



RMC SWITCH GEARS LIMITED

Khasra No.163 & 164 at 7 KM Chaksu- Kotkhawda Road,
Village Barodia, Tehsil Chaksu, District,
JAIPUR

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the company will be held at B-11 (B & C), Malviya Industrial Area, Jaipur on Tuesday, the 30th day of September, 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Twentieth Annual Report of the board of directors and Audited Statement of Accounts of the company for the financial year ended on 31st March, 2014 together with Auditor's Report thereon.
2. To appoint Auditors and fix their remuneration 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 M/s. SARASWAT & COMPANY, Chartered Accountants (Firm Registration No. 004846C), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration."
3. To appoint Directors in place of Shri Chandra Prakash Agarwal and Shri Ashok Kumar Agarwal, who retires by rotation as per Companies Act, 1956, and being eligible, offer themselves for re-appointment.



NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. The proxy form duly completed and signed shall be deposited at the registered office of the company not less than 48 hours before the commencement of meeting.
2. The documents referred to in the notice are open for inspection at the registered office of the company on all working days up to the date of AGM.

By Order of the Board of Directors
For RMC SWITCH GEARS LTD

Place: JAIPUR
Date: 9th September, 2014

ASHOK AGARWAL
MANAGING DIRECTOR



RMC SWITCH GEARS LIMITED

Board of Directors	<ol style="list-style-type: none">1. Shri V. D. Agarwal, Chairman2. Shri Ashok Kumar Agarwal, Managing Director3. Shri Ankit Agarwal, Joint Managing Director4. Shri Chandra Prakash Agarwal, Director5. Smt. Santosh Agarwal, Director6. Shri Purshottam Kumar Gupta , Director
Auditors	Saraswat & Company, Chartered Accountants, JAIPUR-302 001
Bankers	The Federal Bank Ltd., JAIPUR-302 001
Registered Office & Works I	Khasra No.163 & 164 at 7 KM Chaksu- Kotkhawda Road, Village Barodia, Tehsil Chaksu, District Jaipur, Rajasthan.
Works II	<ol style="list-style-type: none">1. B-11(B & C), Malviya Industrial Area, JAIPUR-302017

Annual Report 2013-2014



DIRECTORS' REPORT

Your Directors have pleasure in presenting to you their Twentieth Annual Report together with the audited statement of account of the company for the year ended March 31, 2014.

Financial Results	(Rs. In Lacs)	
	Current Year	Previous Year
Sales & Other Income (Net of Excise)	4091.78	3830.27
Profit Before Interest and Depreciation	547.93	454.97
Interest	411.24	346.90
Depreciation	105.15	97.88
Net Profit before tax	31.55	10.19
Net Profit after tax	31.55	10.19

The year under review was a moderate one for the company. The turnover increased by around 10.68% as compared to that of 2012-2013 and diversification project of SMC was successfully completed. Company has got good response in the market for SMC Products and hopes to do well in the FY 2014-15. Company has succeeded in getting orders for Turnkey Contracts which would be executed in the coming year.

AUDITORS

M/s. SARASWAT & COMPANY, Chartered Accountants, Jaipur retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a letter from the to the effect as required under Section 139 of the Companies Act, 2013 that their re-appointment for a term of 1 year would be within the prescribed limits under the Companies Act, 2013.



DIRECTORS

Shri Shankar Lal Agarwal resigned from the Board due to his personal reasons. Board places its thanks for the services rendered by him during his association with the company. Shri Chandra Prakash Agarwal and Shri Ashok Kumar Agarwal are liable to retire at the forthcoming Annual General Meeting of the company. Being eligible, they offer themselves for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

- (A) The said annual accounts have been prepared in compliance of all applicable accounting standards.
- (B) All accounting policies selected for preparing accounts have been consistently applied (except to the extent disclosed in notes to the accounts) and wherever required, judgments and estimates 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 profit of the company for the period.
- (C) Proper and sufficient care has been taken to maintain adequate accounting records as per provisions of the said Act and also sufficient care has been taken for the safeguard of assets of the company including preventing and detecting fraud and other irregularities.
- (D) The said annual accounts have been prepared on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE

A secretarial compliance certificate pursuant section 383A of the companies Act, 1956 is attached herewith.



PARTICULARS OF EMPLOYEES

The company does not have any employee drawing Rs. 5 Lacs per month, to whom the provision of section 217 (2A) of the companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 apply.

DIVIDEND

In view of the inadequacy of the profits, Board of Directors is not declaring any dividend for the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANG EARNING AND OUTGO

The company is making all round efforts for the conservation of energy. Your company has not carried out any Research and Development activity during the year. The details of earnings in foreign currency and outgo of foreign currency are as under:

		YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
A)	<i>Foreign Currency used for:</i>	Rs.	Rs.
a)	Raw Materials	21,691,867.04	12,116,935.50
b)	Stores and Spares	-	3,940,850.00
c)	Capital Goods	3508613.6	-
d)	Traded Goods	-	188,669,919.36
e)	For Expenses	82000.00	
B)	<i>Earnings in Foreign Currency</i>	-	-



ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to the various Government Departments, Banks, Suppliers, Customers and the Employees of the company for their active support for the activities of the company.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**(ASHOK AGARWAL)
MANAGING DIRECTOR**

**(ANKIT AGARWAL)
EXECUTIVE DIRECTOR**

Place: Jaipur

Dated: 9th September, 2014

Independent Auditors' Report

To the Members of *RMC SWITCH GEARS LTD.*

Report on the Financial Statements

We have audited the accompanying financial statements of "*RMC SWITCH GEARS LTD.*", which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and

- (b) In the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1) (g) of the Companies Act, 1956.

For **SARASWAT & COMPANY**

Chartered Accountants

FRN – 004846C

(CA PRAVIN SARASWAT)

Partner

M.No. 072679

Place: Jaipur Dated: 9th September, 2014

ANNEXURE FORMING PART OF THE AUDITORS REPORT

Referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” section of our report of even date to the Members of *RMC SWITCH GEARS LTD.* for the Year Ended 31st March, 2014

Having regard to the nature of Company’s business/activities/results during the year, clause (xiii), (xiv) of paragraph 4 of the order is not applicable to the company.

1. In respect of its Fixed Asset:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification
- c. Substantial part of fixed assets has not been disposed off during the year by the company.

2. In respect of its Inventory :

- a. As explained to us, the stock of finished goods and work-in-progress in the Company’s custody have been physically verified by the Management as at the end of the financial year, before the year-end or after the year-end, other than a significant part of the spare parts held for sale, and raw materials in the Company’s custody for both of which, there is a perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable. ;
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.

- 3. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:**
- a. Based on audit procedures applied by us and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, sub-clause (b) to (d) of sub-para (iii) of para 4 of the Order is not applicable.
 - b. We are informed that the company had taken loan from firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 50938616/90 and year-end balance of loans taken from such parties was Rs. 20955021/64. No. of parties involved was 10.
 - c. In our opinion, the rate of interest and other terms and conditions of Loan taken by the company secured or unsecured, are not, prima facie, prejudicial to the interest of the company.
 - d. The company is regular in repaying the principal amounts as well as interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements as referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under that section. Accordingly the clause 4(v)(b) of the Order is not applicable.
6. The company has not accepted any deposits from the public attracting the provisions of section 58A, 58AA or any other relevant provision of the Act, 1956 and the Companies (Acceptance of Deposits), Rules, 1975.
7. The company has an internal audit system commensurate with the size of the company and nature of its business.
8. Company has prima facie maintained the Cost Records u/s 209(1)(d). However we have not carried out the detailed examination of such records.

9. According to the information and explanations given to us in respect of statutory dues:

- a. The Company is generally regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and any other dues with the appropriate authorities.
- b. No such dues are outstanding for more than six months from the date they became payable as on the date of balance sheet.
- c. According to the records of the company, the statutory dues outstanding on account of disputes are as follows:

Name of the Statute	Nature of Dues	Amount in Rs.	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise (Including interest & penalty)	275000/-	2006-2007	CESTAT, New Delhi
The Rajasthan Value Added Tax Act, 2003	VAT (including interest & penalty)	70,094/-	2009-2010	Deputy Commissioner (Appeals) Commercial Taxes, Jaipur.
The Central Sales Tax Act, 1956	CST (including interest & penalty)	523929/-	2009-2010	Deputy Commissioner (Appeals) Commercial Taxes, Jaipur.

10. The company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the financial year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to any financial institution or bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
13. As per the information and explanations given to us, no new guarantee has been given by the company during the year for loans taken by others from bank or financial institutions except the continuing corporate guarantee worth Rs 500 Lacs in favour of The Federal Bank Ltd. The terms and conditions whereof are not prejudicial to the interest of the company.

14. The Company has applied the term loans for the purpose for which the term loans were obtained.
15. In our opinion and according to the information and explanation to us, and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
16. The Company has made not preferential allotment of shares during the year to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year.
18. The Company has not raised any funds on public issue and hence disclosure on the end use of money raised by the public issue is not applicable to the Company i.e. Paragraph 4(xx) of the order is not applicable.
19. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **SARASWAT & COMPANY**
Chartered Accountant
FRN – 004846C

CA PRAVIN SARASWAT
Partner
M.No. 072679
Place: Jaipur
Dated: 9th September, 2014



RMC SWITCH GEARS LIMITED

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The accounts of the Company are prepared under the historical cost convention and in accordance with applicable accounting standards and as prescribed under Section 211(3C) of the Companies Act, 1956. For recognition of income and expenses, accrual basis of accounting is followed.

ii) Changes in Accounting Policies

The Company has reclassified/regrouped/rearranged the previous year figures, wherever necessary, to make them comparable with current year's figures & groups.

iii) Fixed Assets and Depreciation

a) Fixed Assets are stated at cost including attributable cost (net of cenvat/vat credit availed) of bringing the assets to its working condition for the intended use.

b) Depreciation on the assets has been provided as under:

- 1) Assets at Chaksu Unit: On Straight-line method basis at the Rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- 2) Assets at Jaipur Unit: On Written down value method at the Rates and in accordance with schedule XIV to the Companies Act, 1956.
- 3) Depreciation on assets added, sold or discarded during the year Has been provided on pro-rata basis.
- 4) Depreciation/ Amortization on the Leasehold land allotted by RIICO Ltd. Is not provided in the books of account

iv) **Valuation of Inventory**

Inventory of raw material, stores, spares, semi-finished goods and finished goods are valued at lower of cost and net realizable value. Inventory of rejected material is valued at cost or net realizable value whichever is lower. Work in process generally includes cost of direct material, labour cost and other manufacturing overheads. Goods-in-Transit has been valued at cost.

v) **Excise Duty**

Excise Duty is chargeable on production but is payable on clearance of goods. Accordingly, Excise Duty on goods manufactured by the Company is accounted for at the time of their clearance. Duty on finished goods lying in its Factory Premises as on the Balance Sheet date has neither been provided nor included in the valuation of such stocks. This, however, has no effect on the profit for the year.

vi) **Income Tax**

- a) Provision is made for the income tax liability in accordance with the provision of the Income Tax Act, 1961. Company has provided for the tax liability u/s 115JB (MAT) of the Income Tax Act, 1961
- b) The Company has carried forward losses and unabsorbed depreciation as per the Income Tax Act 1961. The deferred tax assets/liabilities have not been recognized considering the principle of virtual certainty as stated in the Accounting Standard AS-22 - Accounting for Taxes on Income.

vii) **Liquidated Damages:**

Liquidated damages are provided based on contractual terms when the delivery/commissioning dates of an individual project have exceeded or are likely to exceed the delivery/commissioning dates as per the respective contract. This expenditure is expected to be incurred over the respective contractual terms up to closure of the contract.

viii) **Foreign Currency:**

- (a) Foreign Currency Transactions are recorded at Exchange Rates Prevailing on the date of such transaction.
- b) Foreign Currency monetary assets and liabilities are reported using the Closing rate. Gain/Losses arising on account of difference in foreign exchange rate on settlement rate/translation of monetary assets and liabilities on the closing rates recognized in the Profit & Loss Account.

ix) **Revenue Recognition:**

Sales Revenue is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch. Gross Sales include Excise Duty but exclude Value Added Tax (VAT)/Sales Tax. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arisen during the year

x) **Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

xi) **Borrowing Costs**

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets as Pre-operative Expenses. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

FOR SARASWAT & COMPANY

Chartered Accountants

F.R.No. 04846C

(PRAVIN SARASWAT)

PARTNER

M.No. - 072679

PLACE: JAIPUR

DATED: 9th September, 2014

For And on Behalf of Board of Directors

(ASHOK AGARWAL) (ANKIT AGARWAL)
MANAGING DIRECTOR EXECUTIVE DIRECTOR

RMC SWITCH GEARS LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

(AMOUNT IN RS.)

		NOTES	As at March 31, 2014	As at March 31, 2013
I.	EQUITY AND LIABILITIES			
1)	Shareholders' Funds			
	(a) Share Capital	2	10,810,500.00	6,489,600.00
	(b) Reserves and Surplus	3	85,194,769.27	49,633,178.77
			96,005,269.27	56,122,778.77
2)	Share application money pending allotment		-	25,145,432.00
			-	25,145,432.00
3)	Non-Current Liabilities			
	(a) Long Term Borrowings	4	148,001,657.38	165,211,200.38
	(b) Deferred Tax Liability (net)	-	-	-
			148,001,657.38	165,211,200.38
4)	Current Liabilities			
	(a) Short Term Borrowings	5	95,582,530.42	95,470,862.46
	(b) Trade Payables	-	64,154,076.32	108,658,146.74
	(c) Other Current Liabilities	6	25,195,788.92	19,679,959.31
	(d) Short Term Provisions	-	-	-
			184,932,395.66	223,808,968.51
	TOTAL		428,939,322.31	470,288,379.66
II.	ASSETS			
1)	Non-Current Assets			
	(a) Fixed Assets	7		
	i) Tangible Assets		190,384,904.45	141,829,897.81
	ii) Intangible Assets		312,501.62	429,247.57
	iii) Capital Work-in-progress		22,599,908.81	68,614,821.43
			213,297,314.88	210,873,966.80
	(b) Non-Current Investments		-	-
	(c) Long Term Loans and Advances	8	336,036.00	553,231.00
	(d) Other Non-Current Assets	9	1,124,369.40	799,169.40
			1,460,405.40	1,352,400.40
2)	Current Assets			
	(a) Current Investments	-	-	-
	(b) Inventories	10	41,452,673.58	74,219,122.73
	(c) Trade Receivables	11	107,851,080.56	121,755,251.79
	(d) Cash and Bank Balances	12	37,074,878.74	51,026,579.84
	(e) Short Term Loans and Advances	13	21,687,788.10	6,359,044.68
	(f) Other Current Assets	14	6,115,183.05	4,702,013.41
			214,181,604.03	258,062,012.45
	TOTAL		428,939,322.31	470,288,379.66

The accompanying notes are an integral part of the financial statements

As per our separate report of even date

FOR SARASWAT & COMPANY

Chartered Accountants

FRN 004846C

PRAVIN SARASWAT

PARTNER

Membership Number 072679

JAIPUR - 9th September, 2014

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RMC SWITCH GEARS LIMITED

A. K. Agarwal
MANAGING DIRECTOR

Ankit Agarwal
EXECUTIVE DIRECTOR

RMC SWITCH GEARS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(AMOUNT IN RS.)

PARTICULARS		NOTES	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
I.	Revenue from Operations(Gross)	15	447,258,091.29	417,871,483.89
	Less: Excise Duty		42,883,715.85	39,203,092.75
	Revenue from Operations(Net)		404,374,375.44	378,668,391.14
II.	Other Income	16	4,803,821.11	4,358,199.01
III.	Total Revenue (I + II)		409,178,196.55	383,026,590.15
IV.	Expenses			
	a) Cost of Materials consumed	17	151,223,285.23	137,209,301.23
	b) Changes in inventories of Finished Goods, Work-in-Progress	18	38,835,780.92	(3,436,975.22)
	c) Purchases of Stock-in-Trade		9,516,560.03	31,021,011.30
	d) Employee Benefits Expenses	19	21,767,459.00	19,973,258.00
	e) Finance Costs	20	41,123,866.94	34,690,024.84
	f) Depreciation and Amortization Expenses		10,514,690.34	9,787,869.05
	g) Other expenses	21	133,041,713.59	152,762,630.38
	Total Expenses (a to g)		406,023,356.05	382,007,119.58
V.	Profit Before Tax (III - IV)		3,154,840.50	1,019,470.57
VI.	Tax Expenses			
	a) Current Tax		601,150.00	194,260.00
	Less: MAT Credit Entitlement		(601,150.00)	(194,260.00)
	b) Deferred Tax		-	-
	c) Short/(Excess) provision of earlier years		-	-
VII.	Profit (Loss) for the year (V-VI)		3,154,840.50	1,019,470.57
VIII.	Earning per equity share: (Face Value of Rs.10 each)			
	1) Basic (Rs.)	24	2.92	1.57
	2) Diluted (Rs.)	24	2.92	1.51

The accompanying notes are an integral part of the financial statements

As per our separate report of even date

FOR AND ON BEHALF OF BOARD OF DIRECTORS

FOR SARASWAT & COMPANY

RMC SWITCH GEARS LIMITED

Chartered Accountants

FRN 004846C

Pravin Saraswat

PARTNER

A. K. Agarwal

Ankit Agarwal

Membership Number 072679

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

JAIPUR - 9th September, 2014

RMC SWITCH GEARS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014
NOTE : 2
SHARE CAPITAL
(AMOUNT IN Rs)

	As At 31.3.2014	As At 31.3.2013
AUTHORISED CAPITAL		
2000000 Equity Shares of Rs.10/- each	20,000,000.00	20,000,000.00
(Previous Year 2000000 Equity Shares of Rs.10/- each)		
ISSUED,SUBSCRIBED AND PAID UP CAPITAL		
1081050 Equity share of Rs 10/- each Fully Paid up.	10,810,500.00	6,489,600.00
(Previous year 648960 Equity Shares of Rs.10/- each)		
TOTAL	10,810,500.00	6,489,600.00

i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As At 31.3.2014	As At 31.3.2013
Outstanding at the beginning of the Year	648,960.00	648,960.00
Add : Fresh Equity Shares issued during the year	432,090.00	-
Outstanding at the end of the Year	1,081,050.00	648,960.00

ii) Details of Shareholders holding more than 5 % equity shares :

Particulars	As At 31.3.2014		As At 31.3.2013	
	No.of Shares	% Holding	No.of Shares	% Holding
(a) Santosh Agrawal	176,580.00	16.33%	106,000.00	16.33%
(b) Vitthal Das Agrawal (HUF)	157,000.00	14.52%	157,000.00	24.19%
(c) Ankit Agarwal	149,320.00	13.81%	90,500.00	13.95%
(d) Argent Leasing & Finance Pvt. Ltd.	137,530.00	12.72%		0.00%
(e) Ashok Kumar Agrawal	130,350.00	12.06%	39,060.00	6.02%
(f) Parwati Bai	86,780.00	8.03%	82,900.00	12.77%
(g) Ashok Kumar Agrawal (HUF)	70,710.00	6.54%	56,300.00	8.68%

iii) Terms and Rights attached to equity shares:

The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All equity shares of the Company rank pari passu in all respects including the right to dividend. The dividend is recommended by the Board of Directors and declared by the members at the ensuing Annual general Meeting.

iv) Company doesn't have any holding or ultimate holding Company.
NOTE : 3
RESERVES & SURPLUS

	As At 31.3.2014	As At 31.3.2013
(a) Share Premium Account		
As per Last Financial Statements	33,780,000.00	33,780,000.00
Add: Received on allotment during the year	32,406,750.00	-
Closing at the end of year	66,186,750.00	33,780,000.00
(b) Capital Reserve		
As per Last Financial Statements		
Capital Investment Subsidy-State	1,450,060.00	1,450,060.00
CLCSS Subsidy-Central Government	1,500,000.00	1,500,000.00
	2,950,060.00	2,950,060.00

RMC SWITCH GEARS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(c)	Surplus in Statement of Profit and Loss				
	As per Last Financial Statements			12,903,118.77	11,883,648.20
	Add : Transferred during the year from Statement of Profit and Loss			3,154,840.50	1,019,470.57
	Net Surplus in Statement of Profit and Loss			16,057,959.27	12,903,118.77
	TOTAL			85,194,769.27	49,633,178.77

NOTE : 4

LONG-TERM BORROWINGS

PARTICULARS		As At 31.3.2014		As At 31.3.2013	
		Non Current	Current	Non Current	Current
SECURED					
I. Term loans from bank					
	From The Federal Bank Ltd	30,381,775.02	8,465,500.00	38,194,765.91	-
II. Other secured loans for vehicles					
(a)	HDFC Bank Ltd.	-	-	-	243,082.35
(b)	Kotak Mahindra Prime Ltd.	-	-	550,380.00	869,432.00
(c)	ICICI Bank Ltd	521,103.00	413,400.00		
III Loan Against Fixed Deposits of Bank					
		15,673,414.00		14,511,910.00	
UNSECURED					
I. Long term borrowings					
(a)	From directors & shareholders	64,811,638.64	-	89,170,140.76	-
(b)	Inter-Corporate Deposits	23,133,788.01	-	9,304,065.00	-
(c)	Deferred Payment of Sales Tax	13,479,938.71	-	13,479,938.71	-
		148,001,657.38	8,878,900.00	165,211,200.38	1,112,514.35

(A) Nature of Securities:

I. TERM LOAN

Secured by way of first charge ranking pari passu on the entire fixed assets of the company, both present and future situated at Malviya Nagar, Jaipur and Tehsil Chaksu, Jaipur and personal guarantees of Directors of company

II. OTHER SECURED LOANS

Secured by way of hypothecation of vehicles

(B) Terms of repayment of term loans and other loans:

1 SECURED TERM LOAN

PARTICULARS	As At 31.3.2014	As At 31.3.2013	Terms of Repayment
I) The Federal Bank Ltd Loan of Rs 200.00 Lakhs	19,798,791.08	20,090,054.06	Repayable in 72 Monthly Installments in 7 years commencing from the 2nd Year
II) Loan of Rs.600.00 Lakhs	19,048,483.94	18,104,711.85	Repayable in 60 Monthly Installments

2 UNSECURED TERM LOAN

PARTICULARS	As At 31.3.2014	As At 31.3.2013	Terms of Repayment
Repayable not earlier than 12 months on demand			

RMC SWITCH GEARS LIMITED					
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014					
3 VEHICLE LOAN					
	PARTICULARS	As At 31.3.2014	As At 31.3.2013	Terms of Repayment	
I)	HDFC Bank Ltd.	-	243,082.35	Repayable in Equated Monthly Installment of Rs.36318/- Each	
II)	Kotak Mahindra Prime Ltd.	-	1,419,812.00	Repayable in Equated Monthly Installment of Rs. 190287/- Each	
III)	ICICI Bank Ltd	934,503.00		Repayable in Equated Monthly Installment of Rs. 34450/- Each	
Current maturities of long term borrowings are disclosed under the head other current liabilities.					
NOTE : 5					
SHORT-TERM BORROWINGS					
				As At 31.3.2014	As At 31.3.2013
Loans repayable on demand:					
Secured					
	Cash credit from The Federal Bank Ltd.			73,459,479.39	75,323,342.46
	Buyers credit from the bank			1,125,000.00	2,047,520.00
Unsecured					
	From shareholders/others			20,998,051.03	18,100,000.00
	TOTAL			95,582,530.42	95,470,862.46
Nature of Securities:					
1	Cash Credit & Buyers' Credit				
	Secured by way of hypothecation of all inventories, book-debts and other receivables of the company. Also secured by way of first charge ranking pari passu on all immovable assets of the company, both present and future				
NOTE : 6					
OTHER CURRENT LIABILITIES					
				As At 31.3.2014	As At 31.3.2013
(a)	Current maturities of Term Loan (Secured)			8,465,500.00	-
	Vehicle Loan (Secured)			413,400.00	1,112,514.35
(b)	Advance from Customers			4,063,814.15	1,806,754.15
(c)	Interest accrued but not due on borrowings			-	26,023.00
(d)	Creditors For Expenses			10,568,456.07	13,186,728.44
(e)	Statutory & Other Liabilities			1,684,618.70	3,037,304.87
(f)	Liability for goods in transit			-	510,634.50
	TOTAL			25,195,788.92	19,679,959.31
NOTE : 8					
LONG-TERM LOANS AND ADVANCES					
				As At 31.3.2014	As At 31.3.2013
<i>(Unsecured, considered good)</i>					
(a)	Capital Advances			336,036.00	553,231.00
	TOTAL			336,036.00	553,231.00
NOTE : 9					
OTHER NON-CURRENT ASSETS					
				As At 31.3.2014	As At 31.3.2013
<i>(Unsecured, considered good)</i>					
(a)	Fixed Deposit with bank (Original maturity of more than 12 months)*			-	-
(b)	Security Deposits			1,124,369.40	799,169.40
	TOTAL			1,124,369.40	799,169.40
* Includes deposits kept as Security ag. Bank Guarantees & Letter of Credit					

RMC SWITCH GEARS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

NOTE : 10					
INVENTORIES					
				As At 31.3.2014	As At 31.3.2013
(a)	Raw Materials			17,113,776.97	8,274,379.63
(b)	Work in Progress			20,610,738.95	55,596,300.00
(c)	Finished Goods			514,274.74	4,364,494.60
(d)	Stores & spares (Including Goods in Transit of Rs - NIL Previous year Rs.510634/50)			3,213,882.93	5,983,948.50
		TOTAL		41,452,673.58	74,219,122.73

NOTE : 11					
TRADE RECEIVABLES					
				As At 31.3.2014	As At 31.3.2013
<i>(Unsecured, considered good)</i>					
(a)	Outstanding for a period exceeding six months from the due date			2,902,585.36	6,114,546.26
(b)	Others			104,948,495.20	115,640,705.53
		TOTAL		107,851,080.56	121,755,251.79

NOTE : 12					
CASH AND BANK BALANCES					
PARTICULARS		As At 31.3.2014		As At 31.3.2013	
		Non Current	Current	Non Current	Current
Cash and cash equivalents					
(a)	Cash on Hand	-	3,464,910.44	-	4,309,546.55
(b)	Cheques, drafts on hand	-		-	
(c)	Balance with scheduled Banks:				
	i) In Current Accounts	-	549,406.30	-	568,338.29
	ii) Fixed Deposits with original maturity of less than 1 year*	-	33,060,562.00		46,148,695.00
		-	37,074,878.74	-	51,026,579.84
Other bank balance					
	Fixed Deposits with maturity more than one year**		-		-
		-	37,074,878.74	-	51,026,579.84

* Pledged with Bank for Loan Ag. Deposits & Margin Money for Bank Guarantees/Letter of Credits
 **Pledged with Bank as Margin Money for Bank Guarantee

NOTE : 13					
SHORT-TERM LOANS AND ADVANCES					
				As At 31.3.2014	As At 31.3.2013
<i>(Unsecured, considered good)</i>					
	Advances Recoverable in Cash/Kind			18,835,431.95	3,662,545.74
	Prepaid Expenses			2,852,356.15	2,696,498.94
		TOTAL		21,687,788.10	6,359,044.68

NOTE : 14					
OTHER CURRENT ASSETS					
				As At 31.3.2014	As At 31.3.2013
<i>(Unsecured, considered good)</i>					
CENVAT of :-					
a)	Excise Duty on Inputs (Including Cess)			768,848.70	2,477,478.12
b)	Service Tax on Input Services (Including Cess)			150,130.78	114,809.50
	VAT Input Tax			-	-
	Security Deposit			3,870,980.01	1,135,061.00
	Income Tax & FBT Refundable			6,724.70	22,764.70
	Excess Bank Charges Recoverable			10,191.77	244,743.00
	MAT Credit Entitlement			1,308,307.09	707,157.09
		TOTAL		6,115,183.05	4,702,013.41

RMC SWITCH GEARS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

NOTE : 15

REVENUE FROM OPERATIONS

				YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
				Rs.	Rs.
(a)	Sale of Products				
	Electrical Products (Made of Metal)			250,928,804.52	199,021,425.59
	Engineering Plastic			38,433,716.50	157,789,745.34
	Electrical Products (Made of SMC)			33,078,358.97	-
	Energy Meter			84,544,556.29	11,951,067.24
	Sale of Stock-in-Trade			20,761,563.27	38,746,477.64
	Sale of Scrap			8,314,203.81	2,088,714.40
				436,061,203.36	409,597,430.21
(b)	Other Operating Revenues				
	Transport Charges Recovered			10,076,887.93	8,274,053.68
	Consultancy Services			1,120,000.00	-
	REVENUE FROM OPERATIONS(GROSS)			447,258,091.29	417,871,483.89

NOTE : 16

OTHER INCOME

				YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
				Rs.	Rs.
	Interest on Bank Deposits			2,655,413.00	1,026,398.00
	Interest Income (Others)			1,441,407.00	2,519,878.95
	Insurance charges on Sales			-	4,050.00
	Insurance Claim Received			465,696.00	-
	Dividend Received			15.00	15.00
	Discount Received			186,483.50	550,198.55
	Profit (Loss) on Sale of Fixed Assets			(5,193.39)	28,780.92
	Rent Received			60,000.00	
	Sundry Balance Written Off			-	228,877.59
		TOTAL		4,803,821.11	4,358,199.01

NOTE : 17

COST OF MATERIALS CONSUMED

				YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
				Rs.	Rs.
	Opening Stock			8,274,379.63	25,204,180.62
	Add : Purchases(Net of Returns)			160,062,682.57	120,279,500.24
				168,337,062.20	145,483,680.86
	Less: Closing Stock			17,113,776.97	8,274,379.63
		TOTAL		151,223,285.23	137,209,301.23

NOTE : 17.1

Value of Imported and indigenous Raw material Consumed and their percentage to consumption :

				YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
a)	Value of Imported and Indigenous Raw Materials Consumed during the year :				
	Imported	Value	Rs.	24,497,503.52	15,971,327.79
		Percentage		16.20%	11.64%
	Indigenous	Value	Rs.	126,725,781.71	121,237,973.44
		Percentage		83.80%	88.36%
				151,223,285.23	137,209,301.23

NOTE : 18				
Changes in inventories of finished goods and work-in-progress				
			YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
			Rs.	Rs.
Opening Stock				
	Work In Progress		55,596,300.00	56,411,819.38
	Finished Goods		4,364,494.60	112,000.00
			59,960,794.60	56,523,819.38
Closing Stock				
	Work In Progress		20,610,738.95	55,596,300.00
	Finished Goods		514,274.74	4,364,494.60
			21,125,013.68	59,960,794.60
		TOTAL	38,835,780.92	(3,436,975.22)
NOTE : 19				
EMPLOYEES BENEFITS EXPENSE				
			YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
			Rs.	Rs.
a)	Salary, Wages & Allowances		21,573,746.00	19,440,333.00
b)	Contribution to Provident Fund		68,660.00	71,716.00
c)	Labour Welfare Expenses		125,053.00	461,209.00
		TOTAL	21,767,459.00	19,973,258.00
NOTE : 20				
FINANCE COSTS				
			YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
			Rs.	Rs.
a)	Interest Expense on			
	Borrowings from Bank		23,274,605.00	18,833,860.85
	Others		14,231,753.37	12,355,087.99
b)	Other Borrowing Costs		3,617,508.57	3,501,076.00
		TOTAL	41,123,866.94	34,690,024.84
NOTE : 21				
OTHER EXPENSES				
			YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
			Rs.	Rs.
	Auditors' Remuneration		220,000.00	200,000.00
	Brokerage		157,676.50	157,465.00
	Conveyance Expenses		74,136.00	483,506.70
	Deductions/Penalties by customers		45,536.35	759,694.00
	Directors' Remuneration		1,500,000.00	900,000.00
	Discount/ Rate Difference		167,149.92	1,370,718.84
	Excise Expenses		22,579.00	25,841.11
	Freight & Carriage Inward		1,669,088.93	1,883,578.52
	Insurance Expenses		509,983.80	320,561.00
	Job Work Charges		10,650,385.27	9,397,275.90
	Legal Expenses & Stamp Charges		24,000.00	72,360.00
	Loading, Unloading & Labour Charges		510,964.00	469,838.00
	Meter Designing Charges		-	388,100.00
	Miscellaneous Expenses		952,618.94	408,734.04
	Packing Material Consumed		2,896,561.68	2,720,302.90
	Postage		97,583.34	127,219.43
	Power & Fuel		6,111,043.00	8,245,634.09

Printing & Stationery			261,035.80	185,957.80
Prior Period Expenses			50,200.00	-
Professional Charges			253,754.00	504,784.00
Rent			180,000.00	180,000.00
Sales Tax Expenses			-	850,989.72
Service Tax Expenses			361,832.00	505,576.72
Stores, Spares & Packing Material Consumed			92,474,380.37	104,571,368.47
Type-Testing Expenses			742,001.29	1,508,766.60
Repairs & Maintenance Expenses				
a) Plant & Machinery			743,730.36	682,180.03
b) Building			36,431.00	27,267.00
c) Others			407,555.18	276,362.00
Security Service Charges			457,509.41	721,581.00
Selling and Distribution expenses			10,083,655.43	12,529,673.34
Telephone & Internet Expenses			443,155.19	458,153.00
Travelling Expenses			816,601.83	1,373,633.17
Vehicle Upkeep Expenses			120,565.00	455,508.00
		TOTAL	133,041,713.59	152,762,630.38

(A) Auditors' Remuneration (net of service tax input credit)

i) As Auditor			180,000.00	115,000.00
ii) For Taxation Matters				38,000.00
iii) For Other Services				19,000.00
iv) Re-imburement of Expenses			40,000.00	28,000.00
			220,000.00	200,000.00

NOTE : 21.1

Value of Imported and indigenous Stores & Spares Consumed and their percentage to consumption :

				YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
a)	Value of Imported and indigenous Stores & Spares Consumed and their percentage to consumption :				
	Imported	Value	Rs.	-	3,940,850.00
		Percentage		0.00%	3.77%
	Indigenous	Value	Rs.	92,474,380.37	100,630,518.47
		Percentage		100.00%	96.23%
				92,474,380.37	104,571,368.47

NOTE : 22

RELATED PARTY TRANSACTIONS

Related Party Disclosures as required by AS-18 are given below:

Name of the related parties and nature of relationships :

a) Companies with which transactions have taken place during the year :

- i) R.K Steel Industries
- ii) Balex Pvt Ltd.

b) Key management Personnel

- i) Mr. Ankit Agarwal (Director)
- ii) Mr. Ashok Agarwal (Director)

c) Relatives of key management Personnel

- i) Santosh Agarwal
- ii) Vitthal Das Agarwal
- iii) Parvati Bai Agarwal
- iv) Purshottam Kumar Agarwal (HUF)
- v) Ashok Kumar Agarwal (HUF)

	vi)Ankit Kumar Agarwal (HUF)				
	vii)Vitthal Das Agarwal (HUF)				
	viii) Neha Agarwal				
	The following transactions were carried out / outstanding with related parties in the ordinary course of business with parties referred above:				
				YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
	Payments				
	<i>Details of transactions with Key Management Personnel as mentioned in (a) above are as under:</i>				
	Job charges Paid			1,910,818.00	2,842,067.00
	Purchases made during the year			1,981,210.00	3,759,222.00
	<i>Details of transactions with Key Management Personnel as mentioned in (b) above are as under:</i>				
	Remuneration to Directors			1,500,000.00	900,000.00
	Rent for factory land			180,000.00	180,000.00
	Interest on unsecured term loan (Gross)			1,176,002.30	352,262.00
	<i>Details of transactions with Key Management Personnel as mentioned in (c) above are as under:</i>				
	Interest on unsecured term loan (Gross)			4,464,966.59	6,050,261.00
	Salary for office staff			-	204,000.00
	Balance outstanding at the year end :				
	Payable as at the year end (Net)			23,166,569.61	47,751,315.60

NOTE : 23

CONTINGENT LIABILITIES AND COMMITMENTS

Particulars			As At 31.3.2014	As At 31.3.2013
Guarantees:				
a)	Guarantees issued by Company's Bankers		102,548,918.33	57,038,247.55
b)	Corporate Guarantees given for others		50,000,000.00	50,000,000.00
Claims against the company under appeal and not acknowledged as debts:				
a)	Excise Duty at CESTAT for the year 2006-2007		275,000.00	275,000.00
b)	VAT Demand at Dy. Commissioner (Appeals), Jaipur for the year 2009-2010		70,094.00	70,094.00
c)	CST Demand at Dy Commissioner (Appeals), Jaipur for the year 2009-2010		523,929.00	523,929.00

NOTE : 24

EARNING PER SHARE

Particulars			YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share" (Before and after extraordinary items)				
a)	Profit for Basic & Diluted Earning Per Share as per Statement of Profit and Loss		3,154,840.50	1,019,470.57
b)	Earning Per Share (Basic) Weighted no. of Equity Shares 1081050 (previous year 648960)		2.92	1.57
c)	Earning Per Share (Diluted) Weighted no. of Potential Equity Shares 1081050 (previous year 648960)		2.92	1.51
d)	Face Value per Share		10.00	10.00

NOTE : 25				
DISCLOSURES SPECIFIED BY THE MSMED ACT, 2006				
The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act could not be given.				
NOTE : 26				
CIF VALUE OF IMPORTS & EARNINGS IN FOREIGN CURRENCY				
Particulars			YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
a)	Raw Materials		24,497,503.52	15,971,327.79
b)	Stores and Spares		-	3,940,850.00
c)	Capital Goods		3,508,613.60	-
d)	Expenditure in Foreign Currency		82,000.00	-
d)	Traded Goods		-	188,669,919.36
e)	Earnings in Foreign Currency		-	-
As per our separate report of even date			FOR AND ON BEHALF OF BOARD OF DIRECTORS	
FOR SARASWAT & COMPANY			RMC SWITCH GEARS LIMITED	
Chartered Accountants				
FRN 004846C				
Pravin Saraswat			A. K. Agarwal	Ankit Agarwal
PARTNER			MANAGING DIRECTOR	EXECUTIVE DIRECTOR
Membership Number 072679				
JAIPUR - 9th September, 2014				

