



**THIRTIETH**

**ANNUAL REPORT**

**OF**

**RUSHABH PRECISION BEARINGS LIMITED**

**2018 - 2019**

**RUSHABH PRECISION BEARINGS LIMITED**

**BOARD OF DIRECTORS**

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>
1	Mr. RasiklalToliyaVadilal	Executive Director
2	Mr. PiyushArunVora	Non - Executive and Independent Director
3	Ms. KrishnabenTamaliya	Non - Executive and Independent Director

<b>MANAGING DIRECTOR</b>	<b>CHIEF FINANCIAL OFFICER (CFO)</b>
Mr. Rajesh Vora	Mr. RavindrakumarInani

<b><u>SECRETARIAL AUDITOR</u></b>	<b><u>STATUTARY AUDITORS</u></b>
<b>M/s. Amit R. Dadheech &amp; Associates</b> <b>Practicing Company Secretary</b> B-15, 5th Floor, Shri Siddhivinayak Plaza, Next to T-series Business Park, Off New Link Road, Andheri (West), Mumbai - 400058	<b>M/s. Sunil Vankawala &amp; Associates</b> <b>Chartered Accountants</b> 103, Vrindavan ,1 <sup>st</sup> Floor, Near Shubham Hall, Opp. Railway Station, Vile Parle(West), Mumbai - 400 056

**REGISTERED OFFICE**

Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4, Bibijan Street,  
Off. Nagdevi Street, Pydhonie, Mandvi,  
Mumbai - 400 003, Maharashtra, India

**REGISTRAR & TRANSFER AGENT (RTA)**

PurvaSharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg  
Lower Parel (East), Mumbai - 400011, Maharashtra,  
India

**NOTICE**

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of **Rushabh Precision Bearings Limited** will be held on Monday, December 30, 2019 at the Registered Office of the Company at Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4, Bibijan Street, Off. Nagdevi Street, Pydhonie, Mandvi, Mumbai - 400 003, Maharashtra, India at 12: 30 p.m. to transact the following business:-

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019, the Profit and Loss Account & Cash Flow Statement as on that date and the Reports of the Auditors and the Directors thereon;
2. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:-

**“RESOLVED THAT** Mr. Rasiklal Toliya (DIN: 06997152), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as director of the company liable to retire by rotation.”

**For and On Behalf of the Board of Directors,  
of Rushabh Precision Bearings Limited**

**Sd/-**

**Mr. Rajesh Vora  
Chairman and Managing Director**

**Dated: December 04, 2019**

**Place: Mumbai**

**NOTES:-**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority letter, as applicable.
2. An Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from December 23, 2019 to December 30, 2019 (both days inclusive) for the purpose of this Annual General Meeting.
4. Members who attend the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting Hall.
5. Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.
6. The Company is in process of obtaining connectivity for its shares. Shareholders are requested to correspond with the Company at the above address.
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
8. Members who hold shares in physical form in multiple folios in identical names are requested to send the share certificates to the company immediately to enable consolidation of their holding into one folio.
9. Since the company is in process of obtaining connectivity from Registrar and share Transfer Agent (RTA), E- voting facilities are not available to members. However, the company will provide facility for voting through "Ballot Paper" which shall be made available at the Annual General Meeting (AGM) Venue.

## DIRECTORS' REPORT

Dear Shareholders,  
Your Directors are pleased to present the Thirtieth Annual Report of your Company together with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2019.

### Financial Results:-

Particulars	Year Ended 31 <sup>st</sup> March, 2019 (Amount in Rs.)	Year Ended 31 <sup>st</sup> March, 2018 (Amount in Rs.)
Total Income	0.00	0.00
Total Expenditure	7,36,01,067	3,34,635
Profit/Loss before tax	(7,36,01,067)	(3,34,635)
Provision for tax - Current Taxes	0.00	0.00
Profit /Loss after tax	-	(3,34,635)
Add:- Brought Forward Losses from earlier year	(27,53,96,270)	(27,50,61,635)
Net Profit / Loss carried to Balance Sheet	-	(27,53,96,270)

### Dividend

In absence of appropriate reserve with the company, the company has not declared any dividend in the current year.

### Review of Operations

The Company has incurred huge losses in past and has an accumulated losses of Rs. 27,53,96,269/- However, the Company has commenced productions and transferred the total expenditure of Rs. 7,36,01,067/- to work - in progress account, thereby achieving a Break Even Point (i.e. No Profit - No Loss) for the current financial year. The directors are positive about the future prospects of the Company.

As the Company has attained Break Even Point in the current financial year, the EPS is recorded as NIL.

### Dividend

In view of the accumulated losses, your Board of Directors does not recommend any dividend during the year under review.

### Reserves

Since the Company has incurred neither profits and nor losses, the company does not propose any amount to be transfer to reserves during the year under review.

### Change in the Nature of Business

There is no such changes occurred in the nature of business during the financial year under review.

### Material Changes And Commitments, If Any, Affecting The Financial Position Of The Company Which Have Occurred Between The End Of The Financial Year Of The Company To Which The Financial Statements Relate And The Date Of The Report

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

The Hon'ble High Court, Bombay vide its order dated 07<sup>th</sup> April, 2010, stayed the winding up proceedings against the Company and Official Liquidator was asked not to act upon the said order. Further, on 5<sup>th</sup> February, 2018 the Honorable High court, Bombay has passed order recalling the winding up order passed on 30<sup>th</sup> March, 2010. By virtue of this order, the company has now moved out of the liquidation and has complied with all the formalities of filing the said order with the Registrar of Company, Mumbai and the status of the Company is Active.

This order has impacted the going concern status of the company and its future operations.

**Changes in Directors and Key Managerial Personnel**

Pursuant to sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors are liable to retire by rotation and shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Rasiklal Toliya (DIN: 06997152), Director shall retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

**Number of meetings of the Board of Directors**

During the year under review, Five (5) Board Meetings were held on 09.04.2018, 30.04.2018, 15.06.2018, 04.12.2018 and 25.03.2019.

**Details in respect of adequacy of internal financial controls with reference to the financial statements**

The Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering 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.

**Details of Subsidiary/Joint Ventures/Associate Companies**

The Company does not have any Subsidiary Company, Joint Venture and Associate Companies during the year under review.

**Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement**

As the Company does not have any Subsidiary, Joint venture or Associate Company, consolidation of financial statement is not applicable to the Company.

**Deposit**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**Statutory Auditors**

In accordance with the provisions of Section 139(1) of the Companies Act, 2013, the members on the 28<sup>th</sup> Annual General Meeting held on July 27, 2018 has appointed M/s. Sunil Vankawala & Associates (Firm Reg. No. 33461W), Chartered Accountants, the Statutory Auditors of the Company for five consecutive financial years, i.e. from the conclusion of the 28<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting subject to ratification of re-appointment by the members at every Annual General Meeting.

However, pursuant to amendment\* in Section 139 of the Companies Act, 2013, the Statutory Auditors are no longer required to be ratified at every Annual General meeting until the expiry of their term. Therefore, the Company does not propose the matter for ratification of appointment of the statutory auditors at the ensuing Annual General Meeting.

The Auditor's Report for the Financial Year ended on 2018-19 does not contain any qualification, reservations, adverse remark or disclaimer. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.\*

*(\*As per Sec. 139 (1) of the Companies Act, 2013, provision for rectification of Auditor at every Annual General Meeting of the company is omitted vide MCA Notification dated May 07, 2018)*

### **Auditors Report**

The Auditors of the Company have not expressed any qualification, reservation or adverse remark or disclaimer in their report and notes to the Accounts, where ever given are self-explanatory hence do not require any clarification by the Directors.

### **Share Capital**

#### **A) Issue of equity shares with differential rights**

The Company has not issued any Equity Shares with differential rights during the year under review.

#### **B) Issue of sweat equity shares**

The Company has not issued any Sweat Equity Shares during the year under review.

#### **C) Issue of employee stock options**

The Company has not provided any Stock Option Scheme to the employees.

#### **D) Bonus Issue**

No Bonus Shares were issued during the year under review.

### **Extract of the Annual Return**

The extract of the Annual Return as on 31<sup>st</sup> March, 2019 in Form No. MGT - 9 is enclosed as **ANNEXURE-I** and forms part of this Report.

### **Particulars of conservation of energy, technology absorption, and foreign exchange earnings and outgo**

#### **Conservation of Energy and Technology Absorption**

The Particulars as pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 with respect to conservation of energy, technology absorption, etc. are not given as the same is not applicable to the Company.

#### **Foreign Exchange Earning and Outgo**

There is no Foreign Exchange transactions during the year ended on 31<sup>st</sup> March, 2019.

### **Corporate Social Responsibility (CSR)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions of Section 135 of Companies Act, 2013 read with Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable.

### **Particulars of loans, guarantees or investments under Section 186**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### **Particulars of contracts or arrangements with related parties**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

### **Managerial Remuneration**

There are no employees of the Company whose particulars are required to be reported under Section 197 of companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial) Rules, 2014.

### **Secretarial Audit Report**

In terms of Section 204(1) of the Companies Act, 2013 and the rules made thereunder, M/s. Amit R.Dadheech & Associates was appointed as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the F.Y. 2018-19. The report of the Secretarial Audit in Form No. MR -3 is annexed to and forms part of this Report as per **ANNEXURE-II**.

### **Corporate Governance Certificate**

The reporting related to Corporate Governance certificate is not applicable to our Company.

### **Risk Management Policy**

The Company has not formulated any Risk Management Policy as the Board felt that the elements of risk threatening the Company's existence are very minimal.

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

The Company has always been committed to provide a safe and dignified work environment, which is free of discrimination, intimidation and abuse. During the year under review the Company has not received any complaint of sexual harassment.

### **Director's Responsibility Statement**

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013 state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to 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 loss of the company for that period;
- (c) the directors had taken proper and sufficient care 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Acknowledgements**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

**For and On Behalf of the Board of Directors,  
of Rushabh Precision Bearings Limited**

**Date: December 4, 2019  
Place: Mumbai**

**Mr. Rajesh Vora  
Managing Director  
DIN: 07843591**

**Mr. Piyush Vora  
Director  
DIN:00018995**





GDRs & ADRs										
Grand Total (A+B+C)	NIL	90,00,100	90,00,100	100	NIL	90,00,100	90,00,100	100	NIL	

**(ii) Shareholding of Promoter-**

Sr.No.	Name of Shareholders	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Rajesh D Vora	47,73,700	53.04	10.62	47,73,700	53.04	10.62	0
2.	Sunaina Vora	4,86,800	5.41	5.41	4,86,800	5.41	5.41	0
3.	Namrata Vora	74,900	0.83	0.83	74,900	0.83	0.83	0
4.	Ranjan D Vora	3,06,900	3.41	3.41	3,06,900	3.41	3.41	0
5.	Saheel Vora	3000	0.03	0.03	3000	0.03	0.03	0
6.	Rushabh Vora	3000	0.03	0.03	3000	0.03	0.03	0
	<b>Total</b>	<b>56,48,300</b>	<b>62.75</b>	<b>20.33</b>	<b>56,48,300</b>	<b>62.75</b>	<b>20.33</b>	<b>0</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	56,48,300	62.76%	56,48,300	62.76%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	There is no change in the promoters shareholding			
	At the end of the year	56,48,300	62.76%	56,48,300	62.76%

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8,01,000	8.90%	8,01,000	8.90%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No Change during the year.			
	At the end of the year	8,01,000	8.90%	8,01,000	8.90%

**(V) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Changes during the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	% of total shares of the company
1	Rajesh D Vora	47,73,700	53.04	No Changes during the year.		47,73,700	53.04
2	Piyush A Vora	50,000	0.55			50,000	0.55
3	Ramaswamy Pallusan	10,000	0.11			10,000	0.11
4	Rasik Tolia	0	0			0	0
5	Krishna Tamalia	0	0			0	0
	<b>Total</b>	<b>48,33,700</b>	<b>53.70</b>			<b>48,33,700</b>	<b>53.70</b>

**VI) INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12,36,90,950	11,70,10,791	0.00	24,07,01,741
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>12,36,90,950</b>	<b>11,70,10,791</b>	<b>0.00</b>	<b>24,07,01,741</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	4,01,91,351	21,55,80,746	0.00	25,57,72,097
* Reduction	(9,53,00,000)	(8,95,10,791)	0.00	(18,48,10,791)
<b>Net Change</b>	<b>(5,51,08,649)</b>	<b>12,60,69,955</b>	<b>0.00</b>	<b>7,09,61,306</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,85,82,301	24,30,80,746	0.00	31,16,63,047
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>6,85,82,301</b>	<b>24,30,80,746</b>	<b>0.00</b>	<b>31,16,63,047</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1.	Gross salary	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961			
2.	(c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	Nil	Nil	Nil
	Stock option			
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profits			
	- others	Nil	Nil	Nil

5.	Others	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Overall Ceiling as per the Act</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**B. REMUNERATION TO OTHER DIRECTORS**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors Fee for attending board / committee meetings Commission Others	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1)+(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	<b>Overall Ceiling as per the Act</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (CEO) OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	Nil	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profits - others (specify)	Nil	Nil	Nil	Nil
5.	Others , please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil

Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other officers in default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and On Behalf of the Board of Directors,  
of Rushabh Precision Bearings Limited

Date: December 4, 2019

Place: Mumbai

Mr. Rajesh Vora  
Managing Director  
DIN: 07843591

Mr. Piyush Vora  
Director  
DIN: 00018995

ANNEXURE II

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Rushabh Precision Bearings Limited  
Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4,  
Bibijan Street, Off. Nagdevi Street,  
Pydhonie, Mandvi  
Mumbai - 400 003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Rushabh Precision Bearings Limited (CIN: L99999MH1989PTC053093)** (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 our opinion thereon.

Based on our verification of **M/s. Rushabh Precision Bearings 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 the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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, minute books, forms and returns filed and other records maintained by M/s. Rushabh Precision Bearings Limited for the financial year ended on March 31, 2019 according to the provisions of:**

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(During the period under review, the Company has not entered into any transaction requiring compliances with The Securities Contracts (Regulation) Act, 1956 ('SCRA');**
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(During the period under review, the Company has not entered into any transaction requiring compliances with The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder);**
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(During the period under review, the Company has not entered into any transaction requiring compliances with The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder);**
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(During the period under review, the Company has not entered into any transaction requiring compliances with The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);**
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(During the period under review, the Company has not entered into any transaction requiring compliances with The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015);**



7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(During the period under review, the Company has not entered into any transaction requiring compliances with The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009);**
8. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999)**
9. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008)**
10. 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;
11. The SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 – **The Company is delisted from both the Stock Exchange (i.e. BSE & NSE), hence compliance with the provision of SEBI LODR has not been made by the Company.**
12. Secretarial Standards as issued by The Institute of Company Secretaries of India.
13. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009)**
14. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998)**

**Note on compliance with various provision of applicable laws:**

The Company was under winding up process as per the order of Honorable High court dated 30<sup>th</sup> March, 2010 for which Official Liquidator was appointment. However, the Honorable High court, Bombay vide its order dated 07<sup>th</sup> April, 2010, stayed the winding up proceedings against the company and Official Liquidator was asked not to act upon the said order. Further, on 5<sup>th</sup> February, 2018 the Honorable High court, Bombay has passed order re-calling the winding up order on 30<sup>th</sup> March, 2010. By virtue of this order, the company has now moved out of the liquidation and has complied with all the formalities of filing the said order with the Registrar of Company, Mumbai.

Upon receipt of this order the Company made necessary filings with the Registrar of Companies and has made the status of the Company active. Further, the BSE Ltd. and National Stock Exchange of India Ltd. have delisted the securities of the Company, hence the Company has not made any compliance with SEBI (LODR) Regulations 2015, SEBI (SAST) Regulations, 2011, SEBI (PIT) Regulations, 2015.

The Compliance with other provisions Companies Act, 2013, read with rules made therein under also have been complied till the extent possible.

As informed by the Management of the Company, they are taking all necessary steps to comply with all the applicable laws for the time being in force and applicable to the Company.

As the Company was into liquidation from 2010 to 2018 the Company has not obtained certain registration and licenses under various laws. However, as informed by the management of the

Company, it is under process of obtaining the necessary license and registration under various statutes.

#### **OTHER APPLICABLE LAWS:-**

With respect to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable to the Company, except those stated below:-

1. Income Tax Act, 1961 to the extent of Tax Deducted at Source under various Section and T.D.S. Returns filed.
2. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed.
3. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
4. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
5. The Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodity) Rules, 2011;
6. The Trade Marks Act, 1999;
7. The Factories Act, 1948;
8. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules/Scheme thereunder;
9. Employers Liability Act, 1938;
10. Equal Remuneration Act, 1976; and
11. Employees' State Insurance Act, 1948 and Rules made thereunder.

The Company has been regular in depositing the undisputed statutory dues with the regulatory / statutory authority. Further, certain disputed statutory dues (viz. Income Tax etc) remain unpaid as at March 31, 2019 which has been shown as contingent liabilities in the books of the company.

As the Company was into liquidation, during the period under review the Company was in process of complying with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried unanimously and are captured and recorded in the minutes.

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.

We further report that during the audit period:-

- i) During the Financial Year, the Company has not appointed Company Secretary in compliance with the provision of Section 203 of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

**ANNEXURE A TO THE SECRETARIAL AUDIT REPORT**

The Members,  
Rushabh Precision Bearings Limited  
Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4,  
Bibijan Street, Off. Nagdevi Street,  
Pydhonie, Mandvi  
Mumbai – 400 003

1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
2. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
3. 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 the random test basis.
4. 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 the random 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.
5. 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 Amit R. Dadheech & Associates**

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**Amit R. Dadheech**  
M. No.: 22889; C.P. No.: 8952

**Place & Date: Mumbai, December 04, 2019**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of M/S. RUSHABH PRECISION BEARINGS LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **M/S. RUSHABH PRECISION BEARINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Cash Flows and changes in equity of the Company in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Emphasis of Matter

1. The company was ordered to be Liquidated vide Hon'ble Bombay High Court order dated 30/10/2010 and an Official Liquidator was appointed to look after the company's affairs and took possession of the factory premises situated at Wadhwan, Surendranagar, State of Gujarat. However, vide order dated 19th November 2010 the said Hon'ble Bombay High Court instructed the Official Liquidator not to take any further steps in respect of the assets of the company till further orders.
  2. The Official Liquidator of the company has not prepared any statement of company's affair during the period when company was in liquidation i.e. 30th March 2010 (date of winding up of the company) till 5th February 2018 (date of revocation of company's winding up order).
  3. Pursuant to the order dated 5th February 2018 of the Hon'ble Bombay High Court , the Official Liquidator of the company has handed over the possession of the factory premises of the company situated at GIDC, Phase IV, Wadhwan City, Dist. Surendranagar - 363030, State of Gujarat on 18th April 2018.
1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give herein below in "Annexure A" a statement on matters specified in paragraph 3 and 4 of the Order
    2. As required by section 143(3) of the Act, we further report that:
      - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
      - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
      - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
      - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014 (as amended);
      - e) As per the information and explanation given to us, one of the Director Mr. RamaswamySeshan have been disqualified under section 164(2)(a) of the Companies Act, 2013, by the Registrar of Companies for the period 01/11/2016 to 31/10/2021 i.e. 5 years.
      - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, clause (i) of section 143(3) of Companies Act 2013 is applicable to the company. A report on Internal Control over Financial is annexed herewith and Marked as "Annexure B".
      - h) With respect to the other matters 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. As per the information and explanation given to us by the management, the Company does not have any pending litigations which would impact its financial position.
        - ii. The Company does not have any long-term contracts including derivative contracts; as such the

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questionofcommentingonanymaterialforeseeablelosses thereondoesnotarise.

- iii. There are no amounts which are required to be transferred to the Investor and Education and Protection Fund by the Company.

**For Sunil Vankawala & Associates**  
**Chartered Accountants**  
**Firm Registration No: 110616W**

**Place: Mumbai**  
**Dated: 04<sup>th</sup> December, 2019**

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**(Sunil T. Vankawala)**  
**Proprietor**  
**Membership No. 033461**

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in our report of even date)**

(Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date) we report that:

(i) With respect to fixed Assets,

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b. We are informed that the Company has carried out physical verification of fixed assets during the year. Necessary effect has been given in the accounts. However, we are informed that the effect was not significant.
- c. According to information and explanations given to us and on the basis of examination of the documents, the title deeds of the immovable property included in the fixed assets are registered in the name of the Company.

(ii) With respect to inventory,

- a. The inventories have been physically verified by the management and by us during the year. In our opinion, the frequency of verification is reasonable.
- b. The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining stock records and discrepancies noticed were not significant between book records and physical verification.

(iii) With respect to Loans,

The company has not granted any loans during the Assessment year 2019-20 to any subsidiary Company covered in the register maintained under section 189 of The Companies Act, 2013. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.

(iv) With respect to Deposits;

As per the information and explanations given to us, there are no transactions during the year in respect of loans, investments, guarantees and security in contravention to section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) With respect to maintenance of cost records;

As per the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) With respect to Statutory Dues,

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including, Provident fund, Employees' state insurance, Income tax, Sales tax, Goods and Services Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and Other material statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities. The undisputed statutory dues outstanding as at 31<sup>st</sup> March 2019, for a period of more than six months from the date they become payable are:

**a. Liabilities regarding Income Tax.**

**Statement of arrears of statutory dues outstanding for more than six months:**

Name of statute	Nature of dues	Amount (in Lac)	Assessment Year	Status
Income Tax Act, 1961	Tax and Interest	5.33	1994-95	Rectification order under section 154 is passed. However, in rectification order also full credit of self assessment tax paid is not given. Waiting for the revised demand from the department.
Income Tax Act, 1961	Tax and Interest	97.94	1995-96	ITAT vide its order dated 17th May 2006 (pronounced in the court on 16th May 2006) restored the matter back to CIT (A). However, no communication is received from CIT(A) till now.
Income Tax Act, 1961	Tax and Interest	37.60	1998-99	CIT (A) passed an order dated 30 <sup>th</sup> April 2001 reducing the 43B disallowances by Rs. 6,00,783/- and also directed assessing officer to re-work disallowances on account of interest free advances to sister concern. No appeal by either party or no communication by assessing officer after that.
Income Tax Act, 1961	Tax & Interest	1.88	2003-04	CIT (A) vide its order dated 3rd December 2009 dismissed the appeal of the Assessee and Penalty proceedings were initiated against the company u/s 271(1)(c). The appeal has been made with ITAT
Income Tax Act, 1961	Penalty	385.00	2003-04	Appeal against CIT (A) has been filed by the company after coming out of liquidation with delay of condonation. Earlier the appeal could not be filed as the company was into liquidation and also with BIFR.



**b. Liabilities regarding Sales Tax.**

Particulars	Amount (in Rs.)
BST	3,047
CST	1,96,219
Total	1,99,266

(viii) With respect to repayment of Loans;

In our opinion and according to the information and the explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank or government during the period under Audit in respect of loans taken during the year. However, regarding loans from Union Bank of India, IDBI Bank and GSFC, there has been default by the Company in repayment of Installments/Principal/Interest, which was eventually repaid by Mr. Rajesh D. Vora, Chairman and Managing Director of the Company.

(ix) No money has been raised by way of initial public offer (including debt instruments) or term loans. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) Based upon the audit procedures for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable.

(xi) With respect to remuneration, managerial remuneration has not been paid nor provided. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations provided by the management, related party transactions are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standard.

(xiv) According to the information explanations provided to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, 3(xiv) of the Order is not applicable to the Company.

(xv) As per the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or person connected with him. Therefore provisions of section 192 of Companies Act, 2013 is not applicable to the Company.

(xvi) In our opinion and according to the information and the explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sunil Vankawala & Associates**  
**Chartered Accountants**  
**Firm Registration No: 110616W**

**Place: Mumbai**  
**Dated: 04<sup>th</sup> December, 2019**

**(Sunil T. Vankawala)**  
**Proprietor**  
**Membership No. 033461**

**ANNEXURE - B TO THE AUDITORS' REPORT**

**(Referred to in Paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)**

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

We have audited the internal financial controls over financial reporting of **M/S. RUSHABH PRECISION BEARINGS LIMITED** ("the Company") as of 31 March 2019 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 ('ICAI'). 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sunil Vankawala & Associates**  
**Chartered Accountants**  
**Firm Registration No: 110616W**

**Place: Mumbai**  
**Dated: 4<sup>th</sup> December, 2019**

**(Sunil T. Vankawala)**  
**Proprietor**  
**Membership No. 033461**

**BALANCE SHEET AS AT MARCH 31, 2019**

	Sch.	For the Year Ended 31st March, 2019 Rs.		For the Year Ended 31st March, 2018 Rs.	
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDERS FUNDS</b>					
Share Capital	1	9,00,01,000		9,00,01,000	
Reserves and Surplus	2	26,25,000		26,25,000	
<b>LOAN FUNDS</b>					
Secured Loans	3	6,85,82,301		12,36,90,950	
Unsecured Loans		24,30,80,746		11,70,10,791	
			31,16,63,047		24,07,01,741
<b>TOTAL</b>			<b>31,16,63,047</b>		<b>24,07,01,741</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	4	8,25,57,981		7,93,06,961	
Less: Depreciation		7,42,27,162		7,37,65,586	
Net Block			83,30,819		55,41,375
Capital work in Progress			-		-
<b>INVESTMENTS</b>					
	5		-		-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	6	11,25,34,404		3,10,98,166	
Sundry Debtors	7	2,11,23,461		2,11,23,461	
Cash & Bank Balances	8	-		-	
Other Current Assets	9	28,13,673		-	
Loans & Advances	10	39,81,501		36,98,240	
		<u>14,04,53,039</u>		<u>5,59,19,867</u>	
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	11	1,87,98,954		-	
Provisions		10,92,126		35,29,771	
<b>NET CURRENT ASSETS</b>			12,05,61,959		5,23,90,096
MISCELLANEOUS EXPENDITURE (to the extent not written off)	12		27,53,96,269		27,53,96,270
<b>TOTAL</b>			<b>40,42,89,047</b>		<b>33,33,27,741</b>
Significant accounting policies and notes to accounts	19				
As per our report of even date				For and on behalf of the Board of Directors	
For Sunil Vankawala & Associates				Rushabh Precision Bearings Limited	
Chartered Accountants				(CIN: L99999MH1989PTC053093)	
Firm Reg. No. 110616W				Director	Director
Proprietor				DIN-6997152	DIN-07843591
Membership No. :033461					
Place : Mumbai					
Date : 04/12/2019					

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

	Sch.	For the Year Ended 31st March, 2019 Rs.		For the Year Ended 31st March, 2018 Rs.	
<b>INCOME</b>					
Gross Sales (Net of discounts and return)		-		-	
Less:- Excise Duty		-	-	-	-
Other Income	13	-	-	-	-
<b>TOTAL INCOME</b>		-	-	-	-
<b>EXPENDITURE</b>					
Purchase of Stock in trade	14	78,35,171			
Changes in Inventories	15	-78,35,171			
Manufacturing & Other Expenses	16	1,34,33,896		10,000	
Personnel Expenses	17	48,84,416		-	
Depreciation	4	4,61,576		3,24,635	
Interest	18	5,48,21,179		-	
<b>TOTAL EXPENSES</b>			<b>7,36,01,067</b>		<b>3,34,635</b>
Less:- Transferred to Work in Progress	6		<b>(7,36,01,067)</b>		
<b>Profit / (loss) before Exceptional items, Prior Period items and tax</b>			-		<b>(3,34,635)</b>
Exceptional Items			-		-
<b>PROFIT/ (LOSS) BEFORE TAXATION &amp; PRIOR PERIODS</b>			-		<b>(3,34,635)</b>
Prior Period Items			-		-
<b>PROFIT BEFORE TAX</b>			-		<b>(3,34,635)</b>
<b>Tax Expense</b>					
Current tax			-		-
Deferred tax			-		-
<b>PROFIT / (LOSS) AFTER TAXATION</b>			-		<b>(3,34,635)</b>
Add: Brought Forward Losses from earlier year			(27,53,96,270)		(27,53,96,270)
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>(27,53,96,270)</b>		<b>(27,57,30,905)</b>
<b>Basic &amp; Diluted Earning Per Share</b>			-		<b>-0.04</b>

Significant accounting policies and notes to accounts 19

As per our report of even date  
For Sunil Vankawala & Associates  
Chartered Accountants  
Firm Reg. No. 110616W

Proprietor  
Membership No. :033461  
Place : Mumbai  
Date : 04/12/2019

For and on behalf of the Board of Directors  
Rushabh Precision Bearings Limited  
(CIN: L99999MH1989PTC053093)

Rasiklal V.Toliya  
Director  
DIN-6997152

Rajesh D. Vora  
Director  
DIN-07843591

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2019 (AS PER ACCOUNTING STANDARD - 3 (REVISED) ISSUED BY INSTITUTE OF CHARTERED ACCOUNTING OF INDIA)**

Particulars	For the Year Ended 31st March, 2019 Amt in Rs.	For the Year Ended 31st March, 2018 Amt in Rs.
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit before taxes and extraordinary items	0	-3,34,635
Adjustment for :		
Depreciation	4,61,576	3,24,635
Interest Expenses	0	0
<b><u>Operating profit before working capital changes</u></b>	4,61,576	-10,000
Adjustment for :		
Increase / (Decrease) in Current Liabilities	1,87,98,954	10,000
(Increase) / Decrease in Sundry Debtors	0	0
(Increase) / Decrease in Inventories	-8,14,36,238	0
(Increase) / Decrease in Other Current Asset	-28,13,673	
(Increase) / Decrease in Provisions	-24,37,645	
(Increase) / Decrease in Loans & Advances	-2,83,261	0
Cash flow before extraordinary items	<b>-6,77,10,287</b>	0
<b><u>Extraordinary items</u></b>		
Sundry Balances written off		0
Deferred tax assets	0	0
Adjustments in Machinery	0	
Preliminary expenses written off	0	0
<b>Net cash from operating activities</b>	<b>-6,77,10,287</b>	<b>0</b>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Additions in Fixed Asset	-32,51,020	
Net cash used in Investing activities	<b>-32,51,020</b>	<b>0</b>
<b>C. <u>CASH FLOW FROM FINANCE ACTIVITIES</u></b>		
Secured Loans	-5,51,08,649	0
Unsecured Loans	12,60,69,956	0
<b>Net cash used in Finance activities</b>	<b>7,09,61,307</b>	<b>0</b>
Net (decrease) / Increase in cash and cash equivalents (A+B+C)	0	0
Cash and cash equivalent in beginning of year	0	0
Cash and cash equivalent at end of the year	0	0
Change in cash and cash equivalents	0	0

As per our report of even date

For Sunil Vankawala & Associates  
Chartered Accountants  
Firm Reg. No. 110616W  
Proprietor  
Membership No. :033461  
Place : Mumbai  
Date : 04/12/2019

For and on behalf of the Board of Directors  
Rushabh Precision Bearings Limited  
(CIN: L99999MH1989PTC053093)  
Rasiklal V.Toliya                      Rajesh D. Vora  
Director                                      Director  
DIN-6997152                              DIN-07843591

Schedules to the account

Sche.	Particulars	As at 31st March,19 Rs.	As at 31st March,18 Rs.
<b>1</b>	<b>SHARE CAPITAL AUTHORISED</b>		
	15,000,000 Equity Share of Rs. 10/- each.	<b>15,00,00,000</b>	<b>15,00,00,000</b>
	<b>ISSUED AND SUBSCRIBED:</b>		
	9000100 Equity Share of Rs. 10/- each. Fully Paid-up	9,00,01,000	9,00,01,000
	<b>TOTAL</b>	<b>9,00,01,000</b>	<b>9,00,01,000</b>
<b>2</b>	<b>RESERVES &amp; SURPLUS</b>		
	<b>General Reserve</b>		
	Opening Balance	26,25,000	26,25,000
	Add: Transferred from Profit & Loss Account	-	-
	<b>TOTAL</b>	<b>26,25,000</b>	<b>26,25,000</b>
<b>3</b>	<b>LOAN FUNDS</b>		
	<b>SECURED LOANS</b>		
	From Banks:		
	Bank Term Loan - KMBL	1,51,91,096	-
	Cash Credit Union Bank Of India	-	7,00,00,000
	IDBI Bank	-	2,53,00,000
	Kotak Mahindra Bank	2,50,00,255	-
	N.C. Debentures	1,54,46,000	1,54,46,000
	G.S.F.C	1,29,44,950	1,29,44,950
	<b>TOTAL</b>	<b>6,85,82,301</b>	<b>12,36,90,950</b>

1. Cash Credit loan from Union Bank of India during F.Y 2017-18 was secured by hypothecation of Stock in Trade and personal guarantee of promoters. The said loan amount has been deposited by Mr. Rajesh D. Vora, Chairman and Managing Director (CMD) of the company to the Court/ Official Assignee.

Accordingly the Official Assignee has paid the said amount to Union Bank of India as per the High Court order dated 31st March, 2016. As per the said order all the Securities against the said Cash Credit loan given by the Company to the said Union Bank, shall now vest with the said Rajesh D. Vora (CMD).

2. Corporate Working Capital Term Loan from Industrial Development of India (IDBI) during F.Y 2017-18 was secured by Mortgage by deposit of title deeds on its properties situated at Wadhwan City, Dist. Surrendranagar, Gujarat State and Personal Guarantee of promoters. The said loan amount has been deposited by Mr. Rajesh D. Vora, (CMD) to the Court/Official Assignee. Accordingly the Official Assignee has paid the said amount to Industrial Development of India (IDBI) as per the High Court order dated 31st March, 2016. As per the said order all the securities against the said Corporate Working Capital Term Loan given by the company to the said Industrial Development of India (IDBI), shall now vest with the said Rajesh D. Vora (CMD).

3. The Company has on 24th December, 1996 privately placed Secured Redeemable Non-Convertible Debentures issue of Rs.1,54,46,000.00 (Rs. 1000/- Each) secured by charge on assets which are acquired out of the proceeds of the debenture issue and such other assets as may be decided by the Board of Directors in consultation with Trustees.

4. H.P. finance from GSFC is secured by hypothecation of Asset and personal guarantee of Promoters. The said GSFC has liquidated the Assets charged against the said loan and has appropriated the proceeds thereof against the outstanding loan. However, since the accounts thereof have not been given by the said GSFC, on receipt of the said accounts from GSFC corresponding entries will be passed in the books.

	<b>UNSECURED LOANS</b>		
<b>a.</b>	Bill Discounting	-	-
<b>b.</b>	From Directors / Shareholders	21,55,80,746	-
<b>c.</b>	Inter Corporate Deposits	2,75,00,000	7,27,91,681
<b>d.</b>	From Others	-	4,42,19,110
	<b>TOTAL</b>	<b>24,30,80,746</b>	<b>11,70,10,791</b>

Sche.	Particulars	As at 31st March, 19 Rs.	As at 31st March, 18 Rs.
<b>5</b>	<b>INVESTMENTS (NON TRADE)</b>		
	Trade Investments	-	-
	<b>TOTAL</b>	<u>₹</u>	<u>₹</u>
<b>6</b>	<b>INVENTORIES</b>		
	Closing Stock (At Cost)		
	Raw Materials	3,42,18,822	2,91,18,494
	Semi-Finished Goods	-	-
	Finished Goods	47,14,515	11,37,766
	Work in Progress	7,36,01,067	-
	Packing Materials	-	8,41,906
	<b>TOTAL</b>	<b><u>11,25,34,404</u></b>	<b><u>3,10,98,166</u></b>
<b>7</b>	<b>SUNDRY DEBTORS</b>		
	(Unsecured, Considered Good)		
	Over six months	2,11,23,461	2,11,23,461
	Other	-	-
		<b><u>2,11,23,461</u></b>	<b><u>2,11,23,461</u></b>
<b>8</b>	<b>CASH &amp; BANK BALANCES</b>		
<b>a.</b>	Cash on Hand	-	-
<b>b.</b>	Balance with Schedule Banks:	-	-
	<b>TOTAL</b>	<u>₹</u>	<u>₹</u>
<b>9</b>	<b>OTHER CURRENT ASSETS</b>		
<b>a.</b>	GST Input Tax Credit	<b><u>28,13,673</u></b>	<u>₹</u>
<b>10</b>	<b>LOANS &amp; ADVANCES</b>		
	(Unsecured - Considered good)		
<b>a.</b>	Deposits and Balance with Government Departments or other	39,81,501	36,98,240
	<b>TOTAL</b>	<b><u>39,81,501</u></b>	<b><u>36,98,240</u></b>
<b>11</b>	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A.</b>	<b>CURRENT LIABILITIES</b>		
	Sundry Creditors	1,75,95,952	-
	Other Liabilities	12,03,002	-
	<b>TOTAL</b>	<b><u>1,87,98,954</u></b>	<u>₹</u>
<b>B.</b>	<b>PROVISIONS</b>		
	Taxation (Net of payments)	-	-
	Other Provisions	10,92,126	35,29,771
	<b>TOTAL</b>	<b><u>10,92,126</u></b>	<b><u>35,29,771</u></b>



Sche.	Particulars	As at 31 March, 19 Rs.	As at 31 March, 18 Rs.
<b>12</b>	<b>MISCELLANEOUS EXPENDITURE</b>		
	(To the extent not written off or adjusted)		
	Deferred Tax Asset	-	-
	Profit & Loss Account	27,53,96,270	27,53,96,270
	<b>TOTAL</b>	<b><u>27,53,96,270</u></b>	<b><u>27,53,96,270</u></b>
<b>13</b>	<b>OTHER INCOME</b>		
			-
		-	-
	<b>TOTAL</b>	<b><u>=</u></b>	<b><u>=</u></b>
<b>14</b>	<b>PURCHASE OF STOCK IN TRADE</b>		
	Purchase of Raw Material	78,35,171	-
		<b><u>78,35,171</u></b>	<b><u>=</u></b>
<b>15</b>	<b>CHANGES IN INVENTORIES</b>		
	(Increase) / Decrease in stock of Semi- finished, Finished Goods and Packing Material		
	Opening Stock	3,10,98,166	3,10,98,166
	<b>Closing Stock</b>		
	Finished Goods	47,14,515	47,14,515
	Raw Material	3,42,18,822	2,63,83,651
		<b><u>-78,35,171</u></b>	<b><u>=</u></b>
<b>16</b>	<b>MANUFACTURING AND OTHER EXPENSES</b>		
	Courier Charges	610	
	Electricity Expenses	58,840	
	Finance Charges	21,57,332	
	Insurance Charges	1,02,500	
	Job Work Charges	2,24,048	
	Legal and Professional Charges	22,97,761	
	Loan Recovery	1,72,603	
	Miscellaneous Expenses	26,212	
	Postage and telegram	26,798	
	Printing and Stationery	2,00,564	
	Rent Rates and Taxes	44,05,742	
	Repairs and Maintenance	31,34,867	
	Sales Promotion	89,383	
	Telephone Expenses	12,639	
	Transportation Charges	39,569	
	Travelling and Conveyance	4,25,427	
	Audit Fees	59,000	10,000
	<b>TOTAL</b>	<b><u>1,34,33,895</u></b>	<b><u>10,000</u></b>
<b>17</b>	<b>PERSONNEL EXPENSES</b>		
	Salary, Wages, Bonus & Allowances	46,35,343	-
	Contribution to provident & other funds	-	-
	Staff Welfare	2,49,073	-
	<b>TOTAL</b>	<b><u>48,84,416</u></b>	<b><u>=</u></b>
<b>18</b>	<b>INTEREST</b>		
	Interest Charges - KMBL Term Loan	7,39,725	-
	Interest Charges - W.C.	6,52,120	-
	Interest Charges - Ruby Mills Ltd. ICD	60,00,000	-
	Reimbursement of Interest	4,74,29,334	-
		<b><u>5,48,21,179</u></b>	<b><u>=</u></b>

Schedule - 4

Accounting Year: 2018-2019

Depreciation as per Companies Act, 2013

Particulars	Rate	Gross Block				Depreciation			Net Block
		As at 01.04.2018	Additions	Sold During the year	As at 31.03.2019	As at 01.04.2018	For the year	As at 31.03.2019	Bal.as at 31.03.2019
Land	0.00%	5,61,526	-	-	5,61,526	-	-	-	5,61,526
Air Condition	5.10%	-	10,500	-	10,500	-	536	536.00	9,964
Building	3.34%	97,19,599	-	-	97,19,599	81,92,628	3,24,635	85,17,263	12,02,336
Computer and Printers	15.65%	-	3,32,929	-	3,32,929	-	52,118	52,118	2,80,811
Plant and Machinery	1.94%	6,16,47,255	8,85,345	-	6,25,32,600	5,85,63,369	17,140	5,85,80,509	39,52,091
Electrical Installation	4.75%	5,94,844	-	-	5,94,844	5,65,090	-	5,65,090	29,755
Refrigerator	4.75%	29,275	-	-	29,275	27,810	-	27,810	1,465
Furniture	6.33%	44,45,156	4,09,300	-	48,54,456	42,22,898	16,836	42,39,734	6,14,722
Hand Cart & Cycle	7.07%	58,077	6,51,950	-	7,10,027	55,173	8,980	64,153	6,45,874
Office Equipment	6.33%	22,51,229	9,60,996	-	32,12,225	21,38,618	41,331	21,79,949	10,32,276
<b>TOTAL</b>		<b>7,93,06,961</b>	<b>32,51,020</b>	<b>-</b>	<b>8,25,57,981</b>	<b>7,37,65,586</b>	<b>4,61,576</b>	<b>7,42,27,162</b>	<b>83,30,819</b>
Previous Year		<b>7,93,06,961</b>	<b>-</b>	<b>-</b>	<b>7,93,06,961</b>	<b>7,34,40,951</b>	<b>3,24,635</b>	<b>7,37,65,586</b>	<b>55,41,375</b>

Note :

The assets are depreciated as per Rate column in above table. However, where the assets are fully depreciated i.e. 95% of the value, no Depreciation or Depreciation upto 95% is provided in current year.

**Account Year 2018-19**

**Schedule - 19 Significant accounting policies and notes to accounts**

**A.) SIGNIFICANT ACCOUNTING POLICIES: -**

B.) The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

**Basis of accounts**

The accounts have been prepared according to historical cost convention. All expenses and income to the extent considered payable and receivable, unless stated otherwise, have been accounted for on accrual basis.

**Use of Estimates**

The preparation of financial statement require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year. Provision for contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialised.

**Sales**

Sales are accounted for on passing of title to the customers.. There were no sales transactions carried out during the year.

**Fixed Assets**

Fixed Assets are stated at cost of acquisition / construction (net of CENVAT/VAT and other credits) or at revalue amount as the case may be and inclusive of incidental expenses, erection / commissioning expenses, revamping expenses, pre-operative expenses, interest, etc. up to the date the asset is put to use.

**Depreciation / Amortisation**

- a. The classification of Plant & Machinery into continuous and non-continuous is carried as per technical certification and depreciation thereon, is provided accordingly, on straight-line method at the rates prescribed in schedule XIV of the Companies Act, 2013.
- b. Computer software, Intangible assets are amortised over the period of six years.

**Impairment**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing value in use, the estimated future cash flow from the use of the assets is discounted to their present value at appropriate rate. An impairment loss is reversed if there has been a change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof, which in case of CGU, are allocated to its assets on a pro rata basis, is adjusted to carrying value of its respective assets.

**Inventory**

Inventories are valued at lower of cost or estimated net realisable value. Raw Materials including consumables, stores and spares are valued at cost. In case of work in progress and finished goods cost represents materials, direct labour and appropriate portion of factory overheads. Adequate provision for defective, slow/non-moving, obsolete stocks are made on the basis of technical evaluation.

**Employee Benefits**

Employee benefits are accrued in the year in which the employees have rendered services. Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. are

recognized as and when incurred. Long-term employee benefits under defined benefit scheme such as gratuity, leave etc. shall be reintroduced at the appropriate time by the management depending on the joining of the past employees on account of closure of factory for a considerably long period .

#### Provisions:-

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis

#### Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to the Accounts.

#### Borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### Taxes on Income

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Tax expenses comprise both current and deferred tax. Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the Income-Tax Act, 1961.

#### Earnings per Share (EPS)

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent

Diluted equity shares outstanding during the year, except where the result would be anti-dilutive.

#### Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments/deposit with a original maturity of three months or less.

#### Miscellaneous Expenditure

Expenses like preliminary expenses, capital issued expenses, advertisement expenses, debenture issue expenses, & loan expenses are written off over a period of 10 years.

### C.) NOTES ON ACCOUNTS

#### 1. Contingent liabilities not provided for in the books of accounts are mentioned hereunder

##### a. Liabilities regarding Income Tax.

There are certain Income Tax demands against the company as per the table given below, which are subjudice

Asst. Year	Demand (in Lac)	Remark	Status
1994-95	5.33	Tax and interest	Rectification order under section 154 is passed. However, in rectification order also full credit of self assessment tax paid is not given. Waiting for the revised demand from the department.
1995-96	97.94	Tax and interest	ITAT vide its order dated 17th May 2006 (pronounced in the court on 16th May 2006) restored the matter back to CIT (A). However, no communication is received from CIT(A) till now.
1998-99	37.60	Tax and interest	CIT (A) passed an order dated 30 <sup>th</sup> April 2001 reducing the 43B disallowances by Rs. 6,00,783/- and also directed assessing officer to re-work disallowances on account of interest free advances to sister concern. No appeal by either party or no communication by assessing officer after that.
2003-.04	1.88	Tax & Interest	CIT (A) vide its order dated 3rd December 2009 dismissed the appeal of the Assessee and Penalty proceedings were initiated against the company u/s 271(1)(c). The appeal has been made with ITAT
2003-04	385.00	Penalty	Appeal against CIT (A) has been filed by the company after coming out of liquidation with delay of condonation. Earlier the appeal could not be filed as the company was into liquidation and also with BIFR.
Total	527.75		

##### b. Liabilities regarding Sales Tax

Particulars	Amount (in Rs.)*
BST	3,047

CST	1,96,219
Total	1,99,266

\* There are demands pertains to the year 1993-94 to 1995-96 , Which has been settled by company pursued to the order of Bombay High Court order dated 5<sup>th</sup> Feb 2018 and has been given effects in books of accounts in F.Y. 2018-19.

No Provision has been made in the books in respect of interest on Bank loans, Gujarat State Financial Corporation, Non - convertible Debentures and Inter Corporate Deposits. However, there may arise additional liabilities on account of interest while settling the said dues.

C. Other Notes

- i. One of the company director Mr. Ramaswamy Seshan have been disqualified vide Registrar of Companies, State of Maharashtra for the period 01/11/2016 to 31/10/2021 for a period of 5 years under section 164(2)(a) of the Companies Act, 2013. Since Mr P.S. Ramaswamy has been disqualified under section 164 (2) (a) of the Company's Act, 2013, the company has appointed Mr Rajesh D Vora (CMD) as the additional director and Ms. Krishna Tamaliya as the additional director (woman) in its first board meeting held on 3<sup>rd</sup> April 2018 after the company came out of liquidation.
- ii. Since company was ordered to be liquidated, no board meeting of board of directors and annual general meeting of shareholders could be conducted as per the provisions of the Companies Act, 1956 and Companies Act, 2013. The last annual general meeting of the company was called on 27<sup>th</sup> July 2018. M/s Sunil Vankawala & Associates, Chartered Accountants were appointed as statutory auditors of the company for a period of five years to be ratified every year.
- iii. Pursuant to the order dated 5<sup>th</sup> February 2018 of Bombay High Court, the Official Liquidator of the company has handed over the possession of the factory premises of the company situated at GIDC, Phase IV, Wadhwan City, Dist. Surendranagar - 363030, State of Gujarat on 18<sup>th</sup> April 2018.
- iv. The company has liquidated all its major third party liabilities vide Bombay High Court order dated 4<sup>th</sup> May 2017 by one of its director Mr Rajesh D. Vora (CMD). When all these liabilities were paid, the company was into liquidation and no official board was in existence at that point of time. Mr Rajesh D Vora (CMD) informed to the board of the company in its first board meeting held on 3<sup>rd</sup> April 2018 after company coming out of liquidation and therefore all these third party liabilities of the Company which were settled through Mr Rajesh D Vora (CMD) has to be replaced in the books of accounts of the company in the financial year 2018-19 accordingly the effect of the same is provided in the current year's accounts.. The liabilities of the bankers i.e. Union Bank of Inda and IDBI Bank Ltd were settled by Mr Rajesh D Vora (CMD) through Bombay High Court in the financial year 2015-16 and remaining other liabilities in the financial year 2016-17. The settlement of the said liabilities has been recorded as per the account statement given by official assignee of the inflow of funds in the company and disbursement as per Bombay High Court orders dated 4<sup>th</sup> May, 2017.
- v. The company is in possession of No Dues Certificate of Union Bank of India and Industrial Development Bank of India for settlement of their outstanding dues which have been taken on record.
- vi. All the other third party liabilities and statutory payment made by Rajesh D Vora on behalf of the company have been assigned in his favour with the same rights of lender and obligations of the company.
- vii. As per the high court order dated 20.06.2018, the amount payable to Ruby Mills ICD has

been increased by Rs. 60,00,000/- for which necessary entries has been recorded in the books of accounts

2. Earnings per share have been calculated on the basis of number of equity shares outstanding during the period ended 31st March 2019 in accordance with the provisions of Accounting Standard-20 "Earning Per Share".

Particulars	31 March 2019	31 March 2018
Profit before Exceptional Items attributable to Equity Shareholders (in Rs.)	-	(3,34,635)
Profit from Exceptional Items	-	-
Profit after Exceptional Items	-	(3,34,635)
No. of shares @ basic value Rs.10/- each	-	9000100
Basic and diluted earnings per share before Exceptional Items (in Rs.)	0.00	-0.04
Basic and diluted earnings per share after Exceptional Items (in Rs.)	0.00	-0.04

3. Auditors' Remuneration

Particulars	31 March 2019	31 March 2018
Audit Fees including 18% G.S.T.	59,000	10,000
In other Capacity (excluding service tax )	NIL	NIL
Total	59,000	10,000

4. Related party disclosures as required as per Accounting Standard (AS-18) on "Related Party Disclosures" are as below
- a. Holding Company :- The company does not have any holding company
  - b. Subsidiary companies:- The company does not have any subsidiaries company
  - c. Associate / Group Companies :- SRS Engineering / SRS Bearings / Rushabh Corporation/ Ajanta Trade / Vora & Vora/ V. M. Motors.
  - d. Key Managerial person:- following are the key managerial person of the company
    - i. Rajesh D. Vora - Chairman & Managing Director
    - ii. Rasik Tolia - Executive Director
    - iii. P.S. Ramaswamy - - Non - Executive and Independent Director
    - iv. Piyush A.Vora - Non - Executive and Independent Director
    - v. Ms. Krishanaben Tamaliya - Non - Executive and Independent Director
  - e. The company has entered into following related party transaction during the period.

Name	Amount (Rs.)	Remarks
Amount to be paid to Rajesh D. Vora (Chairman & Managing Director) towards reimbursement of expenses (Unsecured Loans)	12,14,00,746/-	i. The company has liquidated all its major third party liabilities vide Bombay High Court order dated 4 <sup>th</sup> May 2017 by one of its director Mr Rajesh D. Vora (Chairman & Managing Director of the company). The settlement of the said liabilities has been recorded as per the account statement given by official assignee of the inflow of funds in the company and disbursement as per Bombay High Court orders dated 4 <sup>th</sup> May, 2017.
Amount to be paid to Rajesh D Vora (CMD) towards reimbursement of expenses (Secured Loans)	9,53,00,000/-	i. The liabilities of the bankers i.e. Union Bank of India and IDBI Bank Ltd were settled by Rajesh D Vora (CMD) through Bombay High Court in the financial year 2015-16. The settlement of the said liabilities has been recorded as per the account statement given by official assignee of the inflow of funds in the company and disbursement as per Bombay High Court orders dated 4 <sup>th</sup> May, 2017.
Rushabh Ramaswamy	3,75,000/-	Temporary finance provided by Son of Non Executive and Independent Director , Mr P.S.Ramaswamy



5. The Company reviewed the disclosure of segment wise reporting and is of the view that it manufactures bearings and related components which is a single segment in accordance with AS 17, in segment reported issued under Companies (accounting Standards) Rules, 2006 and in absence of transaction in the company, no secondary segment can be identified during the financial year.
6. Expenditure in foreign currency are NIL (Previous year - NIL) during the year.
7. Earnings in foreign currency are NIL (previous year - NIL) during the year.
8. The company is in the process of obtaining balance confirmations from Suppliers, Debtors, Creditors, Loans & Advances and others.
9. Cash balance Nil as on 31-03-2019
10. Previous figure have been regrouped wherever considered necessary to make them comparable with the figures of current year

**For Sunil Vankawala & Associates**  
**Chartered Accountants**  
**FRN No. 110616W**

**For and on Behalf of the**  
**Rushabh Precision Bearings Limited**

**Proprietor**  
**Membership No. 033461**

**Rasiklal V.Toliya**  
**Director**  
**DIN-6997152**

**Rajesh D. Vora**  
**Director**  
**DIN-07843591**

**Place :- Mumbai**  
**Date :- 04/12/2019**

**PROXY FORM  
FORM MGT-11**

(Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014

**Rushabh Precision Bearings Limited**  
Registered Office: Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4, Bibijan Street, Off. Nagdevi Street,  
Pydhonie, Mandvi Mumbai - 400003  
CIN: L99999MH1989PTC053093

<b>Name of the member(s):</b>	
<b>Registered address:</b>	
<b>Email ID:</b>	
<b>Folio No / Client ID / DP ID:</b>	

I/We, being the member (s) of Rushabh Precision Bearings Limited holding \_\_\_\_\_ Equity shares of the Company, hereby appoint:-

<b>1</b>	<b>Name</b>			
	<b>Address</b>			
	<b>Email ID</b>		<b>Or failing him</b>	
	<b>Signature</b>			
<b>2</b>	<b>Name</b>			
	<b>Address</b>			
	<b>Email ID</b>		<b>Or failing him</b>	
	<b>Signature</b>			
<b>3</b>	<b>Name</b>			
	<b>Address</b>			
	<b>Email ID</b>		<b>Or failing him</b>	
	<b>Signature</b>			
<b>4</b>	<b>Name</b>			
	<b>Address</b>			
	<b>Email ID</b>		<b>Or failing him</b>	
	<b>Signature</b>			

and whose signature are appended below, as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, December 30, 2019 at 12.30 p.m. at Fida Mansion, 2nd Floor, Plot No. 4, Bibijan Street, Off. Nagdevi Street, Pydhonie, Mandvi Mumbai - 400003 and at any adjournment thereof in respect of such resolutions as is indicated below:-

Resolution No.	Resolution	Vote (Please mention No. of Shares)		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Audited Balance Sheet as at 31 <sup>st</sup> March 2019, the Profit and Loss Account & Cash Flow Statement as on that date and the Reports of the Auditors and the Directors thereon.			



2.	Appointment of Mr. RasiklalToliya (DIN- 06997152) who retires by rotation and being eligible, offers himself for re-appointment.			
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Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Members : \_\_\_\_\_

Signature of Proxy Holder (s): \_\_\_\_\_

Affix revenue Stamp of not less than Rs. 1
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**NOTES:-**

- 1) This Proxy Form in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Annual General Meeting.
- 2) A proxy need not be a member of the Company.
- 3) A person cannot act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
- 4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 5) In the case of joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.

**ATTENDANCE SLIP**  
**(To Be Presented At Entrance)**

**Rushabh Precision Bearings Limited**  
**Registered Office: Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4, Bibijan Street, Off. Nagdevi Street,**  
**Pydhonie, Mandvi Mumbai - 400003**  
**CIN: L99999MH1989PTC053093**

Registered Folio No.	
DP ID	
Client ID	
No. of Shares held	

I certify that I am a member / proxy / authorized representative for the member of the Company. I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, December 30, 2019 at 12.30 p.m. at Fida Mansion, 2nd Floor, Plot No. 4, Bibijan Street, Off. Nagdevi Street, Pydhonie, Mandvi Mumbai - 400003

\_\_\_\_\_  
Name of the member / proxy Signature of the member proxy (in BLOCK letters)

**Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.**  
**Members are requested to bring their copies of the Annual Report.**

**BOOK POST**

**PRINTED MATTER**

To,

**IF UNDELIVERED PLEASE RETURN TO**

**RUSHABH PRECISION BEARINGS LIMITED**  
Registered Office: - Fida Mansion, 2<sup>nd</sup> Floor, Plot No. 4,  
Bibijan Street, Off. Nagdevi Street,  
Pydhonie, Mandvi, Mumbai - 400003