpower pool has attracted leading OEMs of the industry to invest in India and set-up local manufacturing presence.

## Indian forging industry

The Indian forging industry is among the key contributors of the manufacturing sector and one of the key growth drivers for the auto component exports. Being a labour-intensive process, Indian forging companies have cost advantages over its peers in the developed market. Over the years, Indian forging companies have gained technical knowhow in making critical components as well as improved share of machined content, which has helped margin expansion for some of the larger players.

The forging industry majorly caters to the automotive sector with it accounting for 60-70% of forging production. The forging market will gain momentum in the coming future with the pickup of automotive sales. A pick-up in both domestic as well as exports automotive demand will also further boost the industry. Besides, a paradigm shift in focus from China to India will also give opportunity to India as a major exporter of forged and machined components.

In recent years, the government's thrust on manufacturing sector through initiatives like 'Make in India' and 'Production Linked Incentive (PLI) Schemes' has led to robust growth in industrial activity. Several international OEMs and Tier-I players are also setting up offices in India to procure quality products. Over the medium to long term, the Government's continued thrust on increasing localisation content for the defence sector will keep auguring well for the industry.

## Company Overview

The company is one of the leading forging companies in India. The portfolio of offerings include hot rolled forged and machined bearing rings, automotive components for segments of vehicles including two wheelers, passenger vehicles, commercial vehicles, off-highway vehicles, electric vehicles), industrial machinery, wind turbines and railways, amongst others. The company caters to domestic and international customers including some of the leading bearing manufacturing companies, tier-I suppliers to global auto OEMs.

## Opportunities

- The rise in industrial activity and consumption backed by growing capex by OEMs is likely to benefit the company as it supplies industrial bearing rings to the lead bearing players in India.
- The localized sourcing of industrial bearings by large players will benefit the company as the bearing industry is dominated by very few organized players, with the company being one of them
- With global players increasingly looking for an alternative to China, the China plus one strategy will benefit the company
- The Company is capable of producing wide range of components with critical value-added processes that is giving it a competitive advantage of capitalizing the opportunities.

## Threats

- Being a dominant player for the customers in automotive sector, a slowdown in global recovery can slow the company's growth
- Since the company derives larger part of revenues from the export market, foreign exchange fluctuations and raw material price risks could marginally impact the profitability in near term.

## Risk Management

Rolex Rings Limited is in the business which is presently undergoing significant transformations. These are changing the dynamics of risk in the operations and to mitigate these risks the company continuously scans the external and internal environment to identify new risks and take effective steps to mitigate the same.

Some of the key risks that company's operations are facing are:

### 1. Slowdown Risk:

A slow down in macro-economy of the region or the industry in which the Company operates or any unfavorable change in regulatory scenario may impact its revenue generation

#### Risk Mitigation Strategy:

The Company is focusing more on development of New customer base in order to mitigate any risk arising due to slowdown in any specific region or industry.

### 2. Talent Risk:

The Business of company involves high level of intellect and thus requires it to attract, retain and enhance human capital to ensure staying ahead of the industry evolution and ensure sustained manufacturing.

### Risk Mitigation Strategy:

The Company practices performance driven culture. Multiple programs are undertaken to ensure health and safety, engagement and skill development of the people. Trainings to the employees are provided for robotics and manufacturing engineering. Further the company undertakes to pay the employees of the company in line with the industry.

### 3. Foreign Exchange Risk:

A significant portion of Company's revenues is generated from exports and involve foreign currency exposure. Any movement in the exchange rates which is not favorable will adversely impact profits of the company.

#### Risk Mitigation Strategy:

The Company maintains foreign currency borrowings which ensures natural hedge.

## Human resources

The company is committed to maintain high standards of workplace health and safety. Safeguarding interest of employee is fundamental responsibilities as an employer. The Company has obtained ISO 45001 certifications which pertain to occupational health and safety of our operations. The company sees safety as both a right and a responsibility for all employees and aims to become a zero-accident organisation. Accordingly, it maintains a health, safety and environment policy. In addition to the safety of its employees, the company is committed to providing its employees with skills and opportunities that facilitate their personal and professional development. It invests significant resources in training for skill-enhancement of its employees. The company intends to continue to focus on attracting and retaining high quality talent. It will continue to further build its presence and consolidate its position as an employer of choice in India. As on 31<sup>st</sup> March 2022, the Company's employee base stood at 1,804.

## Operational performance

The company's operational performance has shown improvement in FY21-22 due to higher nature of export and critical nature of product company manufacture and supplies. The export of the company stand at 58% during the year under review. The company has initiated to supply for the EV and hybrid vehicles in the last year wherein that contributes almost 7% - 7.5% from the EV and hybrid vehicles. The company has achieved the capacity utilisation of 60-62 % during the year under review. The company is also concentrating on the cost part of the components wherein company is in process of installation of solar plant and partially that solar plant would be operational before August or September 2022. In terms of overall revenue, annualised revenue, the company has recorded gross revenue of ₹ 1028 crores in including other income and ₹ 1016 crore from the operations via-a-vis ₹ 620 crores gross revenue of March 21 fiscal it is having 65% growth in overall operations.

## Outlook

The automotive sector was expected to register a double-digit growth. With the increase in demand the company is expected to grow in the future. The company is expecting to have at least 15 to 20% Y-o-Y growth in our operations. The company is also trying to develop the components for the EV and hybrid segment and trying to capture more market in both the segments.

## Internal control systems and their adequacy

The Company has in place a well-framed internal control system that authorizes, records and reports transactions to safeguard assets and protect against loss from unauthorized use or disposition. The internal controls ensure reliability of data and financial information to maintain accountability of

assets. They are supplemented by internal audits, management review and documented procedures and guidelines.

## Financial Performance

The EBDITA has grown from ₹ 1,123 millions in FY20- 21 to ₹ 2,403 millions in FY21-22 a 114% changes YoY. The Pat stood at ₹ 1,319 millions in FY21-22 compared to ₹ 870 millions in previous year.

	FY 22 (₹ in million)	FY 21 (₹ in million)	YoY Change(%)
Revenue	10,281.29	6,197.57	65
EBITDA	2,403	1,123	114
PAT	1,319	870	51
Networth	5,448.02	3,567.33	52

## Key Financial Ratios

The Key Financial Ratios of the Company are given as below:

Sr. No.	Key Financial Ratios	FY 22 (₹ in million)	FY 21 (₹ in million)	YoY Change
1.	Current Ratio <sup>1</sup>	1.59	1.07	49%
2.	Debt-equity Ratio <sup>2</sup>	0.41	0.70	-42%
3.	Debt Service Coverage Ratio <sup>3</sup>	1.08	0.49	120%
4.	Return on Equity ratio	29%	28%	5%
5.	Inventory Turnover Ratio	3.33	2.97	12%
6.	Trade Receivable Turnover Ratio	5.07	4.13	23%
7.	Trade Payable Turnover Ratio <sup>4</sup>	6.22	4.82	29%
8.	Net Capital Turnover Ratio <sup>5</sup>	9.14	56.33	-84%
9.	Net Profit Ratio	12.83%	14.03%	-9%
10.	Return on Capital employed <sup>6</sup>	26%	14.03%	90%

<sup>1</sup> Improvement in Current Ratio is on account of increase in Turnover of the company which leads to higher trade receivables and trade payables.

<sup>2</sup> Lower debt-equity ratio on account of repayment of long term debts, infusion of equity capital and increase net profit as compared to previous year.

<sup>3</sup> Increase in debt service coverage ratio is primarily due to lower interest expense and higher earnings.

<sup>4</sup> Improvement in Trade payable ratio is due to faster payment to vendors from the increased inflow from operation as compared to previous year.

<sup>5</sup> Movement in Net Capital turnover ratio is due to increase in current asset on account of increase in operations.

<sup>6</sup> Higher return on capital employed attributable to increase in EBIT and repayment of long term debts during the current fiscal.

## Cautionary statement

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially

from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact businesses as well as the ability to implement its strategies.

# Report on Corporate Governance:

## I. Corporate Governance Philosophy:

Rolex Rings Limited (Rolex/the Company) is committed to achieve & maintain highest standards of Corporate Governance practices. The Corporate Governance Philosophy is based on transparency, fiscal accountability, values & ethics, which forms integral part of Management's perception towards achievement of excellence, growth & Value creation.

Our Corporate Governance Practices reflects our ideology and responsibility. The Company is in compliance with all statutory requirements as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has taken all necessary steps to ensure that Rights of shareholders are protected as per requirements laid down under the provisions of the Companies Act, 2013 or other applicable regulations.

Rolex ensures timely & complete dissemination of data on all the matters which are required to be disclosed to public at large. The Company's website and Annual Report(s) contains detailed information regarding every aspect of Functioning, ownership, business and Governance practices of the company.

## II. Board of Directors:

### Composition of Board

(i) As on March 31, 2022, the Company has 07 (Seven) Directors. Out of Seven Directors, three are Executive Directors and four are Non-Executive & Independent Directors including one Woman Independent Director. The Board has 42.85% of its Directors as Executive Directors and 57.15% are Non-Executive & Independent Directors. The Composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 read with Section 149 and 152 of the Act. Details of composition are given at **Annexure 1**.

(ii) None of the Directors on the Board:

- Holds directorships in more than the limits prescribed under the Companies Act, 2013 and Listing Regulations;
- Serves as Director or as an Independent directors in more than the limits prescribed under Listing Regulations and

- Who are the Executive Directors serves as Independent Directors in more than three listed entities.

None of the Directors holds any position in Committees of any other companies as on 31<sup>st</sup> March, 2022.

### Confirmation from Independent Directors:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have confirmed that they are not aware of any circumstances or situated which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. Based on the declarations received from Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further all the independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### Meetings of the Board:

In Financial Year 2021-22, the Board of Directors met 10 (Ten) times on 16/07/2021, 18/07/2021, 21/07/2021, 26/07/2021, 03/08/2021, 05/08/2021, 14/08/2021, 20/09/2021, 01/11/2021 and 03/02/2022 and the gap between two meetings did not exceed 120 days.

### Attendance of Directors in Board Meetings:

The name and categories of the Directors on the Board, their attendance at the Board Meetings held during the Financial Year 2021-22, the last Annual General Meeting was held on Monday, July 26, 2021 and the number of Directorships and Committee Chairmanships/ Memberships held by each one of them in other Indian Public Limited Companies as on 31<sup>st</sup> March, 2022, are given below:

**Annexure 1: Composition of the Board of Directors etc. for the year 2021-22**

Name of Director	Category	Attendance Particulars			No. of Directorships and Committee Membership/ Chairmanships in Indian Companies as on March 31, 2022			Directorship in other listed entity
		Number of Board Meetings		Last AGM attended	No. of Directorship held in Indian Companies including the company	Committee Membership held in Indian Public Ltd. Companies including the company	Committee Chairmanships held in Indian Public Ltd. Companies including the company	
		Held	Attended					
Mr. Manesh Dayashankar Madeka (Chairman and Managing Director) DIN: 01629788	Executive	10	10	Yes	01	03	02	-
Mr. Bhautik Dayashankar Madeka (Wholetime Director) DIN: 01761543	Executive	10	10	Yes	01	02	00	-
Mr. Mihir Rupeshkumar Madeka (Wholetime Director) DIN: 01778561	Executive	10	08	Yes	01	01	00	-
Mr. Pravinchandra Ratilal Dholakia DIN: 00844014	Independent Non-Executive	10	03	Yes	01	02	01	-
Mr. Dipesh Dhirajlal Kundaliya DIN: 08035547	Independent Non-Executive	10	05	Yes	01	03	01	-
Ms. Jignasa Pravinchandra Mehta DIN: 08035567	Independent Non-Executive	10	04	Yes	01	03	00	-
Mr. Ashit Ravishankar Vankani DIN: 08988523	Independent Non-Executive	10	03	Yes	01	03	01	-
Mr. Vivek Anilchand Sett DIN: 00031084*	Non-Executive Nominee Director	10	05	Yes	02*	01*	00	-

**Note:**

\*Mr. Vivek Sett had resigned from the Board of Rolex Rings Limited w.e.f. 03<sup>rd</sup> February, 2022.

**Meeting of Independent Director:**

During the Financial Year 2021-22, 01 (One) meeting of Independent Director was held on 03<sup>rd</sup> February, 2022 in compliance with Regulation 25 of the Listing Regulations read with Section 149 of the Act and Schedule IV of the Act, without presence of Non-Independent Directors and members of the management and All the Independent Directors were present in such meeting.

**CHART/MATRIX OF SETTING OUT THE SKILLS/ EXPERIENCES/ COMPETENCIES OF THE BOARD OF DIRECTORS:**

The Board has identified the following skills/Expertise/competencies with reference to its business and industry that are basically required for effective functioning of the company;

Sr. No.	Skill Areas
1	Strategic Thinking, Planning and management
2	Entrepreneurial and Leadership Skills
3	Marketing
4	Accounting, Legal and Financial Management expertise
5	Automobile Industry Experience
6	Board Service, Governance and Regulatory Compliance

The Directors are appointed are from diversified backgrounds and possess skills as required in the Industry:

Name of Directors	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership Skills	Marketing	Accounting, Legal and Financial Management Expertise	Automobile Industry Experience	Board Service, Governance and Regulatory Compliances
Mr. Manesh D Madeka	✓	✓	✓	✓	✓	✓
Mr. Bhautik D Madeka	✓	✓	✓	✓	✓	✓
Mr. Mihir R Madeka	✓	✓	✓	✓	✓	✓
Mr. Pravinchandra R Dholakia	✓	-	-	✓	✓	✓
Mr. Dipesh D Kundaliya	✓	-	-	✓	-	✓
Ms. Jignasa P Mehta	✓	-	-	✓	-	✓
Mr. Ashit R Vankani	✓	-	-	✓	✓	✓

### Familiarisation Programme for Board Members:

The Board familiarisation programme consists of detailed induction for all new independent Directors when they join the Board of Directors of the Company and ongoing sessions on business strategy, operational and functional matters.

The exhaustive induction for independent directors enables them to be familiarised with the company. During the Board Meetings, discussion on business strategy, operational and functional matters provides good insights over the business of the company. The Company also arranges for their visit to Company's Plant to enable them to get basic understanding of the processes.

The policy on Familiarisation Programme for Independent Directors is hosted on the website of the company at the link <https://www.rolexrings.com/policies>

### Disclosure of Relationship Between Directors inter-se:

Following is the list of Directors along with their Relationships inter-se:

S. No.	Name of Director	Relationship Inter-se
1	Mr. Manesh D Madeka Chairman & Managing Director	Brother of Mr. Bhautik D Madeka, Whole time Director Uncle of Mr. Mihir R Madeka, Whole time Director
2	Mr. Bhautik D Madeka Whole Time Director	Brother of Mr. Manesh D Madeka, Chairman & Managing Director Uncle of Mr. Mihir R Madeka, Whole time Director
3	Mr. Mihir R Madeka Whole Time Director	Nephew of Mr. Manesh D Madeka, Chairman & Managing Director Nephew of Mr. Bhautik D Madeka, Whole time Director
4	Mr. Pravinchandra R Dholakia Non-Executive Independent Director	Independent by Nature and holding no pecuniary relationship with promoters
5	Mr. Dipesh D Kundaliya Non-Executive Independent Director	Independent by Nature and holding no pecuniary relationship with promoters
6	Ms. Jignasa P Mehta Non-Executive Independent Director	Independent by Nature and holding no pecuniary relationship with promoters
7	Mr. Ashit R Vankani Non-Executive Independent Director	Independent by Nature and holding no pecuniary relationship with promoters

### Resignation of Independent Directors:

During the year under report, No Independent Directors had resigned.

### Details of Equity Shares and Convertible Instruments Held by Non-Executive Directors as on 31<sup>st</sup> March, 2022:

As on 31<sup>st</sup> March, 2022, none of the Non-Executive Directors of the company were holding any Equity shares or Convertible Instruments as on 31<sup>st</sup> March, 2022.



### III. Committees of The Board:

As on 31<sup>st</sup> March, 2022, the Company had 05 (Five) committees as mentioned here in under:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

#### i. Audit Committee:

The Company has constituted Audit Committee in line with provisions of Regulation 18 of the Listing Regulations and Section 177 of the Act.

The Audit Committee assists the Board in discharging of its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting requirements.

All the members of Audit Committee possess accounting, economic, legal and financial management expertise.

The Last Annual General Meeting of the company was held when status of company was Unlisted Public Company.

The meetings of the Audit Committee are also attended by the Chairman & Managing Director, Executive Directors, Chief Financial Officer, Statutory Auditors and other Management representatives as special invitees as and when required.

The Company Secretary acts as Secretary to the Audit Committee.

Mr. Pravinchandra R Dholakia, is the Chairman of Audit Committee. The other members include Ms. Jignasa P Mehta – Independent Director, Mr. Dipesh Kundaliya – Independent Director, Mr. Ashit R Vankani – Independent Director, Mr. Manesh D Madeka – Chairman & Managing Director.

The primary role/responsibility of the Audit Committee is:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor and fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing, the financial statements and Auditors Report thereon before submission to the Board for approval and
- f) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval/ the statement of deviation of funds/ Approval or any subsequent modification of transactions of the company with related parties.

The detailed terms of reference pursuant to the provisions of Listing Regulations and in accordance with the Act are placed on the website of the company.

Number of Audit Committee Meetings and Attendance thereto has been tabled here in under:

#### Audit Committee Meetings

Name of Members	Committee Meeting dates					Held during the year	Attended
	1	2	3	4	5		
	18 <sup>th</sup> July, 2021	26 <sup>th</sup> July, 2021	14 <sup>th</sup> August, 2021	01 <sup>st</sup> November, 2021	03 <sup>rd</sup> February, 2022		
Mr. Pravinchandra R Dholakia	✓	✓	✓	✓	✓	05	05
Ms. Jignasa P Mehta	NA	NA	✓	NA	✓	05	02

Name of Members	Committee Meeting dates					Held during the year	Attended
	1	2	3	4	5		
	18 <sup>th</sup> July, 2021	26 <sup>th</sup> July, 2021	14 <sup>th</sup> August, 2021	01 <sup>st</sup> November, 2021	03 <sup>rd</sup> February, 2022		
Mr. Ashit R Vankani	✓	✓	NA	NA	NA	05	02
Mr. Dipesh D Kundaliya	NA	NA	NA	✓	✓	05	02
Mr. Vivek Sett*	NA	NA	NA	✓	--	05	01
Mr. Manesh D Madeka	✓	✓	✓	NA	✓	05	04

✓: Attended, NA: Not Attended

\* Mr. Vivek Sett resigned from the Board of the company w.e.f. 03<sup>rd</sup> February, 2022

## ii. Nomination & Remuneration Committee:

The Company has constituted Nomination and Remuneration Committee in line with the provisions of Regulation 19 of the listing regulations and Section 178 of the Act.

Mr. Dipesh D Kundaliya, Independent Director, is the Chairman of the Committee. The other members include Mr. Ashit R Vankani – Independent Director and Ms. Jignasa P Mehta – Independent Director.

The primary Role/Responsibility of Nomination & Remuneration Committee are:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to Board a policy relating to the remuneration of Directors, Key Managerial Personnel and senior management personnel;
- To ensure that the level and composition of remuneration is in line with the industry benchmark, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organizational objectives;
- To ensure that a reasonable balance is maintained in terms of composition of remuneration;
- To have performance measurement parameters in place to assess the overall performance of Directors, Key Managerial Personnel, Members of Senior Management.
- To develop a succession plan for the Board and to regularly review the plan.

Performance Evaluation Criteria for Directors:

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate inter se with Board members, effective participation, compliance with Code of Conduct etc. which is compliance with applicable laws, regulations and guidelines.

Number of Nomination & Remuneration Committee Meetings and Attendance thereto has been tabled here in under:

### Nomination & Remuneration Committee Meeting

Name of Members	Date of Meeting	Held during the year	Attended
	12 <sup>th</sup> October, 2021		
Mr. Dipesh D Kundaliya	✓	01	01
Ms. Jignasa P Mehta	✓	01	01
Mr. Ashit R Vankani	✓	01	01

### iii. Corporate Social Responsibility Committee:

The Company has constituted Corporate Social Responsibility Committee in line with the provisions of Section 135 of the Act.

Mr. Manesh D Madeka, Chairman & Managing Director, is Chairman of the Committee. The other members of the Committee include Mr. Mihir R Madeka – Whole time Director and Mr. Dipesh D Kundaliya, Independent Director.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR policy.

The primary role/responsibilities of the CSR Committee are:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- b) To review and recommend the amount of expenditure to be incurred as CSR;
- c) To monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time;
- d) Create transparent monitoring mechanism for implementation of CSR initiatives in India;

The CSR policy of the company including terms of reference is disclosed on the Company's website at the link <https://www.rolexrings.com/wp-content/uploads/2021/04/CSR-Policy.pdf>

Number of Corporate Social Responsibility Committee Meetings and Attendance thereto has been tabled here in under:

#### Corporate Social Responsibility Committee Meetings

Name of Members	Committee Meeting dates					Held during the year	Attended
	1	2	3	4	5		
	29 <sup>th</sup> May, 2021	25 <sup>th</sup> September, 2021	20 <sup>th</sup> November, 2021	03 <sup>rd</sup> February, 2022	24 <sup>th</sup> March, 2022		
Mr. Manesh D Madeka	✓	✓	✓	✓	✓	05	05
Mr. Mihir R Madeka	NA	NA	✓	NA	✓	05	02
Mr. Dipesh D Kundaliya	✓	✓	NA	✓	✓	05	03

### iv. Stakeholders Relationship Committee:

The Company had constituted Stakeholders Relationship Committee in line with provisions of Regulation 20 of the Listing Regulations and Section 178 of the Act.

Mr. Ashit R Vankani – Independent Director is the Chairman of the Stakeholders Relationship Committee. The other members include Mr. Manesh D Madeka – Chairman & Managing Director and Mr. Bhautik D Madeka – Whole time Director.

The primary role/responsibilities of the Stakeholders Relationship Committee are:

- a) To Consider and look into various aspects of interest of shareholders, debenture holders and other security holders;
- b) To resolve the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings, etc.
- c) Review of measures taken for effective exercise of voting rights by shareholders;
- d) Review of adherence to service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- e) Review of various measures and initiatives taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;

The details of the Investor Complaints and contact details so as to provide assistance to shareholders of the company is mentioned below:

Number and nature of complaints received and redressed during the year 2021-22:

Nature of Complaint	No. of complaints received	No. of Complaints redressed	No. of complaints pending as on 31 <sup>st</sup> March, 2022
Non-receipt of Refund for IPO	151	151	-
Regarding IPO Mandates	01	01	-
<b>Total</b>	<b>152</b>	<b>152</b>	<b>-</b>

The company has also designated the e-mail id: [compliance@rolexrings.com](mailto:compliance@rolexrings.com) for providing investor servicing.

Number of Stakeholders Relationship Committee Meetings and Attendance thereto has been tabled here in under:

#### Stakeholders' Relationship Committee Meeting

Name of Members	Date of Meeting	Held during the year	Attended
	12 <sup>th</sup> October, 2021		
Mr. Ashit R Vankani	✓	01	01
Ms. Manesh D Madeka	✓	01	01
Mr. Bhautik D Madeka	✓	01	01

#### V. Risk Management Committee:

The Company had constituted Risk Management Committee in line with provisions of Regulation 21 of the Listing Regulations.

Mr. Manesh Dayashankar Madeka – Chairman & Managing Director is Chairman of the Committee. The other members include Mr. Bhautik D Madeka – Whole time Director, Mr. Pravinchandra R Dholakia – Independent Director and Ms. Jignasa P Mehta – Independent Director.

The primary role/responsibilities of the Committee are:

- To formulate a detailed risk management policy and a business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with business of company;
- To monitor and oversee implementation of risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about nature and content of its discussions, recommendations and actions to be taken;

#### IV Remuneration of Directors:

Information on remuneration of Directors for the year ended March 31, 2022 is given below in **Annexure 3**:

##### Annexure 3: Remuneration paid or payable to Directors for the year ended March 31, 2022 and relationships of the Directors inter-se:

Name of Director	Relationship of the Directors inter-se	Sitting Fees	Salary and perquisites	Provident Fund and Superannuation Fund	Commission	Total
Manesh D Madeka Chairman & Managing Director	Brother of Mr. Bhautik D Madeka (Wholetime Director)	NA	₹ 96,00,000/-	-	-	₹ 96,00,000/-
Bhautik D Madeka	Brother of Mr. Manesh D Madeka (Chairman & Managing Director)	NA	₹ 93,60,000/-	-	-	₹ 93,60,000/-
Mihir R Madeka	Nephew of Mr. Manesh D Madeka and Mr. Bhautik D Madeka	NA	₹ 84,00,000/-	-	-	₹ 84,00,000/-
Pravinchandra R Dholakia	None	₹ 40,000/-	-	-	-	₹ 40,000/-
Jignasa P Mehta	None	₹ 35,000/-	-	-	-	₹ 35,000/-
Dipesh D Kundaliya	None	₹ 30,000/-	-	-	-	₹ 30,000/-
Ashit R Vankani	None	₹ 30,000/-	-	-	-	₹ 30,000/-

There are no pecuniary relationships or transactions of the Non-Executive Directors/ Independent Directors vis-à-vis the company.

#### V General Body Meetings:

##### Annual General Meetings:

Date, Time and venue for the last 3 (Three) Annual General Meetings are given in Annexure below:

##### Annexure: Details of last three Annual General Meetings:

Financial Year	Date	Time	Venue	Special Resolutions passed
2020-21	Monday, 26 <sup>th</sup> July, 2021	11:00 AM	Registered Office of the Company	No
2019-20	Wednesday, 30 <sup>th</sup> December, 2020	11:00 AM	Registered Office of the Company	No
2018-19	Monday, 30 <sup>th</sup> September, 2019	01:00 PM	Registered Office of the company	No

No Extra Ordinary General Meetings were held during the Financial Year 2021-22.

##### Postal Ballot

No Resolution was passed through postal ballot during the year 2021-22.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of Special Resolution conducted through Postal Ballot.

**VI Other Disclosures:**

**a) Related Party Transactions:**

All the transactions entered into by and between the Company and related parties during the financial year were in the ordinary course of business. The same were approved by Audit Committee. The Board has approved policy for related party transactions which has been uploaded on the Company's website at <https://www.rolexrings.com/policies>

None of the transactions with any of the related parties were in conflict with the interest of the company.

**b) Details of Non-Compliance:**

There were no instances of non-compliance or penalty which were imposed on the company by Stock Exchanges or SEBI or any other statutory authority or any other matter related to capital markets.

**c) Whistle Blower Policy**

The Company promotes ethical behaviour across all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism for Employees and Directors to report concerns about unethical behaviour. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Act. The policy comprehensively provides for an opportunity to every Employee and Director to report instances of unethical behaviour, actual or suspected fraud or any violation of the Code of Conduct and/or laws applicable to the company and seek redressal. The policy has been disclosed on the Company's website at <https://www.rolexrings.com/policies>.

**d) CEO/MD and CFO Certification:**

The Chairman & Managing Director and the Chief Financial Officer of the company submit annual certifications on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulations. The said certificate is annexed and forms part of the Annual Report.

**e) Certificate from Practising Company Secretaries:**

The Company has obtained a Certificate from the Practising Company Secretaries stating that none of the Directors on the Board of the company have been debarred from being appointed or continuing as Directors of the companies by Securities and

Exchange Board of India, Ministry of Corporate Affairs or any such Authority.

**f) Details of total fees paid to Statutory Auditors:**

The details of total fees for all services paid by the company to the Statutory Auditors is as follows:

S. No.	Name of the Firm	Amount in ₹
1	S R B C & Co. LLP	₹ 20,39,270/-

**g) Compliance with Mandatory and Non-Mandatory Requirements:**

The Company has complied with applicable mandatory requirements of Listing Regulations and certain discretionary requirements by the Board of the company.

**h) Disclosure on policy of Material Subsidiaries:**

The Company is having no Material Subsidiaries as on 31<sup>st</sup> March, 2022

**i) Disclosure of Commodity price risk and commodity hedging activities:**

The Company has large portion of its customer base in Europe, North America, Thailand, etc. and consequently it is exposed to foreign exchange risk through our sales in these countries. The Company in order to curb forex risk have implied natural hedge against all the export sales in form of working capital.

**j) Details of utilization of funds of Preferential Allotment/ QIPs:**

Details of utilization of funds from IPO is given in Board Report.

**k) Certificate from Company Secretary in Practice regarding non-debarment and non-disqualification of Directors:**

A certificate from MJP Associates, Practising Company Secretaries, Rajkot certifies that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority, is attached as Annexure G to this Report.

**l) Acceptance of Recommendation of Board Committees:**

During the Financial Year 2021-22, there was no recommendation of any Committee of the Board of the Company which is mandatorily required and not accepted by the Board of the Company.

**m) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is not having any Women employee as on 31<sup>st</sup> March, 2022 and therefore no disclosure was required to be made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**n) Disclosure of Loans and Advances by the Company and its subsidiaries to the firms/ companies in which directors are interested by name and amount:**

During the Financial Year 2021-22, there were no loans/ advances provided by the Company to the firms/companies in which directors of the company are interested.

## VII Means of Communication:

The Company puts-forth vital information about the company and its performance, including quarterly results and the data is updated regularly on website of the company [www.rolexrings.com](http://www.rolexrings.com) for benefit of the public at large.

During the year, the quarterly, half-yearly and annual results of the Company's performance have been published in leading newspapers such as Financial Express- English and Gujarati editions and all the intimations are sent to stock exchanges.

Website	The Company's website contains a separate dedicated section titled "Investors". The basic information about the company, as called for in terms of Regulation 46 of the Listing Regulations, is provided on Company's website: <a href="http://www.rolexrings.com">www.rolexrings.com</a> and the same is updated from time to time.
Presentations to Institutional Analyst/ Investors	Detailed presentations are made to Institutional Investors/ Analysts on the unaudited quarterly financial results as well as the audited financial results of the company.
Filing with Stock Exchanges	Information to Stock Exchanges is being filed online on NEAPS and NSE Digital Exchange Portal and BSE Listing Centre for BSE.

## VIII General Shareholder Information:

### 1. Annual General Meeting:

Day: Saturday

Date: 17<sup>th</sup> September, 2022

Time: 12:00 PM IST

Venue: The meeting will be held through Video Conferencing or Other Audio Visual means (OAVM)

### 2. Financial Year:

April 01, 2021 to March 31, 2022.

### 3. Dividend:

The Company has not declared any Dividend for the Financial Year 2021-22.

### 4. Listing on Stock Exchanges:

Equity shares of Rolex Rings Limited are listed on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai, w.e.f. 09<sup>th</sup> August, 2021

All Annual Listing Fees due during the financial year have been paid.

### 5. Stock Code:

BSE Scrip Code: 543325

NSE Trading Symbol: ROLEXRINGS

Equity ISIN: INE645S01016

### 6. Market Price Data:

The details of the monthly high and low prices at BSE & NSE during the financial year 2021-22 is given in Annexure below:

Month	BSE Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Aug 21	1264.95	1050.50	1263.00	1051.50
Sep 21	1105.00	1008.00	1107.50	1008.00
Oct 21	1190.00	1015.00	1191.70	1044.80
Nov 21	1249.00	999.95	1249.65	994.80
Dec 21	1208.00	1042.00	1210.00	1050.00
Jan 22	1390.00	1120.20	1394.00	1155.10
Feb 22	1329.55	1050.00	1330.95	1142.00
Mar 22	1287.00	1103.00	1290.40	1102.40

### 7. Registrar and Share transfer:

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg  
Vikhroli (West), Mumbai - 400083  
Maharashtra  
Tel.: 022 4918 6200  
E-mail: [rolex.ipo@linkintime.co.in](mailto:rolex.ipo@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## 8. Share Transfer System

As mandated by SEBI, securities of listed companies can only be transferred in dematerialised form. The shares can be transferred by shareholders only through their Depository Participant.

## 9. Shareholding as on March 31, 2022:

### a) Distribution of equity shareholding as on March 31, 2022

Number of shares	Number of Shareholders	% of Total Shareholders	Number of Shares	% to Share Capital
1-5000	51439	99.2858	11,23,257	4.1246
5001 - 10000	166	0.3204	1,21,930	0.4477
10001- 20000	87	0.1679	1,28,348	0.4713
20001 - 30000	26	0.0502	61,099	0.2244
30001 - 40000	19	0.0367	66,871	0.2455
40001 - 50000	6	0.0116	28,179	0.1035
50001 - 100000	16	0.0309	1,17,729	0.4323
100001 - 9999999999	50	0.0965	2,55,85,899	93.9507
<b>Total</b>	<b>51809</b>	<b>100</b>	<b>2,72,33,312</b>	<b>100</b>

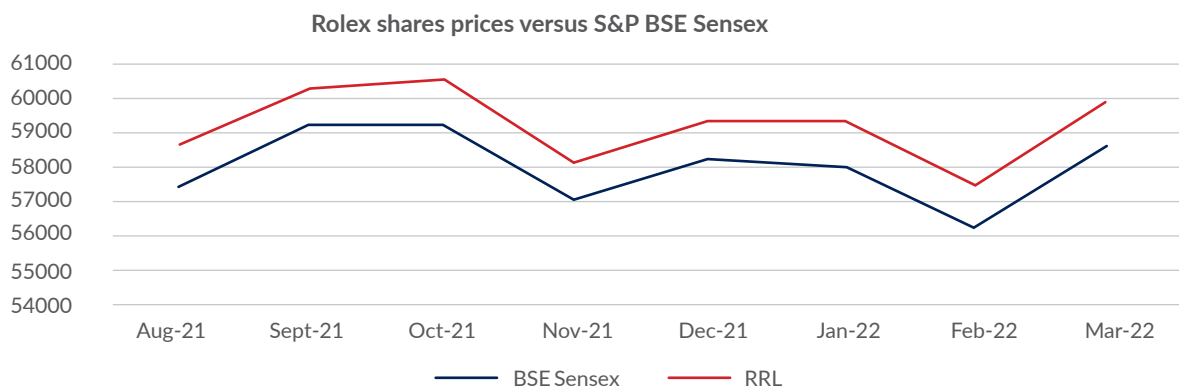
### b) Category of equity shareholding as on March 31, 2022:

Category	Number of Equity shares held	% of holding
Promoters	1,56,96,667	57.6377
Mutual Funds	54,02,496	19.8378
Foreign Company	34,14,423	12.5377
Public	17,70,345	6.5007
Foreign Portfolio Investors	5,24,121	1.9246
Other Bodies Corporate	1,49,011	0.5472
Insurance Companies	1,01,777	0.3737
Hindu Undivided Family	74,247	0.2726
Alternate Investment Funds	41,228	0.1514
Body Corporate - Limited Liability Partnership	4,220	0.0155
Clearing Members	12,214	0.0448
Trusts	1,014	0.0037
Non Resident Indians	25,440	0.0934
Non Resident (Non- Repatriable)	16,108	0.0591
<b>Total</b>	<b>2,72,33,311</b>	<b>100</b>

\* 1 share is held in physical form by Public shareholder.

## 10. Stock Performance:

The Chart plots the movement of Rolex Rings equity shares adjusted closing prices compared to BSE Sensex.





**11. Suspension of Securities from Trading:** Not Applicable

**12. List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all the debt instruments or any Fixed Deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

During the Financial Year 2021-22, the Company does not have any debt instruments or any Fixed Deposit Programme or any scheme or proposal of the Company involving mobilisation of funds in India or in abroad.

During the Financial year 2021-22, the India Ratings & Research has upgraded the Company's rating on the short term and long term bank facilities in the manner detailed below:

Facilities	Rating/Outlook
Term Loan	IND BBB/Stable
Fund Based working capital limits	IND BBB/Stable/ IND A3+
Non Fund based working capital limits	IND A3+

The credit rating of the company can be accessed at <https://www.rolexrings.com/corporate-announcement>

**13. Commodity price risk or foreign exchange risk and hedging activities:**

The Only commodity used in the manufacturing processes of the company includes Alloy Steels. We are having natural hedge against all over customer orders as the company is having working capital facilities in foreign currency to curb the risk and therefore there is no requirement to undertake hedging contracts.

**14. Outstanding GDR/ADR or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable**

**15. Plant Locations:**

Your Company has three manufacturing plants in Rajkot, Gujarat

**Unit 1:**

Behind Glowtech Steel Private Limited, Gondal Road, Kotharia, Rajkot - 360004

**Unit 2 & 3:**

Nr. Kotharia Railway Crossing, Opp. Hotel Krishna Park, Gondal Road, Kotharia, Rajkot - 360004, Gujarat

**16. Address for Correspondence:**

Shareholders may correspond with the Registrar and Share Transfer Agent at:

**Link Intime India Private Limited:**

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083  
Maharashtra  
Tel.: +91 (022) 4918 6200  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
e-mail: [reolex.ipo@linkintime.co.in](mailto:reolex.ipo@linkintime.co.in)

For all investor related matters, the Company Secretary & Compliance Officer can also be contacted at:

Rolex Rings Limited, Nr. Kotharia Railway Crossing, Opp. Hotel Krishna Park, Gondal Road, Kotharia, Rajkot - 360004, GJ.

Contact Person: Hardik Dhimantbhai Gandhi  
Designation: Company Secretary & Compliance Officer  
E-mail: [compliance@rolexrings.com](mailto:compliance@rolexrings.com)

Your company can also be visited at [www.Rolexrings.com](http://www.Rolexrings.com)

**17. Dematerialization of Shares and Liquidity:**

As on 31<sup>st</sup> March, 2022, all the equity shares of the company are in demat form except one share which is held in physical form. The Promoter and Promoter Group hold all the equity shares in Demat Form.

**IX Non Compliance of any Requirement of Corporate Governance Report, with reasons thereof:**

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of Listing Regulations have been duly complied with.

**X Adoption of Discretionary Requirements as Specified in Part E of Schedule II Have Been Adopted:**

The Company has complied with applicable discretionary requirements as specified in Part E of Schedule II of the Listing Regulations.

**1. The Board:** The Company has Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses or use of the Chairman.

**2. Shareholders Rights:** Quarterly/Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company.

**3. Audit Qualification:** The Company is in the regime of unqualified/unmodified financial statement

**4. Reporting to Internal Auditors:** The Internal Auditors of the Company report to the Audit Committee periodically to ensure independence of the internal audit function.

# Business Responsibility Report 2021-22:

## SECTION-A: General Information about The Company:

1.	Corporate Identity Number (CIN) of the Company	L28910GJ2003PLC041991
2.	Name of the Company	Rolex Rings Limited
3.	Registered Address	Behind Glowtech Steel Private Limited, Gondal Road, Kotharia, Rajkot - 360004, GJ
4.	Website	www.rolexrings.com
5.	E-mail ID	compliance@rolexrings.com
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	32909 - Manufacture of other articles n.e.c.
8.	List three Key products/ services that the Company manufacturers/ provides (as in balance sheet)	(1) Parts of automobile components (2) Bearing Rings
9.	Total number of locations where business activity is undertaken by the company:	The Company has its manufacturing facility in the city of Rajkot, Gujarat
	a) Number of International Locations: No	<b>Registered Office:</b>
	b) Number of National Locations:	Behind Glowtech Steel Private Limited, Gondal Road, Kotharia, Rajkot - 360004, GJ
		<b>Manufacturing locations:</b>
		Unit 1: Behind Glowtech Steel Private Limited, Gondal Road, Kotharia, Rajkot - 360004
		Unit 2 & 3: Nr. Kotharia Railway Crossing, Opp. Hotel Krishna Park, Gondal Road, Kotharia, Rajkot - 360004, Gujarat
		<b>Corporate Office:</b>
		Rolex Rings Limited, Nr. Kotharia Railway Crossing, Opp. Hotel Krishna Park, Gondal Road, Kotharia, Rajkot - 360004, GJ.
10.	Markets served by the Company - Local/State/ National/ International	India, Europe, North America, South Africa, Thailand

## SECTION-B: Financial Details of The Company : (Figures in ₹ Millions)

1.	Paid Up Capital (₹)	₹ 272.33
2.	Total Turnover (₹)	₹ 10281.29
3.	Total Profit after taxes (₹)	₹ 1318.79
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	As per Annexure to the Board Report

**SECTION-C: Other Details:**

1.	Does the Company have any Subsidiary Company/ Companies	No
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity that the company does the business with, participate in BR initiatives of the Company? If yes then indicate the percentage of such entity?	No
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	The List of activities has been provided in Annexure forming part of this Annual Report.

**SECTION-D: BR Information:****1. Details of Director/Directors responsible for BR:****a. Details of the Director/Director responsible for implementation of the BR policy/policies**

S. No.	Particulars	Details
1	DIN Number	01629788
2	Name	Mr. Manesh Dayashankar Madeka
3	Designation	Chairman & Managing Director

**(a) Details of the BR head**

S. No.	Particulars	Details
1	DIN Number (if applicable)	01629788
2	Name	Mr. Manesh D Madeka
3	Designation	Chairman & Managing Director
4	Telephone number	0281-6699577
5	Email id	compliance@rolexrings.com

**2. Principle-wise (as per NVGS) BR Policy/Policies:**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect and make efforts to restore the environment.
Principle 7 (P7)	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N):

S. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes									
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies follow international standards such as ISO 9001, ISO 14001:2015, ISO 45001: 2018 and IATF 16949 and meet the national regulatory requirements such as the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.									
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ CFO/CS/ appropriate Board Director?	Yes  Policies mandated under the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, as amended, are approved by the Board and other policies are approved by the Managing Director / functional heads of the Company as appropriate from time to time.									
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	
		The Board had delegated powers to Stakeholder Relationship Committee for implementation of this policy.									
6	Indicate the link for the policy to be viewed online?	The policies on CSR, Insider Trading, related Party, Whistle Blower Mechanism etc. are available on links such as: <a href="http://www.rolexrings.com/wp-content/uploads/2021/04/CSR-Policy.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/CSR-Policy.pdf</a> <a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Code-for-UPSI.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Code-for-UPSI.pdf</a> <a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Leak-of-UPSI.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Leak-of-UPSI.pdf</a> <a href="http://www.rolexrings.com/wp-content/uploads/2021/04/Risk-Management-Policy.pdf">http://www.rolexrings.com/wp-content/uploads/2021/04/Risk-Management-Policy.pdf</a> <a href="http://www.rolexrings.com/wp-content/uploads/2021/03/Vigil-Mechanism-Policy-Whistle-Blower-Policy.pdf">http://www.rolexrings.com/wp-content/uploads/2021/03/Vigil-Mechanism-Policy-Whistle-Blower-Policy.pdf</a>									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes									
8	Does the Company have an in-house structure to implement the policy/ policies.	Yes									
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes									
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policy gets evaluated internally									

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

### 3. Governance Related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company's equity shares got listed on BSE Limited and NSE Limited on 09 <sup>th</sup> August, 2021, therefore this will be the first year of publishing Business Responsibility Report for the Financial Year 2021-22

#### SECTION-E: Principle-wise Performance:

##### Principle 1: Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the company? **Yes**

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

**No, the policies at present are applicable to the company and it doesn't extend to Suppliers/Contractors/Others**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

**During the last financial year, the opening balance of the complaints was NIL and further during the year the company received in total 152 complaints from the stakeholders and all the complaints were satisfactorily resolved by the management in consultation with Stakeholders Relationship Committee.**

##### Principle 2: Products Sustainability:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities:

**The company has mainly two products i.e. Parts of Auto Components and Bearing Rings. However, it has taken all the precaution in order to curb any environmental risks and thereby the products do not incorporate any environmental risk.**

2. For each such product provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing/production/distribution achieved since previous year throughout the value chain?

**The Company uses 15% of its total electricity from renewable source of energy.**

**For Water storage, the company have dug Borewell in its factory premises.**

- b) Reduction during usage by consumers has been achieved since the previous year? **No**

3. Does the Company have procedures in place for sustainable sourcing (including transportation): **No**

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

**Yes, the Company purchases goods or services from around 70 small enterprises who are in the surrounding area of the company.**

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. **No**

**Principle 3: Employees' Wellbeing:**

1. Please indicate the total number of employees: **1,963 employees**
2. Please indicate the Total Number of employees hired on temporary/contractual/casual basis: **640 employees**
3. Please indicate the number of permanent women employees: **Nil**
4. Please indicate the Number of permanent employees with disabilities: **13 employees**
5. Do you have an employee association that is recognised by management? **No**
6. What percentage of your permanent employees is members of this recognised employee association? **Not Applicable**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year

Sr. No.	Category	No. of complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1	Child Labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Sr. No.	Particulars	Safety Training & Skill Upgradation
1	Permanent Employees	44.57%
2	Permanent Women Employees	--
3	Casual/Temporary/ Contractual Employees	85%
4	Employees with disabilities	100%

**Principle 4: Stakeholder Engagement:**

1. Has the Company mapped its internal and external stakeholders?

**Yes, the company has mapped its internal and external stakeholders including but not limited to Governments and Regulators, Investors, Employees, Suppliers, Vendors, Directors, Key Managerial Personnel, Customers etc.**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

**The Company recognises the vital role played by the society at large in its growth and development. Details of CSR initiatives executed by the company during the year under review are given as Annexure to Board Report.**

**Principle 5: Human Rights:**

1. Does the policy of the company on Human Rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

**Yes, the policy on Human Rights covers only the company and it doesn't extend to its suppliers/ Contractors/ Others**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**During the last financial year, the opening balance of the complaints was NIL and further during the year the company received in total 152 complaints from the stakeholders and all the complaints were satisfactorily resolved by the management in consultation with Stakeholders Relationship Committee.**

**Principle 6: Environment:**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Venture/ Suppliers/ Contractors/NGOs/Others?

**The company is having Environment, Health & Safety and Quality Policy.**

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.?

**The Company is certified ISO 9001, ISO 14001:2015 45001:2018 and the necessary norms are being followed as required by the law. The Company is also using Solar Power and Windmill as Renewable source of energy and contributing towards global warming or other global environmental issues.**

3. Does the Company identify and assess potential environmental risks?

**Yes, the company is having aspect/impact plus HIRA Register for each process.**

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also if Yes, whether any environmental compliance report is filed?

**Yes, the Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects, water saving, waste reduction. However, it is not registered under any specific CDM projects.**

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyperlink for web page etc.

**The initiatives taken by the company towards energy conservation during the year under review are given as a part of Board Report.**

6. Are the emissions/Waste generated by the company within the permissible limits given by the CPCB/SPCB for the financial year being reported?

**The Emission/Waste generated by the company are within the permissible limits given by the State Pollution Control Board (SPCB) and there is no abnormality found in third party verification report.**

7. Number of show cause/legal notices received from CPCB/SPCB which are pending as on end of financial year?

**There were no show cause/ legal notices received from CPCB/SPCB during the period under report.**

#### Principle 7: Public Policy:

1. Is your company a member of any trade and Chamber or association? If yes, name only those major ones that your business deals with:

**Yes, the company is member of the following Chamber or Association:**

- Association of Indian Forging Industry [AIFI]
- Confederation of Indian Industries [CII]
- Automotive Components Manufacturers Association [ACMA]
- Rajkot Chamber of Commerce
- Rajkot Engineering Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes specify the broad areas? No

#### Principle 8: Inclusive Growth:

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**As a responsible corporate citizen, the Company focuses on community development through its CSR activities. Details of CSR activities are provided in the Board Report forming part of this Annual Report.**

2. Are the programmes undertaken through in-house team/ own foundation/external NGO/government structures/ any other organisation?

**The Company undertakes CSR activities through external implementing agencies.**

3. Have you done any impact assessment of your initiative? **No**

4. What is your company's direct contribution to community development projects – Amount in ₹ and the details of projects undertaken.

**CSR spend for the financial year 2021-22 is provided in the Board Report forming part of this Annual Report.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

**Refer CSR Report forming part of Board Report.**

#### Principle 9: Customer Relations:

1. What percentage of customer complaints/ consumer cases are pending as on end of the financial year? **Nil**
2. Does the company display product information on the product label, over and above what is mandated as per local laws?

**The Company is producing components are intermediate/ semi finished products, produced as per the design and specification given by the customer therefore no product information/label over and above are required.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof? **No**

4. Did your company carry out any consumer survey/ consumer satisfaction trends? **No**



# Financial Statements

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# Independent Auditors' Report

To  
The Members of  
**Rolex Rings Limited (formerly known Rolex Rings Private Limited)**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Rolex Rings Limited (formerly known Rolex Rings Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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, 2022, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company

in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) Completeness of revenue (as described in note 1 (b) (xv) (Summary of significant accounting policies) and note 24 of notes to the financial statements for the year ended March 31, 2022)</p> <p>The Company has revenue from sale of products which includes finished goods and scrap sales. The Company is engaged in manufacturing of forged and machined bearing rings and automotive components as per specification provided by the customers and based on the schedules from the customers.</p> <p>The Company recognizes revenue from sale of goods at a point in time when control of the goods is transferred to the customer, based on the terms of the contract with customers which varies for each customer. Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Company's sales process, including design and implementation of controls over timing of recognition of revenue from sale of goods and tested the operating effectiveness of these controls</li> <li>• We reviewed the Company's accounting policies for revenue recognition in context of the applicable accounting standard.</li> <li>• Obtained customer contracts on sample basis and read the terms to assess various performance obligations in the contract, the point in time of transfer of control and pricing terms.</li> </ul>

**Key audit matters**

including Inco terms, timing of transfer of legal title of the asset and determination of the point of acceptance of goods by customer. Further, the pricing of the products is dependent on metal indices and foreign exchange fluctuation making the price volatile.

Due to judgments relating to determination of point in time in satisfaction of performance obligations with respect to sale of products, this matter has been considered as key audit matter.

**How our audit addressed the key audit matter**

- Tested on a sample basis sales invoices for identification of point in time for transfer of control and terms of contract with customers. Further, we performed procedures to test on a sample basis whether revenue was recognized in the appropriate period by testing shipping records, good inwards receipt of customer, sales invoice, inco-terms etc. and testing the management assessment involved in the process, wherever applicable.
- Attended and observed the inventory count performed by the management at year-end and obtained confirmations for inventory lying with third parties.
- Circulated the confirmations for outstanding trade receivables on sample basis on year end, and performed alternate procedures for the confirmations not received.
- We also performed various analytical procedures to identify any unusual sales trends for further testing
- We assessed the disclosure is in accordance with applicable accounting standards.

**Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 purposes 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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) 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, as amended 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 33 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;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company

from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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  
UDIN: 22101974AJKMLG2989  
Place of Signature: Ahmedabad  
Date: May 23, 2022

## Annexure 2

to the Independent Auditor's Report of even date on the Financial Statements of Rolex Rings Limited (formerly known as 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 with reference to the financial statements of Rolex Rings Limited (formerly known as Rolex Rings Private Limited) ("the Company") as of March 31, 2022 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 ('the Act').

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 Act, to the extent applicable to an audit of internal financial controls, both issued by 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 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls 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 controls with reference to 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 controls with reference to 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to financial

statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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.

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  
UDIN: 22101974AJKMLG2989  
Place of Signature: Ahmedabad  
Date: May 23, 2022

# Annexure 1

referred to in paragraph on report on other legal and regulatory requirements of our report of even date of Rolex Rings Limited (formerly known as Rolex Rings Private Limited) for the year ended March 31, 2022

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except in case of certain assets where the company is in process of updating the quantitative and other details.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year, which is reasonable considering the size of the company and nature of its assets. No material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31 March 2022 and discrepancies were not noticed in respect of such verification and confirmations.
- (b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and / or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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 castings and 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, duty of excise, cess, and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As per information and explanation given by the management, payment of employees' state insurance dues is not applicable to the Company and hence not considered above.

(b) The dues of goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess and other statutory dues which have not been deposited on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (₹ in millions) *	Period to which the amount pertains	Forum where the dispute is pending
The Custom Tariff Act, 1975	DEPB Duty Credit	105.58	2015-16	Gujarat High Court
The Central Excise Tariff Act 1985	Duty Drawback	10.61	2013-14	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	7.98	2011 to 13, 2016 to 18	Commissioner Appeals - Central GST & Excise
The Finance Act, 1992	Service Tax	0.93	2011 to 16, 2017-18	Appellate Tribunal of Customs, Excise & Service Tax
The Finance Act, 1992	Service Tax	1.75	2017-18	Assessing Officer
The Goods and Service Tax Act, 2017	Goods and Service Tax	1.11	2017-18	Assessing Officer
The Income Tax Act, 1961	Income Tax	132.77	2004-05, 2008-09, 2011-12 to 2014-15	Commissioner of Income Tax Appeals

\*Above amounts are net of amount paid under protest of ₹ 12.60 millions for Income tax and ₹ 1.30 millions for indirect taxes

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) Monies raised during the year by the Company by way of initial public offer were applied for the purpose for which they were raised, though surplus funds which were not required for immediate utilization have been invested in liquid investments payable on demand. The maximum amount of surplus funds invested during the year was ₹ 50 millions, of which ₹ 50 millions was outstanding at the end of the year.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed



by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 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.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII to the Companies Act 2013 (the Act), within a period of six months from end of the financial year in compliance with second proviso to sub section (5) of section 135 the Act, except for opening unspent amount of ₹ 15.10 millions, which is transferred to specified fund during the year after six months.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number:101974

UDIN: 22101974AJKMLG2989

Place of Signature: Ahmedabad

Date: May 23, 2022

# Balance Sheet

for the year ended on March 31, 2022

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2(a)	3,788.62	3,713.93
Capital work-in-progress	2(a)	459.90	11.52
Right of use assets	2(b)	0.37	0.50
Intangible Assets	2(c)	7.58	9.48
Financial Assets			
(a) Other financial assets	3	41.57	139.63
Income tax assets (net)		19.66	19.66
Other non-current assets	4	154.58	283.09
<b>Total non-current assets</b>		<b>4,472.28</b>	<b>4,177.81</b>
<b>Current assets</b>			
Inventories	5	2,616.83	1,710.73
Financial assets			
(a) Trade receivables	6	2,305.37	1,708.01
(b) Cash and cash equivalents	7	37.50	46.12
(c) Bank balances other than Cash and cash equivalents	7	161.58	58.05
(d) Loans	8	0.32	0.76
(e) Other financial assets	9	104.48	67.96
Other current assets	10	155.71	138.38
<b>Total current assets</b>		<b>5,381.79</b>	<b>3,730.01</b>
<b>Total assets</b>		<b>9,854.07</b>	<b>7,907.82</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	11	272.33	239.81
Other equity	12	5,175.69	3,327.52
<b>Total equity</b>		<b>5,448.02</b>	<b>3,567.33</b>
<b>Liabilities</b>			
<b>Non-Current liabilities:</b>			
Financial liabilities			
(a) Borrowings	13	204.61	323.45
(b) Lease liabilities	14	0.28	0.67
Provisions	15	33.50	31.09
Income tax liabilities (net)	16	179.31	179.31
Deferred tax liabilities (net)	17	607.83	324.06
<b>Total non-current liabilities</b>		<b>1,025.53</b>	<b>858.58</b>
<b>Current liabilities:</b>			
Financial liabilities			
(a) Borrowings	18	2,023.91	2,171.46
(b) Lease liabilities	14	0.39	0.39
(c) Trade payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	19	75.34	30.98
- Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	19	1,125.36	1,089.09
(d) Other financial liabilities	20	57.99	93.09
Other liabilities	21	22.55	14.75
Provisions	22	7.79	7.27
Income tax liabilities (net)	23	67.19	74.88
<b>Total current liabilities</b>		<b>3,380.52</b>	<b>3,481.91</b>
<b>Total liabilities</b>		<b>4,406.05</b>	<b>4,340.49</b>
<b>Total equity and liabilities</b>		<b>9,854.07</b>	<b>7,907.82</b>

Summary of significant accounting policies

1(b)

The accompanying notes are an integral part of these financial statements

As per our report of even date

 For **S R B C & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership No.: 101974

Place :Ahmedabad

Date : May 23, 2022

For and on behalf of the Board of Directors of

**Rolex Rings Limited (formerly known as Rolex Rings Private Limited)**

CIN: L28910GJ2003PLC041991

**Manesh Madeka**

Chairman &amp; Managing Director

DIN: 01629788

Place: Rajkot

Date : May 23, 2022

**CS Hardik Gandhi**

Company Secretary &amp; Compliance officer

Place: Rajkot

Date : May 23, 2022

**Bhoutik Madeka**

Whole Time Director

DIN: 01761543

Place: Rajkot

Date : May 23, 2022

**Hiren Doshi**

Chief financial officer

Place: Rajkot

Date : May 23, 2022

# Statement of Profit and Loss

for the period ended March 31, 2022

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>INCOME</b>			
Revenue from operations	24	10,167.05	6,163.32
Other income	25	114.24	34.25
<b>Total Income</b>		<b>10,281.29</b>	<b>6,197.57</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	26	5,194.80	3,165.94
(Increase) in inventories of finished goods and work-in-progress	27	(553.55)	(291.60)
Employee benefits expense	28	587.60	518.66
Finance costs	29	204.29	116.99
Depreciation and amortization expenses	30	255.51	254.09
Other expenses	31	2,649.04	1,681.64
<b>Total Expenses</b>		<b>8,337.69</b>	<b>5,445.72</b>
<b>Profit from operations before tax</b>		<b>1,943.60</b>	<b>751.85</b>
<b>Tax expense</b>			
Current tax expenses	16	666.19	130.42
Deferred tax (credit) / charge	16	(41.38)	(248.12)
<b>Total tax expense</b>		<b>624.81</b>	<b>(117.70)</b>
<b>Net Profit for the year</b>		<b>1,318.79</b>	<b>869.55</b>
<b>Other comprehensive income ("OCI")</b>			
Items not to be reclassified to profit or loss in subsequent years:			
Re-measurement gain/(loss) on defined benefit plans		(0.76)	7.81
Less : Income tax effect	16	0.27	(2.73)
<b>Net Other comprehensive income/ (expense) for the year, net of tax</b>		<b>(0.49)</b>	<b>5.08</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>1,318.30</b>	<b>874.63</b>
<b>Earnings per equity share (face value ₹ 10 per share)</b>			
Basic earnings per share (₹)	32	50.23	36.26
Diluted earnings per share (₹)	32	48.83	35.96
Summary of significant accounting policies	1(b)		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **S R B C & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership No.: 101974

Place : Ahmedabad

Date : May 23, 2022

For and on behalf of the Board of Directors of

**Rolex Rings Limited (formerly known as Rolex Rings Private Limited)**

CIN: L28910GJ2003PLC041991

**Manesh Madeka**

Chairman & Managing Director

DIN: 01629788

Place: Rajkot

Date : May 23, 2022

**CS Hardik Gandhi**

Company Secretary & Compliance officer

Place: Rajkot

Date : May 23, 2022

**Bhoutik Madeka**

Whole Time Director

DIN: 01761543

Place: Rajkot

Date : May 23, 2022

**Hiren Doshi**

Chief financial officer

Place: Rajkot

Date : May 23, 2022

# Statement of Cash Flow

for the period ended March 31, 2022

(All amounts in ₹ Million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow from operating activities</b>		
<b>Profit before tax</b>	1,943.60	751.85
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization charges	255.51	254.09
Loss/ (gain) on sale of property, plant and equipment (net)	0.01	(0.72)
Finance cost	204.29	116.99
Unrealised (gain)/loss on foreign exchange (net)	(11.87)	(29.82)
Interest income	(16.55)	(14.74)
<b>Operating profit before working capital changes</b>	<b>2,374.99</b>	<b>1,077.65</b>
<b>Working capital adjustments:</b>		
Increase in trade payables	89.14	391.68
Increase in other financial liabilities, other liabilities and provisions	4.65	22.49
(Increase) in trade receivables	(576.57)	(417.85)
(Increase) in inventories	(906.10)	(405.01)
(Increase) in loans, other financial assets and other assets	(48.58)	(18.42)
<b>Cash generated from operations</b>	<b>937.53</b>	<b>650.54</b>
Direct taxes paid (net of refunds)	666.19	130.42
<b>Net cash flows from operating activities (A)</b>	<b>588.78</b>	<b>592.14</b>
<b>Cash flows from investing activities :</b>		
Purchase of property, plant and equipment and intangible assets, (including capital advances) and capital work in progress	(695.40)	(387.29)
Proceeds from sale of property, plant and equipment	0.80	2.43
Investment in margin money deposits	(6.96)	(9.20)
Inter corporate deposit received from related party	-	25.00
Interest received	23.81	5.98
<b>Net cash flows (used in) investing activities (B)</b>	<b>(677.75)</b>	<b>(363.08)</b>
<b>Cash flows from financing activities :</b>		
Proceeds / (Repayment) of short-term borrowings (net)	127.05	(97.24)
Repayment of long-term borrowings	(354.85)	(223.54)
Proceeds from long-term borrowings	72.50	208.10
Proceeds from issue of Optionally Convertible Redeemable Preference Shares	-	26.30
Proceeds from issue of Equity Shares (Net of issue related expenses)	529.57	-
Redemption of non convertible redeemable preference shares	(136.06)	-
Payment of principal portion of lease liabilities	(0.39)	(0.39)
Interest paid	(157.47)	(108.62)
<b>Net cash flows from/(used in) financing activities ( C )</b>	<b>80.35</b>	<b>(195.39)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>(8.62)</b>	<b>33.67</b>
Cash and cash equivalents at the beginning of the year	46.12	12.45
<b>Cash and cash equivalents at the end of the year</b>	<b>37.50</b>	<b>46.12</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.29	0.42
Balances with banks		
- On current accounts	1.27	45.70
- Fixed Deposit for the period less than three month	35.94	-
<b>Total cash and cash equivalents (Note 7)</b>	<b>37.50</b>	<b>46.12</b>

# Statement of Cash Flow

for the period ended March 31, 2022

(All amounts in ₹ Million, unless otherwise stated)

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.
- Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2021	Cash changes (net)	Others*	As at March 31, 2022
Long term borrowings including current maturities classified in short term borrowings (note no. 13)	659.19	(282.35)	(115.35)	261.49
Short term borrowings excluding current maturities of long term debts (note no. 18)	1,835.72	127.05	4.26	1,967.03
Non-current lease liabilities	0.67	-	(0.39)	0.28
Current lease liabilities	0.39	(0.39)	0.39	0.39

Particulars	As at April 01, 2020	Cash changes (net)	Others*	As at March 31, 2021
Long term borrowings including current maturities classified in short term borrowings (note no. 13)	650.27	(15.44)	24.36	659.19
Short term borrowings excluding current maturities of long term debts (note no. 18)	1,939.26	(97.24)	(6.30)	1,835.72
Non-current lease liabilities	0.94	-	(0.27)	0.67
Current lease liabilities	0.39	(0.39)	0.39	0.39

\*Others consists of exchange differences on amount borrowed and impact of unwinding of liability component of compound financial instruments.

- Figures in brackets represents outflow.

Summary of significant accounting policies refer note 1(b)

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **SRBC & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership No.: 101974

Place :Ahmedabad

Date : May 23, 2022

For and on behalf of the Board of Directors of

**Rolex Rings Limited (formerly known as Rolex Rings Private Limited)**

CIN: L28910GJ2003PLC041991

**Manesh Madeka**

Chairman & Managing Director

DIN: 01629788

Place: Rajkot

Date : May 23, 2022

**CS Hardik Gandhi**

Company Secretary & Compliance officer

Place: Rajkot

Date : May 23, 2022

**Bhoutik Madeka**

Whole Time Director

DIN: 01761543

Place: Rajkot

Date : May 23, 2022

**Hiren Doshi**

Chief financial officer

Place: Rajkot

Date : May 23, 2022

# Statement of Changes in Equity

for the period ended March 31, 2022

(All amounts in ₹ Million, unless otherwise stated)

## a) Equity Share Capital (refer note 11):

Particulars	No. of shares	₹ in Million
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b>		
As at April 01, 2020	23,981,090	239.81
Changes in Equity Share Capital due to prior period errors	-	-
Issue of shares during the year		
On conversion of OCRPS into equity	-	-
On issue of fresh equity shares	-	-
<b>As at March 31, 2021</b>	<b>23,981,090</b>	<b>239.81</b>
Changes in Equity Share Capital due to prior period errors	-	-
Issue of shares during the year		
On conversion of OCRPS into equity	2,630,000	26.30
On issue of fresh equity shares	622,222	6.22
<b>As at March 31, 2022</b>	<b>27,233,312</b>	<b>272.33</b>

## b) Other Equity:

For the year ended 31 March 2022:

Particulars	Other equity (refer note 12)				Total other equity
	Equity Component of Compound Financial Instrument	Retained Earnings	Securities premium	Capital Redemption Reserve	
<b>Balance as at April 01, 2020</b>	84.53	730.57	1,626.14	-	2,441.24
Changes in accounting policy or prior period errors	-	-	-	-	-
On issue of Optionally Convertible Redeemable Preference Shares	11.65	-	-	-	11.65
Profit for the year (net of taxes)	-	869.55	-	-	869.55
Other Comprehensive Income for the year (net of tax)	-	5.08	-	-	5.08
<b>Balance as at March 31, 2021</b>	<b>96.18</b>	<b>1,605.20</b>	<b>1,626.14</b>	<b>-</b>	<b>3,327.52</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Additions during the year	-	-	540.99	136.06	677.05
Profit for the period (net of taxes)	-	1,318.79	-	-	1,318.79
Transfer to Capital Redemption Reserve	-	(136.06)	-	-	(136.06)
Other Comprehensive Income for the period (net of tax)	-	(0.49)	-	-	(0.49)
On issue/(conversion) of OCRPS during the year	(11.12)	-	-	-	(11.12)
Transfer to Retained Earnings	(85.06)	-	-	-	(85.06)
Transfer from equity component of compound	-	85.06	-	-	85.06
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>2,872.50</b>	<b>2,167.13</b>	<b>136.06</b>	<b>5,175.68</b>

Summary of significant accounting policies refer note 1(b)

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **S R B C & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership No.: 101974

Place : Ahmedabad

Date : May 23, 2022

For and on behalf of the Board of Directors of

**Rolex Rings Limited (formerly known as Rolex Rings Private Limited)**

CIN: L28910GJ2003PLC041991

**Manesh Madeka**

Chairman & Managing Director

DIN: 01629788

Place: Rajkot

Date : May 23, 2022

**CS Hardik Gandhi**

Company Secretary & Compliance officer

Place: Rajkot

Date : May 23, 2022

**Bhoutik Madeka**

Whole Time Director

DIN: 01761543

Place: Rajkot

Date : May 23, 2022

**Hiren Doshi**

Chief financial officer

Place: Rajkot

Date : May 23, 2022

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 1 (a) Corporate Information

Rolex Rings Limited (formerly known as Rolex Rings Private Limited) ('the Company') is a public company domiciled in India which was incorporated on February 13, 2003 under the provision of the Companies Act, 1956. The registered office of the Company is located at B/h. Glowtech Steel Private Limited, Gondal Road, Village-Kotharia, Rajkot. The company is engaged in manufacturing of forged & machined bearing rings and automotive components.

The Company has converted from a Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on February 19, 2021 and consequently the name of the Company has changed to Rolex Rings Limited pursuant to a fresh certificate of incorporation issued by ROC on March 10, 2021.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on May 23, 2022.

## 1 (b) Significant accounting policies

### i) Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under companies (Indian accounting standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the company.

For all periods up to and including the year ended March 31, 2020, the company prepared its financial statements in accordance with accounting principles generally accepted in India ("Indian GAAP") including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), These financial statements for the year ended March 31, 2021 are the first financial statements the Company has prepared in accordance with Ind AS. Refer to note 45 for information on how the Company adopted Ind AS.

### ii) Basis of measurement

The financial statements have been prepared on the going concern basis on a historical cost convention except for certain financial instruments that are measured at fair value at the end of each reporting period.

### iii) Functional currency and rounding of amounts

The financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest Million, except where otherwise indicated.

### iv) Use of estimates and judgements

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Defined benefit plans (gratuity benefits):

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

#### Useful economic lives of Property, plant and equipment:

Property, plant and equipment as disclosed in note 2 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the

# Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

depreciation rates prospectively and hence the asset carrying values."

## v) Current vs Non current classification

The Company presents assets and liabilities in the statement of Assets and Liabilities based on current/noncurrent classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle."

## vi) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials is determined on a specific identification price basis. 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 finished goods and work in progress 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. Cost of spares and consumables is determined on a moving weighted average cost basis. 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."

## vii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management."

## viii) Property, Plant and Equipment

Property, plant and equipment are stated at actual costs, 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 a part of inventories.

Properties in course of construction for production, supply or administrative purposes are carried at cost, less recognised impairment losses. All the direct expenditures related to the implementation including incidental expenditure incurred during the period of



# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

implementation of a project, till it is commissioned is accounted as Capital Work in progress (CWIP) and such properties are classified as appropriate categories of Property, plant and equipment when completed and ready for the intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised."

## ix) 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
Buildings	30
Plant & machinery	25
Vehicles	8
Furniture and fixtures	10
Computers	3
Windmill	22

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

## x) Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee -

Company's leased assets comprises of lands. The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

### a. Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term and the estimated useful lives of the assets, as follows:

- Right-of-use Assets (Leasehold lands) : 20 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section xii (b) Impairment of non-financial assets."

### b. Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

# Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets-

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date with no option for extension and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term."

#### Company as Lessor -

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss . Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income."

#### xi) Intangible assets

Intangible assets acquired separately includes softwares 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.

#### xii) Impairment of assets

##### a) Impairment of financial instruments/ financial assets-

The company recognises loss allowances for expected credit losses on Financial assets measured at Amortised costs. For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### b) Impairment on Non financial 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 company's 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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life."

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## xiii) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular

way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset."

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss"

#### Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss."

#### Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI

# Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

## Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

## Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established."

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay."

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, employee dues and interest accrued on borrowings, other interest payable.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

- Financial liabilities at amortised cost (loans and borrowings)

## Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L."

## Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 13. Moreover, as assessed by management that the transaction costs incurred on long term loans are insignificant to the value of loans and prepayment penalty does not exist.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously."

## xiv) Compound Financial Instruments

Compound financial instruments issued by the company comprises of non convertible redeemable preference shares containing a zero percent dividend redeemable at par at the end of 10 years from the date of allotment and optionally convertible redeemable preference shares containing a zero percent dividend redeemable at par. The liability component of compound financial instrument is initially recognised at fair value. The equity portion is initially recognised as a difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in the proportion of their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised costs using effective interest method. The equity component is not re-measured subsequently. Interest related to the financial liability is recognised in profit and loss (unless it qualifies for inclusion in the cost of an asset)."

## xv) Revenue from contract with customer

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

## Sale of goods -

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the

# Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Variable consideration -

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### Contract assets -

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

- a) Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets i.e. Financial instruments - initial recognition and subsequent measurement.

#### Contract liabilities -

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer)."

#### Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature."

#### 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. Income so recognised is shown separately from the power cost under Other operating revenue.

#### Interest Income

Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the effective interest rate (EIR). Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### Rental Income

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss."

### xvi) Employee benefits

#### Defined Contribution Plan-

'The company's contribution to provident fund is considered as a defined contribution scheme and are charged as expense based on the amount of contribution required to be made and when the services are rendered by the employees.

#### Defined Benefit Plan -

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. Remeasurements comprising of actuarial gains and losses, the effect of changes to the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge or credit recognised in OCI in the period in which they occur. Remeasurements recognised in OCI are reflected immediately in retained earnings and is not

# Notes to the Financial Statements

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reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

## Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the balance sheet date.

## Short term employee benefits -

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.

## xvii) Foreign currencies

The company's financial statements are presented in INR, which is also company's functional currency.

### 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

## xviii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset

that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## xix) Income taxes

**Tax expense comprises current and deferred tax.**  
Current tax -

The tax currently payable is based on the taxable profits for the years. 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### Deferred tax-

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

# Notes to the Financial Statements

for the year ended March 31, 2022

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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## xx) Provisions and contingent liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognised in the financial statements when an inflow/ outflow of economic benefits/ loss is not probable.

## xxi) Operating Segments

### Basis of Segmentation-

The company is mainly engaged in the business of manufacturing and selling of machined / forged rings and auto components. The company's business falls within a single business segment of 'diversified auto components' and all the activities of the Company revolve around this main business.

The Chief Operating decision maker (CODM) monitors the operating results of the business as a whole for the purpose of making decisions about resource allocation and performance assessment.

Therefore, management views company's business activity as a single segment and segment's performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

### Geographical Information -

The management evaluates that the company operates in two principal geographical areas - India and Outside India.

Company's Revenue and Receivables are specified by location of customers and the other geographic information (Segment Assets and Capital Expenditure) are specified by location of the assets.

## xxii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders 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 year 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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.



# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## xxiii) Fair Value Measurement

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Chief Finance Officer (CFO)."

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the board of directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above."

# Notes to the Financial Statements

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## 2. (a) Property, Plant and Equipment

Particulars	Land (Freehold)	Buildings	Plant & machinery	Furniture and fixtures	Computers	Vehicles	Total	Capital Work in progress
At April 01, 2020	243.59	506.88	3,193.82	30.65	4.32	11.00	3,990.26	-
Additions	13.72	4.38	218.29	-	1.35	0.06	237.80	227.95
Disposals/transfers	-	-	4.04	-	-	-	4.04	(216.43)
<b>At March 31, 2021</b>	<b>257.31</b>	<b>511.26</b>	<b>3,408.07</b>	<b>30.65</b>	<b>5.67</b>	<b>11.06</b>	<b>4,224.02</b>	<b>11.52</b>
Additions	8.57	50.00	264.86	0.40	1.29	3.85	328.97	704.29
Disposals/transfers	-	-	0.57	-	0.00	0.23	0.80	255.91
<b>At March 31, 2022</b>	<b>265.88</b>	<b>561.26</b>	<b>3,672.36</b>	<b>31.05</b>	<b>6.96</b>	<b>14.68</b>	<b>4,552.19</b>	<b>459.90</b>
<b>Accumulated depreciation</b>								
At April 01, 2020	-	30.37	221.38	4.52	2.38	1.31	259.96	-
Charge for the year(Note 30)	-	28.80	215.87	3.92	1.55	1.45	251.59	-
On Disposals	-	-	1.46	-	-	-	1.46	-
<b>At March 31, 2021</b>	<b>-</b>	<b>59.17</b>	<b>435.79</b>	<b>8.44</b>	<b>3.93</b>	<b>2.76</b>	<b>510.09</b>	<b>-</b>
Charge for the year(Note 30)	-	27.96	219.19	3.36	1.33	1.64	253.48	-
On Disposals	-	-	-	-	-	-	-	-
<b>At March 31, 2022</b>	<b>-</b>	<b>87.13</b>	<b>654.98</b>	<b>11.80</b>	<b>5.26</b>	<b>4.40</b>	<b>763.57</b>	<b>-</b>
<b>Net block</b>								
<b>At March 31, 2021</b>	<b>257.31</b>	<b>452.09</b>	<b>2,972.28</b>	<b>22.21</b>	<b>1.74</b>	<b>8.30</b>	<b>3,713.93</b>	<b>11.52</b>
<b>At March 31, 2022</b>	<b>265.88</b>	<b>474.13</b>	<b>3,017.38</b>	<b>19.25</b>	<b>1.70</b>	<b>10.28</b>	<b>3,788.62</b>	<b>459.90</b>

CWIP ageing schedule as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	448.38	11.52	-	-	459.90

CWIP ageing schedule as at March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.52	-	-	-	11.52

## 2. (b) Leased assets

### i) Right of use assets (Note 41)

Particulars	Total
At April 01, 2020	0.82
Additions	-
<b>At March 31, 2021</b>	<b>0.82</b>
Additions	-
<b>At March 31, 2022</b>	<b>0.82</b>
<b>Accumulated depreciation</b>	

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 2. (b) Leased assets (Contd.)

### i) Right of use assets (Note 41)

Particulars	Total
At April 01, 2020	0.16
Charge for the year (Note 30)	0.16
<b>At March 31, 2021</b>	<b>0.32</b>
Charge for the year (Note 30)	0.13
<b>At March 31, 2022</b>	<b>0.45</b>
Net block	
<b>At March 31, 2021</b>	<b>0.50</b>
<b>At March 31, 2022</b>	<b>0.37</b>

## 2. (c) Intangible assets

Particulars	Computer software	Total
At April 01, 2020	14.60	14.60
Additions	0.12	0.12
Disposals/transfers	-	-
<b>At March 31, 2021</b>	<b>14.72</b>	<b>14.72</b>
Additions	-	-
Disposals/transfers	-	-
<b>At March 31, 2022</b>	<b>14.72</b>	<b>14.72</b>
<b>Accumulated depreciation</b>		
At April 01, 2020	2.90	2.90
Charge for the year (Note 30)	2.34	2.34
<b>At March 31, 2021</b>	<b>5.24</b>	<b>5.24</b>
Charge for the year (Note 30)	1.90	1.90
<b>At March 31, 2022</b>	<b>7.14</b>	<b>7.14</b>
Net block		
<b>At March 31, 2021</b>	<b>9.48</b>	<b>9.48</b>
<b>At March 31, 2022</b>	<b>7.58</b>	<b>7.58</b>

Note: The company has elected to continue with the carrying value as at April 01, 2019 i.e. date of transition to IND AS under previous GAAP for all the items of property plant and equipment and other intangible assets as its deemed cost

## 3 Non Current - Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with remaining maturity of more than twelve months*	22.39	118.96
Security Deposits	6.55	4.57
Interest receivable on bank deposits	-	3.47
Other Receivables	12.63	12.63
	<b>41.57</b>	<b>139.63</b>

\*Note: Consists pledged lien against bank guarantees, letter of credit and other credit facilities as margin money deposits

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 4 Non-Current - Other Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured - Considered good, unless otherwise stated)		
Capital advances	154.58	266.05
Balances with statutory / government authorities	-	17.04
	<b>154.58</b>	<b>283.09</b>

## 5 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(valued at lower of cost and net realisable value)		
Raw materials (Note 26) #	828.21	485.37
Work-in-progress (Note 27)	459.08	400.68
Finished goods (Note 27) #	1,215.59	720.43
Stores and Spares #	112.15	101.76
Scrap	1.80	2.49
	<b>2,616.83</b>	<b>1,710.73</b>
# Goods in transit included in above:		
Finished goods	915.52	506.89
Stores and spares	1.35	-
Raw materials	68.31	-
	<b>985.18</b>	<b>506.89</b>

Note : For the year ended March 31, 2022, ₹ (2.39) millions (for year ended on March 31, 2021, ₹ 18.63 millions) was recognised as an expense under "cost of materials and components consumed" and "consumption of stores, spares and consumables".

## 6 Current financial assets - Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade receivables</b>		
Unsecured, considered good	2,305.37	1,708.01
Trade receivables which have significant increase in credit risk	16.19	20.21
	<b>2,321.56</b>	<b>1,728.22</b>
<b>Impairment allowance</b>		
Trade receivables which have significant increase in credit risk	(16.19)	(20.21)
	<b>(16.19)</b>	<b>(20.21)</b>
	<b>2,305.37</b>	<b>1,708.01</b>

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member other than as disclosed in Note 35.

Trade receivables are non interest bearing and generally on terms of 30 to 120 days.

There is no trade receivable which is secured or credit impaired and hence the disclosure in this regards as per requirement of Schedule III of Companies Act, 2013 is not applicable

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 6 Current financial assets - Trade receivables (Contd.)

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	20.21	20.21
Provision made during the year	-	-
Utilized during the year	(4.02)	-
At the end of the year	<b>16.19</b>	<b>20.21</b>

### Trade receivable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables:-							
Unsecured, considered good	1,546.50	757.05	1.63	0.19	-	-	2,305.37
Trade receivables which have significant increase in credit risk	-	16.05	0.12	0.02	-	-	16.19
<b>Total</b>	<b>1,546.50</b>	<b>773.10</b>	<b>1.75</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>2,321.56</b>
(ii) Disputed trade receivables:-							
Unsecured, considered good	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Trade receivable ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables:-							
Unsecured, considered good	1,310.76	397.25	-	-	-	-	1,708.01
Trade receivables which have significant increase in credit risk	-	20.21	-	-	-	-	20.21
<b>Total</b>	<b>1,310.76</b>	<b>417.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,728.22</b>
(ii) Disputed trade receivables:-							
Unsecured, considered good	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 7 Current financial assets - Cash and bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and cash equivalents</b>		
Cash on hand	0.29	0.42
Balances with banks		
- On current accounts	1.27	45.70
- Deposits with original maturity of less than three months	35.94	-
	<b>37.50</b>	<b>46.12</b>
<b>Bank balances other than cash and cash equivalents*</b>		
Other bank balances		
Deposits with original maturity of more than three months but remaining maturity of less than twelve months	161.58	58.05
Deposits with remaining maturity of more than twelve months	22.39	118.96
Less: Amount disclosed under non current other financial assets (refer note 3)	(22.39)	(118.96)
<b>Total bank balances other than cash and cash equivalents</b>	<b>161.58</b>	<b>58.05</b>
<b>Total cash and bank balances</b>	<b>199.08</b>	<b>104.17</b>

\*Note: Deposit consists of pledged lien against bank guarantees, letter of credit and other credit facilities

## 8 Current financial assets - Loans

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured - considered good, unless otherwise stated)		
(Carried at amortised costs)		
Loans and advances to employees	0.32	0.76
	<b>0.32</b>	<b>0.76</b>
<b>Sub-classification of above</b>		
Loans receivable considered good - Unsecured	0.32	0.76
	<b>0.32</b>	<b>0.76</b>

Note: Since the above loans are unsecured and considered good, the bifurcation of loans as required by Schedule III of Companies Act, 2013 viz: a) Secured, b) Loans having significant increase in credit risk and c) credit impaired is not applicable.

## 9 Current financial assets - Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Export incentive receivables	67.45	60.98
Interest accrued on fixed deposits	-	3.79
Interest accrued on loan*	-	3.19
Security deposit	30.00	-
Other receivable	7.03	-
	<b>104.48</b>	<b>67.96</b>

\* For balance pertaining to related parties for FY 2020-21 - Refer Note -35

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 10 Other current assets

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Unsecured, considered good (unless otherwise stated)		
Advance to suppliers	12.99	42.13
Prepaid expenses	13.69	15.22
Balance with statutory/ government authorities	124.93	78.25
Accrued windmill income	4.10	2.78
	<b>155.71</b>	<b>138.38</b>

## 11 Share Capital:

### 11.1 Equity share capital:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Authorised shares				
Equity shares of ₹ 10 each	35,025,000	350.25	35,025,000	350.25
<b>Issued, subscribed and fully paid-up shares</b>				
Equity shares of ₹ 10 each	27,233,312	272.33	23,981,090	239.81
<b>Total</b>	<b>27,233,312</b>	<b>272.33</b>	<b>23,981,090</b>	<b>239.81</b>

#### a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of shares	As at	No. of shares	As at
		March 31, 2022		
Equity share capital				
Number of shares and capital outstanding at the beginning of the year	23,981,090	239.81	23,981,090	239.81
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Addition during the year				
On conversion of OCRPS	2,630,000	26.30	-	-
Fresh issue of shares	622,222	6.22	-	-
<b>Number of shares and capital outstanding at the end of the year</b>	<b>27,233,312</b>	<b>272.33</b>	<b>23,981,090</b>	<b>239.81</b>

### Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. During the year company has not declared and paid any dividend in Indian rupees. The dividend proposed by the Board of Directors if any, 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."

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 11 Share Capital: (Contd.)

### b) Details of shareholders holding more than 5 percent shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each fully paid				
Rupesh D Madeka	2,518,303	9.25%	2,090,667	8.72%
Jiten D Madeka	2,518,303	9.25%	2,090,667	8.72%
Manesh D Madeka	2,755,098	10.12%	2,287,252	9.54%
Pinakin D Madeka	2,981,892	10.95%	2,475,533	10.32%
Bhoutik D Madeka	2,213,811	8.13%	1,837,881	7.66%
Rivendell PE LLC	3,414,423	12.54%	10,914,423	45.51%

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 ownership of shares. The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding March 31, 2022

For the details and terms of Non convertible redeemable preference shares (NCRPS) and Optionally convertible redeemable preference shares (OCRPS) refer note 11.2 and 11.3 respectively.

### c) Equity shares held by promoters at the end of the year

As at March 31, 2022

Sr No.	Particulars	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total shares	% Change during the year
	<b>Equity shares of ₹ 10 each fully paid</b>					
1	Rupesh D Madeka	2,090,667	427,636	2,518,303	9.25%	0.53%
2	Jiten D Madeka	2,090,667	427,636	2,518,303	9.25%	0.53%
3	Manesh D Madeka	2,287,252	467,846	2,755,098	10.12%	0.58%
4	Pinakin D Madeka	2,475,533	506,359	2,981,892	10.95%	0.63%
5	Bhoutik D Madeka	1,837,881	375,930	2,213,811	8.13%	0.47%
	<b>Total</b>	<b>10,782,000</b>	<b>2,205,407</b>	<b>12,987,407</b>	<b>47.70%</b>	

As at March 31, 2021

Sr No.	Particulars	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total shares	% Change during the year
	<b>Equity shares of ₹ 10 each fully paid</b>					
1	Rupesh D Madeka	2,090,667	-	2,090,667	8.72%	0.00%
2	Jiten D Madeka	2,090,667	-	2,090,667	8.72%	0.00%
3	Manesh D Madeka	2,090,667	196,585	2,287,252	9.54%	0.82%
4	Pinakin D Madeka	2,221,333	254,200	2,475,533	10.32%	1.06%
5	Bhoutik D Madeka	1,437,333	400,548	1,837,881	7.66%	1.67%
	<b>Total</b>	<b>9,930,667</b>	<b>851,333</b>	<b>10,782,000</b>	<b>44.96%</b>	



# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 11 Share Capital: (Contd.)

### 11.2 Equity component of Non convertible redeemable preference shares (NCRPS):

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Authorised shares				
Non convertible redeemable preference shares of ₹ 10 each	15,975,000	159.75	15,975,000	159.75
<b>Issued, subscribed and fully paid-up shares</b>				
Non convertible redeemable preference shares of ₹ 10 each *	-	-	13,605,863	136.06
<b>Total</b>	-	-	<b>13,605,863</b>	<b>136.06</b>

- a) Reconciliation of number of shares outstanding at the beginning and at the end of the year for Equity component of compound financial instrument

Particulars	No. of shares	As at March 31, 2022	No. of shares	As at March 31, 2021
Number of shares and capital outstanding at the beginning of the year	13,605,863	136.06	13,605,863	136.06
Redemption during the year	(13,605,863)	(136.06)	-	-
<b>Number of shares and capital outstanding at the end of the year</b>	-	-	<b>13,605,863</b>	<b>136.06</b>

- b) Details of shareholders holding more than 5 percent Non convertible redeemable preference shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Rupesh D Madeka	-	0.00%	3,889,338	28.59%
Jiten D Madeka	-	0.00%	1,814,338	13.33%
Ashok D Madeka	-	0.00%	879,586	6.46%
Manesh D Madeka	-	0.00%	1,569,338	11.53%
Pinakin D Madeka	-	0.00%	1,371,797	10.08%
Bhoutik D Madeka	-	0.00%	2,067,045	15.19%

- c) Terms and rights attached on equity component of Non convertible redeemable preference shares of the company

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.

The company has issued preference shares under this right entitlement in following 3 phase as mentioned below-

- 66,80,000 NCRPS of 10 each at par totalling to ₹ 6,68,00,000 on 31 Dec 2013
- 16,80,000 NCRPS of 10 each at par totalling to ₹ 1,68,00,000 on 22 Feb 2014
- 52,45,863 NCRPS of 10 each at par to ₹ 5,24,58,630 on 01 Dec 2014

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 11 Share Capital: (Contd.)

### 11.2 Equity component of Non convertible redeemable preference shares (NCRPS):

There is a contractual obligation to deliver cash to the preference shareholders as these preference shares are redeemable at par at the end of 10 years from the date of allotment. Hence, the principal amount of NCRPS is in the nature of financial liability as the Company has a contractual obligation to redeem this amount at the end of 10 years to the holders and the issuer cannot avoid this outflow at the end of 10th year. Consequently, the Company has initially measured preference shares at their fair value (plus transaction costs), being the present value of expected cash outflow discounted at the market-rate of dividend prevailing assumed by the company to be 10.25%/10.345%. Since the preference shares have a zero percent dividend, there is difference between cash amount and the fair value of preference shares on initial recognition, the equity of which has been accounted under other equity and the equity portion not remeasured subsequently, whereas the financial liability is been measured at an Amortised cost. EIR computed by the company for each phase of issue is shown below-

- 66,80,000 NCRPS of 10 each at par totalling to ₹ 6,68,00,000 on 31 Dec 2013: 10.25% p.a.
- 16,80,000 NCRPS of 10 each at par totalling to ₹ 1,68,00,000 on 22 Feb 2014: 10.25% p.a.
- 52,45,863 NCRPS of 10 each at par to ₹ 5,24,58,630 on 01 Dec 2014: 10.345% p.a.

\* The Board of Directors in their meeting held on March 12, 2021 have approved the change in tenor of redemption from completion of 10 years from the date of allotment to completion of 10 years from the date of allotment or upon listing of equity shares of the Company on the stock exchanges, whichever is earlier. During the year NCRPS has been redeemed as per board approvals dated August 26, 2021 and September 20, 2021.

### 11.3 Equity component of Optionally convertible redeemable preference shares (OCRPS):

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of OCRPS	₹ in Million	No. of OCRPS	₹ in Million
<b>Authorised</b>				
Optionally convertible redeemable preference shares of ₹ 10 each	5,000,000	50.00	5,000,000	50.00
<b>Issued, subscribed and fully paid-up</b>				
Optionally convertible redeemable preference shares of ₹ 10 each *	-	-	2,630,000	26.30
<b>Total</b>	-	-	<b>2,630,000</b>	<b>26.30</b>

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period for Equity component of compound financial Instrument

Particulars	No. of OCRPS	As at	No. of OCRPS	As at
		March 31, 2022		March 31, 2021
Number of shares and capital outstanding at the beginning of the year	2,630,000	26.30	2,630,000	26.30
Conversion into equity shares	(2,630,000)	(26.30)	-	-
<b>Number of shares and capital outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>2,630,000.00</b>	<b>26.30</b>

# Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 11 Share Capital: (Contd.)

### 11.3 Equity component of Optionally convertible redeemable preference shares (OCRPS):

Details of shareholders holding more than 5 percent shares in the Equity component of Optionally convertible redeemable preference shares of the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of OCRPS	% of holding	No. of OCRPS	% of holding
Rupesh D Madeka	-	-	427,636	16.26%
Jiten D Madeka	-	-	427,636	16.26%
Ashok D Madeka	-	-	146,590	5.57%
Manesh D Madeka	-	-	467,846	17.79%
Pinakin D Madeka	-	-	506,359	19.25%
Bhoutik D Madeka	-	-	375,930	14.29%

Allotment of 26,30,000 Optionally Convertible Redeemable Preference Shares (hereinafter referred to as 'OCRPS') at ₹ 10/- per share, aggregating to ₹ 2,63,00,000/- in the ratio of 9 (Nine) OCRPS for every 44 (Forty Four) Equity shares held by the existing equity shareholders. Also based on the application forms received from existing equity shareholders, Shri Paresh Madeka and Rivendell PE LLC have not subscribed to this offer and Hemal P Madeka have not subscribed to full quota of shares offered.

Terms and rights attached on Equity component of Compound Financial Instrument

- OCRPS will have Zero percent coupon rate. Further, the said preference shares will not be entitled for any dividend during the currency of tenure.
- The OCRPS will be converted into Equity Shares in the manner as laid down here in under:
  - If the Company opts for the Initial Public Offer (IPO) in future, then the said OCRPS will be optionally converted into Equity Shares after filing of Draft Red Herring Prospectus but before filing of Red Herring Prospectus by the Company, for its IPO.
  - The OCRPS will be converted in to Equity Shares at a face value of ₹ 10/- each i.e. 1 Equity Share against 1 OCRPS and will not be converted at any premium value.
- The OCRPS holders shall have a right to vote only on such resolutions which directly affects rights attached to their preference shares.
- In case, the Member opt not to convert the shares into equity within 5(Five) years from date of allotment, then within 1 (one) year from expiry of such five years, the said OCRPS shall be redeemed at face value, and no premium to be paid at time of redemption of these OCRPS.
- In case of winding up of the Company, the holders of OCRPS shall have rights at par with holders of NCRPS.

\* During the year all the holders of OCRPS have opted for the conversion of the OCRPS into equity shares in Board meeting held on July 16, 2021 prior to filing of the Red Herring prospectus resulting into issuance of 26,30,000 equity shares.

## 12 Other Equity:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Equity Component of Compound Financial Instruments*</b>		
Balance as per the last financial statements	96.18	84.53
Add : On issue/(conversion) of OCRPS during the year	(11.12)	11.65
Less :Transfer to Retained Earnings	(85.06)	-
	<b>-</b>	<b>96.18</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 12 Other Equity: (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital Redemption Reserve</b>		
Balance as per the last financial statements	-	-
Add: Changes in accounting policy or prior period errors	-	-
Add : Additions during the year	136.06	-
	<b>136.06</b>	-
<b>Securities Premium</b>		
Balance as per the last financial statements	1,626.14	1,626.14
Add: Changes in accounting policy or prior period errors	-	-
Add : Additions during the year on issue of shares (net of related expenses)	540.99	-
	<b>2,167.13</b>	<b>1,626.14</b>
<b>Retained Earnings</b>		
Balance as per the last financial statements	1,605.20	730.57
Add: Changes in accounting policy or prior period errors	-	-
Less : Transfer to Capital redemption reserve on redemption of NCRPS	(136.06)	-
Add : Profit for the year	1,318.79	869.55
Add : Transfer from Equity component of compound financial instruments	85.06	-
Add/ (Less) : Other comprehensive income/(expenses) (net of taxes)	(0.49)	5.08
	<b>2,872.50</b>	<b>1,605.20</b>
<b>Total</b>	<b>5,175.69</b>	<b>3,327.52</b>

### Nature and Purpose of Reserves:

Securities Premium: Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings: Retained Earnings are the profits of the company has earned till date, less any transfer to General reserve, dividends or other distributions paid to the shareholders.

Other Comprehensive Income: OCI includes re-measurement gain/losses on account of re-measurement defined benefit plans.

\*Equity Component of Compound Financial Instruments: The component of compound financial instruments issued by the company is classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at an effective interest method. Equity component is not re-measured. Further, details are given Note 11.2 and 11.3.

## 13 Non-current financial liabilities - Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At amortised costs</b>		
Term loans (secured):		
Indian rupee loan from banks	261.49	543.84
Liability component of compound financial instruments (Refer Note 11.2 and 11.3):		
Non convertible redeemable preference shares-liability <sup>^</sup>	-	100.59
Optionally convertible redeemable preference shares-liability <sup>^</sup>	-	14.76
	<b>261.49</b>	<b>659.19</b>
Less: Current maturities of long-term debts disclosed under the head short term borrowings (refer note 18)	(56.88)	(335.74)
	<b>204.61</b>	<b>323.45</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 13 Non-current financial liabilities - Borrowings (Contd.)

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	As at March 31, 2022	As at March 31, 2021
Term loan - Indian Rupee Loan	Primary : First pari-passu charge over the entire fixed assets of the company. Collateral : Second pari-passu charge over the entire current assets of the company. Loan is repayable in 20 - 32 Quarterly instalments by 31-03-2022 having interest in the range of 9.65% to 14.00%	-	251.28
Term loan - Indian Rupee Loan	Primary : First pari-passu charge over the entire fixed assets- present and future - comprising of immovable and movable assets( except Vehicle) of the company. Collateral : Second pari-passu charge over the entire current assets - present and future of the company. Loan is repayable in 20 - 32 Quarterly instalments by 31-03-2022 having interest in the range of 9.60% to 11.45%	-	84.46
Term loan - Indian Rupee Loan	Primary : First pari-passu charge over the entire fixed assets- present and future - comprising of immovable and movable assets( except Vehicle) of the company. Collateral : Second pari-passu charge over the entire current assets - present and future of the company. These COVID Loans are repayable in 48 equal monthly instalments by 31-03-2026 after initial moratorium of 12 month having interest in the range of 7.82% to 8.35%	261.49	208.10
		<b>261.49</b>	<b>543.84</b>

^ Note : 13,605,863 non convertible redeemable preference shares of ₹ 10 each were outstanding as on March 31, 2021. These preference shares were issued with zero percent dividend and redeemable at par at the end of 10 years from allotment. Liability component of compound financial instrument is recognised initially at fair value net of directly attributable transaction costs and subsequently measured at an effective interest method. The details are given in Note 11.2.

^ Note : 26,30,000 optionally convertible redeemable preference shares of ₹ 10 each were outstanding as on March 31, 2021. These preference shares were issued with zero percent coupon rate and redeemable at par after filing DRHP and before filing RHP. Liability component of compound financial instrument is recognised initially at fair value net of directly attributable transaction costs and subsequently measured at an effective interest method. The details are given in Note 11.3.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 14 Other financial liabilities - Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities - non current (Refer Note 41)	0.28	0.67
Lease liabilities - current (Refer Note 41)	0.39	0.39
	<b>0.67</b>	<b>1.06</b>

## 15 Provisions - Non current

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (Note 34)	27.05	21.99
Provision for litigations (refer note below)	6.45	9.10
	<b>33.50</b>	<b>31.09</b>

Note: In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the following manner:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	9.10	9.10
Provision made during the year	-	-
Reversed during the year	2.65	-
<b>Balance at the end of the year</b>	<b>6.45</b>	<b>9.10</b>

## 16 Non current income tax liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net)	179.31	179.31
	<b>179.31</b>	<b>179.31</b>

## 17 Income taxes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a.) The major components of income tax expense are as follows:		
<b>Current income tax:</b>		
Current income tax	666.19	130.42
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(41.38)	(248.12)
<b>Income tax charged/(credit) reported in the statement of profit or loss</b>	<b>624.81</b>	<b>(117.70)</b>
Deferred tax related to items recognised in OCI during in the year:		
Tax Income on remeasurements of defined benefit (liability)/asset	0.27	(2.73)
<b>Income tax expense charged to OCI</b>	<b>0.27</b>	<b>(2.73)</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 17 Income taxes (Contd.)

### Deferred tax:

#### a) Deferred tax (assets) and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Impact of difference between tax depreciation and depreciation as per books	(622.52)	(591.43)
Disallowance towards doubtful debts and employee benefit expenses	14.70	14.56
Impact of Compound financial instruments	-	(16.69)
Tax credit entitlement in MAT	-	269.50
<b>Deferred tax liabilities (net)</b>	<b>(607.83)</b>	<b>(324.06)</b>

#### b.) Reconciliation of deferred tax assets / liabilities (net):

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance</b>	(324.06)	(569.45)
Tax expense recognised during the year recognised in profit or loss	41.38	248.12
Less: Tax credit entitlement in MAT	(325.42)	-
Tax credit / (expense) during the year recognised in OCI	0.27	(2.73)
<b>Closing balance</b>	<b>(607.83)</b>	<b>(324.06)</b>

#### c.) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit before tax</b>	1,943.60	751.85
Tax as per India's statutory income tax rate	34.94%	34.94%
Expected income tax expense as per applicable taxes	679.17	262.70
MAT paid/credit entitlement	(55.37)	(384.35)
Deferred Tax on other comprehensive income	0.27	(2.73)
Effect of expenses that are not deductible in determining taxable profit	(15.55)	0.36
Others	14.77	6.32
<b>Effective income tax</b>	<b>623.28</b>	<b>(117.70)</b>

#### d.) Deferred tax charge / (credit)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Deferred tax charges relates to the movement in the following items:</b>		
Accelerated depreciation/ amortisation for tax purposes	31.10	20.75
Change in fair value of financial instruments	-	0.73
Disallowance towards doubtful debts and employee benefit expense	(16.83)	(2.83)
MAT Credit Entitlement	(55.37)	(269.50)
<b>Net deferred tax income/ (expense)</b>	<b>(41.11)</b>	<b>(250.85)</b>
Deferred tax charge as per Statement of profit and loss	(41.38)	(248.12)
Deferred tax charge as per other comprehensive income	0.27	(2.73)
	<b>(41.11)</b>	<b>(250.85)</b>

The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 18 Short term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured loans:		
Loan repayable on demand from banks		
Cash credit	94.66	171.10
Other working capital facilities*	1,872.37	1,664.62
Current maturities of long term debts (Note - 13)	56.88	335.74
	<b>2,023.91</b>	<b>2,171.46</b>

\* Other Working capital facilities consist facility for packing credit in foreign currency and foreign usance discount bill purchase facilities.

For Company's financial risk management processes, refer to note 39.

(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	As at March 31, 2022	As at March 31, 2021
Cash credit facility	1. First pari-passu charge by way of Hypothecation on Stock and receivables/ current assets (both present and future) 2. Second pari-passu charge on the fixed assets of the company.	23.15	51.31
Cash credit facility	1. First pari-passu charge by way of hypothecation of stocks/ inventory and book debts/receivables of the company along with other consortium banks. 2. Second pari-passu charge on the fixed assets of the company.	34.01	79.19
Cash credit facility	1. First pari-passu charge over the entire current assets of the company. 2. Second pari-passu charge over the entire fixed assets of the company.	36.49	20.80
Cash credit facility	1. First Pari-passu charge on the CENVAT/ Gujarat/ VAT/ DEPB receivables of the company along with other consortium banks. 2. Second Pari-passu charge on fixed assets of the company.	1.01	19.80
Other working capital facilities*	1. First pari-passu charge by way of Hypothecation on Stock and receivables/ current assets (both present and future). 2. Second pari-passu charge on the fixed assets of the company.	515.16	289.53
Other working capital facilities*	1. First Pari-passu charge by the way of hypothecation of stocks and book debts of the company along with other consortium members. 2. Second pari-passu charge on advance shall be covered under Whole Turnover Packing Credit Guarantee obtained by the Bank from ECGC & premium to be borne by the clients.	720.21	756.63



# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 18 Short term borrowings (Contd.)

Facility Category	Security Details	As at March 31, 2022	As at March 31, 2021
Other working capital facilities*	1. First pari-passu charge over the entire current assets of the company. 2. Second pari-passu charge over the entire fixed assets of the company.	262.48	362.38
Other working capital facilities*	1. Documents of title to goods in case of L/C on DP basis 2. Hypothecation charge over the goods in case of L/C on DA basis.	374.52	256.08
		<b>1,967.03</b>	<b>1,835.72</b>

\*Other working capital facilities consist of letter of credit, packing credit and foreign usance discount bill purchase facilities.

(ii) Terms of repayment of total borrowings outstanding as well as the interest rates prevailing as on March 31, 2022 and March 31, 2021 are provided below:

Facility Category	Terms of repayment	Interest rate
Other working capital facilities	Within 1 year	3.5% - 10.5%
Cash credit	Repayable on demand	9.00% - 10.25%

## 19 Current financial liabilities - Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Note 42)	75.34	30.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,125.36	1,089.09
	<b>1,200.70</b>	<b>1,120.07</b>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 45-90 days terms.
- For explanations on the Company's financial risk management processes, refer to note 39.

### Trade payable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Current but not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Non disputed dues:</b>							
Total outstanding dues of micro enterprises and small enterprises	-	53.83	21.46	0.05	-	-	75.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.23	959.12	136.02	0.15	-	0.84	1,125.36
<b>Total</b>	<b>29.23</b>	<b>1,012.95</b>	<b>157.48</b>	<b>0.20</b>	<b>-</b>	<b>0.84</b>	<b>1,200.70</b>
<b>Disputed dues:</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 19 Current financial liabilities - Trade payables (Contd.)

### Trade payable ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Current but not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Non disputed dues:</b>							
Total outstanding dues of micro enterprises and small enterprises	-	21.26	9.48	0.19	0.05	-	30.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	54.38	928.09	104.33	0.46	0.34	1.49	1,089.09
<b>Total</b>	<b>54.38</b>	<b>949.35</b>	<b>113.81</b>	<b>0.65</b>	<b>0.39</b>	<b>1.49</b>	<b>1,120.07</b>
<b>Disputed dues:</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 20 Current financial liabilities - Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Employee dues	47.13	53.28
Rent deposits	0.56	-
Payables for capital goods	10.30	39.81
	<b>57.99</b>	<b>93.09</b>

## 21 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payables*	11.72	10.44
Advance from customers	10.83	4.31
	<b>22.55</b>	<b>14.75</b>

\*Statutory dues payable includes payable on account of provident fund, tax deducted at source etc.

## 22 Current liabilities -Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (Note 34)	7.79	7.27
	<b>7.79</b>	<b>7.27</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 23 Income tax liabilities (Net) - current tax

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net of advance tax)	67.19	74.88
	<b>67.19</b>	<b>74.88</b>

## 24 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from contract with customers</b>		
Sale of goods (Refer note below)	9,350.00	5,683.30
<b>Total revenue from contract with customers</b>	<b>9,350.00</b>	<b>5,683.30</b>
<b>Other operating revenue</b>		
Sale of scrap	633.12	334.24
Export incentives	119.19	94.92
Windmill income	64.74	50.86
<b>Total other operating revenue</b>	<b>817.05</b>	<b>480.02</b>
<b>Total revenue from operations (net) (Note 36)</b>	<b>10,167.05</b>	<b>6,163.32</b>

### Disclosure pursuant to Ind AS 115 - Revenue from contract with customers:

#### A Disaggregated revenue

##### (i) Revenue by geographical market

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	4,695.04	2,704.32
Outside India	5,472.01	3,459.00
	<b>10,167.05</b>	<b>6,163.32</b>

#### B Contract balances

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Trade receivables (Note -6)	2,305.37	1,708.01
Advance from customers (Note- 21)	(10.83)	(4.31)

#### C Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price ( recognised at the point of time)	9,350.00	5,683.30
Less: Discounts and rebates	-	-
Add/ (Less): Changes in revenue due to performance obligations (net)	-	-
<b>Net revenue from contract with customers (recognised at a point of time)</b>	<b>9,350.00</b>	<b>5,683.30</b>

#### D For information on major customer refer note 36.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 25 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
Bank deposits	10.28	10.94
Others	6.27	3.80
Foreign exchange differences (net)	79.11	17.28
Profit on sale of assets	-	0.72
Insurance claim receipt	11.81	-
Miscellaneous income	5.42	0.22
Rental income	1.35	1.29
	<b>114.24</b>	<b>34.25</b>

## 26 Cost of raw materials and components consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year (Note -5)	485.37	393.71
Add : Purchases during the year	5,537.64	3,257.60
	<b>6,023.01</b>	<b>3,651.31</b>
Less : Inventory at the end of the year (Note -5)	828.21	485.37
	<b>5,194.80</b>	<b>3,165.94</b>

## 27 (Increase) in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock (Note 5)		
Finished goods	720.43	553.18
Work-in-progress	400.68	276.33
	<b>1,121.11</b>	<b>829.51</b>
Less: Closing Stock (Note 5)		
Finished goods	1,215.59	720.43
Work-in-progress	459.08	400.68
	<b>1,674.66</b>	<b>1,121.11</b>
<b>Net (Increase) in inventories of finished goods and work-in-progress</b>	<b>(553.55)</b>	<b>(291.60)</b>

## 28 Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	520.48	456.07
Contribution to provident and other funds (Note 34)	30.19	25.10
Gratuity expense (Note 34)	8.82	12.84
Staff welfare expenses	28.11	24.65
	<b>587.60</b>	<b>518.66</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 29 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on bank borrowings	114.23	146.14
Other finance charges	49.63	44.06
Exchange difference regarded as an adjustment to borrowing cost	4.26	(83.04)
Interest on liability component of compound financial instrument	36.05	9.71
Interest on lease liabilities (Note 41)	0.12	0.12
	<b>204.29</b>	<b>116.99</b>

## 30 Depreciation and amortization expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, plant and equipment (Note 2)	253.48	251.59
Amortisation on Right-of-use assets (Note 2)	0.13	0.16
Amortisation of Intangible assets (Note 2)	1.90	2.34
	<b>255.51</b>	<b>254.09</b>

## 31 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	736.79	517.58
Consumption of stores, spares and consumables	717.46	448.56
Labour charges	401.52	252.75
Freight and forwarding charges	509.95	245.75
CSR expenses (Refer note below)	16.20	16.80
Repairs and maintenance		
Plant and machinery	45.04	32.85
Buildings	11.50	4.30
Others	7.19	6.35
Sorting, segregation and testing charges	83.42	54.15
Windmill expenses (Note 41)	22.49	7.76
Sales promotion	-	0.25
Travelling and conveyance	4.70	4.69
Rates and taxes	9.28	14.15
Insurance	44.60	46.97
Legal and professional fees	10.60	11.64
Printing and stationery	3.06	3.12
Loss on sale of property, plant and equipment	0.01	-
Communication costs	2.88	2.65
Payment to auditors (refer note below)	2.04	1.00
Annual maintenance charges	9.74	6.77
Donations	7.76	2.06
Director sitting fee	0.14	-
Miscellaneous expenses	2.67	1.49
	<b>2,649.04</b>	<b>1,681.64</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 31 Other expenses (Contd.)

### (i) Details of CSR expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the company during the year	16.20	16.80
b) Amount approved by the Board to be spent during the year	16.20	16.80
c) The revenue expenditure charged to the statement of profit or loss by the company during the year	16.20	16.80
<b>(I) Amount spent by company during the year in cash</b>		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above Contribution to Charitable Trust	16.20	1.70
<b>(II) Amount yet to be paid by company</b>		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	-	15.10
<b>(III = I + II) Total</b>		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	16.20	16.80

In case of S. 135(5) (Other than ongoing project)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
15.10	-	16.20	31.30	-

### (ii) Details of payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
Audit fees	2.00	1.00
Reimbursement of expenses	0.04	-

## 32 Earnings per share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year

The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:

Disclosure as required by Ind AS 33 is shown below -

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to equity shareholders of the company for basis	1,318.79	869.55
Effect of dilution on account of interest on OCRPS	0.57	-
Profit attributable to equity holders adjusted for the effect of dilution	<b>1,319.36</b>	<b>869.55</b>
Weighted average number of equity shares for basic EPS:		
Number of equity shares outstanding at the beginning of the year	23,981,090	23,981,090
Conversion of OCRPS	1,866,219	-

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 32 Earnings per share (EPS) (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fresh issue of equity shares	407,428	-
Number of equity shares outstanding at the end of the year for basic EPS	<b>26,254,737</b>	<b>23,981,090</b>
Weighted average number of equity shares adjusted for the effect of dilution:		
Number of equity shares outstanding at the end of the year for basic EPS	26,254,737	23,981,090
Conversion of OCRPS	763,781	-
Potential number of equity shares that could arise on exercise of OCRPS	-	201,753
Number of equity shares outstanding at the end of the year for diluted EPS	<b>27,018,518</b>	<b>24,182,843</b>
Nominal value per share	10.00	10.00
Earning per equity share		
Basic earning per share	50.23	36.26
Diluted earning per share	48.83	35.96

## 33 Contingent liabilities and commitments not provided for:

Details of contingent liabilities and commitments are shown below -

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	385.37	328.53
(ii) For commitment related to lease arrangement refer note 41.		
<b>B. Contingent liabilities</b>		
i) Income tax with respect to matters relating to disallowance of additional depreciation, disallowance of forex loss, disallowance of foreign commission and disallowance of other expenditure for the assessment years 2005-06 to 2017-18 in respect of which the Company has filed an appeal with higher authorities	138.73	138.73
ii) For non receipt of the required forms and non acceptance of the companies claim of certain sales as an exempted sales and related matters	0.25	0.25
iii) Service tax with respect to the matters decided against the company in respect of which the company has filed appeal with higher authorities	1.41	1.41
	<b>140.39</b>	<b>140.39</b>

The management based on the assessment, believes that the outcome of these contingencies will be favourable, but not probable and accordingly no provision has been recognised in the financial statement. The cash outflows with regards to above matters will be dependent on outcome of above pending cases.

### Provision for Provident Fund:

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The company has adopted the basis as mentioned in the SC judgement prospectively with effect from April 1, 2019.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 34 I) Defined Contribution Plan

During the year, the Company has made contribution/provision to provident fund stated under defined contribution plan amounting to ₹ 30.19 millions for the year ended March 31, 2022 and ₹ 25.10 millions for the year ended March 31, 2021.

## II) Defined Benefit Plans

### Gratuity:

The Company operates 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 liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the funded status and amounts recognised in Summary Statement of Assets and Liabilities for the plan.

### A Net employee benefit expense recognised in statement of profit and loss in respect of these defined benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	7.27	7.19
Interest cost on benefit obligation	2.23	2.29
Expected return on plan assets	(0.68)	0.70
Past services cost	-	2.66
<b>Net benefit expense recognised in the statement of profit and loss</b>	<b>8.82</b>	<b>12.84</b>

### B Amount recognised in statement of other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gains/(loss) arising from changes in financial assumptions	0.71	(0.35)
Actuarial (loss) / gains arising due to experience adjustments	(1.23)	8.49
Return on plan assets excluding amounts included in interest income	(0.24)	(0.33)
<b>Total re-measurement (loss) / gain for the year recognised in other comprehensive income</b>	<b>(0.76)</b>	<b>7.81</b>

### C The total amount included in balance sheet arising from Company's obligation

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of defined benefit obligation	(47.26)	(40.99)
Fair value of plan assets	12.42	11.73
<b>Plan liability</b>	<b>(34.84)</b>	<b>(29.26)</b>
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	40.99	39.70
Current service cost	7.27	7.19
Interest cost	2.23	2.29
Benefits paid during the year	(3.75)	(0.05)



# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 34 C The total amount included in balance sheet arising from Company's obligation (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial losses / (gains) on obligation	0.52	(8.14)
<b>Closing defined benefit obligations</b>	<b>47.26</b>	<b>40.99</b>
<b>Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	11.73	10.72
Expected return	0.68	0.70
Contributions by the employer	0.31	0.69
Benefits paid	(0.06)	(0.05)
Actuarial (losses)	(0.24)	(0.33)
<b>Closing fair value of plan assets</b>	<b>12.42</b>	<b>11.73</b>

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Policy of insurance	100%	100%

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

Particulars	As at March 31, 2022	As at March 31, 2021
	%	%
Discount rate	6.40	6.05
Expected return on plan assets	6.40	6.05
Salary escalation	4.50	4.50
Employee turnover	30% p.a. at younger ages reducing to 5% p.a. at older ages	30% p.a. at younger ages reducing to 5% p.a. at older ages
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

## F Net (Liability) recognised in the Balance Sheet:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Gratuity</b>		
Defined benefit obligation	47.26	40.99
Plan assets	12.42	11.73
(Deficit)	(34.84)	(29.26)
Experience adjustments on plan liabilities	1.23	(8.49)
Return on plan assets excluding amounts included in interest income	0.24	(0.33)

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.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 34 G Bifurcation of the liability between current and non-current:

Particulars	As at March 31, 2022	As at March 31, 2021
Current liability**	7.79	7.27
Non-current liability	27.05	21.99
	<b>34.84</b>	<b>29.26</b>

\*\* The current liability is calculated as expected contributions for the next 12 months

## H A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fail to focus inter-relationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously, the method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Discount rate sensitivity</b>		
Increase by 0.5%	0.97	0.86
(% change)	(2.06%)	(2.10%)
Decrease by 0.5%	1.02	0.90
(% change)	2.16%	2.20%
<b>Salary growth rate sensitivity</b>		
Increase by 0.5%	1.01	0.91
(% change)	2.14%	2.21%
Decrease by 0.5%	1.00	0.86
(% change)	(2.11%)	(2.10%)
<b>Withdrawal rate (W.R.) sensitivity</b>		
W.R. x 110%	0.17	0.01
(% change)	0.35%	0.03%
W.R. x 90%	(0.22)	(0.02)
(% change)	(0.46%)	(0.06%)

## I The following are the expected future benefit payments for the defined benefit plan :

Particulars	As at March 31, 2022	As at March 31, 2021
Within the next 12 months	10.12	8.11
Between 2 and 5 years	26.57	23.41
Beyond 5 years	15.52	12.84
<b>Total expected payments</b>	<b>52.21</b>	<b>44.36</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 35 Related party disclosures

### 1. Name of related parties and their relationships

Name of related parties and their relationships:

Description of the relationship	Name of related parties
A. Key management personnel	Mr. Manesh D Madeka (Chairman & Managing Director)
	Mr. Bhoutik D Madeka (Whole time Director)
	Mr. Mihir R Madeka (Whole time Director)
	Mr. Hardik Gandhi (Company Secretary)
	Mr. Hiren Doshi (Chief Financial Officer) (w.e.f. March 12, 2021)
	Mr. Hemal P. Madeka
	Mr. Bharat J Madeka
	Mr. Paresh D Madeka
	Mr. Rupesh D Madeka
	Mr. Jiten D Madeka
	Mr. Ashok D Madeka
B. Relatives of key management personnel	Mr. Pinakin D Madeka
	Mr. Sanjay B Bole
	M/s. Rapid Cut
C. Entity in which relative of key managerial personnel has control	

### 2. Related party transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Transactions during the year</b>		
<b>(i) Interest income</b>		
Mr. Manesh Madeka	-	0.92
Mr. Bhoutik Madeka	-	0.69
Mr. Mihir Madeka	-	0.69
<b>(ii) Remuneration paid</b>		
<b>Salary allowances and bonus *</b>		
Mr. Manesh Madeka	9.60	9.60
Mr. Bhoutik Madeka	9.36	9.36
Mr. Mihir Madeka	8.40	8.40
Mr. Hemal Madeka	6.60	6.60
Mr. Bharat Madeka	8.40	8.40
Mr. Paresh Madeka	0.60	0.60
Mr. Rupesh Madeka	7.20	7.20
Mr. Jiten Madeka	7.20	7.20
Mr. Ashok Madeka	4.80	4.80
Mr. Pinakin Madeka	7.20	7.20
Mr. Sanjay Bole	1.50	1.50
Mr. Hardik Gandhi	0.21	0.17
Mr. Hiren Doshi (w.e.f. March 12, 2021)	3.71	0.19
<b>(iii) Scrap &amp; inserts sales</b>		
M/s. Rapid Cut	8.90	3.31
<b>(iv) Rental income</b>		
M/s. Rapid Cut	0.42	0.42
<b>(v) Labour charges</b>		
M/s. Rapid Cut	15.32	5.90

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 35 Related party disclosures (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Closing balance</b>		
<b>(i) Trade payable</b>		
M/s. Rapid cut	1.14	0.36
<b>(ii) Payable balance (Remuneration)</b>		
Mr. Manesh Madeka	0.26	0.09
Mr. Bhoutik Madeka	1.15	-
Mr. Mihir Madeka	0.70	-
Mr. Hardik Gandhi	0.02	0.01
Mr. Hemal Madeka	0.41	-
Mr. Bharat Madeka	1.62	-
Mr. Paresh Madeka	0.30	0.22
Mr. Rupesh Madeka	1.12	0.02
Mr. Jiten Madeka	-	3.40
Mr. Ashok Madeka	0.01	6.31
Mr. Pinakin Madeka	-	-
Mr. Sanjay Bole	0.25	0.01
Mr. Hiren Doshi (w.e.f March 12, 2021)	0.30	0.29

\* The remuneration does not include gratuity since the same is calculated for all the employees of the Company as a whole.

### Notes

- (i) The company's transactions with related parties are at arm's length. managerial believes that the company's domestic and international transactions with related parties post March 31, 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the year end.

## 36 Operating Segments

### A Basis for segmentation

The company is mainly engaged in the business of manufacturing and selling of machined / forged rings and auto components. The company's business falls within a single business segment of 'diversified auto components' and all the activities of the Company revolve around the main business.

The Chief Operating decision maker (CODM) monitors the operating results of the business as a whole for the purpose of making decisions about resource allocation and performance assessment.

Therefore, management views company's business activity as a single segment and segment's performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements and there are no separate reportable segments in terms of requirements of IND AS 108 'operating segments' as notified under section 133 of Companies Act, 2013.

### B Geographical information

The management evaluates that the company operates in two principal geographical areas - India and Outside India.

The below table sets out present revenue, expenditure and certain asset information regarding the company's geographical segments:

Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
India	4,695.04	2,704.32
Outside India	5,472.01	3,459.00
<b>Total</b>	<b>10,167.05</b>	<b>6,163.32</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 36 Operating Segments (Contd.)

Following are other Non Current non financial assets	As at March 31, 2022	As at March 31, 2021
India	4,430.71	4,038.18
Outside India	-	-
<b>Total</b>	<b>4,430.71</b>	<b>4,038.18</b>

### C Information about major customers

#### For the year ended March 31, 2022

The company has assessed that there are three customers from which the revenue from transactions is 10% or more of the company's total revenue for the year ended March 31, 2022.

Total amount of revenues from the customers is ₹ 3,764.74 millions for the year ended March 31, 2022."

#### For the year ended March 31, 2021

The company has assessed that there are two customers from which the revenue from transactions is 10% or more of the company's total revenue for the year ended March 31, 2021.

Total amount of revenues from the customers is ₹ 1,542.13 millions for the year ended March 31, 2021.

## 37 Fair values

Following is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value	
	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
Deposits with remaining maturity of more than twelve months (Note 3)	22.39	118.96
Security deposits - non current (Note 3)	6.55	4.57
Interest receivable on bank deposits - non current (Note 3)	-	3.47
Other receivables - non current (Note 3)	12.63	12.63
<b>Financial liabilities</b>		
Term loan from banks (Note 13)	204.61	208.10
Non convertible redeemable preference shares - Liability component of compound financial instruments (Note 13)	-	100.59
Optionally convertible redeemable preference shares - Liability component of compound financial instruments (Note 13)	-	14.76
Lease liabilities - non current (Note 14)	0.28	0.67

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

The management assessed that carrying values of financial assets i.e., cash and cash equivalents, loans, trade payables and trade receivables and other current assets and liabilities as at March 31, 2022 and March 31, 2021 are reasonable approximations of their fair values largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability. Subsequently, this liability component is measured at amortised costs using effective interest method. Any initial directly attributable transaction costs are allocated to the liability and equity portion in the proportion of their initial carrying amounts. The details are given in Note 11.2 and 11.3

The value of lease liability is determined by taking the present values of all the future outflows at an incremental borrowing rates applicable to the lessee.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 38 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

### Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at March 31, 2022:

Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Financial asset carried at amortised cost</b>				
Deposits with remaining maturity of more than twelve months (Note 3)	22.39	-	-	22.39
Security deposits - non current (Note 3)	6.55	-	-	6.55
Interest receivable on bank deposits - non current (Note 3)	-	-	-	-
Other receivables - non current (Note 3)	12.63	-	-	12.63
Trade receivables (Note 6)	2,305.37	-	-	2,305.37
Cash and cash equivalents (Note 7)	37.50	-	-	37.50
Bank balances other than Cash and cash equivalents (Note 7)	161.58	-	-	161.58
Loans and advances to employees (Note 8)	0.32	-	-	0.32
Export incentive receivable (Note 9)	67.45	-	-	67.45
Interest accrued on fixed deposits (Note 9)	-	-	-	-
Interest accrued on loan (Note 9)	-	-	-	-
Security deposits - current (Note 9)	30.00	-	-	30.00
Other receivables - current (Note 9)	7.03	-	-	7.03

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Financial liabilities at amortised cost</b>				
Term loan from banks (Note 13)	204.61	-	-	204.61
Non convertible redeemable preference shares - liability component of compound financial instruments (Note 13)	-	-	-	-
Optionally convertible redeemable preference shares - liability component of compound financial instruments (Note 13)	-	-	-	-
Lease liabilities - non current (Note 14)	0.28	-	-	0.28
Short term borrowings (Note 18)	2,023.91	-	-	2,023.91
Lease liabilities - current (Note 14)	0.39	-	-	0.39
Trade payables (Note 19)	1,200.70	-	-	1,200.70
Employee dues (Note 20)	47.13	-	-	47.13
Rent deposit (Note 20)	0.56	-	-	0.56
Payables for capital goods (Note 20)	10.30	-	-	10.30

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 38 Fair value hierarchy (Contd.)

### Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at March 31, 2021:

Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Financial asset carried at amortised cost</b>				
Deposits with remaining maturity of more than twelve months (Note 3)	118.96	-	-	118.96
Security deposits - non current (Note 3)	4.57	-	-	4.57
Interest receivable on bank deposits - non current (Note 3)	3.47	-	-	3.47
Other receivables - non current (Note 3)	12.63	-	-	12.63
Trade receivables (Note 6)	1,708.01	-	-	1,708.01
Cash and cash equivalents (Note 7)	46.12	-	-	46.12
Bank balances other than Cash and cash equivalents (Note 7)	58.05	-	-	58.05
Loans and advances to employees (Note 8)	0.76	-	-	0.76
Export incentive receivable (Note 9)	60.98	-	-	60.98
Interest accrued on fixed deposits (Note 9)	3.79	-	-	3.79
Interest accrued on loan (Note 9)	3.19	-	-	3.19
Security deposits - current (Note 9)	-	-	-	-
Other receivables - current (Note 9)	-	-	-	-
<b>Financial liabilities at amortised cost</b>				
Term loan from banks (Note 13)	208.10	-	-	208.10
Non convertible redeemable preference shares - liability component of compound financial instruments (Note 13)	100.59	-	-	100.59
Optionally convertible redeemable preference shares - liability component of compound financial instruments (Note 13)	14.76	-	-	14.76
Lease liabilities - non current (Note 14)	0.67	-	-	0.67
Short term borrowings (Note 18)	2,171.46	-	-	2,171.46
Lease liabilities - current (Note 14)	0.39	-	-	0.39
Trade payables (Note 19)	1,120.07	-	-	1,120.07
Employee dues (Note 20)	53.28	-	-	53.28
Rent deposit ( Note 20)	-	-	-	-
Payables for capital goods (Note 20)	39.81	-	-	39.81

## 39 Financial risk management objectives and policies

The Company's principal financial liabilities comprises of loan from banks, liability portion of compound financial instrument, lease liabilities, employee dues and trade payables . The purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, loans to directors, loans & advances to employees, security deposits, incentives/ benefits receivable from government and cash & cash equivalents that derive directly from its operations.

The Company is exposed to -

- Market risk,
- Credit risk
- Liquidity risk

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 39 Financial risk management objectives and policies (Contd.)

The Company's senior management oversees the management of these risks. The board of directors review and agree policies for managing each of these risks, which are summarised below -

### A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of interest rate risk and currency risk.

#### A.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates given below:

Variable rate instruments	As at March 31, 2022	As at March 31, 2021
Term loan from banks - non current (Note 13)	204.61	208.10
Short term borrowings (Note 18)	2,023.91	2,171.46
<b>Total</b>	<b>2,228.52</b>	<b>2,379.56</b>

Interest rate sensitivity analysis shown below with 1% that an increase / decrease in floating interest rates would result in decrease / (increase) in the Company's profit and equity (before tax) by -

#### Interest rate sensitivity (₹ in Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Up move	Down move	Up move	Down move
Impact on equity	22.29	(22.29)	23.80	(23.80)
Impact on statement of profit or loss	22.29	(22.29)	23.80	(23.80)

#### A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Company's unhedged foreign currency exposure are described below -

Particulars of unhedged foreign currency exposure	Currency (in million)	As at March 31, 2022	As at March 31, 2021
Trade receivables (Note 6)	USD	15.87	17.88
	EUR	2.98	4.23
	ZAR	-	0.96
	CAD	0.03	0.16
	Equivalent INR in million	<b>1,450.86</b>	<b>1,687.60</b>
Trade payables (Note 19)	USD	2.38	4.84
	EUR	0.02	0.00
	Equivalent INR in million	<b>181.40</b>	<b>354.93</b>
Payables for capital goods (Note 20)	JPY	-	51.76
	Equivalent INR in million	-	34.39
	Equivalent INR in million	<b>1,498.41</b>	<b>1,409.44</b>
Working capital facilities (Note 18)	USD	15.59	15.39
	EUR	3.82	3.28
	Equivalent INR in million	<b>1,498.41</b>	<b>1,409.44</b>



# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 39 Financial risk management objectives and policies (Contd.)

### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD, EUR, JYP, ZAR and CAD.

The following table details, Company's sensitivity to a 5% increase and decrease in the rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding not hedged on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. In case of net unhedged foreign currency payable, positive number below indicates an increase in the profit and equity where the rupee strengthen by 5% against the relevant currency. For a 5% weakness of the rupee against the relevant currency, there would be a comparable impact on the profit and equity, and the balances below would be negative.

### Impact on profit or loss and total equity (before tax)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Increase in exchange rate by 5%	(11.45)	(5.56)
Decrease in exchange rate by 5%	11.45	5.56

## B Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

### Trade receivables

Customer credit risk is managed by the Company's established policies, procedures and controls relating to customer control risk management. Credit quality of a customer is assessed based on an individual credit limits and are defined in accordance with management's assessment of the customer. Outstanding customer receivables are regularly monitored. The concentration of credit risk is limited due to the fact that the customer base is large. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The Company uses ageing buckets and provision matrix for the purpose of computation of expected credit loss. The provision rates are based on past trend of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security.

## C Liquidity risk

Liquidity risk is the risk the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available as per requirements. The company constantly generate cashflows from operation to meet its financial obligations when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 39 Financial risk management objectives and policies (Contd.)

### Year ended March 31, 2022

(₹ in Million)

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Term loan from banks (Note 13)	-	-	204.61	-	204.61
Non convertible redeemable preference shares - liability component of compound financial instruments (Note 13)	-	-	-	-	-
Optionally convertible preference share-liability component of compound financial Instruments(Note 13)	-	-	-	-	-
Lease liabilities - non current (Note 14)	-	-	0.28	-	0.28
Short term borrowings (Note 18)	94.66	1,929.25	-	-	2,023.91
Lease liabilities - current (Note 14)	-	0.39	-	-	0.39
Trade payables (Note 19)	-	1,200.70	-	-	1,200.70
Employee dues (Note 20)	-	47.13	-	-	47.13
Payables for capital goods (Note 20)	-	10.30	-	-	10.30
	<b>94.66</b>	<b>3,187.77</b>	<b>204.89</b>	<b>-</b>	<b>3,487.32</b>

### Year ended March 31, 2021

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Term loan from banks (Note 13)	-	-	208.10	-	208.10
Non convertible redeemable preference shares - liability component of compound financial instruments (Note 13)	-	-	100.59	-	100.59
Optionally convertible preference share-liability component of compound financial Instruments(Note 13)	-	-	-	14.76	14.76
Lease liabilities - non current (Note 14)	-	-	0.67	-	0.67
Short term borrowings (Note 18)	171.10	2,000.36	-	-	2,171.46
Lease liabilities - current (Note 14)	-	0.39	-	-	0.39
Trade payables (Note 19)	-	1,120.07	-	-	1,120.07
Employee dues (Note 20)	-	53.28	-	-	53.28
Payables for capital goods (Note 20)	-	39.81	-	-	39.81
	<b>171.10</b>	<b>3,213.91</b>	<b>309.36</b>	<b>14.76</b>	<b>3,709.13</b>

## 40 Capital management

The Company aims to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust return on capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 40 Capital management (Contd.)

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowing less cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Short term borrowings (Note 18)	2,023.91	2,171.46
Long term loans from banks (Note 13)	204.61	208.10
Liability portion of non convertible redeemable preference shares (Note 13)	-	100.59
Liability portion of optionally convertible redeemable preference shares (Note 13)	-	14.76
Less - Cash and cash equivalent (Note 7)	37.50	46.12
<b>Net debt (A)*</b>	<b>2,191.03</b>	<b>2,448.79</b>
Equity** (Note 11 and 12)	5,448.02	3,567.33
<b>Total equity(B)</b>	<b>5,448.02</b>	<b>3,567.33</b>
<b>Capital gearing ratio (A/B)</b>	<b>0.40</b>	<b>0.69</b>

\* Debt is defined as long-term borrowings, short-term borrowings and liability component of compound financial instrument.

\*\* Equity includes equity share capital, reserves and surplus, other comprehensive income and equity component of compound financial instrument.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## 41 Leases

### a) Company as a Lessee:

The company has lease contracts of two Lands used in its operations. The lease terms of lands are between 15 to 20 years. The company has evaluated that it does not have any short term and lease of low value assets. The company has identified that its job work contracts and warehousing agreements does not qualify under 'lease'.

The company has opted to apply for 'Full retrospective' as its transition approach under Ind AS 116 from the date of lease commencement. The Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application.

Lease payments evaluated by the company are payments fixed in nature with company not exercising any termination or renewal options to terminate or extend the original lease term.

The initial direct costs are taken in consideration while accounting for the Right-of use asset.

The lease period for computation of lease is taken as 20 years from the date of commencement of each land lease.

Useful life of ROU asset for computation of amortisation expense on ROU assets is assumed to be the term of the lease and method used is Straight-line method.

The Company has applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

For details on Right to use assets, refer note 2 (b)

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 41 Leases (Contd.)

### b) Operating leases

The Company has entered into lease agreement for lease of land for windmill farm. The said agreement does not provide for increase in rent during the tenure of the agreement. Both the Company and lessor are entitled to terminate the lease by giving one month's notice to the other party. Rent income recognised in the Statement of Profit and Loss for the year in Note 25.

The carrying amounts of lease liabilities and the movements during the year:

#### i) Right-of-use Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Land (Note 2(b))		
At the beginning of the year	0.50	0.66
Additions	-	-
Deletions	-	-
Depreciation expenses (Note 2 and 30)	0.13	0.16
<b>At the end of the year</b>	<b>0.37</b>	<b>0.50</b>

#### ii) Leased Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	1.06	1.33
Additions	-	-
Accretion of Interest	0.12	0.12
Payments	(0.51)	(0.39)
<b>At the end of the year</b>	<b>0.67</b>	<b>1.06</b>

#### iii) Leased Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities (Note 14)	0.39	0.39
Non-current lease liabilities (Note 14)	0.28	0.67
	<b>0.67</b>	<b>1.06</b>

#### iv) Amount recognised in Statement of Profit and loss during the year

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation/ amortisation expense on ROU asset (Note 30)	0.13	0.16
Interest expense on lease liabilities (Note 29)	0.12	0.12
	<b>0.25</b>	<b>0.28</b>

#### v) Amount recognised in Cashflow Statement

Particulars	As at March 31, 2022	As at March 31, 2021
Cash outflow for leases	0.39	0.39
	<b>0.39</b>	<b>0.39</b>

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 41 Leases (Contd.)

### vi) Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	0.39	0.39
1 - 2 Year	0.39	0.39
2 - 3 Year	0.10	0.39
3 - 4 Year	0.10	0.10
4 - 5 Year	-	0.10
<b>Total undiscounted lease liabilities as at the end of the year</b>	<b>0.98</b>	<b>1.37</b>

## 42 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	74.83	30.69
Interest due on above	0.51	0.29
	<b>75.34</b>	<b>30.98</b>
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(ii) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.98	0.47
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

## 43 Ratio Analysis and its elements

	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
1	Current ratio	Current assets	Current liabilities	1.59	1.07	49%	Refer Note 1
2	Debt- equity ratio	Total debt	Shareholder's equity	0.41	0.70	-42%	Refer Note 2
3	Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & lease payments + principal repayments	1.08	0.49	120%	Refer Note 3
4	Return on equity ratio	Net Profits after taxes - preference Dividend	Average shareholder's equity	29%	28%	5%	-

# Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 43 Ratio Analysis and its elements (Contdd.)

	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
5	Inventory turnover ratio	Cost of goods sold	Average inventory	3.33	2.97	12%	-
6	Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	5.07	4.13	23%	-
7	Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	6.22	4.82	29%	Refer Note 4
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = current assets - current liabilities	9.14	56.33	-84%	Refer Note 5
9	Net profit ratio	Net profit	Net sales = Total sales - sales return	12.83%	14.03%	-9%	-
10	Return on capital employed	Earnings before interest and taxes (EBIT)	Capital Employed = Tangible net worth + Total debt + deferred tax liability	26%	14%	90%	Refer Note 6
11	Return on investment	Interest (finance income)	Investment	Not Applicable			

### Note:

- Improvement in current ratio is on account of increase in turnover of the company which leads to higher trade receivables and inventories.
- Lower debt-equity ratio on account of repayment of long term debts, infusion of equity capital and increased net profit as compared to previous year.
- Increase in debt service coverage ratio is primarily due to lower interest expense (mainly repayment of borrowings) and higher earnings.
- Improvement in trade payable ratio is due to faster payment to vendors from the increased inflow from operation as compared to previous year.
- Movement in net capital turnover ratio is due to increase in current asset on account of increase in operations.
- Higher return on capital employed attributable to increase in EBIT and repayment of long term debts during current financial year.

## 44 Other Statutory Information

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

# Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in INR Million, unless otherwise stated)

## 44 Other Statutory Information (Contd.)

- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**45** The COVID-19 pandemic disrupted various business operations due to lockdown and other emergency measures imposed by the governments during previous year. The Company made detailed assessment of its liquidity positions and business operations and its possible effect on the carrying value of assets. The Company did not have significant impact on its operations and recoverability of value of its assets. However, the impact assessment of COVID-19 is a continuing process and hence the Company will continue to monitor and appropriately record for any material changes, if any.

**46** During the current financial year, the Company completed the initial public offering ('IPO') through an offer for sale of 7,500,000 equity shares by Rivendell PE LLC of face value of ₹ 10 each at a price of ₹ 900 per equity share aggregating to ₹ 6,750 millions and fresh Issue of 622,222 equity shares of face value of ₹ 10 each at a price of ₹ 900 per equity share aggregating to ₹ 560 millions. The equity shares of the Company were listed on national stock exchange of India Limited ('NSE') and BSE Limited ('BSE') on August 9, 2021.

The total offer expenses of ₹ 402.16 millions consisting of merchant banker fees, lawyer Fees etc. (inclusive of taxes) are proportionately allocated between the selling shareholders and the company as per the agreement. The utilisation of net IPO proceeds received after considering the company's share of cost is as follows:

Particulars	Objects of the issue	Utilisation up to March 31, 2022	Unutilised amounts as on March 31, 2022
Funding long-term working capital requirement	450.00	400.00	50.00
General corporate purpose	79.57	79.57	-
<b>Total</b>	<b>529.57</b>	<b>479.57</b>	<b>50.00</b>

**47** Previous year figures have been regrouped/ reclassified whenever necessary to conform this year's classification.

As per our report of even date

For **S R B C & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership No.: 101974

Place : Ahmedabad

Date : May 23, 2022

For and on behalf of the Board of Directors of

**Rolex Rings Limited (formerly known as Rolex Rings Private Limited)**

CIN: L28910GJ2003PLC041991

**Manesh Madeka**

Chairman & Managing Director

DIN: 01629788

Place: Rajkot

Date : May 23, 2022

**CS Hardik Gandhi**

Company Secretary & Compliance officer

Place: Rajkot

Date : May 23, 2022

**Bhoutik Madeka**

Whole Time Director

DIN: 01761543

Place: Rajkot

Date : May 23, 2022

**Hiren Doshi**

Chief financial officer

Place: Rajkot

Date : May 23, 2022

# Notice

NOTICE is hereby given that the **20<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on **Saturday, 17<sup>th</sup> September, 2022 at 12:00 PM** through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following businesses:

- **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon.

“RESOLVED THAT the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 together with the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted.”

2. To Appoint Mr. Manesh Dayashankar Madeka (DIN: 01629788) who retires by rotation at this meeting as a Director and being eligible offers himself for re-appointment and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Manesh Dayashankar Madeka (DIN: 01629788) who retires by rotation at this meeting and being eligible, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

3. **Appointment of Statutory Auditors of the Company:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, S R B C & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. FRN 324982E/E300003) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (‘AGM’) till the conclusion of the Twenty-fifth AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

- **Special Business:**

4. To ratify the remuneration of Cost Auditors for the Financial Year ending March 31, 2023 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, 2023, be and is hereby ratified.”

By Order of the Board of Directors,  
For, **Rolex Rings Limited**  
(Formerly known as Rolex Rings Private Limited)

Date: 17<sup>th</sup> August, 2022  
Place: Rajkot

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



## Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special business and the details as required under Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'SEBI Listing Regulations') and Secretarial Standard on General Meeting (SS-2) in respect of re-appointment of Auditor and the Directors seeking appointment/re-appointment at this Annual General Meeting ('AGM') is annexed hereto.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India issued General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 3/2022 dated May 05, 2022, respectively ('MCA Circulars') allowing, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Video Means ("VC/OAVM") facility on or before December 31, 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In Compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the 20<sup>th</sup> Annual General Meeting is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. Hence, members can attend and participate in the ensuing AGM through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the 20<sup>th</sup> AGM.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large shareholders (Shareholders holding 2% of more shareholding), Promoters, Institutional Investors, Directors, Key managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
5. Pursuant to the provisions of Section 105 of the Act, a Member entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held in pursuance to MCA Circulars through VC/OAVM, physical attendance of members have been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 20<sup>th</sup> AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
6. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations read with MCA Circulars, the Company is providing remote e-Voting facility to the members in respect of the business to be transacted at the 20<sup>th</sup> AGM and facility for those members participating in the 20<sup>th</sup> AGM to cast vote through e-voting system during the 20<sup>th</sup> AGM. For this purpose, Link Intime India Private Limited will be providing facility for voting through remote e-Voting, for participation in the 20<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 20<sup>th</sup> AGM.
7. In the terms of MCA Circulars, the Notice calling the AGM and Audited Financial Statement for the Financial Year 2021-22 has been uploaded on the website of the company i.e. [www.rolexrings.com](http://www.rolexrings.com). The Notice can also be accessed on the website of Stock Exchanges i.e. BSE Limited and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of Link Intime India Private Limited at [www.linkintime.co.in](http://www.linkintime.co.in)
8. In Compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Circular No. SEBI/HO/CFD/CMR2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the 20<sup>th</sup> AGM along with Annual Report for the Financial Year 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories").  
  
In case any member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2021-22 and Notice of the 20<sup>th</sup> AGM of the Company, may send request to the Company's email address at [compliance@rolexrings.com](mailto:compliance@rolexrings.com) mentioning Folio No. / DP ID and Client ID.

9. Members whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the Notice of the 20<sup>th</sup> AGM and the Annual Report for the Financial Year 2021-22 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
- Members holding shares in physical form may send scan copy of a signed request letter mentioning the folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, Aadhar) supporting the registered address of the Member, by email to the Company's email address at [compliance@rolexrings.com](mailto:compliance@rolexrings.com) or to Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
  - Members holding shares in Demat mode may update the email address through their respective Depository Participant(s).
10. Pursuant to Section 91 of the Companies Act, 2013 read with Regulation 42 of the SEBI Listing Regulations, the Register of Members and the Share Transfer Book of the company will remain closed from 09<sup>th</sup> September, 2022 to 17<sup>th</sup> September, 2022 (both days inclusive)
11. The Board of Directors has appointed CS Purvi Dave (Membership No. A27373), Partner, MJP Associates, Practising Company Secretaries, Rajkot as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. Statutory Registers, Financial Statement and all the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members. Members who wish to inspect or seek any information in relation to the same are requested to write to the Company through e-mail at [compliance@rolexrings.com](mailto:compliance@rolexrings.com)
13. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, Bank Account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the member will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after April 01, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).
14. Members may note that, in terms of the SEBI Listing Regulations equity shares of the company can only be transferred in dematerialized form.
15. Members holding shares in physical form, in identical order of names, in more than one folio are requested sent the company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A Consolidated share certificate will be issued to such members after making requisite changes.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank account etc. to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.
17. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share capital and Debentures) Rules, 2014 are requested to send their requests in Form SH-13, to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling, varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form SH-14, to the Registrar and Transfer Agent of the company. These forms will be made available on request.
18. For redressal of shareholders complaints/ grievances they can write the company at [www.rolexrings.com](http://www.rolexrings.com)
19. Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any other matter to be placed at the Meeting are requested to send email to the Company at [compliance@rolexrings.com](mailto:compliance@rolexrings.com) at least 7 days before the Meeting. The same will be replied by the company suitably.
- Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.
- Login method for Individual shareholders holding securities in demat mode is given below:**
- Individual Shareholders holding securities in demat mode with NSDL
    - Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote"

website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
    1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
    2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
    3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
    4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form is given below:**

Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:** Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - Select the **"Company"** and **'Event Date'** and register with your following details: -
    - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/ members holding shares in **physical form shall provide Folio Number registered with the Company**
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the [compliance@rolexrings.com](mailto:compliance@rolexrings.com) created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members

who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

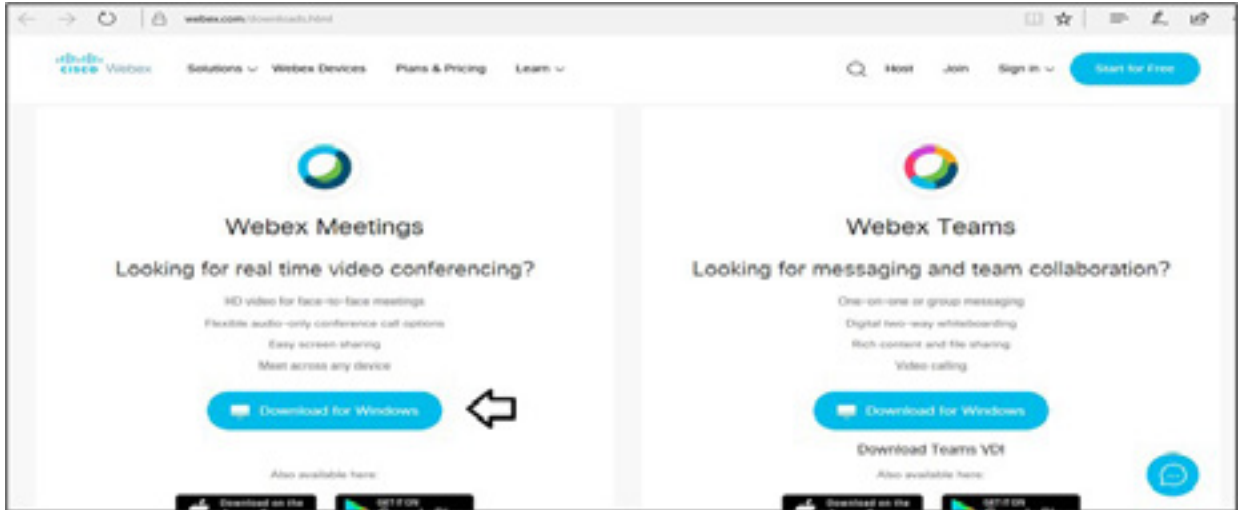
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

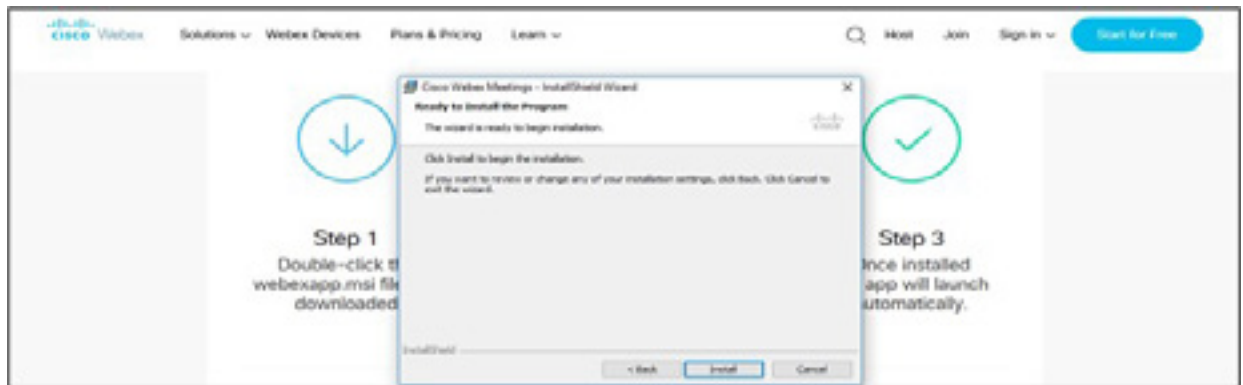
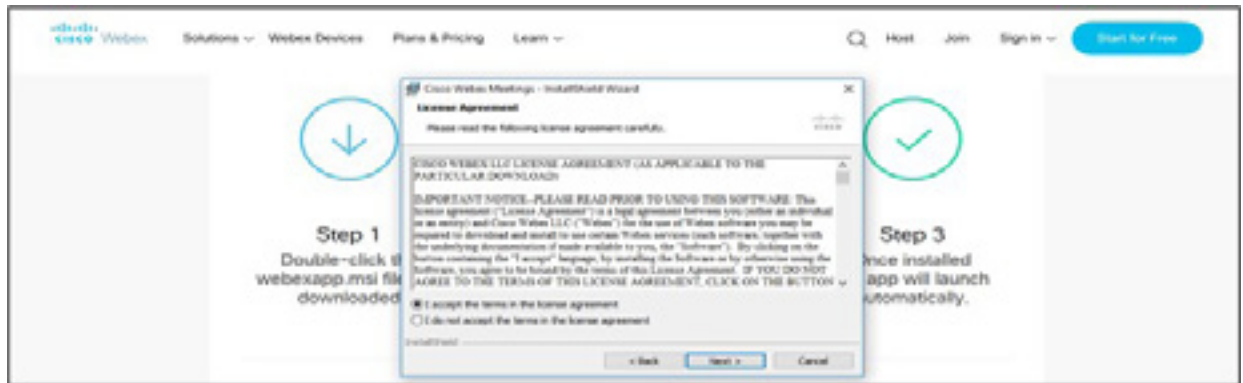
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



**Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.**

- 1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
- 1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



## Explanatory Statement as per provisions of Section 102 of the Companies Act, 2013:

### Item No. 3:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), however the same is not strictly required as per Section 102 of the Companies Act, 2013.

The Members at the Fifteenth Annual General Meeting ('AGM') of the company held on 30<sup>th</sup> September, 2017, had approved the appointment of S R B C & Co. LLP, Chartered Accountants (Firm Registration No. FRN 324982E/E300003), as Statutory Auditors of the Company to hold office till the conclusion of Twentieth AGM of the Company.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 23, 2022, proposed the re-appointment of S R B C & Co. LLP, Chartered

Accountants (Firm Registration No. FRN 324982E/E300003), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of twentieth AGM till the conclusion of Twenty Fifth AGM of the company to be held in the year 2027, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

S R B C & Co. LLP have consented their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

By Order of the Board of Directors,  
For, **Rolex Rings Limited**  
(Formerly known as Rolex Rings Private Limited)

Date: 17<sup>th</sup> August, 2022  
Place: Rajkot

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



## Annexure-A

### Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Manesh Dayashankar Madeka
DIN	01629788
Date of Birth and Age	27/05/1958, Age: 64 Years
Date of Appointment	12 <sup>th</sup> March, 2021
Qualifications	Under Graduate
Brief Resume/Expertise in specific functional areas	Over 40 years of work experience in marketing, production and finance
Directorships held in other companies	--
Membership/Chairmanships of committees of other companies	--
Number of Equity shares held in the company	27,55,098 Equity shares







**REGISTERED OFFICE :**

B/h. Glowtech Steel, Gondal Road, Kotharia, Rajkot - 360 004 - Gujarat

**CORPORATE OFFICE :**

Nr. Kotharia Railway Crossing Opp. Hotel Krishna Park, Gondal Road,  
Kotharia, Rajkot - 360 004 - Gujarat

Ph No: +91-281-6699 677/577 | Email: info@rolexrings.com | Web: www.rolexrings.com

