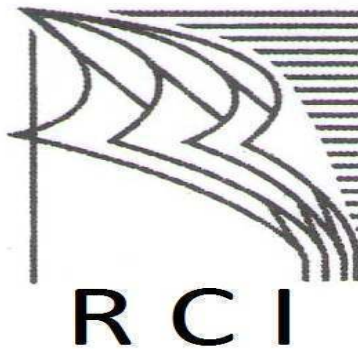


RCI INDUSTRIES & TECHNOLOGIES LIMITED



**23rd ANNUAL REPORT
(2013-2014)**

Board of Directors

Mr. Rajeev Gupta - Chairman & Managing Director
Mrs. Mamta Gupta - Director
Mr. Raj Jamwal – Independent Director
Mr. Praveen Aggarwal – Independent Director

Nomination & Remuneration Committee

Mr. Raj Jamwal – Chairman
Mr. Praveen Aggarwal – Member
Mrs Mamta Gupta - Member

Independent Auditors

M/s. RPMD & Associates.
Chartered Accountants
AA-8, First Floor,
Shalimar Bagh, Delhi – 110088

Bankers

State Bank of India
Yes Bank Limited

Key Managerial Personnel

Mr. Rajeev Gupta - Chairman & Managing Director
Mr. Abhishek Kedia – Company Secretary & Compliance Officer

Share Transfer Agents

RCMC Share Registry Private Limited
B-106, Sector – 2, Noida
(Uttar Pradesh) - 201301

Audit Committee

Mr. Raj Jamwal – Chairman
Mr. Praveen Aggarwal – Member
Mr. Rajeev Gupta - Member

Shareholder Grievance Committee

Mr. Raj Jamwal – Chairman
Mr. Praveen Aggarwal – Member
Mr. Rajeev Gupta – Member

Registered Office

B-97, All Heavens Building,
Wazirpur Ring Road
Delhi – 110052
Email: abhishek@rciind.com, info@rciind.com
Website: www.rciind.com

Listed in Stock Exchanges

Bombay Stock Exchange, SME Platform, Mumbai

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RCI INDUSTRIES & TECHNOLOGIES LIMITED

(CIN : U74900DL1992PLC047055)

Registered Office: B-97, All Heavens Building, Wazirpur Ring Road, Delhi - 110052

Email: abhishek@rciind.com, Website: www.rciind.com

Phone: 011-27372194, Fax: 011-27371334

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF RCI INDUSTRIES & TECHNOLOGIES LIMITED will be held at B-97, ALL HEAVENS BUILDING, WAZIRPUR RING ROAD, DELHI - 110052 on THURSDAY, 24th JULY, 2014 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To reappoint Mr. Rajeev Gupta as Director (holding DIN 00503196), who retires by rotation and being eligible offers himself for re-appointment.
3. To reappoint and rectification of appointment of M/s. RPMD & Associates, Chartered Accountants (ICAI Registration No.005961C) as statutory auditors of the Company and fix their remuneration to hold the office from the conclusion of this Annual General Meeting up to the conclusion of 28th Annual General Meeting subject to rectification by shareholders in each Annual General Meeting.

Date: 28.06.2014

Place: New Delhi

By Order of the Board

**Abhishek Kedia
Company Secretary
M. No. A33537**

IMPORTANT NOTES:

1. The company has fixed the record date 27.06.2014 for determining the entitlement of shareholders to get Annual Report. The Annual closure of Register of Members and the Share Transfer books of the Company will be closed in due course
2. Explanatory Statement pursuant to Clause 52 of the BSE SME Listing Agreement regarding appointment/reappointment of director is annexed to this notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES 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, as applicable.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under Clause 52 of the BSE SME Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
8. With reference to General Circular No. 20/2014 dated 17.06.2014 of Ministry of Corporate Affairs read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, e- voting facility is not being provided in this Annual General Meeting. However company is in process to execute necessary agreements with NSDL/CDSL to provide e voting facility in upcoming general meeting.

9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT AS PER CLAUSE 52 OF BSE SME LISTING AGREEMENT

Name of the Director	Mr. Rajeev Gupta
DIN	00503196
Date of Birth	10/10/1967
Type of appointment	Liable to retire by rotation
Date of Appointment/ Re-appointment	17.01.1992
Areas of Specialization	Leadership, legal, regulatory, information security and compliance requirement of the industries
Qualifications	Commerce Graduate from Hansraj College, Delhi University
No. of Shares Held in the Company	43, 64,720 (40.05%)
List of Directorship held in outside Public Limited Companies	2
Chairman/member of the Committee of the Board of Directors of this Company	Member- Audit Committee Member- Shareholders Grievance Committee
Chairman/member of the Committee of the Board of Directors of other Companies	Nil
Relation with Key Managerial Personnel and Directors	Husband of Mrs. Mamta Gupta
Justification for appointment	Promoter Director

Date: 28.06.2014
Place: New Delhi

By Order of the Board

Abhishek Kedia
Company Secretary
M. No. A33537

DIRECTORS' REPORT
TO THE MEMBERS OF RCI Industries & Technologies Limited

Dear Shareholders,

Your Directors are pleased to present their Annual Report on the working of the Company for the period from **1st April, 2013 to 31st March, 2014** with audited statements of accounts :-

FINANCIAL RESULTS

The company's Financial performances during the year 2013-14 as compared to the previous year 2012-13 is summarized below:-

Particulars	2014	2013
Total Revenue	4,277,893,152	2,768,580,796
Total Profit before tax	21,233,063	10,978,048
Total Profit after tax	17,895,783	10,401,394

RESERVES & SURPLUS

The Company's reserve & surplus in the year 2014 is 319,760,469 as compared to the previous year it was 186,625,864.

Performance Review

Your company achieved an all time high performance both in turnover and its profits. The Gross revenues touched Rs. 427.79 crores and the Profit after taxes recorded was Rs.1.79 Crores. Your company coupled high level of modernization with, concentrated efforts of both Management and employees, the whole hearted support of Banks, suppliers and customers to attain these levels of performance. The earnings per equity share (of face value Re. 10) for the year increased to Rs.2.22 from Rs.1.62 for the previous year.

Dividend

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review

Future Prospects

Despite stiff competition from other countries, international buyers show preference to your company's product for its quality and timely delivery and hence your Directors are confident of achieving better working results in the coming years.

Directors' Responsibility Statement

The directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period.
- iii) The Directors have 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.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) 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.

Listing on Stock Exchanges

Your Company's shares are listed on the Bombay Stock Exchange, SME Platform.

Corporate Governance

As required by Clause 52 of the BSE SME Listing Agreement the Corporate Governance Report, Management Discussion and Analysis, and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of this Annual Report.

Details of Issue Proceeds and Utilization thereof

The company has raised amount of Rs. 11.52 Crores via Public Issue during this financial year and have utilized the same in following manner.

Particulars	As per Prospectus	Actual Utilization	Difference(Rs.)
Issue Exp	5,500,000	4,909,755	590,245
General Corporate	19,700,000		19,700,000
Working Capital	90,000,000	110,290,245	(20,290,245)
Total Proceeds	115,200,000	115,200,000	-

Since there is variation in the actual utilization of funds allocated for the purposes mentioned in the prospectus dated 19.12.2013, the company has utilized the surplus funds for the purpose of working capital as mentioned in the prospectus, after taking unanimous approval of the Board of Directors and audit committee.

Particulars of Employees

There is no Employee in respect of whom information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is required to be furnished in this report.

Conservation of Energy and Technology Absorption

Provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 regarding Conservation of Energy and Technology Absorption does not apply to your Company.

Foreign Exchange Earnings & Outgo

The Details of Foreign Exchange Earnings and Outgo during the financial year is mentioned in Notes No. 2.26 to 2.29 of Notes to accounts forming part of Annual report.

Deposits

The Company has neither invited nor accepted any sum falling under the purview of Section 58A of the Companies Act, 1956.

Buy Back of Securities

The Company has not made any offer for buy back of its securities during the year under review.

Directors

In accordance with the Companies Act, 2013, Mr. Rajeev gupta retires by rotation and being eligible offers himself for reappointment.

Auditors

M/s RPMD & Associates Chartered Accountants, Independent Auditors of the Company was appointed by the board of directors on 25.04.2014 to fill casual vacancy pursuant to Section 139(8) of the Companies Act, 2013 subject to rectification by shareholders in general meeting to hold office up to the conclusion of this Annual General meeting. M/s RPMD & Associates Chartered Accountants will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to reappoint them from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting, subject to the approval of shareholders.

Acknowledgement

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its banker, State Bank of India and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

By Order of the Board of Directors
For RCI Industries & Technologies Limited

Mr. Rajeev Gupta
Chairman & Managing Director
DIN 00503196
Date: 28.06.2014

MANAGEMENT DISCUSSION AND ANALYSIS

This report discusses and analyses the performance for the year ended 31st March 2014.

Overall review of operations

The company is in the business of trading and exporting Metals. The Company achieved a turnover of Rs.42778.93 lakhs. The operational profits have improved on account of optimizing all the operations of the company.

Industry

The Metal industry plays a vital role in the economy of the country by contributing to GDP, generating employment and earning foreign exchange.

Opportunities and Threats

Although the competition is hectic we have an edge over others with our quality and timely execution of orders. The more transit time due to geographical position and adverse movement of foreign exchange rate of the Rupee are major concerns for the growth of the industry. The fluctuation of Rupee against US Dollar, a trend noted during the last quarter of the year may affect the company's profitability in both short and long term. China, Europe, Japan along with the U.S. (the four largest economies in the world) will largely determine the direction of the global economy through the rest of this year and into 2015. The good news is that the advanced economies overall will perform more strongly and contribute more to global growth in 2014.

Outlook

The company is taking all efforts to improve the quality of its products traded to get more orders at competitive rates. Due to bulk orders and bargain power company is able to quote better rates and maintain high quality & productivity of the products traded. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

Internal Control Systems and their Adequacy

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in house trained personnel. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

Financial and Operational Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. Please refer Directors' Report in this respect

Human Resources/Industrial Relations

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel.

Cautionary Statement

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, govt. regulations, economic development within/outside country etc.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

2. BOARD OF DIRECTORS

Composition of the Board and category of Directors

Mr. Rajeev Gupta - Chairman & Managing Director

Mrs. Mamta Gupta - Director

Mr. Raj Jamwal – Independent Director

Mr. Praveen Aggarwal – Independent Director

Nineteen Board Meetings were held during the year on 24/05/2013, 16.07.2013, 01.08.2013, 13.08.2013, 27.08.2013, 11.09.2013, 24.09.2013, 04.10.2013, 10.10.2013, 18.10.2013, 11.11.2013, 25.11.2013, 06.12.2013, 19.12.2013, 14.01.2014, 31.01.2014, 14.02.2014, 18.03.2014 and 27.03.2014.

Last Annual General Meeting was held on 30th September, 2013

3. CODE OF CONDUCT

The Board has adopted a code of conduct for all Board members and senior management of the company. The term senior management means personnel of the company who are members of its core management team excluding Board of Directors. Normally this would comprise all members of management one level below the executive directors, including all functional heads. The code has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below.

I hereby confirm that: "The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2013-14"

Rajeev Gupta

Chairman & Managing Director

4. CEO/CFO CERTIFICATION

The Managing Director/CEO has certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Clause 52 (V) of the Listing Agreement, for the year ended 31st March, 2014

4. AUDIT COMMITTEE

Brief description of terms of reference: To oversee the company's financial reporting process, internal control systems, reviewing the accounting policies and practices, ensuring that financial statements are correct, sufficient and credible, reviewing with management the annual financial statements for submission to the Board, reviewing the internal audit observations and action taken thereon, ensuring compliance with Stock Exchange and other legal requirements and also recommending of the appointment and removal of independent auditors, fixation of audit fee and also approval for payment for any other services. The composition, role, functions and powers of the Audit Committee are in consonance with the requirements of applicable laws, rules and regulations
Composition and names of members and chairperson:

Audit Committee was composed on 30.09.2013

Composition of the Committee and category of Directors

Mr. Raj Jamwal – Chairman
Mr. Praveen Aggarwal – Member
Mr. Rajeev Gupta - Member

The committee met two times during the year after composition, on 09/12/2013, and 31/03/2014.

5. Nomination and Remuneration Committee

This Committee was composed on 30.09.2013

Composition of the Committee and category of Directors

Mr. Raj Jamwal – Chairman
Mr. Praveen aggarwal – Member
Mrs. Mamta Gupta - Member

The committee met two times during the year after composition, on 30/10/2013, and 31/03/2014. and reviewed the remuneration policy of the company.

DIRECTORS' REMUNERATION

The Managing Director was paid remuneration of Rs. 12, 00,000 during the year as salary, and perquisites duly approved by shareholders in their meeting on 08.03.2013 and further approved by remuneration committee of the company and Mrs. Mamta Gupta was paid remuneration of Rs. 2,40,000 during the year.

6. Shareholders' / Investors' Grievances Committee:

This Committee was composed on 30.09.2013

Composition of the Committee and category of Directors

Mr. Raj Jamwal – Chairman
Mr. Praveen Aggarwal – Member
Mr. Rajeev Gupta - Member

The committee met on 20.12.2013 and 31.03.2014 and reviewed the status of the investor complaints.

Number of complaints received and pending as on 31.03.2014 NIL

Name and Designation of the Compliance Officer

Mr. Abhishek Kedia – Company Secretary and Compliance Officer
Email: abhishek@rciind.com

7. General Body Meetings

(i) The Annual General Meetings for the last three years were held as follows:

Year	Venue	Date	Day	Time
2012-2013	B-97, Wazirpur Industrial Area, Delhi 11052	30.09.2013	Monday	01.00PM
2011-2012	B-97, Wazirpur Industrial Area, Delhi 11052	29.09.2012	Saturday	01.00PM
2010-2011	B-97, Wazirpur Industrial Area, Delhi 11052	30.09.2011	Friday	01.00PM

* Whether any Special Resolution passed in the previous 3 AGMs; No

* Whether special resolutions were passed through postal ballots: No

* Are votes proposed to be conducted through postal ballots this year: No

8. Disclosures:

1. Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:

All transactions with related parties were in the ordinary course of business and at arm's length and duly approved by Audit Committee of the company. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of related party transactions are disclosed in Note No. 2.30 attached to and forming part of the accounts.

2. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

None

3. Compliance with Accounting Standards

In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

4. Compliance Certificate from the auditors

Certificate from the auditors of the company confirming compliance with the mandatory requirements under clause 52 of the BSE SME listing agreement is annexed to this report. This certificate has also been forwarded to the Stock Exchanges where the shares of company are listed.

5. Adoption of non mandatory requirements under clause 52

The company complies with the following non-mandatory requirements under clause 52

(a) Remuneration Committee

The Board has constituted a remuneration committee consisting of three directors all of whom are non executive directors, the chairman of the committee being an Independent Director. The remuneration committee recommends/reviews remuneration of the Directors

(b) Whistle blower policy/Vigil Mechanism

The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

9. Means of Communication

Whether Half yearly reports sent to each household of shareholders:

Although half yearly report is not sent to each household of shareholders, the company publishes the same on its website.

10. General Shareholder Information:

1. Annual General Meeting Date : 24th July, 2014 at 11 A.M.
Venue : B-97, All Heavens Building, Wazirpur Industrial Area, Delhi - 110052
2. Financial Year : April 2013 to March 2014
3. Dividend recommended for the year : NIL
4. Record Date: 27.06.2014
5. Listing on stock exchange : Bombay Stock Exchange- SME Platform, Mumbai
6. Market price Data (Face value of Re 10) (BSE) : High: Rs.48.45 Low: Rs 22.55
7. Performance in comparison to broad-based indices: NA
8. Share transfer system: During the year the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt.
9. Distribution of shareholding:
The shareholding pattern as on 31st March 2014 is as follows.
 1. Promoters – 80,16,615 Shares - 73.55%
 2. Private Body Corporate, Indian Public, and others – 28, 82,800 shares - 26.45%

TOTAL 10899415 - 100.00%
10. Dematerialisation of shares and liquidity: The company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for Dematerialisation of shares
11. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion instruments, conversion date and impact on equity: NIL
12. Address for correspondence: B-97, All Heavens Building, Wazirpur Industrial Area, Delhi 110052
13. Registrar and Share Transfer Agents: M/s. RCMC Share Registry Private Limited
B-106, Sector – 2, Noida (Uttar Pradesh) – 201301

On Behalf of Board of Directors

Mr. Rajeev Gupta
Chairman & Managing Director
DIN 00503196
Date: 28th June, 2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of RCI INDUSTRIES & TECHNOLOGIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by RCI Industries & Technologies Limited for the year ended 31st March, 2014 as stipulated in Clause 52 of the BSE SME Listing Agreement of the said Company with the Bombay Stock Exchange
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 52 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RPMD & Associates
Chartered Accountants
Firm Regn. No. 005961C

CA. Rahul Jain
Partner
Date:28.06.2014
Membership No. 518352

**STANDALONE FINANCIAL
STATEMENT AND NOTES FOR
THE FINANCIAL YEAR 2013-14**

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
RCI INDUSTRIES & TECHNOLOGIES LIMITED
Delhi.

Report on the Financial Statements

We have audited the accompanying financial statements of **RCI INDUSTRIES AND TECHNOLOGIES LIMITED** having their registered office at B-97, Wazirpur industrial Area, Delhi -110052 which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **RPMD & Associates**
(Formerly R M Sharma & Co)
Chartered Accountants
Firm's registration number: 005961C

(Rahul Jain)
Partner
Membership number: 518352
Place: Delhi
Date: 30-05-2014

Annexure to Auditor's Report

Referred to in our report of even date to the members of RCI Industries & Technologies Ltd on the accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion and according to the explanation and information given to us, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of 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) In our opinion and on the basis of our examination of the records, the Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.

Annexure to Auditor's Report

Referred to in our report of even date to the members of RCI Industries & Technologies Ltd on the accounts of the Company for the year ended 31st March, 2014.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

The Company has taken loan from relative of director and the maximum outstanding at any time during the year was Rs. 1.80 Lakhs

The Company has given loan to relative of director and to the company in which such relative is director. The maximum outstanding at any time during the year was Rs. 106.38 Lakhs.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

(a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, each of these transactions has been made at par or at prevailing market price.

6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. Maintenance of cost records has not been prescribed for the Company by the Central Government under clause (d) of sub section (1) of section 209 of the Act.

Annexure to Auditor's Report

Referred to in our report of even date to the members of RCI Industries & Technologies Ltd on the accounts of the Company for the year ended 31st March, 2014.

9. In respect of statutory dues:

a) According to the records of the Company produced before us and as per the information and explanation given to us, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax and other statutory dues.

b) According to the records of the Company, following are the dues of income tax, which have not been deposited on account of dispute:

S.No.	Particulars	Asst Year	Sections	Amount (Rs.)
1	Income Tax	2007-08	-	1,980
2	Income Tax	2009-10	143(3)	52,810
3	Income Tax	2009-10	271(1)(c)	1,03,818
4	Income Tax	2009-10	115WE	3,519
5	Income Tax	2010-11	143(1)	74,370

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

Annexure to Auditor's Report

Referred to in our report of even date to the members of RCI Industries & Technologies Ltd on the accounts of the Company for the year ended 31st March, 2014.

15. According to the records of the Company produced before us and as per the information and explanation given to us, the company has given guarantee of Rs. 1300 lakhs for loans taken by Satya Metals (Partnership firm) from financial institutions.
16. The Company has not raised any new term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and the price at which shares have been issued is not prejudicial to the interest of the company.
19. According to the records of the Company the company has not issued any debentures. Therefore, no comment is required in respect of creation of any charge for them.
20. The Company has raised Rs. 11.52 Crores by way of public issues during the year. The management has disclosed the end use of money raised by public issues and the same has been verified.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **RPMD & Associates**

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration no. 005961C

(Rahul Jain)

Partner

M No. 518352

Delhi

May 30, 2014

RCI INDUSTRIES & TECHNOLOGIES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Note	As at	As at
		31 March 2014	31 March 2013
		Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	2.1	108,994,150	66,069,150
Reserves and surplus	2.2	319,760,469	186,625,864
Non-Current Liabilities			
Long-term borrowings	2.3	612,584	918,138
Deferred tax liabilities (net)	2.4	816,051	1,087,662
Long term provisions	2.5	207,926	-
Current liabilities			
Short-term borrowings	2.6	260,954,692	243,635,654
Trade payables	2.7	309,537,162	296,391,441
Other current liabilities	2.8	91,941,478	21,405,660
Short term provisions	2.9	3,608,891	663,183
		1,096,433,403	816,796,753
<u>ASSETS</u>			
Non current assets			
Fixed assets			
- Tangible assets	2.10	11,371,944	12,934,719
Non Current investments	2.11	1,807,625	-
Long term loans and advances	2.12	6,985,011	20,121,717
Current assets			
Current Investments	2.13	199,286,630	112,651,446
Inventories	2.14	160,303,291	174,026,842
Trade receivables	2.15	552,455,905	361,375,229
Cash and cash equivalents	2.16	31,167,150	24,414,646
Short term loan and advances	2.17	130,673,649	109,955,589
Other current assets	2.18	2,382,198	1,316,565
		1,096,433,403	816,796,753

Significant Accounting Policies

1

Notes on Financial Statements

2

As per our report of even date

For RPMD & Associates

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rahul Jain)

Partner
M No. 518352
Delhi
May 30, 2014

(Rajeev Gupta)
**Managing
Director**
DIN- 00503196

(Mamta Gupta)
Director
DIN- 00503302

(Abhishek Kedia)
Company Secretary
M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs.	Rs.
Revenue			
Revenue from operations	2.19	4,277,893,152	2,768,580,796
Other income	2.20	3,582,318	1,416,864
Total Revenue		4,281,475,470	2,769,997,660
Expenses			
Purchases of stock-in trade		4,069,141,552	2,627,569,918
Change in inventory of finished goods	2.21	13,723,551	72,886,645
Employee benefits expense	2.22	4,078,009	1,969,187
Finance costs	2.23	39,877,104	34,837,567
Depreciation and amortization expense	2.10	2,248,557	2,747,700
Other Expenses	2.24	131,173,634	19,008,594
Total expenses		4,260,242,407	2,759,019,612
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		21,233,063	10,978,048
Less: Tax expense			
Current tax		3,608,891	663,183
Deferred Tax	2.4	(271,611)	(86,529)
Minimum alternate tax		-	-
Profit/(Loss) for the period		17,895,783	10,401,394
Earning per equity share			
Basic/Diluted	2.25	2.22	1.62

Significant Accounting Policies

1

Notes on Financial Statements

2

As per our report of even date

For RPMD & Associates

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rahul Jain)

Partner
M No. 518352
Delhi
May 30, 2014

(Rajeev Gupta)
**Managing
Director**
DIN- 00503196

(Mamta Gupta)
Director
DIN- 00503302

(Abhishek Kedia)
Company Secretary
M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2014

Particulars	For The Year Ended March 31,2014	For The Year Ended March 31,2013
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	21,233,063	10,978,274
<i>Adjustments for:</i>		-
Depreciation	2,248,557	2,747,700
Interest Expense	39,877,104	18,406,817
Provision for Doubtful Debt	-	-
Preliminary Expenses written off	-	22,271
Operating profit before working capital changes	63,358,724	32,155,062
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	13,723,551	72,886,645
(Increase)/Decrease in Trade Receivables	(191,080,676)	80,218,922
(Increase)/Decrease in Other Receivables	(7,581,354)	(9,437,908)
Increase/(Decrease) in Trade Payables and Other Liabilities	86,563,562	(112,442,289)
(Increase)/Decrease in Other assets	(1,065,633)	(598,975)
<i>Cash generated from operations</i>	(36,081,826)	62,781,457
Income tax Refund/ (paid) during the year	(3,337,280)	(663,183)
Net cash from operating activities (A)	(39,419,106)	62,118,274
B. Cash flow from Investing activities		
Purchase of Fixed assets (including capital advances)	(872,782)	(961,490)
(Purchase)/Sale Of Long Term Investment	(88,442,809)	(4,407,145)
Sale of Fixed Assets	187,000	-
Net cash from investing activities (B)	(89,128,591)	(5,368,635)
C. Cash flow from Financing activities		
Proceeds from issue of share capital/ application money	158,163,822	2,684,600
Interest paid on borrowings	(39,877,104)	(18,406,817)
Proceeds/(Repayment) of Short Term Loans	17,319,038	(41,547,406)
Proceeds/(Repayment) of Long Term Loans	(305,554)	(5,909,784)
Net cash from financing activities (C)	135,300,202	(63,179,407)
Net increase in cash and cash equivalents (A+B+C)	6,752,505	(6,429,768)
Cash and cash equivalents at the beginning of the year	24,414,646	30,844,100
Cash and cash equivalents at the end of the year	31,167,150	24,414,646

As per our report of even date

For **RPMD & Associates**

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rahul Jain)

Partner

M No. 518352

Delhi

May 30, 2014

(Rajeev Gupta)

Managing**Director****DIN- 00503196**

(Mamta Gupta)

Director**DIN- 00503302**

(Abhishek Kedia)

Company Secretary**M No. A33537**

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES**A. Nature of Business**

The Company is a Trading Company which deals mainly into trading of metals.

B. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on a going concern and accrual basis and comply in all material respects with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

C. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

D. Fixed Assets.

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, attributable to the fixed assets are capitalised. All upgradation expenditure/ enhancements are charged against revenue unless they bring similar significant additional benefits. Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation on Fixed Assets is provided on written down value method as per rates specified in schedule XIV to the Companies Act, 1956.

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

E. Investments

Long Term Investments are stated at cost.

F. Inventories

Stock in trade consists of Metals etc. Items of inventories are measured at lower of cost and net realizable value for obsolescence, if any.

G. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

All expenses and income to the extent considered payable and receivable respectively unless specifically stated otherwise are accounted for on mercantile basis.

H. Expenditure

Expenditures are account for on accrual basis and provisions are made for all known liabilities and losses.

I. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

J. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The company has made provision for timing differences arising out of the difference in depreciation as per Income Tax Act and Companies Act.

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

2.1 SHARE CAPITAL

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Authorised 150,00,000 shares of Rs.10 each (PY 110,00,000 shares of Rs. 10 each)	150,000,000	110,000,000
	150,000,000	110,000,000
Issued, Subscribed & fully paid up 1,08,99,415 shares of Rs.10 each (PY 66,06,915 shares of Rs.10 each)	108,994,150	66,069,150
	108,994,150	66,069,150

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2014	
	Number	(Rs.)
At the beginning of the year	6,606,915	66,069,150
Issued during the year for consideration in cash	4,292,500	42,925,000
Outstanding at the end of the year	10,899,415	108,994,150

Equity shares

	31 March 2013	
	Number	(Rs.)
At the beginning of the year	6,412,540	64,125,400
Issued during the year for consideration in cash	194,375	1,943,750
Outstanding at the end of the year	6,606,915	66,069,150

b. Terms/ rights attached to equity shares

1. The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
2. The company has not declared or paid any dividend to the shareholder at any time since inception of the company
3. During the year, the company has allotted 28,80,000 @ Rs. 40 per share including premium of Rs. 30 per share to public via IPO and the company is listed on BSE SME platform.

The details of shareholder holding more than 5% equity shares is set below:

Name of Shareholders	As at 31 March 2014	As at 31 March 2013
	No. of Shares held (%)	No. of Shares held (%)
Ace Matrix Solutions Ltd.	1751900 (16.07)	1751900 (26.52)
Ace Trade Solutions Pvt Ltd	595750 (5.47)	595750 (9.02)
Kamlesh Shantilalji Jain	606000 (5.56)	-
Mamta Gupta	409090 (3.75)	409090 (6.19)
Metalrod Ltd.	812500 (7.45)	650000 (9.84)
Rajeev Gupta	4364720 (40.05)	3112220 (47.11)

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

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014
2.2 RESERVE AND SURPLUS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Securities Premium Account		
Opening Balance	94,359,350	88,528,100
Add: Amount received towards issues of shares during the year	128,775,000	5,831,250
Less: Amount utilised towards public issue expenses	(4,347,955)	-
Closing Balance	218,786,395	94,359,350
Surplus balance in the statement of profit and loss		
Opening Balance	92,266,514	81,865,120
Add: Profit/(Loss) for the year	17,895,783	10,401,394
Less: Excess Provision of Income Tax/ Income W/Off and TDS	(9,043,850)	-
Receivable of Previous years	(144,373)	-
Less: Provision for Gratuity of earlier years		
Closing Balance	100,974,074	92,266,514
	319,760,469	186,625,864

2.3 LONG TERM BORROWINGS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
<u>SECURED</u>		
ICICI Bank Car Loan(Fortuner)	612,584	918,138
	612,584	918,138

2.3.1 ICICI Bank Car Loan- Toyota Fortuner

- The loan is taken from ICICI Bank carrying an interest rate of 11.08% per annum and is secured against leased assets
- Principal repayment of Rs. 3.06 lakhs due within next 12 months has been shown as Other Current Liabilities

2.4 DEFERRED TAX LIABILITIES

Particulars	As at 1 April' 2013	During the year	As at 31 March, 2014
DTL			
Depreciation	1,087,662	(271,611)	816,051
Net DTL	1,087,662	(271,611)	816,051

2.5 LONG TERM PROVISIONS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Provision for Employee Benefits		
Gratuity	207,926	-
	207,926	-

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

a) Gratuity

Change in present value of obligation

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Present value of obligation as at the beginning of the year	144,373	68,473
Interest cost	11,550	5,478
Current service cost	67,372	69,108
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(15,369)	1,314
Present value of obligation as at the end of year *	207,926	144,373

* The company has taken the first time Actuarial Valuation Certificate as per revised As-15 for current as well as previous year. The

Actuarial gain / loss recognized

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Actuarial gain/(loss) for the year -obligation	15,369	(1,314)
Actuarial (gain)/loss for the year plan assets	-	-
Total (gain)/loss for the year	(15,369)	1,314
Actuarial (gain) / loss recognized in the year	(15,369)	1,314
Unrecognized actuarial (gains) losses at the end of year	-	-

The amounts to be recognized in balance sheet and related analysis

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Present value of obligation as at the end of the year	207,926	144,373
Fair value of plan assets as at the end of the year	-	-
Funded status / Difference	(207,926)	(144,373)
Net asset/(liability) recognized in balance sheet	(207,926)	(144,373)

Expense recognized in the statement of profit and loss

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Current service cost	67,372	69,108
Interest cost	11,550	5,478
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	(15,369)	1,314
Expenses recognized in the statement of profit and losses	63,553	75,900

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Discount rate	8.50%	8.00%
Future salary increase rate	10.00%	10.00%
Retirement age (years)	60	60

2.6 SHORT TERM BORROWINGS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Secured		
Working Capital Loans		
Rupee Loans from Banks		
- Jammu and Kashmir Bank Ltd	9,153,791	-
- Yes Bank Ltd	79,422,115	42,425,431
Acceptances - LC- Jammu & Kashmir Bank	-	29,726,546
Foreign Currency Loans - Buyers Credit - Yes Bank	109,417,994	156,251,101
Foreign Currency Loans - Buyers Credit - Jammu and Kashmir Bank	62,781,004	15,052,788
Unsecured		
Loans and advances from related parties	179,787	179,787
	260,954,692	243,635,654

2.6.1 Secured loans from banks

- Working Capital Loans are secured by hypothecation of present and future inventories, outstandings and receivables

2.7 TRADE PAYABLES

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Trade Payables	309,537,162	296,391,441
	309,537,162	296,391,441

2.8 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Advances from Customers	89,386,652	19,282,200
Expenses Payables	783,162	1,136,294
Due to directors	1,086,906	561,329
Security Deposits	60,000	60,000
Statutory Liabilities	319,203	92,179
Current maturities of long term debt	305,554	273,659
	91,941,478	21,405,660

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

2.9 SHORT-TERM PROVISIONS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Provision for Income Tax	3,608,891	663,183
	3,608,891	663,183

2.11 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Other non-current Investments		
Investment in Wholly Owned Subsidiaries		
Investment in Equity share of RCI World Trade Link DMCC, Dubai	976,125	-
Loans to RCI World Trade Link DMCC, Dubai	831,500	-
	1,807,625	-

2.12 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Unsecured, considered good		
Capital Advances	500,000	-
Security Deposits	6,485,011	6,485,011
Other loans and advances	-	13,636,706
	6,985,011	20,121,717

2.13: CURRENT INVESTMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Investment in Partnership Firms	199,286,630	112,651,446
	199,286,630	112,651,446

2.13.1 Details relating to Investment in Partnership firm

a. Name of Firm	Satya Metals	
b. Name of Partners and Profit Share of each	1. Rajeev Gupta - 60% 2. RCI Industries & Technologies Ltd -40%	
c. Total Capital of firm	As at 31 March 2014	As at 31 March 2013
	215,577,115	213,018,445

Note 2.10

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
FIXED ASSETS AS PER COMPANIES ACT

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2013	ADDITIONS	DELETIONS /ADJ.	AS ON 31.03.2014	AS ON 01.04.2013	DURING THE YEAR	DELETIONS /ADJ.	AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
BUILDING	17,527,525	-	-	17,527,525	11,110,767	641,676	-	11,752,443	5,775,087	6,416,763
ELECTRICL INSTALLATION	956,446	-	-	956,446	778,500	32,208	-	810,708	145,738	177,946
MOBILE AND PHONES	103,895	-	-	103,895	33,130	9,843	-	42,973	60,922	70,765
WATER PURIFIER (RO)	9,270	-	-	9,270	3,378	820	-	4,198	5,072	5,892
CONTAINER	315,000	-	210,000	105,000	9,123	14,182	6,082	17,223	87,777	305,877
CAR - FORTUNER	2,392,940	-	-	2,392,940	737,775	428,522	-	1,166,297	1,226,643	1,655,165
CAR-TOYOTA	578,843	-	-	578,843	151,993	110,511	-	262,504	316,339	426,850
CAR-Mercedez	4,065,000	-	-	4,065,000	1,390,053	692,544	-	2,082,597	1,982,403	2,674,947
CAR-Liva	635,602	-	-	635,602	112,711	135,376	-	248,087	387,515	522,891
Car- Polo	-	782,000	-	782,000	-	13,867	-	13,867	768,133	-
MOTOR VEHICLES	2,818,632	-	-	2,818,632	2,523,360	76,446	-	2,599,806	218,826	295,272
AIR CONDITIONER	724,828	-	-	724,828	618,196	14,833	-	633,029	91,799	106,632
COMPUTER	592,823	72,000	-	664,823	542,835	36,407	-	579,242	85,581	49,988
PRINTER	5,843	35,700	-	41,543	256	3,399	-	3,655	37,888	5,587
COOLER	181,000	-	-	181,000	51,975	23,354	-	75,329	105,671	129,025
CYCLE	2,750	-	-	2,750	990	352	-	1,342	1,408	1,760
FURNITURE	267,384	-	-	267,384	262,442	895	-	263,337	4,047	4,942
GODREJ SAFE	18,120	-	-	18,120	5,138	2,350	-	7,488	10,632	12,982
SECURITY CAMERA	61,425	-	-	61,425	14,691	6,501	-	21,192	40,233	46,734
WEIGHING MACHINE	35,930	-	-	35,930	11,229	4,471	-	15,700	20,230	24,701
					-					
CURRENT YEAR -TOTAL	31,293,256	889,700	210,000	31,972,956	18,358,542	2,248,557	6,082	20,601,017	11,371,944	12,934,719
PREVIOUS YEAR -TOTAL	30,331,766	961,490	-	31,293,256	15,610,842	2,747,700	-	18,358,542	12,934,719	14,720,929

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

2.14: INVENTORIES

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Stock in trade (Acquired for trading) (Valued at Cost or Net Realisable value , whichever is lower)	160,303,291	174,026,842
	160,303,291	174,026,842

2.15: TRADE RECEIVABLES

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Unsecured, considered good		
Debts outstanding for period for less than six months	497,076,392	300,324,808
Debts outstanding for period for more than six months	55,379,513	61,050,421
	552,455,905	361,375,229

2.16: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Cash on hand	1,205,287	851,964
Balance with Banks in Current A/c	690,559	1,309,229
Balance with Banks in FDRs with original maturity of less than 12 months		
Margin Money in the form of Deposits	29,271,304	22,253,453
	31,167,150	24,414,646

2.17: SHORT TERM LOAN AND ADVANCES

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Loans and advances to related parties	6,020,000	10,638,470
Security Deposits	1,344,830	30,000
Prepaid Expenses	396,493	111,428
Balance with Government Authorities	80,805,933	40,461,020
Advances to Suppliers	31,940,056	34,504,671
Other Loan and Advances	10,166,338	860,000
Share application money due for refund	-	23,350,000
	130,673,649	109,955,589

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****2.18: OTHER CURRENT ASSETS**

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Interest Accrued on FDR	2,307,198	899,898
Rent receivable	75,000	416,667
	2,382,198	1,316,565

2.19: REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Sale of Products		
Domestic Sales	3,355,359,824	2,567,162,351
Export Sales	767,908,191	157,250,857
Other Operating Revenues	154,625,136	44,167,588
	4,277,893,152	2,768,580,796

2.19.1: Other operating revenues comprises

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Profit from partnership firms	10,423,098	8,811,855
Other Operating Income	8,121,295	7,777,891
Export benefits	136,080,743	27,577,842
	154,625,136	44,167,588

2.20: OTHER INCOME

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Interest income	3,482,318	1,000,197
Rental Income	100,000	416,667
	3,582,318	1,416,864

Interest Income Comprises:

Interests on loans and advances	3,482,318	1,000,197
	3,482,318	1,000,197

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

2.21: CHANGE IN INVENTORY OF STOCK IN TRADE

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Inventories at the end of the year Stock in trade	160,303,291	174,026,842
Inventories at the beginning of the year Stock in trade	174,026,842	246,913,487
	13,723,551	72,886,645

2.22: EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Salary and Wages	2,538,510	1,956,679
Director's remuneration	1,440,000	-
Staff Welfare Expenses	35,946	12,508
Provision for Gratuity	63,553	-
	4,078,009	1,969,187

2.23: FINANCE COST

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Interest Expense on borrowings	12,955,951	18,406,817
Interest Expense on others	4,432	23,067
Other borrowing costs	3,021,118	3,525,216
Net Loss on foreign currency transaction and translation	23,895,602	12,882,466
	39,877,104	34,837,567

2.24: OTHER EXPENSES

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Power & Fuel	233,495	166,658
Insurance Expenses	297,053	144,995
Commission on Export Sales	76,790,819	-
Miscellaneous Expenses	53,852,267	18,696,941
	131,173,634	19,008,594

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****2.25 EARNINGS PER SHARE**

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Net Profit for the Year	17,895,783	10,401,394
Weighted average number of equity shares	8,054,237	6,421,061
Nominal value of shares (In Rs)	10	10
Basic/ Diluted Earning Per Share	2.22	1.62

2.26 DETAILS ON DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

- a. The Company have NIL derivative positions as at 31st March, 2014
- b. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are
Payable in USD - \$ 51,46,248.30 (Rs. 30,92,88,494) and Recivables in USD - \$ 13,33,394.55 (Rs. 8,01,36,746)

2.27 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Traded Goods	1,244,596,233	539,172,057
	1,244,596,233	539,172,057

2.28 EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Interest Payment	1,889,908	3,415,980
	1,889,908	3,415,980

2.29 EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Export of goods calculated on FOB basis	767,908,191	157,250,857
	767,908,191	157,250,857

RCI INDUSTRIES & TECHNOLOGIES LIMITED
Notes forming part of the financial statements

2.30 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Rajiv Gupta
Relatives of KMP (Relation with KMP)	Mr. Ramesh Chand Gupta(Father), Mrs. Satywati Gupta(Mother), Mrs. Mamta Gupta(Wife), Ms. Ritika Gupta(Daughter), Mr. Pradeep Gupta(Brother)
Subsidiaries	Metalrod Ltd(Previous Year), RCI World Trade Link DMCC (Dubai)
Investment in Partnership Firm	Satya Metals
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Ace Matrix & Solutions Ltd, Mamta Global Pvt Ltd, All Heavens Restaurant Pvt Ltd, Metalrod Ltd

Note: Related parties have been identified by the Management. Metalrod Ltd cease to be a subsidiary as on 31-03-2014

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014						₹
	Subsidiaries	KMP	Relatives of KMP	Investment in Partnership Firms (Satya Metals)	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	-	-	-	-	-	-
	-	-	-	-	-	-
Sale of goods	-	27,500,250	-	866,629,920	22,699,500	916,829,670
	-	-	-	(327,808,169)	-	(327,808,169)
Rendering of services	-	-	-	-	100,000	100,000
	-	-	-	-	-	-
Receiving of services	-	1,200,000	240,000	-	-	1,440,000
	-	-	-	-	-	-
Equity Contributions in Cash	-	50,000,000	-	-	6,500,000	56,500,000
	-	-	-	-	-	-
Advance received not bearing interest	-	-	-	-	-	-
	-	(2,950,000)	-	-	-	(2,950,000)
Loans and Advances Given	-	-	-	-	20,000	20,000
	-	-	(900,000)	-	-	(900,000)
Investment in Partnership firm	-	-	-	84,600,000	-	84,600,000
	-	-	-	(600,000)	(600,000)	(1,200,000)
Loan/ Investment in Subsidiaries	1,807,625	-	-	-	-	1,807,625
	(1,331,867)	-	-	-	-	(1,331,867)
Guarantees -Satya Metals	-	-	-	-	-	-
	-	-	-	(70,000,000)	(70,000,000)	(140,000,000)

Balances outstanding at the end of the year

Trade receivables	-	-	-	-	75,000	75,000
	-	-	-	(43,272,955)	(43,272,955)	(86,545,910)
Trade payables	-	411,836	-	-	-	411,836
	-	-	-	-	-	-
Loans and advances	-	-	-	-	4,020,000	4,020,000
	-	-	(3,206,603)	(6,100,000)	(6,100,000)	(15,406,603)
Loans/ Investment in Subsidiaries	1,807,625	-	-	-	-	1,807,625
	(1,331,867)	-	-	-	-	(1,331,867)
Advance received not bearing interest	-	-	864,857	-	-	864,857
	-	(47,758)	(693,357)	-	-	(741,115)

Note: Figures in bracket relates to the previous year

**CONSOLIDATED FINANCIAL
STATEMENT AND NOTES FOR
THE FINANCIAL YEAR 2013-14**

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
RCI INDUSTRIES & TECHNOLOGIES LIMITED
Delhi.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **RCI INDUSTRIES AND TECHNOLOGIES LIMITED** having their registered office at B-97, Wazirpur industrial Area, Delhi -110052 and its subsidiary, which comprise the Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiary in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular no. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated 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 Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company and its subsidiary's preparation and fair presentation of the Consolidated

Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated balance sheet, of the state of affairs of the Company and its subsidiary as at 31 March 2014;
- ii. in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- iii. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statement of subsidiary. We have relied on the unaudited financial statement of the subsidiary. These unaudited financial statement as approved by the respective board of directors of the subsidiary have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statement. Our opinion is not qualified in respect of other matters.

For RPMD & Associates

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration number: 005961C

(Rahul Jain)

Partner

Membership number: 518352

Place: Delhi

Date: 30-05-2014

RCI INDUSTRIES & TECHNOLOGIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Note	As at
		31 March 2014
		Rs.
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	2.1	108,994,150
Reserves and surplus	2.2	319,131,873
Non-Current Liabilities		
Long-term borrowings	2.3	612,584
Deferred tax liabilities (net)	2.4	816,051
Long term provisions	2.5	207,926
Current liabilities		
Short-term borrowings	2.6	260,954,692
Trade payables	2.7	309,537,162
Other current liabilities	2.8	92,014,845
Short term provisions	2.9	3,608,891
		1,095,878,174
<u>ASSETS</u>		
Non current assets		
Fixed assets		
- Tangible assets	2.10	11,371,944
Long term loans and advances	2.11	6,985,011
Current assets		
Current Investments	2.12	199,286,630
Inventories	2.13	160,303,291
Trade receivables	2.14	552,455,905
Cash and cash equivalents	2.15	32,146,350
Short term loan and advances	2.16	130,946,845
Other current assets	2.17	2,382,198
		1,095,878,174

Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2

As per our report of even date

For **RPMD & Associates**

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rajeev Gupta)

**Managing
Director**

DIN- 00503196

(Mamta Gupta)

Director

DIN- 00503302

(Rahul Jain)

Partner

M No. 518352

Delhi

May 30, 2014

(Abhishek Kedia)

Company Secretary

M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note	For the year ended 31 March, 2014
		Rs.
Revenue		
Revenue from operations	2.18	4,277,893,152
Other income	2.19	3,582,318
Total Revenue		4,281,475,470
Expenses		
Purchases of stock-in trade		4,069,141,552
Change in inventory of finished goods	2.20	13,723,551
Employee benefits expense	2.21	4,078,009
Finance costs	2.22	39,877,104
Depreciation and amortization expense	2.10	2,248,557
Other Expenses	2.23	131,802,230
Total expenses		4,260,871,003
Exceptional items		-
Profit/(Loss) before extraordinary items and tax		20,604,467
Less: Tax expense		
Current tax		3,608,891
Deferred Tax	2.4	(271,611)
Minimum alternate tax		-
Profit/(Loss) for the period		17,267,187
Earning per equity share		
Basic/Diluted	2.24	2.14

Significant Accounting Policies

1

Notes on Consolidated Financial Statements

2

As per our report of even date

For RPMD & Associates

(Formerly R M Sharma & Co)

Chartered Accountants

Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rajeev Gupta)

Managing
Director
DIN- 00503196

(Mamta Gupta)

Director
DIN- 00503302
(Rahul Jain)

Partner

M No. 518352

Delhi

May 30, 2014

(Abhishek Kedia)

Company Secretary
M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2014

Particulars	For The Year Ended March 31,2014
A. Cash flow from Operating activities	
Profit/ (Loss) before tax	20,604,467
<i>Adjustments for:</i>	
Depreciation	2,248,557
Interest Expense	39,877,104
Provision for Doubtful Debt	-
Preliminary Expenses written off	-
Operating profit before working capital changes	62,730,128
<i>Movements in working capital :</i>	
(Increase)/ Decrease in Inventories	13,723,551
(Increase)/Decrease in Trade Receivables	(191,080,676)
(Increase)/Decrease in Other Receivables	(7,581,354)
Increase/(Decrease) in Trade Payables and Other Liabilities	86,636,929
(Increase)/Decrease in Other assets	(1,338,829)
<i>Cash generated from operations</i>	(36,910,251)
Income tax Refund/ (paid) during the year	(3,337,280)
Net cash from operating activities (A)	(40,247,531)
B. Cash flow from Investing activities	
Purchase of Fixed assets (including capital advances)	(872,782)
(Purchase)/Sale Of Long Term Investment	(86,635,184)
Sale of Fixed Assets	187,000
Net cash from investing activities (B)	(87,320,966)
C. Cash flow from Financing activities	
Proceeds from issue of share capital/ application money	158,163,822
Interest paid on borrowings	(39,877,104)
Proceeds/(Repayment) of Short Term Loans	17,319,038
Proceeds/(Repayment) of Long Term Loans	(305,554)
Net cash from financing activities (C)	135,300,202
Net increase in cash and cash equivalents (A+B+C)	7,731,705
Cash and cash equivalents at the beginning of the year	24,414,646
Cash and cash equivalents at the end of the year	32,146,350

As per our report of even date

For **RPMD & Associates**

(Formerly R M Sharma & Co)

For & on behalf of Board of Directors

Chartered Accountants

Firm's registration no. 005961C

(Rahul Jain)

Partner

M No. 518352

Delhi

May 30, 2014

(Rajeev Gupta)

Managing**Director****DIN- 00503196**

(Mamta Gupta)

Director**DIN- 00503302**

(Abhishek Kedia)

Company Secretary**M No. A33537**

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS**A. Principles of Consolidation**

The consolidated financial statements relate to RCI Industries & Technologies Limited and its wholly owned subsidiary, RCI World Trade Link DMCC. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements". The subsidiary being foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.
- ii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's Standalone Financial Statements.

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

2.1 SHARE CAPITAL

Particulars	As at 31 March 2014
	Rs.
Authorised 150,00,000 shares of Rs.10 each (PY 110,00,000 shares of Rs. 10 each)	150,000,000
	150,000,000
Issued, Subscribed & fully paid up 1,08,99,415 shares of Rs.10 each (PY 66,06,915 shares of Rs.10 each)	108,994,150
	108,994,150

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**Equity shares**

	31 March 2014
	Number
At the beginning of the year	6,606,915
Issued during the year for consideration in cash	4,292,500
Outstanding at the end of the year	10,899,415

Equity shares

	31 March 2013
	Number
At the beginning of the year	6,412,540
Issued during the year for consideration in cash	194,375
Outstanding at the end of the year	6,606,915

b. Terms/ rights attached to equity shares

1. The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
2. The company has not declared or paid any dividend to the shareholder at any time since inception of the company
3. During the year, the company has allotted 28,80,000 @ Rs. 40 per share including premium of Rs. 30 per share to public via IPO and the company is listed on BSE SME platform.

The details of shareholder holding more than 5% equity shares is set below:

Name of Shareholders	As at 31 March 2014
	No. of Shares held (%)
Ace Matrix Solutions Ltd.	1751900 (16.07)
Ace Trade Solutions Pvt Ltd	595750 (5.47)
Kamlesh Shantilalji Jain	606000 (5.56)
Mamta Gupta	409090 (3.75)
Metalrod Ltd.	812500 (7.45)
Rajeev Gupta	4364720 (40.05)

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

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014
2.2 RESERVE AND SURPLUS

Particulars	As at 31 March 2014
	Rs.
Securities Premium Account	
Opening Balance	94,359,350
Add: Amount received towards issues of shares during the year	128,775,000
Less: Amount utilised towards public issue expenses	(4,347,955)
Closing Balance	218,786,395
Surplus balance in the statement of profit and loss	
Opening Balance	92,266,514
Add: Profit/(Loss) for the year	17,267,187
Less: Excess Provision of Income Tax/ Income W/Off and TDS Receivable of Previous years	(9,043,850)
Less: Provision for Gratuity of earlier years	(144,373)
Closing Balance	100,345,478
	319,131,873

2.3 LONG TERM BORROWINGS

Particulars	As at 31 March 2014
	Rs.
<u>SECURED</u>	
ICICI Bank Car Loan(Fortuner)	612,584
	612,584

2.3.1 ICICI Bank Car Loan- Toyota Fortuner

- The loan is taken from ICICI Bank carrying an interest rate of 11.08% per annum and is secured against leased assets
- Principal repayment of Rs. 3.06 lakhs due within next 12 months has been shown as Other Current Liabilities

2.4 DEFERRED TAX LIABILITIES

Particulars	As at	During the year
	1 April' 2013	
DTL		
Depreciation	1,087,662	(271,611)
Net DTL	1,087,662	(271,611)

2.5 LONG TERM PROVISIONS

Particulars	As at 31 March 2014
	Rs.
Provision for Employee Benefits	
Gratuity	207,926
	207,926

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

a) Gratuity

Change in present value of obligation

Particulars	As at 31 March 2014
	Rs.
Present value of obligation as at the beginning of the year	144,373
Interest cost	11,550
Current service cost	67,372
Benefits paid	-
Actuarial (gain)/loss on obligation	(15,369)
Present value of obligation as at the end of year *	207,926

* The company has taken the first time Actuarial Valuation Certificate as per revised As-15 for current as well as previous year.

Actuarial gain / loss recognized

Particulars	As at 31 March 2014
	Rs.
Actuarial gain/(loss) for the year -obligation	15,369
Actuarial (gain)/loss for the year plan assets	-
Total (gain)/loss for the year	(15,369)
Actuarial (gain) / loss recognized in the year	(15,369)
Unrecognized actuarial (gains) losses at the end of year	-

The amounts to be recognized in balance sheet and related analysis

Particulars	As at 31 March 2014
	Rs.
Present value of obligation as at the end of the year	207,926
Fair value of plan assets as at the end of the year	-
Funded status / Difference	(207,926)
Net asset/(liability) recognized in balance sheet	(207,926)

Expense recognized in the statement of profit and loss

Particulars	As at 31 March 2014
	Rs.
Current service cost	67,372
Interest cost	11,550
Expected return on plan assets	-
Net actuarial (gain)/ loss recognized in the year	(15,369)
Expenses recognized in the statement of profit and losses	63,553

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Particulars	As at 31 March 2014
	Rs.
Discount rate	8.50%
Future salary increase rate	10.00%
Retirement age (years)	60

2.6 SHORT TERM BORROWINGS

Particulars	As at 31 March 2014
	Rs.
Secured	
Working Capital Loans	
Rupee Loans from Banks	
- Jammu and Kashmir Bank Ltd	9,153,791
- Yes Bank Ltd	79,422,115
Acceptances - LC- Jammu & Kashmir Bank	-
Foreign Currency Loans - Buyers Credit - Yes Bank	109,417,994
Foreign Currency Loans - Buyers Credit - Jammu and Kashmir Bank	62,781,004
Unsecured	
Loans and advances from related parties	179,787
	260,954,692

2.6.1 Secured loans from banks

- Working Capital Loans are secured by hypothecation of present and future inventories, outstandings and receivables

2.7 TRADE PAYABLES

Particulars	As at 31 March 2014
	Rs.
Trade Payables	309,537,162
	309,537,162

2.8 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2014
	Rs.
Advances from Customers	89,386,652
Expenses Payables	856,529
Due to directors	1,086,906
Security Deposits	60,000
Statutory Liabilities	319,203
Current maturities of long term debt	305,554
	92,014,845

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****2.9 SHORT-TERM PROVISIONS**

Particulars	As at 31 March 2014
	Rs.
Provision for Income Tax	3,608,891
	3,608,891

2.11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2014
	Rs.
Unsecured, considered good	
Capital Advances	500,000
Security Deposits	6,485,011
Other loans and advances	-
	6,985,011

2.12: CURRENT INVESTMENTS

Particulars	As at 31 March 2014
	Rs.
Investment in Partnership Firms	199,286,630
	199,286,630

2.12.1 Details relating to Investment in Partnership firm

a. Name of Firm	Satya Metals
b. Name of Partners and Profit Share of each	1. Rajeev Gupta - 60% 2. RCI Industries & Technologies Ltd -40%
c. Total Capital of firm	As at 31 March 2014 215,577,115

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FIXED ASSETS AS PER COMPANIES ACT

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 01.04.2013	ADDITIONS	DELETIONS /ADJ.	AS ON 31.03.2014	AS ON 01.04.2013	DURING THE YEAR	DELETIONS /ADJ.	AS ON 31.03.2014	AS ON 31.03.2013
BUILDING	17,527,525	-	-	17,527,525	11,110,767	641,676	-	11,752,443	6,416,763
ELECTRICL INSTALLATION	956,446	-	-	956,446	778,500	32,208	-	810,708	177,946
MOBILE AND PHONES	103,895	-	-	103,895	33,130	9,843	-	42,973	70,765
WATER PURIFIER (RO)	9,270	-	-	9,270	3,378	820	-	4,198	5,892
CONTAINER	315,000	-	210,000	105,000	9,123	14,182	6,082	17,223	305,877
CAR - FORTUNER	2,392,940	-	-	2,392,940	737,775	428,522	-	1,166,297	1,655,165
CAR-TOYOTA	578,843	-	-	578,843	151,993	110,511	-	262,504	426,850
CAR-Mercedez	4,065,000	-	-	4,065,000	1,390,053	692,544	-	2,082,597	2,674,947
CAR-Liva	635,602	-	-	635,602	112,711	135,376	-	248,087	522,891
Car- Polo	-	782,000	-	782,000	-	13,867	-	13,867	-
MOTOR VEHICLES	2,818,632	-	-	2,818,632	2,523,360	76,446	-	2,599,806	295,272
AIR CONDITIONER	724,828	-	-	724,828	618,196	14,833	-	633,029	106,632
COMPUTER	592,823	72,000	-	664,823	542,835	36,407	-	579,242	49,988
PRINTER	5,843	35,700	-	41,543	256	3,399	-	3,655	5,587
COOLER	181,000	-	-	181,000	51,975	23,354	-	75,329	129,025
CYCLE	2,750	-	-	2,750	990	352	-	1,342	1,760
FURNITURE	267,384	-	-	267,384	262,442	895	-	263,337	4,942
GODREJ SAFE	18,120	-	-	18,120	5,138	2,350	-	7,488	12,982
SECURITY CAMERA	61,425	-	-	61,425	14,691	6,501	-	21,192	46,734
WEIGHING MACHINE	35,930	-	-	35,930	11,229	4,471	-	15,700	24,701
CURRENT YEAR -TOTAL	31,293,256	889,700	210,000	31,972,956	18,358,542	2,248,557	6,082	20,601,017	12,934,719
PREVIOUS YEAR -TOTAL	30,331,766	961,490	-	31,293,256	15,610,842	2,747,700	-	18,358,542	14,720,929

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH 2014

2.13: INVENTORIES

Particulars	As at 31 March 2014
	Rs.
Stock in trade (Acquired for trading) (Valued at Cost or Net Realisable value ,whichever is lower)	160,303,291
	160,303,291

2.14: TRADE RECEIVABLES

Particulars	As at 31 March 2014
	Rs.
Unsecured, considered good	
Debts outstanding for period for less than six months	497,076,392
Debts outstanding for period for more than six months	55,379,513
	552,455,905

2.15: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2014
	Rs.
Cash on hand	1,205,287
Balance with Banks in Current A/c	1,669,759
Balance with Banks in FDRs with original maturity of less than 12 months	
Margin Money in the form of Deposits	29,271,304
	32,146,350

2.16: SHORT TERM LOAN AND ADVANCES

Particulars	As at 31 March 2014
	Rs.
Loans and advances to related parties	6,020,000
Security Deposits	1,344,830
Prepaid Expenses	669,689
Balance with Government Authorities	80,805,933
Advances to Suppliers	31,940,056
Other Loan and Advances	10,166,338
Share application money due for refund	-
	130,946,845

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****2.17: OTHER CURRENT ASSETS**

Particulars	As at 31 March 2014
	Rs.
Interest Accrued on FDR	2,307,198
Rent receivable	75,000
	2,382,198

2.18: REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2014
	Rs.
Sale of Products	
Domestic Sales	3,355,359,824
Export Sales	767,908,191
Other Operating Revenues	154,625,136
	4,277,893,152

2.18.1: Other operating revenues comprises

Particulars	For the year ended 31 March, 2014
	Rs.
Profit from partnership firms	10,423,098
Other Operating Income	8,121,295
Export benefits	136,080,743
	154,625,136

2.19: OTHER INCOME

Particulars	For the year ended 31 March, 2014
	Rs.
Interest income	3,482,318
Rental Income	100,000
	3,582,318

Interest Income Comprises:

Interests on loans and advances	3,482,318
	3,482,318

RCI INDUSTRIES & TECHNOLOGIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH 2014

2.20: CHANGE IN INVENTORY OF STOCK IN TRADE

Particulars	For the year ended 31 March, 2014
	Rs.
Inventories at the end of the year Stock in trade	160,303,291
Inventories at the beginning of the year Stock in trade	174,026,842
	13,723,551

2.21: EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2014
	Rs.
Salary and Wages	2,538,510
Director's remuneration	1,440,000
Staff Welfare Expenses	35,946
Provision for Gratuity	63,553
	4,078,009

2.22: FINANCE COST

Particulars	For the year ended 31 March, 2014
	Rs.
Interest Expense on borrowings	12,955,951
Interest Expense on others	4,432
Other borrowing costs	3,021,118
Net Loss on foreign currency transaction and translation	23,895,602
	39,877,104

2.23: OTHER EXPENSES

Particulars	For the year ended 31 March, 2014
	Rs.
Power & Fuel	233,495
Insurance Expenses	297,053
Commission on Export Sales	76,790,819
Miscellaneous Expenses	54,480,863
	131,802,230

RCI INDUSTRIES & TECHNOLOGIES LIMITED**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****2.24 EARNINGS PER SHARE**

Particulars	As at 31 March 2014
	Rs.
Net Profit for the Year	17,267,187
Weighted average number of equity shares	8,054,237
Nominal value of shares (In Rs)	10
Basic/ Diluted Earning Per Share	2.14

2.25 DETAILS ON DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

- a. The Company have NIL derivative positions as at 31st March, 2014
- b. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are
Payable in USD - \$ 51,46,248.30 (Rs. 30,92,88,494) and Recivables in USD - \$ 13,33,394.55 (Rs. 8,01,36,746)

2.26 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended 31 March, 2014
	Rs.
Traded Goods	1,244,596,233
	1,244,596,233

2.27 EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31 March, 2014
	Rs.
Interest Payment	1,889,908
	1,889,908

2.28 EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended 31 March, 2014
	Rs.
Export of goods calculated on FOB basis	767,908,191
	767,908,191

RCI INDUSTRIES & TECHNOLOGIES LIMITED
Notes forming part of the consolidated financial statements

2.29 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Rajiv Gupta
Relatives of KMP (Relation with KMP)	Mr. Ramesh Chand Gupta(Father), Mrs. Satywati Gupta(Mother), Mrs. Mamta Gupta(Wife), Ms. Ritika Gupta(Daughter), Mr. Pradeep Gupta(Brother)
Investment in Partnership Firm	Satya Metals
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Ace Matrix & Solutions Ltd, Mamta Global Pvt Ltd, All Heavens Restaurant Pvt Ltd, Metalrod Ltd

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014

	KMP	Relatives of KMP	Investment in Partnership Firms (Satya Metals)	Entities in which KMP / relatives of KMP have significant influence	Total (Rs.)
Purchase of goods	-	-	-	-	-
	-	-	-	-	-
Sale of goods	27,500,250	-	866,629,920	22,699,500	916,829,670
	-	-	(327,808,169)	-	(327,808,169)
Rendering of services	-	-	-	100,000	100,000
	-	-	-	-	-
Receiving of services	1,200,000	240,000	-	-	1,440,000
	-	-	-	-	-
Equity Contributions in Cash	50,000,000	-	-	6,500,000	56,500,000
	-	-	-	-	-
Advance received not bearing interest	-	-	-	-	-
	(2,950,000)	-	-	-	(2,950,000)
Loans and Advances Given	-	-	-	20,000	20,000
	-	(900,000)	-	-	(900,000)
Investment in Partnership firm	-	-	84,600,000	-	84,600,000
	-	-	(600,000)	(600,000)	(1,200,000)
Loan/ Investment in Subsidiaries	-	-	-	-	-
	-	-	-	-	-
Guarantees -Satya Metals	-	-	-	-	-
	-	-	(70,000,000)	(70,000,000)	(140,000,000)

Balances outstanding at the end of the year

Trade receivables	-	-	-	75,000	75,000
	-	-	(43,272,955)	(43,272,955)	(86,545,910)
Trade payables	411,836	-	-	-	411,836
	-	-	-	-	-
Loans and advances	-	-	-	4,020,000	4,020,000
	-	(3,206,603)	(6,100,000)	(6,100,000)	(15,406,603)
Loans/ Investment in Subsidiaries	-	-	-	-	-
	-	-	-	-	-
Advance received not bearing interest	-	864,857	-	-	864,857
	(47,758)	(693,357)	-	-	(741,115)

Note: Figures in bracket relates to the previous year

RCI INDUSTRIES & TECHNOLOGIES LIMITED

(CIN : U74900DL1992PLC047055)

Registered Office: B-97, All Heavens Building, Wazirpur Ring Road, Delhi - 110052

Email: abhishek@rciind.com, Website: www.rciind.com

Phone: 011-27372194, Fax: 011-27371334

ATTENDANCE SLIP
23RD ANNUAL GENERAL MEETING

Reg.Folio/DP&ClientNo._____ No.of Shares Held:_____

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 23RD Annual General Meeting of the Company at the Registered Office of the Company at B-97, All Heavens Building, Wazirpur Ring Road, Delhi - 110052 at 11 AM on Thursday, the 24th July, 2014

Members Name_____

Proxy(s) Name_____

Members/Proxys Signature

- Note: 1. please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

FORM NO. MGT – 11
RCI INDUSTRIES & TECHNOLOGIES LIMITED
(CIN : U74900DL1992PLC047055)

Registered Office: B-97, All Heavens Building, Wazirpur Ring Road, Delhi - 110052
Email: abhishek@rciind.com, Website: www.rciind.com
Phone: 011-27372194, Fax: 011-27371334

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(2) of the
Companies (Management and Administration) Rules 2014

Name of the member(s):-----

-

Registered Address-----

--

Email ID-----Folio No/Client ID-----DPID-----

I/We , being the member(s), holding-----shares of the above
named company, hereby appoint

1. Name-----Address-----

-----Email-----Signature-----

---or failing him

2. Name-----Address-----

----- Email-----Signature-----

---or failing him

3. Name-----Address-----

----- Email-----Signature-----

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at
the 23rd Annual General Meeting of the Company, to be held on the 24TH July,
2014 at 11.00 A.M at B-97, All Heavens Building, Wazirpur Ring Road, Delhi -
110052 and at any adjournment thereof in respect of such resolutions as are
indicated below:

Resolution No. 1-----2-----3-----

Signed this day of-----2014

Signature of Shareholder-----

Signature of Proxy Holder(s)-----

Affix 1 Rs. Revenue Stamp

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours befo