



BSE Limited  
Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400001

Dated: 21.10.2016

**Ref:** RCI Industries & Technologies Limited, ISIN NO. INE 140B01014

**Subject:** Submission of Annual Report for the Financial Year 2015-16 under Regulation 34 of SEBI (LODR) Regulations, 2015

Dear Sir,

Please find the attached Annual Report for the Financial Year 2015-16 of the company under Regulation 34 of SEBI (LODR) Regulations, 2015.

Kindly take the same on your records.

For RCI Industries & Technologies Limited



(Company Secretary & Compliance Officer)

Membership No. A33537



# **RCI INDUSTRIES & TECHNOLOGIES LIMITED**

**25<sup>TH</sup> ANNUAL  
REPORT  
2015-2016**



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## RCI Industries & Technologies Limited

### **Board of Directors**

*Rajeev Gupta - Chairman & Managing Director  
Mrs. Mamta Gupta - Director  
Mr. Raj Jamwal – Director  
Mr. Anil kumar jain- Director*

### **Key Managerial Personnel**

*Mr. Rajeev Gupta - Chairman & Managing Director  
Mr. Abhishek Kedia – Company Secretary & Compliance Officer  
Mr.I.P. Saboo - Chief financial officer\*  
(\*appointed on 09/06/2016)*

### **Nomination & Remuneration Committee**

*Mr . Raj Jamwal – Chairman  
Mr. Anil kumar jain – Member  
Mrs. Mamta Gupta - Member*

### **Share Transfer Agents**

*Bigshare Services Private Limited  
4E/8, 1st Floor, Jhandewalan Extn.  
New Delhi-110055*

### **Audit Committee**

*Mr. Raj Jamwal – Chairman  
Mr. Anil kumar jain – Member  
Mr. Rajeev Gupta – Member*

### **Registered Office**

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

### **Shareholder Grievance Committee**

*Mr. Raj Jamwal – Chairman  
Mr. Anil kumar jain – Member  
Mr. Rajeev Gupta – Member*

### **Listed in Stock Exchanges**

*Bombay Stock Exchange, SME Platform, Mumbai*

### **CSR Committee**

*Mr. Raj Jamwal – Chairman  
Mr. Anil kumar jain – Member  
Mr. Rajeev Gupta – Member*

### **Independent Auditors**

*RPMD & Associates.  
Chartered Accountants  
AB-17, First Floor,  
Shalimar Bagh, Delhi – 110088*



## RCI INDUSTRIES & TECHNOLOGIES LIMITED

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

Tel:+91 11 27372194, 27372197,Fax:+91 11 27371334

Web:[www.rciind.com](http://www.rciind.com)

Email:[abhishek@rciind.com](mailto:abhishek@rciind.com)

CIN:L74900DL1992PLC047055

### **NOTICE**

### **25<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT 25<sup>TH</sup> ANNUAL GENERAL MEETING OF THE RCI INDUSTRIES & TECHNOLOGIES LIMITED WILL BE HELD ON FRIDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER,2016 AT ITS REGISTERED OFFICE SITUATED AT B-97,ALL HEAVENS BUILDING,WAZIRPUR RING ROAD,DELHI-110052 AT 10 A.M.TO TRANSACT THE FOLLOWING BUSINESSES:**

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Standalone & Consolidated Financial Statements of the Company for the year ended 31st March, 2016 including audited Balance Sheet as at 31st March,2016 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 ratify the appointment of the Auditors of the Company and their remuneration fixed at the 23<sup>rd</sup> Annual General Meeting of the Company held on July 24, 2014, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the first proviso to Section 139(1) of the Companies Act, 2013,read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. RPMD & Associates, Chartered Accountants (Firm Registration No. 005961C), as the auditors of the Company to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company, on such remuneration as decided by the Board of Directors of the Company, made at the 23rd Annual General Meeting of the Company held on 24th July, 2014, be and is hereby ratified."

**SPECIAL BUSINESS:****ITEM NO.1**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

1. To issue up to 20 lakhs Equity Shares on Preferential basis

**"RESOLVED THAT** pursuant to the provisions of Section-62(1)(c), Section-42 and & such other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital & Debentures) Rules, 2014 and Companies (Prospectus & Allotment of Securities) Rules, 2014 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Articles of Association of the Company and the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR Regulations)") and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 ("SEBI(LODR) Regulations) and subject to approval of any regulatory or statutory authority, the consent of Shareholders of the Company be & is hereby accorded to issue, offer and allot following no. of shares to following persons on such terms as mentioned in the explanatory statement.

PROPOSED ALLOTTEES	NUMBER OF SHARES ALLOTTED	FACE VALUE PER SHARE	PREMIUM PER SHARE	AMOUNT
Satish Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Uma Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Apoorv Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Arpit Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Harshit Finvest (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
Bonlon (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
Harshit Infratech (P) Ltd.	3 Lakhs	Rs. 10 fully paid up	Rs. 115	37500000
Vinco Metals (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
<b>TOTAL</b>	<b>20 Lakhs</b>			<b>250000000</b>



**RESOLVED FURTHER THAT**

- i) The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be 31<sup>st</sup> August, 2016 being the date 30 days prior to the date of Annual General Meeting (i.e. 30<sup>th</sup> September, 2016).
- ii) The Equity Shares to be issued and allotted shall be listed and traded on BSE Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iii) The Equity Shares allotted to allottees shall rank pari passu with the existing Equity Shares of the Company, from the date of their allotment. Such new Equity Shares when issued and allotted as aforesaid shall also be entitled for dividend as per the regulations / notifications / clarifications issued by SEBI in this regard;
- iv) The Equity Shares allotted on a preferential basis shall remain locked in as per the provisions of SEBI (ICDR Regulations), 2009;
- v) The Board be and is hereby authorized to accept any modification(s) to or modify the terms of issue of Equity Shares, subject to the provisions of the Act and SEBI (ICDR Regulations), without being required to seek any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to settle any question or difficulty that may arise with regard to the issue and allotment of Equity Shares.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution."

**Date:** 03.09.2016  
**Place:** New Delhi

**By Order of the Board  
For RCI Industries & Technologies Ltd.**

**Sd/-**

**Mr. Abhishek Kedia  
Company Secretary & Compliance Officer  
M. No. A33537**



## **IMPORTANT NOTES:**

1. The Company has fixed the record date of **2<sup>nd</sup> September, 2016** for determining the entitlement of shareholders to receive Annual Report of the Financial Year 2015-16. The Register of Members and the Share Transfer books of the Company will be closed from 28<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which set out the details relating to Special Business at the meeting, is annexed to this notice.
3. **A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING SHALL BE ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND & VOTE AT THE MEETING ON HIS/HER BEHALF. WHEREAS 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 (MGT -11) is enclosed 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 Regulation-36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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 2016 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 of 2016 is being sent in the permitted mode.



Please note that the Notice and Annual Report shall also be placed on the website of the Company [www.rciind.com](http://www.rciind.com), on the website of BSE [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

8. **E-Voting is being provided in this AGM as per Regulation-44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in accordance with Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules, 2014.**

**E-Voting Instructions are as follows:**

Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is delighted to provide members facility to exercise their right to vote on resolutions proposed to be considered at the **25<sup>th</sup> Annual General Meeting** by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

III. The remote e-voting period commences on 27<sup>th</sup> September, 2016 (9:00 am) and ends on 29<sup>th</sup> September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; “RCI remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login



- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “RCI Industries & Technologies Ltd.”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cskiranaswal@gmail.com](mailto:cskiranaswal@gmail.com)with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
105514		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.



### C. Other Instructions:

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 24<sup>th</sup> September, 2016.
- v. Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- vi. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- viii. Ms. Kiran, M/s Kiran & Associates, Company Secretary in Practice (Membership No.A37306) & (COP No.:14168), has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.



9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

NOTE: The Facility for Voting shall be decided by the Company i.e. “remote e-voting” or “Ballot Paper” or “Poling Paper”

10. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.rciind.com](http://www.rciind.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

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 up to and including the date of the Annual General Meeting of the Company.



## EXPLANATORY STATEMENT

### ORDINARY BUSINESS:

### EXPLANATORY STATEMENT PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

<b>Name of the Director</b>	<b>Mr. Rajeev Gupta</b>
<b>DIN</b>	00503196
<b>Date of Birth</b>	10/10/1967
<b>Type of appointment</b>	Liable to retire by rotation
<b>Date of Appointment/ Re-appointment</b>	17.01.1992
<b>Areas of Specialization</b>	Leadership, legal, regulatory, information security and compliance requirement of the industries
<b>Qualifications</b>	Commerce Graduate from Hindu College, Delhi University
<b>No. of Shares Held in the Company</b>	43, 64,720 (40.05%)
<b>Justification for appointment</b>	Promoter Director
<b>Chairman/member of the Committee of the Board of Directors of this Company</b>	Member- Audit Committee Member- Shareholders Grievance Committee Member- Nomination & Remuneration Committee Member- Corporate Social Responsibility
<b>Chairman/member of the Committee of the Board of Directors of other listed Companies or holding Directorship in any other listed company</b>	Nil
<b>Relation with Key Managerial Personnel and Directors</b>	Husband of Mrs. Mamta Gupta



## SPECIAL BUSINESS:

### Item No.1 To Issue up to 20,00,000 Equity Shares on Preferential basis

The Company is engaged in carrying on business of manufacturing of Copper Wire, Lead Free Solders, Tin-alloy solders, Copper, Brass, Stainless Steel-Strips/Foils/Coils as well as international & domestic trading of ferrous and non-ferrous metals used in various electrical and industrial applications.

The Company has acquired the running business of Devi Metal Technologies, a partnership firm (now known as RCI Strips, a unit of RCI Industries & Technologies Limited) located in Baddi, Himachal Pradesh and the Company is in the process of development and modernisation of the said unit through replacement of old plant & machinery with the new one leading to increase in production and sales turnover. Further, the Company is in the process of expansion and modernisation of its existing unit RCI Copper located in Nalagarh.

Hence, the Company is envisaging to expand its manufacturing units via technological upgradations, purchasing land & building & also by improving the infrastructure of the Company. Therefore, our Company require funds for fulfilling the requirements of expansion & also for various long term working capital and general corporate purposes. To augment the growth and improve the financial performance of the Company, the Company has approached the below mentioned "Allottees" to infuse fresh funds in the Company.

Board of Directors at its meeting held on 3<sup>rd</sup> day of September, 2016, after considering the various sources for sourcing funds for this investment; while at the same time maintaining public shareholding at 25% post issue, deemed it appropriate to create, issue, offer and allot equity shares to the following:

PROPOSED ALLOTTEES	NUMBER OF SHARES ALLOTTED	FACE VALUE PER SHARE	PREMIUM PER SHARE	AMOUNT
Satish Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Uma Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Apoorv Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Arpit Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000



Harshit Finvest (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
Bonlon (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
Harshit Infratech (P) Ltd.	3 Lakhs	Rs. 10 fully paid up	Rs. 115	37500000
Vinco Metals (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
<b>TOTAL</b>	<b>20 Lakhs</b>			<b>250000000</b>

Pursuant to provisions of Section 62 (1) (c) read with Section 42 of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The SEBI (LODR), Regulations 2015 also provide that the Company shall, in the first instance, offer all securities for subscription pro-rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of shares is in accordance with the provisions of SEBI (ICDR Regulations) and other applicable regulations, if any. In terms of the provisions of the Companies Act, 2013 read with Rule 13 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR Regulations), the relevant disclosures are given:

- The Object of the Issue through Preferential Offer:**

The proceeds will be utilized for:

- To expand and modernise the newly acquired unit - RCI Strips
- To expand and modernise the existing unit - RCI Copper
- To fulfill the need of Working Capital requirements and for other general Corporate purposes.

- Issue Size, number of Equity Shares to be issued & price thereof:**

PROPOSED ALLOTTEES	NUMBER OF SHARES ALLOTTED	FACE VALUE PER SHARE	PREMIUM PER SHARE	AMOUNT
Satish Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Uma Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Apoory Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000



Arpit Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Harshit Finvest (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
Bonlon (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
Harshit Infratech (P) Ltd.	3 Lakhs	Rs. 10 fully paid up	Rs. 115	37500000
Vinco Metals (P) Ltd.	4 Lakhs	Rs. 10 fully paid up	Rs. 115	50000000
<b>TOTAL</b>	<b>20 Lakhs</b>			<b>250000000</b>

- The Intention of the Promoters / PAC / Directors / Key Management Persons to subscribe to the offer:**

None of the Promoters / PACs / Directors / Key Management Persons intends to subscribe this offer. None of them are in anyway concerned or interested financially or otherwise in this Resolution.

- Relevant Date:**

The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be **31<sup>st</sup> August, 2016** being the date 30 days prior to the date of Annual General Meeting (i.e. **30<sup>th</sup> September, 2016**)

- Pricing of Preferential Issue:**

The Equity Shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR Regulations). The trading price of securities of the Company on the stock exchanges is taken into consideration for determining the pricing of securities allotted on preferential basis.

Accordingly, the price per Equity Share to be issued is fixed at Rs. 125 (including premium of Rs. 115) which is not less than higher of the following:

- The average of the weekly high and low of the volume weighted average price at the BSE for 26 weeks prior to the Relevant Date and
- The average of the weekly high and low of the volume weighted average prices at the BSE for 2 weeks prior to the Relevant Date.

Since the Company is listed on Stock Exchange (BSE Limited), price of equity shares need not be decided by the Registered Valuer.



- Identity of Natural person and shareholding thereof

NAME OF ALLOTTEES	CLASS OF SUCH ALLOTTEES	IDENTITY OF NATURAL PERSONS/ BENEFICIAL OWNERS	SHAREHOLDING	
			PRE-ISSUE HOLDING	POST ISSUE HOLDING
Satish Agarwal	Public - Resident Individual	Satish Agarwal	0.39%	1.29%
Uma Agarwal	Public - Resident Individual	Uma Agarwal	0.39%	1.29%
Apoorv Agarwal	Public - Resident Individual	Apoorv Agarwal	0.39%	1.29%
Arpit Agarwal	Public - Resident Individual	Arpit Agarwal	0.41%	1.32%
Harshit Finvest (P) Ltd.	Public – Corporate Bodies/	Arun Kumar Jain – 58.48% Smita Jain - 30%	0.69%	3.68%
Bonlon (P) Ltd.	Public – Corporate Bodies	Arun Kumar Jain – 47.64%	0.06%	3.15%
Harshit Infratech (P) Ltd.	Public – Corporate Bodies	Arun Kumar Jain – 30% Smita Jain – 57.37%	0.00%	2.33%
Vinco Metals (P) Ltd.	Public – Corporate Bodies	Arun Kumar Jain – 46%	0.10%	3.18%

- Terms of Issue of Equity Shares:

The issue is authorized by Articles of Association of the Company.

The consideration price of the equity shall be received from respective allottee's banks accounts;

The entire Pre Preferential Allotment Shareholding of the allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of Trading Approval to be received from the Stock Exchanges.



**Note: -**

1. None of the Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution.
2. In this notice, preferential issue includes private placement.



### Shareholding Pattern before and after the preferential issue:

Sl. No.	Category of Shareholder	Pre-issue		Post-issue	
		Total number of shares held	% of share equity holding	Total number of equity shares held	% of equity share holding
A	Shareholding of Promoter and Promoter group				
1	Indian				
	Individuals	4776465	43.82	4776465	37.03
	Bodies Corporate	3240150	29.73	3240150	25.12
Sub Total A(1)		8016615	73.55	8016615	62.15
2.	Foreign Promoters	0	0	0	0
Sub Total A(2)		0	0	0	0
Total Shareholding of Promoter group A(1)+A(2)		8016615	73.55	8016615	62.15
B	Public Shareholding				
1.	Institutional Investors	0	0	0	0
2.	Non Institutions:				
	Private Corporate Bodies	363000	3.33	1863000	14.44
	Directors/Relatives	0	0	0	0
	Indian Public	2519800	23.12	3019800	23.41
	Others (including NRIs)	0	0	0	0
Total Public Shareholding (B)		2882800	26.45	4882800	37.85
Grand Total A+B		10899415	100.00	12899415	100.00



- **Proposed time limit within which the allotment shall be completed:**

As required under the SEBI (ICDR Regulations), the allotment of Equity Shares pursuant to the Special Resolution shall be completed within a period of fifteen days from the date of passing of the Special Resolution approving allotment.

Provided that where the allotment is pending on account of any such approval of allotment by any regulatory authority including stock exchanges or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

- **Change in the Control or Composition of the Board:**

There will neither be any change in the composition of the Board nor any change in the Control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

- **Auditors' Certificate:**

It is proposed to obtain a certificate from M/s. RPMD & Associates, Statutory Auditors of the Company, certifying that the issue of Equity Shares is being made in accordance with the SEBI (ICDR Regulations), 2009 and shall be placed before AGM.

- **No allotment have been made to any person during the year.**

- **Undertaking:**

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) if the amount payable on account of the re computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.



Section 62 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, inter alia, provides that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company, if so authorized by way of a Special Resolution.

Furthermore, as per Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to securities on a private placement basis, is required to obtain prior approval of the Members by way of a Special Resolution, for each of the offer and invitation.

All the documents referred to in these resolutions shall be available for inspection at the registered office of the Company on any working day between 10:00 a.m. and 6:00 p.m., and will also be available for inspection at the Annual General Meeting.

The Board recommends the above mentioned resolution to be passed as a Special Resolution.

None of the Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution.

**Date: 03/09/2016**

**Place: New Delhi**

**By Order of the Board  
For RCI Industries & Technologies Ltd.**

**Sd/-**

**Mr. Abhishek Kedia  
Company Secretary & Compliance Officer  
M. No. A33537**



# DIRECTORS' REPORT

TO  
THE MEMBERS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED

## DEAR SHAREHOLDERS,

Your Directors are delighted to present their Annual Report on the working of the Company for the period from **1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016** with audited statements of accounts :-

## FINANCIAL RESULTS

The Company's Financial performances during the year 2015-16 as compared to the previous year 2014-15 is summarized below:-

PARTICULARS	2016	2015
<b>TOTAL REVENUE</b>	11,487,847,269	8,425,891,113
<b>TOTAL PROFIT BEFORE TAX</b>	51,878,638	30,574,092
<b>TOTAL PROFIT AFTER TAX</b>	34,679,913	21,858,930

## RESERVES & SURPLUS

The Company's reserve & surplus in the year 2016 is **359,344,900** as compared to the previous year it was **332,761,386**.

## PERFORMANCE REVIEW

Your Company achieved an all-time high performance both in turnover and its profits. The Gross revenues touched **Rs.11,487,847,269** and the Profit after taxes recorded was **Rs.34,679,913**. 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 2015-2016 has increased from **Rs.2.01** to **Rs.3.18**.



## **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.

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on March 31<sup>st</sup>, 2016 in the prescribed form no. MGT-9, pursuant to Section 92(3) of the Companies Act , 2013 and Rule 12(1) of the Companies (Management and Administration ) Rules ,2014 is attached herewith as Annexure I and comprising the part of this Report.

## **MEETINGS OF BOARD OF DIRECTORS**

The Company has held more than minimum board meetings required to be held as per the provision of Companies Act, SEBI (LODR) 2015 and Secretarial Standard issued by ICSI.

## **CORPORATE SOCIAL RESPONSIBILITY:**

Yours Directors are pleased to inform you that from the financial year 2016-17 CSR is applicable on the company as the Turnover of the company crossed over Rs. 1000 Crs. Hence, Directors during the financial year 2016-17 constituted the CSR committee of the board to look after the various CSR activities of the company. As you all aware company has specially incorporated the wholly owned subsidiary named RCI Skills & Social Development Private Limited for CSR Activities. All the relevant disclosures related to CSR pursuant to Section 135 of the Companies Act, 2013 will be made in next Annual Report.

## **COMPOSITION OF CSR COMMITTEE**

**Pursuance to Section-135 of the Companies Act,2013, Our Company is required to constitute the Corporate Social Responsibility Committee. The Composition of CSR Committee is as follows:**

NAME	DESIGNATION
MR. ANIL KUMAR JAIN	MEMBER
MR. RAJEEV GUPTA	MEMBER
MR. RAJ SINGH JAMWAL	CHAIRMAN



## **DETAILS ABOUT THE IMPLEMENTATION OF CSR POLICY**

We may undertake the CSR Activities through **RCI SKILLS & SOCIAL DEVELOPMENT PRIVATE LIMITED**. The projects, programs or activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode through the specialized employees who will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets and prescribed timelines. It also involves assigning of responsibility and accountability. Suitable documents / agreements shall be entered into with the skill development authorities and the other agencies for the purposes of implementation of the CSR Activity, in case the CSR Activity is proposed to be implemented through the third party agencies. The conditions of grant of amounts for all CSR Activities and the break-up of the allocations shall be set out and evaluated from time to time.

## **POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached herewith as Annexure – 2 which forms part of this report.

## **COMPARISON OF REMUNERATION OF EACH KMP**

The difference of remuneration arises due to work experience.

## **FUTURE PROSPECTUS**

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**

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:



- a. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- b. That they had selected such accounting policies and applied them consistently, and made judgements 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 of the Company for that period;
- c. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That they had prepared the annual accounts on a going concern basis;
- e. That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to the provisions of Section 186 of companies act, 2013 the particulars of loans, guarantees or investments are mentioned in notes no. 2.12 forming the part of annual report.

### **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149 (6) of the Companies Act, 2013 **MR. RAJ SINGH JAMWAL & ANIL KUMAR JAIN** (INDEPENDENT DIRECTORS OF THE COMPANY) has given the declaration required under Section 134 of the Companies Act, 2013.

### **RISK MANAGEMENT POLICY**

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 2016-17.



The good news is that the advanced economies overall will perform more strongly and contribute more to global growth in 2016-17.

### **LISTING ON STOCK EXCHANGES**

Your Company's shares are listed on the Bombay Stock Exchange, SME Platform and the company has paid the listing fees for the financial year 2016-17 including the fees of NSDL & CDSL.

### **CORPORATE GOVERNANCE**

Your Company has been listed on SME Platform of BSE Limited & According to SEBI(Listing Obligations & Disclosure Requirements) Regulations,2015 the compliance related to the provisions of Corporate Governance is not applicable for Companies Listed on SME Platform of BSE Limited however we are continuing to follow all the corporate governance practice prescribed under SEBI (LODR) Regulation 2015 and Companies Act, 2013. Hence, Separate Corporate Governance Report under Regulation 34 read with Schedule V of SEBI (LODR) Regulation 2015 is not being provided this year however company is providing Management Discussion and Analysis Report which forms a part of this Annual Report.

### **PARTICULARS OF EMPLOYEES**

There is no Employee in respect of whom information required under Companies Act, 2013 is required to be furnished in this report.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Provisions of the Companies Act, 2013 regarding Conservation of Energy and Technology Absorption do 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. 2.27 to 2.30 of Notes to accounts forming part of Annual report.

### **DEPOSITS**

The Company has neither invited nor accepted any sum falling under the purview of the Companies Act, 2013.



## **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.

## **KEY MANAGERIAL PERSONNEL**

During the period none of the KMP was changed.

## **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 and further approved by nomination & remuneration committee of the company and Mrs. Mamta Gupta was not paid any remuneration during the year.

**It is thereby, affirmed that remuneration is as per remuneration policy of the company.**

## **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI (LODR), 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc.

Similarly, for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/ her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and



governance, etc. Board members had submitted their response on a scale of 5 (excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board. The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

### **AUDITORS AND THEIR REPORT**

M/s RPMD & Associates Chartered Accountants, Independent Auditors of the Company was appointed by the shareholders in 23rd AGM on 24.07.2014 to hold the office from the conclusion of 23rd AGM to 28th AGM subject to rectification by shareholders in each AGM held thereafter. Hence the rectification of the appointment of M/s RPMD & Associates is needed to be done by shareholders in this AGM. The Auditors report is enclosed herewith along with all attachments. There is no qualification and adverse remark in his audit report and further there is no fraud reported by him under Section 143 (12) of the Companies Act, 2013.

### **SECRETARIAL AUDITORS AND THEIR REPORT**

The Board has appointed Ms. Kiran, Proprietor of M/s. Kiran And Associates, as a practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-2016 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is attached as Annexure - 3 and forms part of this report. There are no qualifications or observations or other remarks of the secretarial auditors in the report issued by them for the financial year 2015-2016.

### **CONSOLIDATED FINANCIAL STATEMENTS**

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2015- 16 which includes the Financial Statement of Subsidiaries and Associates Companies.



Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard- 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiaries.

The company has not consolidated the financial statement of 2 associates companies (Metalrod Private Limited and Ace Matrix Solutions Limited) as the AS -21 exempts the consolidation of financial statement of such associates because the investment in shares of associates was acquired as stock in trade and the intention of such investment was to disposed off the same in near future and further Section 129 (3) of the Companies Act, 2013 read with first proviso to Rule 6 of Companies (Accounts) Rules, 2014 which stated that in case of a company covered under sub section (3) of section 129 which is not required to prepare consolidated financial statements under Accounting Standards, it shall be sufficient if the company complies with provision of Consolidated Financial Statements provided in Schedule III of the Act and the company has duly complied with provision of Schedule III of the Act by disclosing the name of associates not consolidated and reason thereof as mentioned above.

Further, a separate statement containing the salient features of the financial statements of subsidiaries/Associates of the Company in the prescribed form AOC-1 has been disclosed in the Consolidated Financial Statements. In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiary Companies on its website.

The Company will make available physical copies of these documents upon request by any shareholder of the Company/ subsidiary interested in obtaining the same.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

## **INTERNAL FINANCIAL CONTROL SYSTEM**

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks. The Internal Auditors independently evaluate the adequacy of internal



controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's Report. To ensure effective Internal Financial Controls the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- The Company follows a robust 2-tier internal audit process:  
Tier-1: Management/ Strategic/ Proprietary audits are conducted on a regular basis throughout the year as per agreed audit plan.  
  
Tier-2: Transaction audits are conducted regularly in India and abroad to ensure accuracy of financial reporting, safeguard and protection of all the assets. Stock audit is conducted on quarterly basis at all locations in India. Fixed Asset verification of assets in India is done on an annual basis including AS-28 testing at all locations. The audit reports for the above audits are compiled and submitted to Management Committee and audit Committee for review and necessary action.
- The Company's books of accounts are maintained in Tally.ERP9 and transactions are executed through required setups to ensure correctness/ effectiveness of all transactions, integrity and reliability of reporting.
- The Company has a comprehensive risk management framework.
- RCI Industries and Technologies Limited has a robust mechanism of building budgets at an integrated cross- functional level. The budgets are reviewed on a monthly basis so as to analyze the performance and take corrective action, wherever required.
- RCI Industries and Technologies Limited has in place a well-defined Whistle Blower Policy/ Vigil Mechanism.



- RCI Industries and Technologies Limited has a system of Internal Business Reviews. All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements in quarterly review meetings. Specialized issues like investments, property, FOREX are discussed in their respective Internal Committee meetings.
- Compliance of secretarial functions is ensured by way of secretarial audit.

### **RELATED PARTY TRANSACTIONS**

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.

As required under Companies Act, 2013 the details of related party transactions are disclosed in prescribed form no. AOC – 2 which is attached herewith as Annexure – 4

### **SUBSIDIARIES/ASSOCIATES COMPANIES**

During the year no subsidiary and associates has been incorporated or taken over.

### **CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES**

The Company shares are listed on Bombay stock exchange (BSE) and there is no change in the capital structure of the Company.

### **COMPANY AFFAIRS**

Kindly refer to Management Discussion & Analysis Report which forms part of this report

### **CARRY FORWARD TO RESERVE**

The Balance of Profit & Loss Account has been transferred to reserve.

### **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has



been notified. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has duly constituted the said committee to prevent sexual harassment of women at work place and adopted a policy for prevention of Sexual Harassment of Women at workplace. The said committee has implemented the said policy and there are no complaints till date for any matter related thereto.

#### **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers. For and on behalf of the Board of Directors

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

**Sd/-**

**Mr. Rajeev Gupta  
Chairman & Managing Director**

**DIN 00503196**

**Date: 03/09/2016**



**Annexure 1**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

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AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016

OF

**RCI INDUSTRIES & TECHNOLOGIES LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN L74900DL1992PLC047055
- ii) Registration Date: 07/01/1992
- iii) Name of the Company : RCI INDUSTRIES & TECHNOLOGIES LIMITED
- iv) Category / Sub-Category of the Company : COMPANY LIMITED BY SHARES
- v) Address of the Registered Office and contact details

B-97 , ALL HEAVENS BULIDING ,WAZIRPUR RING ROAD , DELHI-110052

- vi) Whether listed company                   YES
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any

BIG SHARE SERVICES PRIVATE LIMITED

E/2-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai, Maharashtra-400072 Phone: 022-4043 0200



## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	COPPER & COPPER PRODUCT	27201	97%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	RCI SKILLS AND SOCIAL DEVELOPMENT PRIVATE LIMITED B-97 , ALL HEAVENS BULIDING, WAZIRPUR RING ROAD ,DELHI-110052	U85100DL2014PTC272102	SUBSIDIARY	100	2(87)
2.	RCI WORLD TRADE LINK DMCC DUBAI (U.A.E.)	N/A	SUBSIDIARY	100	2(87)
3.	ACE MATRIX SOLUTIONS LIMITED B-97 , ALL HEAVENS BULIDING, WAZIRPUR RING ROAD , DELHI-110052	U74899DL200OPLC103256	ASSOCIATE	22	2(6)
4.	METALROD PRIVATE LIMITED B-97 , ALL HEAVENS BULIDING,WAZIRPUR RING ROAD , DELHI-110052	U27106DL1974PLC007235	ASSOCIATE	34.27	2(6)



## **VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

## (I) CATEGORY-WISE SHARE HOLDING



<b>h) Foreign Venture Capital Funds</b>	0	0	0	0	0	0	0	0	0
<b>i) Others (market makers)</b>	93000	0	93000	0.85	0	0	0	0	(0.85)
Sub-total (B)(1):-	93000	0	93000	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	108000	0	108000	0.99	252000	0	252000	2.31	1.32
<b>i) Indian</b>									
<b>a) Individuals</b>									
<b>i) Individual shareholders holding nominal share capital upto Rs. 1 lakh</b>	261000	2800	263800	2.42	120000	2800	122800	1.13	(1.29)
<b>b) Individual shareholders holding nominal share capital in excess of Rs 1 lakh</b>	2418000	0	2418000	22.19	2349000	0	2349000	21.55	(0.64)
<b>c) Others (HUF)</b>	0	0	0		108000	0	108000	0.99	0.99
<b>Non Resident Indians</b>									
<b>Overseas Corporate Bodies</b>	0	0	0	0	0	0	0	0	
<b>Foreign Nationals</b>	0	0	0	0	0	0	0	0	
<b>Clearing Members</b>	0	0	0	0	51000	0	51000	0.46	0.46
<b>Trusts</b>	0	0	0	0	0	0	0	0	
<b>Foreign Bodies - D R</b>									
Sub-total (B)(2):-	2880000	2800	2882800	26.45	2880000	2800	2880000	26.45	



<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	2880000	2800	2882800	26.45	2880000	2800	2882800	26.45
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>								
<b>Grand Total (A+B+C)</b>	2880000	2800	2882800	26.45	2880000	2800	2882800	26.45

## (II) SHAREHOLDING OF PROMOTER

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	MAMTA GUPTA	409090	3.75%		409090	3.75%		
2	RAJEEV GUPTA	4364720	40.05%		4364720	40.05%		
3.	HEMBALA GUPTA	30	0		30	0		
4.	RITIKA GUPTA	2625	0.02		2625	0.02		
5.	BLOSSOM IMPEX PRIVATE LIMITED	30000	0.28		30000	0.28		
6.	ACE MATRIX SOLUTIONS LIMITED	1751900	16.07		1751900	16.07		
7.	KAY KAY EXIM PRIVATE LIMITED	50000	0.46		50000	0.46		
8.	METALROD PRIVATE LIMITED	812500	7.45		812500	7.45		
9.	ACE TRADE SOLUTIONS PRIVATE LIMITED	595750	5.47		595750	5.47		



**(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8016615	73.55	8016615	73.55
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 29.09.2014	NIL	NIL	NIL	NIL
	At the end of the year	8016615	73.55	8016615	73.55

**(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1884000	17.28	1884000	17.28
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(27000) Transfer	0.24	(27000) Transfer	0.24
	At the end of the year	1857000	17.04	1857000	17.04



**(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

SN	<i>Shareholding of each Directors and each Key Managerial Personnel</i>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year:	47,73,810	43.80	47,73,810	<b>43.80</b>
	Date wise Increase / Decrease in Share holding during the year	NIL	NIL	NIL	<b>NIL</b>
	<b>At the end of the year:</b>	<b>47,73,810</b>	<b>43.80</b>	<b>47,73,810</b>	<b>43.80</b>

**(VI) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year  short term <b>i) Principal Amount</b> <b>ii) Interest due but not paid</b> <b>iii) Interest accrued but not due</b> long term <b>i) Principal Amount</b> <b>ii) Interest due but not paid</b> <b>iii) Interest accrued but not due</b>	424,418,492  256,333	69,924,942  316,500,000		494343434  316756333
<b>Total</b>	<b>424674825</b>	<b>386424942</b>		<b>811099767</b>
Change in Indebtedness during the financial year  short term				



• Addition	235185747	31050324		266236071
• Reduction	0	0		0
Long term				
• Addition	0	132000000		132000000
• Reduction	256,333	0		(256,333)
Net Change	234929414	163050324	0	397979738
Indebtedness at the end of the financial year				
short term				
i) Principal Amount	659604239	100975266		760579505
ii) Interest due but not paid				
iii) Interest accrued but not due				
long term				
i) Principal Amount	0	448500000		448500000
ii) Interest due but not paid		0		0
iii) Interest accrued but not due		0		0
Total	659604239	549475266	0	1209079505

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-N.A.

### ➤ REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		RAJEEV GUPTA MD	----	----	
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary	12,00,000			12,00,000



	under				
2.	Stock Option				
3.	Sweat Equity				
4.	. Commission - as % of profit - others, specify...				
5.	Others, please specify				
Total (A)		1200000			1200000
	Ceiling as per the Act	<b>Within the ceiling of 5% of net profit of the company</b>			<b>Within the ceiling of 5% of net profit of the company</b>

➤ REMUNERATION TO OTHER DIRECTORS: NIL

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify				
	Total (1)				
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration	1200000			1200000
	Overall Ceiling as per the Act	<b>Within the ceiling of 11% of net profit of the company</b>			<b>Within the ceiling of 11% of net profit of the company</b>



➤ REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /  
MANAGER/ WTD: NIL

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		4,06,000		4,06,000
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total		4,06,000		4,06,000



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

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



## **ANNEXURE-2**

# **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS (EXCLUDING INDEPENDENT DIRECTORS), KMP AND SENIOR MANAGEMENT**

---

### **PRELIMINARY**

**Director's appointment is subject to the fulfillment of the following terms & conditions:**

1. So long as they are Directors of the Company, the number of companies in which they hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act.
2. So long as they are Directors of the Company, they will ensure that they do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
3. They will ensure compliance with other provisions of the Act and the listing Agreement as applicable to them as a Director.

### **TERM / TENURE**

#### **Executive Director:**

The Company shall appoint or re-appoint any person as its Managing Director/WTD for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### **Non-Executive Directors:**

The Company shall appoint or re-appoint any person as its Non-Executive Director for a term as it may deem fit subject to their retirement and re-appointment as per the applicable provisions of the Act.

### **COMMITTEES**

They will be appointed as Chairman and/or Member on the following Committees of the Board:

- (I) AUDIT COMMITTEE
- (II) NOMINATION AND REMUNERATION COMMITTEE
- (III) SHAREHOLDERS GRIEVANCE COMMITTEE
- (IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE



## **CODE OF CONDUCT**

They will abide by the Code of Conduct and Ethics Applicable to Directors as available on the website of the company.

## **PERFORMANCE EVALUATION**

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the Directors of the Company.

The Independent Directors shall take into consideration the following parameters for the purpose of evaluating the performance of Board of Directors. The evaluation scale is a simple two point scale i.e. SATISFACTORY OR UNSATISFACTORY.

Their reappointment or extension of term and their remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by Independent Directors on the basis of following specific issues and questions:

1. Attendance, participations in the Meetings and timely inputs on the minutes of the meetings.
2. Adherence to ethical standards & code of conduct of Company.
3. Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest.
4. Safeguarding of interest of whistle blowers under vigil mechanism and Safeguard of confidential information.
5. Violation of provisions of the Companies Act 1956 or 2013 by the Directors, if any.
6. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board.
7. Composition/Constitution of Board of Directors

Based on the above criteria Board has to be assessed by giving a rating of SATISFACTORY OR UNSATISFACTORY.

The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.



## **REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **H. REMUNERATION POLICY FOR EXECUTIVE DIRECTORS (WHOLE-TIME/MANAGING DIRECTOR) AND KMP:**

### **a) Fixed pay:**

The Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

### **c) Provisions for excess remuneration:**

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **I. REMUNERATION TO NON- EXECUTIVE DIRECTORS (EXCLUDING INDEPENDENT DIRECTOR):**

### **a) Remuneration / Commission:**



The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**b) Sitting Fees:**

The Non- Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as per the applicable provisions of the Companies Act, 2013

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

The Company aspires to pay performance linked remuneration to its Directors, Key Managerial Personnel and other employees. It will be ensured that the remuneration is determined in such away there exists a fine balance between fixed and incentive pay. The Directors of the Company may also waive off their remuneration and sitting fees if they deem fit.



## POLICY FOR APPOINTMENT AND REMOVAL / FORMULATION OF TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The Committee has established the following independence review procedures and criteria to evaluate the independence of Directors.

### PRELIMINARY

Independent Director's appointment is subject to the following terms & conditions:

1. During their tenure as an Independent Director, they will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that they meet the criteria of Independence.
2. So long as they are Independent Director of the Company, the number of companies in which they hold office as a Director or a chairman or committee member will not exceed the limits stipulated under the Act and the Listing Agreement.
3. So long as they are Independent Director of the Company, they will ensure that they do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
4. They will ensure compliance with other provisions of the Act and the listing Agreement as applicable to them as an Independent Director.

### TERM

Their Appointment will be for a term of 5 years and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

### COMMITTEES

They will be appointed as chairman and/or member on the following Committees of the Board:

- I) AUDIT COMMITTEE
- II) NOMINATION AND REMUNERATION COMMITTEE
- III) SHAREHOLDERS GRIEVANCE COMMITTEE
- IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE



## **CODE OF CONDUCT AND DUTIES AND RESPONSIBILITIES**

1. They will abide by the Code of Conduct and Ethics Applicable to Non-Executive Directors as available on the website of the company and business principles to the extent applicable to an Independent Director of the Company as set out separately in Annexure-1.
2. They will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as set out at Annexure-2 hereto.
3. They will not hold office as a Director or any other office in a competing firm/entity.
4. They are expected to stay updated on how best to discharge their roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. They are expected to:
  - (i) Take decisions objectively and solely in the interests of the Company;
  - (iii) Facilitate Company's adherence to high standards of ethics and corporate behavior;
  - (iv) Guide the Board in monitoring the effectiveness of the Company's governance Practices and to recommend changes, required if any;
  - (v) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate asset and abuse in related party transactions
  - (vi) Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards

## **PERFORMANCE EVALUATION**

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of Independent directors. The evaluation scale is a simple two point scale i.e. SATISFACTORY OR UNSATISFACTORY.

Their reappointment or extension of term and their remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board on the basis of following specific issues and questions:

1. Attendance and Participation.
2. Pro-active and positive approach with regard to Board and Senior Management.
3. Maintaining confidentiality.



4. Acting in good faith and in the interest of the company as a whole.
5. Exercising duties with due diligence and reasonable care.
6. Complying with legislations and regulations in letter and spirit.
7. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
8. Maintaining relationships of mutual trust and respect with Board members.
9. Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

The evaluation of Independent Directors shall be done by the Board. Based on the above criteria Independent Directors has to be assessed by giving a rating of SATISFACTORY OR UNSATISFACTORY.

### **REMUNERATION**

1. Their annual remuneration will be as under:
  - (a) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
  - (b) profit related commission, if any, determined by the Board and if approved by members will be payable at the end of each financial year based upon the performance of the Company and upon the performance of Independent Directors which will be evaluated by the Board of Directors.
2. They will be entitled to reimbursement of expenses incurred by them in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of pocket expenses.
3. Pursuant to applicable law, they will not be entitled to any stock options.

### **CHANGES OF PERSONAL DETAILS**

During the Term, They shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

### **MISCELLANEOUS**

1. They will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related



records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("Confidential Information").

They shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information. If any Confidential Information is required to be disclosed by them in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.



**Annexure -3**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2016**

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

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2016**

**To,**

**The Members,**

**RCI INDUSTRIES AND TECHNOLOGIES LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RCI Industries & Technologies Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the RCI Industries And Technologies Limited the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup>March,2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RCI Industries And Technologies Limited("the company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable during this Audit Period
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not Applicable during this Audit Period
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable during this Audit Period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity shares)Regulations, 2009- Not Applicable during this Audit Period
  - (h) The Securities and Exchange Board of India (Buy back of securities)Regulations, 1998- Not Applicable during this Audit Period
- (vi) As per information provided by the management, the following laws as applicable specifically to the company:
  - (a) Income Tax Act, 1961;
  - (b) Custom Law, 1962;
  - (c) Central Excise Act,
  - (d) Applicable Sales Tax Act
  - (e) Environmental Protection Act, 1986



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the company with Bombay Stock Exchange.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not made specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Sd/-

Place: Ghaziabad

Date: 03<sup>rd</sup> Sep, 2016

KIRAN (Proprietor)  
KIRAN & ASSOCIATES  
(Practicing Company Secretary)  
ACS No.37306  
C P No.14168



Annexure-4

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

### **1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS**

1.	Name(s) of the related party and nature of relationship:	Not applicable
2.	Nature of contracts/ arrangements/ transactions:	Not applicable
3.	Duration of the contracts / arrangements/transactions:	Not applicable
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not applicable
5.	Justification for entering into such contracts or arrangements or transactions	Not applicable
6.	Date(s) of approval by the Board:	Not applicable
7.	Amount paid as advances, if any:	Not applicable
8.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	Not applicable



**2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS  
AT ARM'S LENGTH BASIS**

1.	(a) Name(s) of the related party and nature of relationship:	As per Notes no. 2.31 of Notes to accounts forming part of Annual Report
2.	Nature of contracts/ arrangements/ transactions:	As per Notes no. 2.31 of Notes to accounts forming part of Annual Report
3.	Duration of the contracts / arrangements/transactions:	As per Notes no. 2.31 of Notes to accounts forming part of Annual Report
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per Notes no. 2.31 of Notes to accounts forming part of Annual Report
5.	Date(s) of approval by the Board, if any:	As per Notes no. 2.31 of Notes to accounts forming part of Annual Report
6.	Amount paid as advances, if any:	As per Notes no. 2.31 of Notes to accounts forming part of Annual Report

By Order of the Board of Directors  
For RCI Industries & Technologies Limited  
Sd/-  
**Mr. Rajeev Gupta**  
Chairman & Managing Director  
DIN 00503196



# MANAGEMENT DISCUSSION AND ANALYSIS

THIS REPORT DISCUSSES AND ANALYSES THE PERFORMANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016.

## OVERALL REVIEW OF OPERATIONS

The company is in the business of trading and exporting Metals. The Company achieved a turnover of Rs. 11,478,991,527. 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 2016. The good news is that the advanced economies overall will perform more strongly and contribute more to global growth in 2016.

## 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, 2013 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.

**By Order of the Board of Directors  
For RCI Industries & Technologies Limited**  
**Sd/-**  
**Mr. Rajeev Gupta**  
**Chairman & Managing Director**  
**DIN 00503196**  
**Date: 03/09/2016**



# STANDALONE FINANCIAL STATEMENT

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
Delhi.

### **Report on the Standalone Financial Statements**

- 1) We have audited the accompanying standalone 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 2016, 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 standalone Financial Statements**

- 2) The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of proper accounting records, in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

- 3) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



- 4) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 on the financial statements.

### **Opinion**

- 6) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2016;
  - 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**

- 7) As required by the Companies (Auditor's Report) Order, 2015 as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 of the said Order.
- 8) Subject to para 7 of this report and as required by the section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- 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 and with the returns received from the branches not visited by us;
- In our opinion, the aforesaid standalone financial statement comply with the Accounting standards specified under Section 133 of the Act, Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Accounts) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - ✓ The company does not have any pending litigations which would impact its financial position materially.
  - ✓ The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses
  - ✓ There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For RPMD & Associates  
Chartered Accountants  
ICAI Firm's registration number: 005961C**

**Sd/-  
Rahul Jain  
Partner  
Membership number: 518352**

**Place: Delhi  
Date: May 30<sup>th</sup> 2016**



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#### **"Annexure A" to Auditor's Report**

As referred to in para 7 of our report of even date to the members of RCI Industries & Technologies Ltd on the standalone accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

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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.
  - 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.  
In accordance with the manner of periodical checking by the management, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. Consequently, further comment on proper treatment thereof in the books of accounts does not arise; and
  - c) According to the information and explanation provided to us, the Company is holding title deeds of immovable properties, owned by it, in its name.
2. According to the information and explanation provided to us, the physical verification of the inventory has been conducted at regular intervals by the management. In our opinion, the frequency of verification is reasonable.  
We are informed that the discrepancies between the physical stocks and the books of account were negligible;
3. According to the information and explanations provided to us, in respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
  - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
  - b) The schedule of the repayment has been stipulated and the receipt of the principal amount or interest is regular.
  - c) There is no overdue amount which has not been received.
4. According to the information and explanations provided to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and investments made. Consequently, further comment under this clause does not arise.
5. According to the information and explanations provided to us, the Company has not accepted any deposit from the public. Consequently, further comment under this clause does not arise.



6. According to the information and explanations provided to us, the company is maintaining cost records in accordance with the requirements of sub section (1) of section 148 of the Act read with Companies (Cost Records and Audit), 2014. Consequently, further comment under this clause does not arise.
7. a) According to the records of the company produced before us and as per the information and explanation provided to us, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax and other statutory dues and there does not exist, any arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
b) According to the information and explanations provided to us, there does not exist any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute except as provided below:

S.No.	Statute Applicable	Asst Year	Sections	Amount (Rs.)
1	Income Tax Act, 1961	AY 2007-08	220(2)	1,980
2	Income Tax Act	AY 2009-10	115_WE	3,519
3	Income Tax Act	AY 2009-10	143(3)	52,810
4	Income Tax Act	AY 2009-10	271(1)(C )	103,818
5	Income Tax Act	AY 2010-11	154	74,370
6	Income Tax Act	AY 2011-12	220(2)	191,388
7	Income Tax Act	AY 2013-14	154	998,440
8	Income Tax Act, 1961	AY 2014-15	143(3)	1,123,150

8. According to the information and explanations provided to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or government or bank. Consequently, further comment under this clause does not arise.
9. According to the information and explanations provided to us, the Company has not raised money by issue of public offer (including debt instruments) and term loan. Consequently, further comment under this clause does not arise.
10. According to the information and explanations provided to us and based on our examination of the books of accounts maintained, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. Consequently, further comment under this clause does not arise.
11. According to the information and explanations provided to us and based on our examination of the books of accounts maintained, the company has paid managerial



remuneration to the 'Managing Director' which is in accordance with the provisions of Section 197 read with Schedule V to the Act. Consequently, further comment under this clause does not arise.

12. According to the information and explanations provided to us, the Company is not a Nidhi Company as per section 406(1) of the Act. Consequently, further comment under this clause does not arise.
13. According to the information and explanations provided to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and are disclosed in note-33 forming part of the financial statements, annexed to this audit report in compliance of AS-18 Related Party Disclosures.
14. According to the information and explanations provided to us and based on our examination of the books of accounts maintained, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, further comment under this clause does not arise.
15. According to the information and explanations provided to us, the Company has not entered into any transactions with directors or persons connected with him or its subsidiary company to transfer any assets for consideration other than cash under Section 192 (1)(a) of the Act.  
According to the information and explanations provided to us, the Company has not entered into any transactions with directors or persons connected with him to acquire any assets for consideration other than cash under Section 192 (1)(b) of the Act.
16. According to the information and explanations provided to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Consequently, further comment under this clause does not arise.

**For RPMD & Associates  
Chartered Accountants  
ICAI Firm's registration number: 005961C**

**Sd/-  
(Rahul Jain)  
Partner  
Membership number: 518352**

**Place: Delhi  
Date: May 30<sup>th</sup> 2016**



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**"Annexure B" to Auditor's Report**

As referred to in para 8(vi) of our report of even date to the members of RCI Industries & Technologies Ltd on the standalone accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

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

1. We have audited the internal financial controls over financial reporting of RCI Industries & Technologies Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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



4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.
5. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.  
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



## **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For RPMD & Associates  
Chartered Accountants  
ICAI Firm's registration number: 005961C**

**Sd/-  
(Rahul Jain)  
Partner  
Membership number: 518352**

**Place: Delhi  
Date: May 30<sup>th</sup> 2016**



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Note	As at 31 March 2016	As at 31 March 2015
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Capital Account	2.1	108,994,150	108,994,150
Reserves and surplus	2.2	359,344,900	332,761,386
<b>Non-Current Liabilities</b>			
Long-term borrowings	2.3	300,000,000	316,756,333
Other long term liabilities	2.4	148,500,000	-
Deferred tax liabilities (net)	2.5	-	83,819
Long term provisions	2.6	963,581	695,932
<b>Current liabilities</b>			
Short-term borrowings	2.7	760,579,505	494,343,434
Trade payables	2.8	1,058,841,218	1,158,603,752
Other current liabilities	2.9	196,990,652	247,816,109
Short term provisions	2.10	17,529,097	9,447,395
		<b>2,951,743,103</b>	<b>2,669,502,310</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets			
- Tangible assets	2.11	42,504,587	26,183,339
Non Current investments	2.12	47,665,960	1,994,065
Deferred tax assets (net)	2.5	246,553	-
Long term loans and advances	2.13	14,294,836	15,528,887
<b>Current assets</b>			
Inventories	2.14	741,482,322	608,698,001
Trade receivables	2.15	1,748,379,980	1,603,207,960
Cash and cash equivalents	2.16	72,007,312	60,804,403
Short term loan and advances	2.17	272,286,476	344,054,653
Other current assets	2.18	12,875,077	9,030,981
		<b>2,951,743,103</b>	<b>2,669,502,310</b>

Significant Accounting Policies

1

Notes on Financial Statements

2

As per our report of even date

For & on behalf of Board of Directors

For RPMD & Associates

Chartered Accountants

Firm's registration no. 005961C

(Rajeev Gupta)

Managing

Director

DIN- 00503196

(Manita Gupta)

Director

DIN- 00503302

(Rahul Jain)

Partner

Membership No. 518352

Place: Delhi

Date: May 30th, 2016

(Abhishek Kedia)

Company Secretary & CFO

M No. A33537



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	Note	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Rs.	Rs.
<b>Revenue</b>			
Revenue from operations	2.19	11,478,991,527	8,420,604,476
Other income	2.20	8,835,742	5,286,637
<b>Total Revenue</b>		<b>11,487,847,269</b>	<b>8,425,891,113</b>
<b>Expenses</b>			
Cost of materials consumed	2.21	5,828,599,419	3,482,624,045
Purchases of stock-in trade		5,155,522,428	4,627,828,539
Change in inventory of finished goods/ WIP/ Stock in trade	2.22	114,217,497	(60,739,777)
Employee benefits expense	2.23	10,639,387	8,463,421
Finance costs	2.24	121,419,079	79,715,438
Depreciation and amortization expense	2.11	7,769,131	6,268,649
Other Expenses	2.25	197,801,680	251,156,706
<b>Total expenses</b>		<b>11,435,968,631</b>	<b>8,395,317,021</b>
<b>Exceptional items</b>			
Profit/(Loss) before extraordinary items and tax		<b>51,878,638</b>	<b>30,574,092</b>
<b>Less: Tax expense</b>			
Current tax		17,529,097	9,447,395
Deferred Tax		(330,372)	(732,232)
Minimum alternate tax		-	-
<b>Profit/(Loss) for the period</b>		<b>34,679,913</b>	<b>21,858,930</b>
<b>Earning per equity share</b>			
Basic/Diluted	2.26	3.18	2.01

Significant Accounting Policies  
Notes on Financial Statements

1  
2

As per our report of even date

For & on behalf of Board of Directors

For RPMD & Associates

(Rajeev Gupta)

(Mamta Gupta)

Chartered Accountants

Managing

Director

Firm's registration no. 005961C

DIN- 00503196

DIN- 00503302

(Rahul Jain)  
Partner  
M No. 518352  
Place: Delhi  
Date: May 30th, 2016

(Abhishek Kedia)  
Company Secretary & CFO  
M No. A33537



**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
Cash Flow Statement for the year ended 31st March, 2016

Particulars	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
<b>A. Cash flow from Operating activities</b>		
Profit / (Loss) before tax	51,878,638	30,574,092
<i>Adjustments for:</i>		
Depreciation	7,769,131	6,268,649
Dividend Received	-	-
Interest Expense	(121,419,079)	79,715,438
Interest income	(8,312,870)	(4,900,998)
Adj to profit & loss account	(8,096,398)	(8,858,013)
(Profit) Loss on Sale of Fixed Assets	(35,549)	-
<b>Operating profit before working capital changes</b>	<b>164,622,031</b>	<b>102,799,168</b>
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	(132,784,320)	(448,394,711)
(Increase)/Decrease in Trade Receivables	(145,172,021)	(1,050,752,055)
(Increase)/Decrease in Other Receivables	73,002,227	(221,924,880)
Increase/(Decrease) in Trade Payables and Other Liabilities	6,261,360	1,010,535,498
(Increase)/Decrease in Other assets	(3,844,096)	(6,648,784)
<i>Cash generated from operations</i>	<b>(37,914,819)</b>	<b>(614,385,762)</b>
Income tax Refund/ (paid) during the year	(17,529,097)	(8,715,162)
Insurance-claim received	-	-
<b>Net cash from operating activities (A)</b>	<b>(55,443,916)</b>	<b>(623,100,925)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed assets (including capital advances)	(24,136,810)	(21,080,064)
(Purchase) Sale Of Long Term Investment	(45,671,895)	199,100,190
Sale of Fixed Assets	82,000	-
Interest Income	8,312,870	4,900,998
Dividend Received	-	-
<b>Net cash from investing activities (B)</b>	<b>(61,413,835)</b>	<b>182,921,124</b>
<b>C. Cash flow from Financing activities</b>		
Increase / (Decrease) in borrowings	266,236,071	233,388,743
Interest paid on borrowings	(121,419,079)	(79,715,438)
Proceeds/(Repayment) of Short Term Loans	-	-
Proceeds/(Repayment) of Long Term Loans	(16,756,333)	316,143,749
<b>Net cash from financing activities (C)</b>	<b>128,060,659</b>	<b>469,817,053</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>11,202,908</b>	<b>29,637,253</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60,804,403</b>	<b>31,167,150</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>72,007,311</b>	<b>60,804,403</b>

As per our report of even date

For RPMD & Associates

Chartered Accountants

Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rahul Jain)

Partner

Membership No. 518352

Place: Delhi

Date: May 30th, 2016

(Rajeev Gupta)

Managing

Director

DIN- 00503196

(Mamta Gupta)

Director

DIN- 00503302

(Abhishek Kedia)

Company Secretary & CFO

M No. A33537



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

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 2016	As at 31 March 2015
	Rs.	Rs.
<i>Authorised</i> 150,00,000 shares of Rs.10 each (PY 150,00,000 shares of Rs.10 each)	150,00,000	150,00,000
	150,00,000	150,00,000
<i>Issued, Subscribed &amp; fully paid up</i> 108,99,415 shares of Rs.10 each (PY 108,99,415 shares of Rs.10 each )	108,994,150	108,994,150
	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 2016	
	Number	(Rs.)
At the beginning of the year	10,899,415	108,994,150
Issued during the year for consideration in cash	-	-
Outstanding at the end of the year	10,899,415	108,994,150

Equity shares	31 March 2015	
	Number	(Rs.)
At the beginning of the year	10,899,415	108,994,150
Issued during the year for consideration in cash	-	-
Outstanding at the end of the year	10,899,415	108,994,150

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. The company is listed on SME platform of Bombay Stock Exchange

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

Name of Shareholders	As at 31 March 2016	As at 31 March 2015
	No. of Shares held (%)	No. of Shares held (%)
Rajeev Gupta	4364720 (40.05)	4364720 (40.05)
Ace Matrix Solutions Ltd.	1751900 (16.07)	1751900 (16.07)
Metalrod Ltd.	812500 (7.45)	812500 (7.45)
Karnlesh Shantilalji Jain	606000 (5.56)	606000 (5.56)
Ace Trade Solutions Pvt Ltd	595750 (5.47)	595750 (5.47)
Mamta Gupta	409090 (3.75)	409090 (3.75)

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 LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.2 RESERVE AND SURPLUS**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>Securities Premium Account</b>				
Opening Balance		218,786,395		218,786,395
Add: Amount received towards issues of shares during the year		-		-
Less: Amount utilised towards public issue expenses		-		-
Closing Balance		218,786,395		218,786,395
<b>Surplus balance in the statement of profit and loss</b>				
Opening Balance		113,974,991		100,974,074
Add: Profit/(Loss) for the year		34,679,913		21,858,930
Less: Excess Provision of Income Tax/ Income W/Off and TDS		(8,108,305)		(8,576,498)
Receivable of Previous years		-		(108,843)
Less: Listing Expenses W/off		11,907		(172,673)
Add/ Less: Dep W/off pursuant to change in useful life				
Closing Balance		140,558,505		113,974,991
		359,344,900		332,761,386

**2.3 LONG TERM BORROWINGS**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>SECURED</b>				
ICICI Bank Car Loan		-		256,333
<b>UNSECURED</b>				
Intercorporate Deposits		300,000,000		316,500,000
		300,000,000		316,756,333

**2.4 OTHER LONG TERM LIABILITIES**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>UNSECURED</b>				
Security Deposits from buyers		148,500,000		-
		148,500,000		-

**2.5 DEFERRED TAX LIABILITIES**

Particulars	As at 1 April 2015	During the year	As at
			31 March, 2016
<b>DTL/ DTA</b>			
Depreciation	83,819	(330,372)	(246,553)
<b>Net DTL/ DTA</b>	<b>83,819</b>	<b>(330,372)</b>	<b>(246,553)</b>



RCI INDUSTRIES &amp; TECHNOLOGIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

## 2.6 LONG TERM PROVISIONS

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Provision for Employee Benefits Gratuity	963,581	695,932
	963,581	695,932

## a) Gratuity

Change in present value of obligation

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Present value of obligation as at the beginning of the year	695,932	207,926
Interest cost	54,283	17,674
Current service cost	339,450	218,034
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(126,084)	252,298
Present value of obligation as at the end of year *	963,581	695,932

## Actuarial gain / loss recognized

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Actuarial gain/(loss) for the year -obligation	126,084	(252,298)
Actuarial (gain)/loss for the year plan assets	-	-
Total (gain)/loss for the year	(126,084)	252,298
Actuarial (gain) / loss recognized in the year	126,084	252,298
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 2016	As at 31 March 2015
	Rs.	Rs.
Present value of obligation as at the end of the year	963,581	695,932
Fair value of plan assets as at the end of the year	-	-
Funded status / Difference	(963,581)	(695,932)
Net asset/(liability)recognized in balance sheet	(963,581)	(695,932)



**RCI INDUSTRIES & TECHNOLOGIES LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Expense recognized in the statement of profit and loss

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Current service cost	339,450		218,034	
Interest cost	54,283		17,674	
Expected return on plan assets	-		-	
Net actuarial (gain)/ loss recognized in the year	(126,084)		252,298	
Expenses recognized in the statement of profit and losses	267,649		488,006	

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Discount rate	7.80%		8.50%	
Future salary increase rate	10.00%		10.00%	
Retirement age (years)	60		60	

## 2.7 SHORT TERM BORROWINGS

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Secured				
Working Capital Loans				
Rupee Loans from Banks				
- Jammu and Kashmir Bank Ltd	9,988,604		9,809,311	
- Union Bank of India	321,397,707		213,372,340	
- Oriental Bank of Commerce	77,993,422		44,049,975	
Foreign Currency Loans				
- Buyers Credit from J & K Bank	-		46,921,477	
- Buyers Credit from Union Bank of India	-		33,271,957	
- Buyers Credit from OBC	110,259,722		43,246,060	
Bank Guarantee Discounting Facility from Axis Bank	139,964,784			
Acceptances - LC- Oriental Bank of Commerce	-		33,747,372	
Unsecured				
Channel Finance Facility from Axis Bank	100,795,479		68,970,443	
Loans and advances from related parties	179,787		954,499	
	760,579,505		494,343,434	

### 2.7.1 Secured loans from banks

- Working Capital Loans are secured by hypothecation of present and future inventories, outstandings and receivables
- Discounting Facility from Axis Bank is secured by Bank Guarantee of Union Bank of India. Bank Guarantee is issued by Union bank of India in the name of supplier - Vedanta Limited



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.8 TRADE PAYABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Trade Payables	1,058,841,218	1,158,603,752
	1,058,841,218	1,158,603,752

**2.9 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Advances from Customers	61,217,635	19,853,649
CST Security against C Form	11,076,051	11,076,051
Current maturities of long term debt	271,416	357,504
Due to directors	-	598,448
Expenses Payables	111,802,503	203,021,381
Payable towards purchase of fixed assets	610,832	280,298
Statutory Liabilities	12,012,215	12,628,778
	196,990,652	247,816,109

**2.10 SHORT-TERM PROVISIONS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Provision for Income Tax	17,529,097	9,447,395
	17,529,097	9,447,395

**2.12 NON CURRENT INVESTMENTS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Other non-current Investments		
Investment in Wholly Owned Subsidiaries		
Investment in Equity share of RCI Skills & Development Pvt Ltd	100,000	100,000
Investment in Equity share of RCI World Trade Link DMCC, Dubai	46,622,000	831,500
Loans to RCI World Trade Link DMCC, Dubai	*	806,805
Loans to RCI Skills & Development Pvt Ltd	943,960	255,760
	47,665,960	1,994,065



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

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2015	ADDITIONS	DELETIONS /ADJ.	AS ON 31.03.2016	AS ON 01.04.2015	DURING THE YEAR	DELETIONS /ADJ.	AS ON 31.03.2016
LAND	1	-	-	1	-	-	-	1
LEASE HOLD EQUIPMENTS	186,545	-	-	186,545	112,798	15,138	-	127,936
CONTAINER	405,000	-	-	405,000	125,283	37,969	-	163,232
PLANT & MACHINERY	26,355,714	7,140,648	-	33,496,362	15,070,275	2,343,913	-	17,414,188
BUILDING	22,184,210	6,902,412	-	29,086,622	13,967,302	936,799	-	14,904,101
MOTOR VEHICLES	14,108,851	9,336,244	555,771	23,889,324	10,045,135	3,436,856	(509,320)	12,972,671
FURNITURE	571,208	41,400	-	612,608	460,276	50,879	-	511,135
ELECTRONIC INSTALLATION	1,123,127	209,138	-	1,332,265	862,513	65,438	-	927,951
WEIGHING MACHINE	136,868	-	-	136,868	48,378	15,878	-	64,256
OFFICE EQUIPMENTS	3,159,162	462,561	-	3,621,723	1,544,077	790,291	-	2,334,368
COMPUTERS & PRINTERS	1,113,517	32,500	*	1,146,017	924,808	75,969	(11,907)	938,870
<b>CURRENT YEAR-TOTAL</b>	<b>69,344,203</b>	<b>24,124,903</b>	<b>555,771</b>	<b>92,913,335</b>	<b>43,160,844</b>	<b>7,769,131</b>	<b>(521,227)</b>	<b>50,408,748</b>
<b>PREVIOUS YEAR-TOTAL</b>	<b>64,204,288</b>	<b>5,139,915</b>	<b>7</b>	<b>69,344,203</b>	<b>36,6719,522</b>	<b>6,268,649</b>	<b>172,673</b>	<b>43,160,844</b>
								<b>26,183,359</b>
								<b>27,484,766</b>

Note 2.11



**RCI INDUSTRIES & TECHNOLOGIES LTD.**  
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

**2.13 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Unsecured, considered good		
Capital Advances	-	142,412
Loan and advances to related parties	6,685,325	8,026,964
Other loans and advances	7,609,511	7,359,511
Security Deposits		
	14,294,836	15,528,887

**2.14: INVENTORIES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Raw Material	331,870,797	84,868,980
Work in progress	-	-
Finished Goods	52,628,697	23,630,898
Stock in trade	333,714,285	477,605,456
Stock on Consignment	3,268,542	22,592,667
	741,482,322	608,698,001

**2.15: TRADE RECEIVABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Unsecured, considered good		
Debts outstanding for period for less than six months	1,701,549,936	1,554,510,784
Debts outstanding for period for more than six months	46,830,044	48,697,176
	1,748,379,980	1,603,207,960

**2.16: CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Cash on hand	2,409,913	2,419,470
Balance with Banks in Current A/c	15,562,239	12,748,431
Balance with Banks in FDRs with original maturity of less than 12 months	54,035,160	45,636,501
Margin Money in the form of Deposits		
	72,007,312	60,804,403



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.20: OTHER INCOME**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Commission received	-	4,934
Discount received	48,882	377,409
Interest income	8,312,870	4,900,998
Miscellaneous income	493,990	3,296
	<b>8,855,742</b>	<b>5,286,637</b>
Interest Income Comprises:		
Interests on loans and advances	1,434,913	4,900,998
	<b>1,434,913</b>	<b>4,900,998</b>

**2.21: COST OF MATERIAL CONSUMED**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Opening stock	84,868,980	68,996,364
Add: Purchases	6,075,601,236	3,498,496,661
Less: Closing Stock	331,870,797	84,868,980
Cost of Material Consumed	<b>5,828,599,419</b>	<b>3,482,624,045</b>

**2.22: CHANGE IN INVENTORY OF FINISHED GOODS/ WIP/ STOCK IN TRADE**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
<b>Inventories at the end of the year</b>		
Work in progress	-	*
Finished Goods	52,628,697	23,630,898
Stock-in-trade	353,714,285	477,605,456
Stock on Consignment	3,268,542	22,592,667
	<b>409,611,525</b>	<b>523,829,021</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	-	-
Finished Goods	23,630,898	15,543,359
Stock-in-trade	477,605,456	346,446,174
Stock on Consignment	22,592,667	101,099,712
	<b>523,829,021</b>	<b>463,089,244</b>
	<b>114,217,497</b>	<b>(60,739,777)</b>



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.17: SHORT TERM LOAN AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Advances to Suppliers	9,268,678	27,403,995
Balance with Government Authorities	247,210,915	307,722,122
Loans and advances to related parties	6,000,000	5,893,871
Other Loan and Advances	-	85,097
Prepaid Expenses	3,823,037	674,051
Security Deposits	5,983,845	2,275,517
	<b>272,286,476</b>	<b>344,054,653</b>

**2.18: OTHER CURRENT ASSETS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Interest Accrued on Deposits	5,674,502	2,296,471
Rent Receivable	75,000	75,000
Insurance Claims	6,681,740	6,659,511
Other misc current assets	443,836	-
	<b>12,875,077</b>	<b>9,030,981</b>

**2.19: REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Sale of Products		
Domestic Sales	7,749,776,272	5,987,299,001
Export Sales	3,692,409,765	2,277,322,507
Other Operating Revenues	36,805,491	155,982,968
	<b>11,478,991,527</b>	<b>8,420,604,476</b>

**2.19.1: Other operating revenues comprises**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Other Operating Income	-	12,492,122
Export Incentives	36,805,491	143,490,846
	<b>36,805,491</b>	<b>155,982,968</b>



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.23: EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Contribution to provident and other funds	286,816	51,090
Salary and Wages	8,205,426	6,207,999
Staff Welfare Expenses	679,496	516,326
Director's remuneration	1,200,000	1,200,000
Provision for Gratuity	267,649	488,006
	<b>10,639,387</b>	<b>8,463,421</b>

**2.24: FINANCE COST**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Interest Expense on borrowings	87,725,561	60,318,676
Interest Expense on others	98,473	133,428
Interest expense on Trade Payables	19,486,736	4,611,569
Net Loss on foreign currency transactions and translations	1,270,800	399,925
Other borrowing costs	12,837,508	14,251,840
	<b>121,419,079</b>	<b>79,715,438</b>

**2.25: OTHER EXPENSES**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Audit Fees	250,000	250,000
Business Promotion Expenses	1,651,617	101,006
Clearing & Forwarding Charges	13,291,998	4,732,847
Commission on Sales	82,082,487	130,312,143
Consumable Expenses	518,555	102,544
Conveyance & Travelling Expenses	732,286	2,601,588
Donation & Charity	22,000	24,300
Freight & Cartage	32,007,418	9,748,080
General Expenses	1,315,237	1,115,843
Insurances	1,900,318	1,269,944
Legal and Professional Charges	7,016,158	4,437,301
Manufacturing Cum Consultancy Charges for Artwares	30,941,915	42,908,059
Net Profit/ loss on foreign currency transaction and translation	224,742	-
Office Maintenance Expenses	227,921	37,573
Other government charges and taxes	76,342	210,598
Power & Fuel	3,157,184	2,580,780
Printing & Stationary Expenses	193,831	219,566
Rebate, Claims and Discount Expenses	90,057	37,255,573
Rent, rate and Taxes	1,948,550	869,092
Repair & Maintenance	724,493	1,397,483
Shipment Expenses	17,963,363	9,580,790
Telephone & Postage Expenses	567,600	558,096
Vehicle Running & maintenance expenses	897,609	843,500
	<b>197,801,680</b>	<b>251,156,706</b>



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.26 EARNINGS PER SHARE**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Net Profit for the Year	34,679,913	21,858,930
Weighted average number of equity shares	10,899,415	10,899,415
Nominal value of shares (In Rs)	10	10
Basic/ Diluted Earning Per Share	3.18	2.01

**2.27 DETAILS ON DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES**

- a. The Company have NIL derivative positions as at 31st March, 2016
- b. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are  
Payable in USD - \$ 5,667,320 (Rs. 375,929,771) and Receivables in USD - \$12,077,685 (Rs. 801,147,871)

**2.28 VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Raw Material	3,467,860,227	536,520,295
Traded Goods	170,706,305	216,193,868
Capital Goods	5,901,875	-
	<b>3,644,468,406</b>	<b>752,714,163</b>

**2.29 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Interest Payment	1,173,560	1,415,837
Commission on Export Sales	70,386,414	124,821,135
	<b>71,559,974</b>	<b>126,236,972</b>

**2.30 EARNINGS IN FOREIGN EXCHANGE**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Export of goods	3,692,409,765	2,277,322,507
	<b>3,692,409,765</b>	<b>2,277,322,507</b>



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

**2.33 Other notes**

- i) Previous year figures are regrouped and reclassified wherever necessary to conform to current year's presentation.
- ii) There were no dues outstanding to Small, Medium and Micro Undertakings to the extent that such parties have been identified from available information
- iii) The Company has entered into operating lease agreements for certain offices premises, works and warehouses. The lease are for a period of 1-9 years and may be renewed for a further period, based on mutual agreement of the parties.

The lease agreements provide for an increase in the lease payments by 10-15% every one or two years..

Lease payments of Rs. 19,05,311 (LY 8,26,129) have been recognised in the statement of Profit & Loss with respect to above mentioned operating lease agreements

- iv) In the opinion of the management, current assets, loans and advances have a value not less than what is stated in the accounts if realised in the ordinary course of business.



**RCLINDUSTRIES & TECHNOLOGIES LIMITED**  
Notes forming part of the financial statements

**2.31 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)	Mrs. Mamtia Gupta(Wife), Mr. Pradeep Gupta(Brother)
Subsidiaries	RCI World Trade Link DMCC (Dubai), RCI Skills & Development Pvt.Ltd
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Mamtia Global Pty Ltd, All Heavens Restaurant Pvt Ltd

Note: Reliance for list of related parties, nature of relationship and transactions during the year & balances as on 31st March 2016 is placed on the details provided by the management.

**Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:**

	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	54,907,277	-	-	-	54,907,277
Receiving of services	-	1,200,000 (1,200,000)	-	120,000 (106,129)	1,320,000 (1,306,129)
Loan/ Investment in Subsidiaries	45,721,895 (1,944,065)	-	-	-	45,721,895 (1,944,065)
Loan from Subsidiaries	- (300,000,000)	-	-	-	- (300,000,000)

**Balances outstanding at the end of the year**

Trade payables/ Expenses Payables	54,826,468	-	-	-	54,826,468 (791,199)
Loans and advances Receivable	-	-	2,000,000 (2,000,000)	4,000,000 (4,000,000)	6,000,000 (6,000,000)
Loans/ Investment in Subsidiaries	47,665,960 (1,994,065)	-	-	-	47,665,960 (1,994,065)
Loan from Subsidiaries	300,000,000 (300,000,000)	-	-	-	300,000,000 (300,000,000)
Loans and advances Payable	-	-	179,787 (179,787)	-	179,787 (179,787)

Note: Figures in bracket relates to the previous year



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

**2.32 Contingent Liabilities and Commitments**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Contingent Liabilities:				
(A) Claims against the company / disputed liabilities not acknowledged as debts *				
in respect of statutory dues		2,549,475		374,845
(B) Bank Guarantees to Suppliers **			-	-
<b>Total</b>		<b>2,549,475</b>		<b>374,845</b>

\* The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

\*\* The company has already recognised the payable amount to Suppliers in their financial statements to whom bank guarantees has been issued against procurement of material on credit



# CONSOLIDATED FINANCIAL STATEMENT

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
RCI INDUSTRIES & TECHNOLOGIES LIMITED

### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of **RCI INDUSTRIES AND TECHNOLOGIES LIMITED** ("the company") and its wholly owned subsidiaries (collectively referred to as "Group") which comprise the Consolidated Balance Sheet as at 31 March 2016, 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**

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of proper accounting records, in accordance with the provision of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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



5. 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 financial 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. 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 on the consolidated financial statements.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditor on the financial statements of the foreign subsidiary (RCI World Trade Link DMCC), the aforesaid 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:
- iv. in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31 March 2016;
  - v. in the case of the consolidated statement of profit and loss, of the consolidated profit for the year ended on that date; and
  - vi. in the case of the consolidated cash flow statement, of the consolidated cash flows for the year ended on that date.

### **Other Matters**

7. We did not audit the financial statements of foreign subsidiary (RCI World Trade Link DMCC) whose financial statement reflect total assets of Rs. 8774.34 lakhs as at March 31, 2016, total revenue of Rs. 12,229.38 Lakhs for the year then ended on that date. These financial statements have been audited by other auditor whose reports have been furnished to us and our opinion is based solely on the reports of other auditor.

Our report is not qualified in respect of other matters.

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

8. As required by the section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - In our opinion proper books of account as required by law relating to preparation of consolidated financial statements have been kept so far as it appears from our examination of those books;



- The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statement comply with the Accounting standards specified under Section 133 of the Act, Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors of the Company as on 31 March 2016, and taken on record by the Board of Directors of the company, we report that none of the directors of company and its subsidiary incorporated in India is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Accounts) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - ✓ The company does not have any pending litigations which would impact its financial position materially.
  - ✓ The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses
  - ✓ There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For RPMD & Associates  
Chartered Accountants  
ICAI Firm's registration number: 005961C**

**Sd/-  
(Rahul Jain)  
Partner  
Membership number: 518352  
Place: Delhi  
Date: May 30<sup>th</sup> 2016**



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**Annexure A" to Independent Auditor's Report**

As referred to in para 8(vi) of our report of even date to the members of RCI Industries & Technologies Ltd on the consolidated accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

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

9. We have audited the internal financial controls over consolidated financial reporting of RCI Industries & Technologies Limited ("the Company") and its wholly owned subsidiary incorporated in India – RCI Skills & Social Development Private Limited (collectively referred to as "Group") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

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

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

**Auditors' Responsibility**

11. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls



over financial reporting was established and maintained and if such controls operated effectively in all material respects.

12. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.
13. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.  
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

15. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial



reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

16. In our opinion, the holding company, its subsidiary company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For RPMD & Associates  
Chartered Accountants  
ICAI Firm's registration number: 005961C**

Sd/-  
**(Rahul Jain)**  
**Partner**  
**Membership number: 518352**  
**Place: Delhi**  
**Date: May 30<sup>th</sup> 2016**



**RCI INDUSTRIES & TECHNOLOGIES LTD  
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Note	As at 31 March 2016	As at 31 March 2015
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Capital Account	2.1	108,994,150	108,994,150
Reserves and surplus	2.2	516,759,090	372,965,083
<b>Non-Current Liabilities</b>			
Long-term borrowings	2.3	259,854,658	16,756,333
Other long term liabilities	2.4	448,500,000	300,000,000
Deferred tax liabilities (net)	2.5	-	56,867
Long term provisions	2.6	963,581	695,932
<b>Current liabilities</b>			
Short-term borrowings	2.7	760,579,505	494,343,434
Trade payables	2.8	1,470,144,149	1,172,020,898
Other current liabilities	2.9	200,263,015	247,942,028
Short term provisions	2.10	17,329,097	9,447,395
		<b>3,783,587,245</b>	<b>2,723,222,120</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets			
- Tangible assets	2.11	42,504,587	26,183,359
- Capital work in progress		5,211,015	4,005,967
Non Current investments	2.12	364,487,088	-
Deferred tax assets (net)	2.5	280,674	-
Long term loans and advances	2.13	14,294,836	15,528,887
<b>Current assets</b>			
Inventories	2.14	741,482,322	608,698,001
Trade receivables	2.15	2,254,597,433	1,654,065,152
Cash and cash equivalents	2.16	75,432,736	61,420,120
Short term loan and advances	2.17	272,421,476	344,289,653
Other current assets	2.18	12,875,077	9,030,981
		<b>3,783,587,245</b>	<b>2,723,222,120</b>

Significant Accounting Policies  
Notes on Financial Statements

1  
2

For & on behalf of Board of Directors

As per our report of even date

For RPMD & Associates

Chartered Accountants

Firm's registration no. 005961C

(Rajeev Gupta)  
Managing  
Director  
DIN- 00503196

(Mamta Gupta)  
Director  
DIN- 00503302

(Rahul Jain)  
Partner  
Membership No. 518352  
Place: Delhi  
Date: May 30th, 2016

(Abhishek Kedia)  
Company Secretary & CFO  
M No. A33537



RCI INDUSTRIES &amp; TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Rs.	Rs.
<b>Revenue</b>			
Revenue from operations	2.19	12,701,929,678	9,825,660,374
Other income	2.20	8,855,742	5,286,637
<b>Total Revenue</b>		<b>12,710,785,420</b>	<b>9,830,947,011</b>
<b>Expenses</b>			
Cost of materials consumed	2.21	5,828,599,419	3,482,624,045
Purchases of stock-in trade		6,257,693,415	5,989,732,035
Change in inventory of finished goods/ WIP/ Stock in trade	2.22	114,217,497	(60,739,777)
Employee benefits expense	2.23	11,641,541	9,528,215
Finance costs	2.24	121,890,614	79,793,818
Depreciation and amortization expense	2.11	7,769,131	6,268,649
Other Expenses	2.25	202,500,199	253,205,791
<b>Total expenses</b>		<b>12,544,311,816</b>	<b>9,760,412,776</b>
<b>Exceptional items</b>			
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>166,473,604</b>	<b>70,534,235</b>
<b>Less: Tax expense</b>			
Current tax		17,529,097	9,447,395
Deferred Tax		(323,203)	(759,184)
Minimum alternate tax	2.4-	-	-
<b>Profit/(Loss) for the period</b>		<b>149,267,710</b>	<b>61,846,025</b>
<b>Earning per equity share</b>			
Basic/Diluted	2.26	13.70	5.67

Significant Accounting Policies

1

Notes on Financial Statements

2

As per our report of even date

For &amp; on behalf of Board of Directors

For RPMD &amp; Associates

Chartered Accountants

Firm's registration no. 005961C

(Rajeev Gupta)

(Mamta Gupta)

Managing  
Director

Director

DIN- 00503196

DIN- 00503302

(Rahul Jain)

Partner

M No. 518352

Place: Delhi

Date: May 30th, 2016

(Abhishek Kedia)

Company Secretary &amp; CFO

M No. A33537



**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
Consolidated Cash Flow Statement for the year ended 31st March, 2016

Particulars	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
<b>A. Cash flow from Operating activities</b>		
Profit/ (Loss) before tax	166,473,604	70,534,235
<i>Adjustments for:</i>		
Depreciation	7,769,131	6,268,649
Dividend Received	-	-
Interest Expense	121,890,614	79,793,818
Interest income	(8,312,870)	-
Adj to profit & loss account	(5,473,704)	(8,012,814)
(Profit) Loss on Sale of Fixed Assets	(35,549)	-
<b>Operating profit before working capital changes</b>	<b>282,311,227</b>	<b>149,583,888</b>
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	(132,784,320)	(448,394,711)
(Increase)/Decrease in Trade Receivables	(600,532,282)	(1,101,609,247)
(Increase)/Decrease in Other Receivables	72,821,554	(221,886,584)
Increase/(Decrease) in Trade Payables and Other Liabilities	407,236,722	1,324,737,428
(Increase)/Decrease in Other assets	(3,844,096)	(6,648,784)
<i>Cash generated from operations</i>	<b>25,208,804</b>	<b>(305,218,109)</b>
Income tax Refund/ (paid) during the year	(17,205,894)	(9,447,394)
Insurance-claim received	-	-
<b>Net cash from operating activities (A)</b>	<b>8,002,910</b>	<b>(314,665,503)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed assets (including capital advances)	(25,341,858)	(25,086,031)
(Purchase)/Sale Of Long Term Investment	(364,487,088)	199,286,630
Sale of Fixed Assets	82,000	-
Interest Income	8,312,870	-
Dividend Received	-	-
<b>Net cash from investing activities (B)</b>	<b>(381,434,076)</b>	<b>174,200,599</b>
<b>C. Cash flow from Financing activities</b>		
Increase / (Decrease) in borrowings	266,236,071	-
Interest paid on borrowings	(121,890,614)	(79,793,818)
Proceeds/(Repayment) of Short Term Loans	-	16,143,749
Proceeds/(Repayment) of Long Term Loans	243,098,325	233,388,743
<b>Net cash from financing activities (C)</b>	<b>387,443,782</b>	<b>169,738,674</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>14,012,616</b>	<b>29,273,770</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>61,420,120</b>	<b>32,146,350</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>75,432,736</b>	<b>61,420,120</b>

As per our report of even date

For RPMD & Associates  
Chartered Accountants  
Firm's registration no. 005961C

For & on behalf of Board of Directors

(Rahul Jain)  
Partner  
Membership No. 518352  
Place: Delhi  
Date: May 30th, 2016

(Rajeev Gupta)	(Maitra Gupta)
Managing	Director
Director	
DIN- 00503196	DIN- 00503302

(Abhishek Kedia)  
Company Secretary & CFO  
M No. A33537.



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

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 2016	As at 31 March 2015
	Rs.	Rs.
<i>Authorised</i> 150,00,000 shares of Rs.10 each (PY 150,00,000 shares of Rs. 10 each)	150,000,000	150,000,000
	150,000,000	150,000,000
<i>Issued, Subscribed &amp; fully paid up</i> 108,99,415 shares of Rs.10 each (PY 108,99,415 shares of Rs.10 each.)	108,994,150	108,994,150
	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 2016	
	Number	(Rs.)
At the beginning of the year	10,899,415	108,994,150
Issued during the year for consideration in cash	-	-
Outstanding at the end of the year	10,899,415	108,994,150

**Equity shares**

	31 March 2015	
	Number	(Rs.)
At the beginning of the year	10,899,415	108,994,150
Issued during the year for consideration in cash	-	-
Outstanding at the end of the year	10,899,415	108,994,150

**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. The company is listed on SME platform of Bombay Stock Exchange

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

Name of Shareholders	As at 31 March 2016	As at 31 March 2015
	No. of Shares held (%)	No. of Shares held (%)
Rajeev Gupta	4364720 (40.05)	4364720 (40.05)
Ace Matrix Solutions Ltd.	1751900 (16.07)	1751900 (16.07)
Metalrod Ltd.	812500 (7.45)	812500 (7.45)
Kamlesh Shantilalji Jain	606000 (5.56)	606000 (5.56)
Ace Trade Solutions Pvt Ltd	595750 (5.47)	595750 (5.47)
Mamta Gupta	409090 (3.75)	409090 (3.75)

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 LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.2 RESERVE AND SURPLUS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
<b>Securities Premium Account</b>		
Opening Balance	218,786,395	218,786,395
Add: Amount received towards issues of shares during the year	-	-
Less: Amount utilised towards public issue expenses	-	-
Closing Balance	218,786,395	218,786,395
 <b>Surplus balance in the statement of profit and loss</b>		
Opening Balance	154,178,688	100,345,478
Add: Profit/(Loss) for the year	149,267,710	61,846,025
Add: Subsidiary adjustments	2,622,695	845,199
Less: Excess Provision of Income Tax/ Income W/OFF and TDS	(8,108,305)	(8,576,498)
Receivable of Previous years		
Less: Listing Expenses W/off	-	(108,843)
Add/ Less: Dep W/off pursuant to change in useful life	11,907	(172,673)
Closing Balance	297,972,695	154,178,688
	516,759,090	372,965,083

**2.3 LONG TERM BORROWINGS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
<b>SECURED</b>		
ICICI Bank Car Loan	-	256,333
<b>UNSECURED</b>		
Intercorporate Deposits	259,854,658	16,500,000
	259,854,658	16,756,333

**2.4 OTHER LONG TERM LIABILITIES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
<b>UNSECURED</b>		
Security Deposits	148,500,000	-
Advances received towards joint venture in skill and development project	300,000,000	300,000,000
	448,500,000	300,000,000

**2.5 DEFERRED TAX LIABILITIES**

Particulars	As at	During the year	As at
	1 April 2015		31 March, 2016
<b>DTA/DTL</b>			
Depreciation	83,819	(330,372)	(246,553)
<b>DTA</b>			
on account of Losses	26,952	7,169	34,121
<b>Net DTA/DTL</b>	56,867	(323,203)	(280,674)



RCI INDUSTRIES &amp; TECHNOLOGIES LTD

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

## 2.6 LONG TERM PROVISIONS

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Provision for Employee Benefits		
Gratuity	963,581	695,932
	963,581	695,932

## a) Gratuity

Change in present value of obligation

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Present value of obligation as at the beginning of the year	695,932	207,926
Interest cost	54,283	17,674
Current service cost	339,450	218,034
Benefits paid		-
Actuarial (gain)/loss on obligation	(126,084)	252,298
Present value of obligation as at the end of year *	963,581	695,932

## Actuarial gain / loss recognized

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Actuarial gain/(loss) for the year -obligation	126,084	(252,298)
Actuarial (gain)/loss for the year plan assets	-	-
Total (gain)/loss for the year	(126,084)	252,298
Actuarial (gain) / loss recognized in the year	126,084	252,298
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 2016	As at 31 March 2015
	Rs.	Rs.
Present value of obligation as at the end of the year	963,581	695,932
Fair value of plan assets as at the end of the year	-	-
Funded status / Difference	(963,581)	(695,932)
Net assets/liability recognized in balance sheet	(963,581)	(695,932)



RCI INDUSTRIES &amp; TECHNOLOGIES LTD

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Expense recognized in the statement of profit and loss

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Current service cost	339,450		218,034	
Interest cost	54,283		17,674	
Expected return on plan assets	*		-	
Net actuarial (gain)/ loss recognized in the year	(126,084)		252,298	
Expenses recognized in the statement of profit and losses	267,649		488,006	

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Discount rate	7.80%		8.50%	
Future salary increase rate	10.00%		10.00%	
Retirement age (years)	60		60	

**2.7 SHORT TERM BORROWINGS**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Secured				
Working Capital Loans				
Rupee Loans from Banks				
- Jammu and Kashmir Bank Ltd	9,988,604		9,809,311	
- Union Bank of India	321,392,707		213,372,340	
- Oriental Bank of Commerce	77,993,422		44,049,975	
Foreign Currency Loans	*		-	
- Buyers Credit from J & K Bank	-		46,921,477	
- Buyers Credit from Union Bank of India	-		33,271,957	
- Buyers Credit from OBC	110,259,722		43,246,060	
Bank Guarantee Discounting Facility from Axis Bank	139,964,784		-	
Acceptances - LC- Oriental Bank of Commerce	-		33,747,372	
Unsecured				
Channel Finance Facility from Axis Bank	100,795,479		68,970,443	
Loans and advances from related parties	179,787		954,499	
Other Loans and advances	-		-	
	760,579,505		494,343,434	

**2.7.1 Secured loans from banks**

- Working Capital Loans are secured by hypothecation of present and future inventories, outstandings and receivables
- Discounting Facility from Axis Bank is secured by Bank Guarantee of Union Bank of India. Bank Guarantee is issued by Union bank of India in the name of supplier - Vedanta Limited



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

Note 2.11

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	AS ON 01.04.2015	ADDITIONS /ADJ.	DELETIONS /ADJ.	AS ON 31.03.2016	AS ON 01.04.2015	DURING THE YEAR	DELETIONS (ADJ.)	AS ON 31.03.2016	AS ON 31.03.2015
LAND	1,65,545	-	-	186,545	112,798	15,138	-	127,936	58,609
LEASE HOLD EQUIPMENTS	40,5,000	-	-	40,5,000	125,285	37,869	-	163,252	241,748
CONTAINER	7,140,648	-	-	33,496,362	15,070,275	2,343,913	-	17,414,188	16,082,174
PLANT & MACHINERY	26,35,714	-	-	29,086,622	13,967,302	936,799	-	14,904,101	14,182,521
BUILDING	22,184,210	-	-	55,734	22,889,324	10,045,135	3,435,356	(509,320)	12,972,671
MOTOR VEHICLES	14,108,851	-	-	41,400	612,608	460,276	50,179	511,155	101,453
FURNITURE	571,208	-	-	1,125,127	209,138	1,332,265	682,513	927,951	404,314
ELECTRONIC INSTALLATION	136,858	-	-	135,159,162	-	136,866	48,378	64,236	260,614
WEIGHING MACHINE	3,159,162	-	-	3,621,721	-	3,621,721	1,544,077	72,612	88,590
OFFICE EQUIPMENTS	1,113,517	-	-	32,500	-	1,146,017	924,808	(11,907)	1,287,335
COMPUTERS & PRINTERS								988,870	157,147
CURRENT YEAR-TOTAL	69,344,203	24,124,903	555,771	92,913,335	43,160,844	7,769,131	(521,227)	50,408,748	42,504,587
PREVIOUS YEAR-TOTAL	64,204,288	5,139,915	-	69,344,203	36,719,522	6,268,649	172,673	43,160,844	26,183,359



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.8 TRADE PAYABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Trade Payables	1,470,144,149	1,172,020,898
	1,470,144,149	1,172,020,898

**2.9 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Advances from Customers	64,235,827	19,853,649
CST Security against C Form	11,076,051	11,076,051
Current maturities of long term debt	271,416	357,504
Due to directors	*	598,448
Expenses Payables	112,056,674	203,147,300
Payable towards purchase of fixed assets	610,832	280,298
Statutory Liabilities	12,012,215	12,628,778
	200,263,015	247,942,028

**2.10 SHORT-TERM PROVISIONS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Provision for Income Tax	17,529,097	9,447,395
	17,529,097	9,447,395

**2.12 NON CURRENT INVESTMENTS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Other non-current Investments		
Investment in Equity Shares of HillView Marketing Pvt Ltd	364,487,088	
	364,487,088	



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.13 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Unsecured, considered good		
Capital Advances	-	-
Loan and advances to related parties	-	142,412
Other loans and advances	306,685,325	8,026,964
Security Deposits	7,609,511	7,359,511
	314,294,836	15,528,887

**2.14: INVENTORIES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Raw Material	331,870,797	84,868,980
Work in progress	-	-
Finished Goods	52,628,697	23,630,898
Stock in trade	353,714,285	477,605,456
Stock on Consignment	3,268,542	22,592,667
	741,482,322	608,698,001

**2.15: TRADE RECEIVABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Unsecured, considered good		
Debts outstanding for period for less than six months	2,207,767,389	1,605,367,976
Debts outstanding for period for more than six months	46,830,044	48,697,176
	2,254,597,433	1,654,065,152

**2.16: CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Cash on hand	2,945,150	2,845,415
Balance with Banks in Current A/c	18,452,427	12,938,204
Balance with Banks in FDRs with original maturity of less than 12 months		
Margin Money in the form of Deposits	54,035,160	45,636,501
	75,432,736	61,420,120



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.17: SHORT TERM LOAN AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Advances to Suppliers	9,268,678	27,403,995
Balance with Government Authorities	247,210,915	307,722,122
Loans and advances to related parties	6,000,000	5,893,871
Other Loan and Advances	-	85,097
Prepaid Expenses	3,823,037	674,051
Security Deposits	6,118,845	2,510,517
	<b>272,421,476</b>	<b>344,289,653</b>

**2.18: OTHER CURRENT ASSETS**

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Interest Accrued on Deposits	5,674,502	2,296,471
Rent Receivable	75,000	75,000
Insurance Claims	6,681,740	6,659,511
Other misc current assets	443,836	-
	<b>12,875,077</b>	<b>9,030,981</b>

**2.19: REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Sale of Products		
Domestic Sales	8,454,164,761	7,342,459,062
Export Sales	4,151,374,183	2,327,218,344
Other Operating Revenues	96,390,735	155,982,968
	<b>12,701,929,678</b>	<b>9,825,660,374</b>

**2.19.1: Other operating revenues comprises**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Other Operating Income	59,585,244	12,492,122
Export Incentives	36,805,491	143,490,846
	<b>96,390,735</b>	<b>155,982,968</b>



**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.20: OTHER INCOME**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Commission received	-	4,934
Discount received	48,882	377,409
Interest income	8,312,870	4,900,998
Miscellaneous income	491,990	3,296
	<b>8,855,742</b>	<b>5,286,637</b>
Interest Income Comprises:		
Interests on loans and advances	1,434,913	4,900,998
	<b>1,434,913</b>	<b>4,900,998</b>

**2.21: COST OF MATERIAL CONSUMED**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Opening stock	84,868,980	68,996,364
Add: Purchases	6,075,601,236	3,498,496,661
Less: Closing Stock	331,870,797	84,868,980
Cost of Material Consumed	<b>5,828,599,419</b>	<b>3,482,624,045</b>

**2.22: CHANGE IN INVENTORY OF FINISHED GOODS/ WIP/ STOCK IN TRADE**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
<b>Inventories at the end of the year</b>		
Work in progress	-	-
Finished Goods	52,628,697	23,630,898
Stock-in-trade	353,714,285	477,605,456
Stock on Consignment	3,268,542	22,592,667
	<b>409,611,525</b>	<b>523,829,021</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	-	-
Finished Goods	23,630,898	15,543,359
Stock-in-trade	477,605,456	346,446,174
Stock on Consignment	22,592,667	101,099,712
	<b>523,829,021</b>	<b>463,089,244</b>
	<b>114,217,497</b>	<b>(60,739,777)</b>



**RCT INDUSTRIES & TECHNOLOGIES LTD**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.23: EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Contribution to provident and other funds:	286,816	51,090
Salary and Wages	9,146,165	7,272,793
Staff Welfare Expenses	740,911	516,326
Director's remuneration	1,200,000	1,200,000
Provision for Gratuity	267,649	488,006
	<b>11,641,541</b>	<b>9,528,215</b>

**2.24: FINANCE COST**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Interest Expense on borrowings:	87,725,561	60,318,676
Interest Expense on others	98,473	133,428
Interest expense on Trade Payables	19,486,736	4,611,569
Net Loss on foreign currency transactions and translations	1,270,800	399,925
Other borrowing costs	13,309,043	14,330,220
	<b>121,890,614</b>	<b>79,793,818</b>

**2.25: OTHER EXPENSES**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Audit Fees	304,543	255,000
Business Promotion Expenses	1,651,617	101,006
Clearing & Forwarding Charges	13,291,998	4,732,847
Commission on Sales	82,082,487	130,312,143
Consumable Expenses	518,555	102,544
Conveyance & Travelling Expenses	946,607	2,678,098
Donation & Charity	22,000	24,300
Freight & Cartage	34,540,960	9,748,080
General Expenses	1,611,386	1,911,111
Insurances	1,900,318	1,269,944
Legal and Professional Charges	7,528,858	5,390,071
Manufacturing Cum Consultancy Charges for Artwares	30,941,915	42,908,059
Net Profit/ loss on foreign currency transaction and translation	224,742	-
Office Maintenance Expenses	466,562	55,525
Other government charges and taxes	76,342	210,598
Power & Fuel	3,157,184	2,580,780
Printing & Stationary Expenses	398,264	239,997
Rebate, Claims and Discount Expenses	90,057	37,255,573
Rent, rate and Taxes	2,500,147	949,241
Repair & Maintenance	724,493	1,397,483
Shipment Expenses	17,963,363	9,643,264
Telephone & Postage Expenses	660,193	596,628
Vehicle Running & maintenance expenses	897,609	843,500
	<b>202,500,199</b>	<b>253,205,791</b>



RCI INDUSTRIES & TECHNOLOGIES LTD

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

2.26 EARNINGS PER SHARE

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Net Profit for the Year	149,267,710	61,846,025
Weighted average number of equity shares	10,899,415	10,899,415
Nominal value of shares (In Rs)	10	10
Basic/ Diluted Earning Per Share	13.70	5.67



**RCI INDUSTRIES & TECHNOLOGIES LIMITED**

Notes forming part of the consolidated financial statements for the year ended 31st March, 2016

**2.27 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)	Mrs. Mamta Gupta (Wife), Mr. Pradeep Gupta (Brother)
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Mamta Global Pvt Ltd, All Heavens Restaurant Pvt Ltd

Note: Reliance for list of related parties, nature of relationship and transactions during the year & balances as on 31st March 2016 is placed on the details provided by the management.

**Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:**

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase/Sales of goods	-	-	-	-
Receiving of services	1,200,000 (1,200,000)	-	120,000 (106,129)	1,320,000 (1,306,129)

**Balances outstanding at the end of the year:**

Trade payables/ Expenses Payables	-	-	(685,070) (106,129)	(791,199)
Loans and advances Receivable	-	2,000,000 (2,000,000)	4,000,000 (4,000,000)	6,000,000 (6,000,000)
Loans and advances Payable	-	179,787 (179,787)	-	179,787 (179,787)

Note: Figures in bracket relates to the previous year



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

**2.28 Contingent Liabilities and Commitments**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Contingent Liabilities				
(A) Claims against the company / disputed liabilities not acknowledged as debts *				
in respect of statutory dues		2,549,475		374,845
(B) Bank Guarantees to Suppliers **				
Total		2,549,475		374,845

\* The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

\*\* The company has already recognised the payable amount to Suppliers in their financial statements to whom bank guarantees has been issued against procurement of material on credit



**RCI Industries & Technologies Ltd**

## **Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### **Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

#### **Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>		
1	Name of the subsidiary	RCI Skills and Social Development Private Limited	RCI World Trade Link DMCC	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2015 to 31-03-2016	01-01-2015 to 31-12-2015	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	1AED – Rs. 18.017 as on 31-03-2016	
		INR	AED	INR
4	Share capital	100000	50000	900850
5	Reserves & surplus	(76421)	5462239	98413160
6	Total assets	302075615	39219177	706611912
7	Total Liabilities	302075615	39219177	706611912
8	Investments	0	0	367929247
9	Turnover	0	63190704	1138506914
10	Profit before taxation	(23372)	3154884	56841545
11	Provision for taxation	7222	0	0
12	Profit after taxation	(16150)	3154884	56841545
13	Proposed Dividend	-	0	0
14	% of shareholding	100%	100%	

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NA
2. Names of subsidiaries which have been liquidated or sold during the year. - NA



## **RCI Industries & Technologies Ltd**

### **Part "B": Associates and Joint Ventures**

#### **Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates	Ace Matrix Solutions Limited	Metalrod Limited
Latest audited Balance Sheet Date	31-03-2015	31-03-2015
Shares of Associate/Joint Ventures held by the company on the year end		
No.	30110	316380
Amount of Investment in Associates/Joint Venture	6016304	3994528
Extend of Holding%	22%	34.27%
Description of how there is significant influence	Due to percentage of share capital	
Reason why the associate/joint venture is not consolidated	As disclosed in Note 2.32 of accompanied consolidated financial statements.	
Net worth attributable to shareholding as per latest audited Balance Sheet	6087365	69860089
Profit/Loss for the year		
Considered in Consolidation	NA	NA
Not Considered in Consolidation	60900	179001

1. Names of associates or joint ventures which are yet to commence operations. NA
2. Names of associates/joint ventures which have been liquidated/sold during the year NA

For & on behalf of Board of Directors

For **RPMD & Associates**

**Chartered Accountants**

Firm's registration no. 005961C

**Sd/-**

(Rajeev Gupta)

(Mamta Gupta)

**Managing Director**

DIN- 00503196

**Director**

DIN- 00503302

**Sd/-**

**(Rahul Jain)**

Partner

M No. 518352

Delhi

(Abhishek Kedia)

**Company Secretary &  
CFO**

**M No. A33537**



### FORM NO. MGT – 11

### RCI INDUSTRIES & TECHNOLOGIES LIMITED (CIN : L74900DL1992PLC047055)

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(3) 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 25<sup>th</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> September, 2016 at 10.00 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-----2016

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 before the time for holding the meeting.



**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
(CIN : L74900DL1992PLC047055)

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**  
**25<sup>TH</sup> ANNUAL GENERAL MEETING**

Reg. Folio/DP & Client No. .... 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 25<sup>th</sup> 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 10 AM on Thursday, the 30<sup>th</sup> Sep, 2016

**Members Name** \_\_\_\_\_

**Proxy(s) Name** \_\_\_\_\_

**Member's/Proxy's 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.

EVEN (Remote e-voting Number)	USER ID	PASSWORD/PIN
105514		



**ALTERATION IN RESOLUTION ALONG WITH EXPLANATORY STATEMENT OF NOTICE OF 25<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON 30<sup>TH</sup> SEPTEMBER,2016**

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**SPECIAL BUSINESS:**

**ITEM NO.1**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

1. To issue up to 8 lakhs Equity Shares on Preferential basis

**"RESOLVED THAT** pursuant to the provisions of Section-62(1)(c), Section-42 and & such other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital & Debentures) Rules, 2014 and Companies (Prospectus & Allotment of Securities) Rules, 2014 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Articles of Association of the Company and the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR Regulations)") and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 ("SEBI(LODR) Regulations) and subject to approval of any regulatory or statutory authority, the consent of Shareholders of the Company be & is hereby accorded to issue, offer and allot following no. of shares to following persons on such terms as mentioned in the explanatory statement.

<b>PROPOSED ALLOTTEES</b>	<b>NUMBER OF SHARES ALLOTTED</b>	<b>FACE VALUE PER SHARE</b>	<b>PREMIUM PER SHARE</b>	<b>AMOUNT</b>
Satish Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Uma Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Apoorv Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Arpit Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Harshit Infratech (P) Ltd.	3 Lakhs	Rs. 10 fully paid up	Rs. 115	37500000
<b>TOTAL</b>	<b>8 Lakhs</b>			<b>100000000</b>

**RESOLVED FURTHER THAT**

- i) The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be **31<sup>st</sup> August, 2016** being the date 30 days prior to the date of Annual General Meeting (i.e. 30<sup>th</sup> September, 2016).

- ii) The Equity Shares to be issued and allotted shall be listed and traded on BSE Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iii) The Equity Shares allotted to allottees shall rank pari passu with the existing Equity Shares of the Company, from the date of their allotment. Such new Equity Shares when issued and allotted as aforesaid shall also be entitled for dividend as per the regulations / notifications / clarifications issued by SEBI in this regard;
- iv) The Equity Shares allotted on a preferential basis shall remain locked in as per the provisions of SEBI (ICDR Regulations), 2009;
- v) The Board be and is hereby authorized to accept any modification(s) to or modify the terms of issue of Equity Shares, subject to the provisions of the Act and SEBI (ICDR Regulations), without being required to seek any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to settle any question or difficulty that may arise with regard to the issue and allotment of Equity Shares.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution."

#### **SPECIAL BUSINESS:**

##### **Item No.1 To Issue up to 8,00,000 Equity Shares on Preferential basis**

The Company is engaged in carrying on business of manufacturing of Copper Wire, Lead Free Solders, Tin-alloy solders, Copper, Brass, Stainless Steel-Strips/Foils/Coils as well as international & domestic trading of ferrous and non-ferrous metals used in various electrical and industrial applications.

The Company has acquired the running business of Devi Metal Technologies, a partnership firm (now known as RCI Strips, a unit of RCI Industries & Technologies Limited) located in Baddi, Himachal Pradesh and the Company is in the process of development and modernisation of the said unit through replacement of old plant & machinery with the new one leading to increase in production and sales turnover. Further, the Company is in the process of expansion and modernisation of its existing unit RCI Copper located in Nalagarh.

Hence, the Company is envisaging to expand its manufacturing units via technological upgradations, purchasing land & building & also by improving the infrastructure of the Company. Therefore, our Company require funds for fulfilling the requirements of expansion & also for various long term working capital and general corporate purposes. To augment the growth and improve the financial performance of the Company, the Company has approached the below mentioned "Allottees" to infuse fresh funds in the Company.

Board of Directors at its meeting held on 3<sup>rd</sup> day of September, 2016, after considering the various sources for sourcing funds for this investment; while at the same time maintaining public shareholding at 25% post issue, deemed it appropriate to create, issue, offer and allot equity shares to the following:

PROPOSED ALLOTTEES	NUMBER OF SHARES ALLOTTED	FACE VALUE PER SHARE	PREMIUM PER SHARE	AMOUNT
<b>Satish Agarwal</b>	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
<b>Uma Agarwal</b>	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
<b>Apoorv Agarwal</b>	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
<b>Arpit Agarwal</b>	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
<b>Harshit Infratech (P) Ltd.</b>	3 Lakhs	Rs. 10 fully paid up	Rs. 115	37500000
<b>TOTAL</b>	<b>8 Lakhs</b>			<b>100000000</b>

Pursuant to provisions of Section 62 (1) (c) read with Section 42 of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The SEBI (LODR), Regulations 2015 also provide that the Company shall, in the first instance, offer all securities for subscription pro-rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of shares is in accordance with the provisions of SEBI (ICDR Regulations) and other applicable regulations, if any. In terms of the provisions of the Companies Act, 2013 read with Rule 13 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR Regulations), the relevant disclosures are given:

- **The Object of the Issue through Preferential Offer:**

The proceeds will be utilized for:

- a) To expand and modernise the newly acquired unit - RCI Strips

- b) To expand and modernise the existing unit - RCI Copper
- c) To fulfill the need of Working Capital requirements and for other general Corporate purposes.

- **Issue Size, number of Equity Shares to be issued & price thereof:**

PROPOSED ALLOTTEES	NUMBER OF SHARES ALLOTTED	FACE VALUE PER SHARE	PREMIUM PER SHARE	AMOUNT
Satish Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Uma Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Apoorv Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
Arpit Agarwal	1.25 Lakhs	Rs. 10 fully paid up	Rs. 115	15625000
<b>Harshit Infratech (P) Ltd.</b>	3 Lakhs	Rs. 10 fully paid up	Rs. 115	37500000
<b>TOTAL</b>	<b>8 Lakhs</b>			<b>100000000</b>

- **The Intention of the Promoters / PAC / Directors / Key Management Persons to subscribe to the offer:**

None of the Promoters / PACs / Directors / Key Management Persons intends to subscribe this offer. None of them are in anyway concerned or interested financially or otherwise in this Resolution.

- **Relevant Date:**

The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be **31<sup>st</sup> August, 2016** being the date 30 days prior to the date of Annual General Meeting (i.e. **30<sup>th</sup> September, 2016**)

- **Pricing of Preferential Issue:**

The Equity Shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR Regulations). The trading price of securities of the Company on the stock exchanges is taken into consideration for determining the pricing of securities allotted on preferential basis.

Accordingly, the price per Equity Share to be issued is fixed at Rs. 125 (including premium of Rs. 115) which is not less than higher of the following:

- a) The average of the weekly high and low of the volume weighted average price at the BSE for 26 weeks prior to the Relevant Date and
- b) The average of the weekly high and low of the volume weighted average prices at the BSE for 2 weeks prior to the Relevant Date.

Since the Company is listed on Stock Exchange (BSE Limited), price of equity shares need not be decided by the Registered Valuer.

- **Identity of Natural person and shareholding thereof**

NAME OF ALLOTTEES	CLASS OF SUCH ALLOTTEES	IDENTITY OF NATURAL PERSONS/ BENEFICIAL OWNERS	SHAREHOLDING	
			PRE-ISSUE HOLDING	POST ISSUE HOLDING
<b>Satish Agarwal</b>	Public - Resident Individual	Satish Agarwal	0.39%	1.42%
<b>Uma Agarwal</b>	Public - Resident Individual	Uma Agarwal	0.39%	1.42%
<b>Apoorv Agarwal</b>	Public - Resident Individual	Apoorv Agarwal	0.39%	1.42%
<b>Arpit Agarwal</b>	Public - Resident Individual	Arpit Agarwal	0.41%	1.45%
<b>Harshit Infratech (P) Ltd.</b>	Public – Corporate Bodies	Arun Kumar Jain – 30% Smita Jain – 57.37%	0.00%	2.56%

- **Terms of Issue of Equity Shares:**

The issue is authorized by Articles of Association of the Company.

The consideration price of the equity shall be received from respective allottee's banks accounts;

The entire Pre Preferential Allotment Shareholding of the allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of Trading Approval to be received from the Stock Exchanges.

**Note: -**

1. None of the Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution.
2. In this notice, preferential issue includes private placement.

**Shareholding Pattern before and after the preferential issue:**

Sl. No.	Category of Shareholder	Pre-issue		Post-issue	
		Total number of shares held	% of share equity holding	Total number of equity shares held	% of equity share holding
<b>A</b>	<b>Shareholding of Promoter and Promoter group</b>				
1	Indian				
	Individuals	4776465	43.82	4776465	40.83
	Bodies Corporate	3240150	29.73	3240150	27.69
<b>Sub Total A(1)</b>		<b>8016615</b>	<b>73.55</b>	<b>8016615</b>	<b>68.52</b>
2.	Foreign Promoters	0	0	0	0
<b>Sub Total A(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter group A(1)+A(2)</b>		<b>8016615</b>	<b>73.55</b>	<b>8016615</b>	<b>68.52</b>
<b>B</b>	<b>Public Shareholding</b>				
1.	Institutional Investors	0	0	0	0
2.	Non Institutions:				
	Private Corporate Bodies	363000	3.33	663000	5.67
	Directors/Relatives	0	0	0	0
	Indian Public	2519800	23.12	3019800	25.81
	Others (including NRIs)	0	0	0	0
<b>Total Public Shareholding (B)</b>		<b>2882800</b>	<b>26.45</b>	<b>3682800</b>	<b>31.48</b>
<b>Grand Total A+B</b>		<b>10899415</b>	<b>100.00</b>	<b>11699415</b>	<b>100.00</b>

- **Proposed time limit within which the allotment shall be completed:**

As required under the SEBI (ICDR Regulations), the allotment of Equity Shares pursuant to the Special Resolution shall be completed within a period of fifteen days from the date of passing of the Special Resolution approving allotment.

Provided that where the allotment is pending on account of any such approval of allotment by any regulatory authority including stock exchanges or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

- **Change in the Control or Composition of the Board:**

There will neither be any change in the composition of the Board nor any change in the Control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

- **Auditors' Certificate:**

It is proposed to obtain a certificate from M/s. RPMD & Associates, Statutory Auditors of the Company, certifying that the issue of Equity Shares is being made in accordance with the SEBI (ICDR Regulations), 2009 and shall be placed before AGM.

- **No allotment have been made to any person during the year.**

- **Undertaking:**

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) if the amount payable on account of the re computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

Section 62 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, inter alia, provides that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company, if so authorized by way of a Special Resolution.

Furthermore, as per Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to securities on a private placement basis, is required to obtain prior approval of the Members by way of a Special Resolution, for each of the offer and invitation.

All the documents referred to in these resolutions shall be available for inspection at the registered office of the Company on any working day between 10:00 a.m. and 6:00 p.m., and will also be available for inspection at the Annual General Meeting.

The Board recommends the above mentioned resolution to be passed as a Special Resolution.

None of the Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution.

**Date: 03/09/2016**

**Place: New Delhi**

**By Order of the Board  
For RCI Industries & Technologies Ltd.**

**Sd/-**

**Mr. Abhishek Kedia  
Company Secretary & Compliance Officer  
M. No. A33537**