

August 10, 2018

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

Dear Sir,

Subject: Submission of Annual Report for the Financial Year 2017-18 under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In Compliance with Sub-Regulation (1) of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2017-18 duly approved and adopted by the Shareholders at their 27th Annual General Meeting duly convened and held on Friday, 20th July, 2018 at 9.30 A.M. at the Registered Office of the Company at All Heavens Building, Wazirpur Ring Road, Delhi 110052.

Kindly take the same on records and oblige.

Thanking You,

For RCI Industries & Technologies Limited

Abhishek Kedia
Company Secretary & Compliance Officer
Membership No.-A33537





**RCI INDUSTRIES & TECHNOLOGIES
LIMITED**

**ANNUAL REPORT
2017-18**

CONTENTS

- CORPORATE INFORMATION
- CHAIRMAN MESSAGE
- 27TH ANNUAL GENERAL MEETING NOTICE
- DIRECTORS' REPORT
 - ANNEXURE TO DIRECTORS' REPORT:***
 - ANNEXURE-1: MGT-9 - Extract OF Annual Return*
 - ANNEXURE-2: Policy for Appointment & Removal of Directors, KMP & Senior Management*
 - ANNEXURE-3: MR-3 - Secretarial Audit Report*
 - ANNEXURE-4: AOC-2 – Disclosure of particulars of Contract entered into by the Company with Related Parties*
 - ANNEXURE-5: Annual Report on Corporate Social Responsibility (CSR)*
 - ANNEXURE 6: Disclosure pertaining to remuneration and other details pursuant to Section 197(12) of Companies Act, 2013*
- REPORT ON CORPORATE GOVERNANCE
 - ANNEXURE-7: Certification on Financial Statements by Managing Director and CFO*
 - ANNEXURE-8: Certificate on Corporate Governance*
- MANAGEMENT DISCUSSION AND ANALYSIS
- INDEPENDENT AUDITORS' REPORT
- STANDALONE FINANCIAL STATEMENTS
- CONSOLIDATED FINANCIAL STATEMENTS
- AOC-1 - SALIENT FEATURES OF SUBSIDIARIES / ASSOCIATES
- PROXY FORM AND ATTENDANCE SLIP
- MAP TO VENUE

CORPORATE INFORMATION

Board of Directors

Mr. Rajeev Gupta - Chairman & Managing Director
Mrs. Mamta Gupta - Non-Executive Director
Mr. Raj Singh Jamwal - Independent Director
Mr. Anil kumar Jain - Independent Director

Nomination & Remuneration Committee

Mr. Raj Singh Jamwal - Chairman
Mr. Anil kumar Jain - Member
Mrs. Mamta Gupta - Member

Audit Committee

Mr. Raj Singh Jamwal - Chairman
Mr. Anil kumar Jain - Member
Mr. Rajeev Gupta - Member

Shareholder Grievance Committee

Mr. Raj Singh Jamwal - Chairman
Mr. Anil kumar Jain - Member
Mr. Rajeev Gupta - Member

CSR Committee

Mr. Raj Singh Jamwal - Chairman
Mr. Anil kumar Jain - Member
Mr. Rajeev Gupta - Member

Key Managerial Personnel

Mr. Rajeev Gupta - Chairman & Managing Director
Mr. Abhishek Kedia - Company Secretary & Compliance Officer
Mr. I.P. Saboo - Chief Financial Officer

Independent Auditors

KRA & Co.
Chartered Accountants
H-1/208, Garg Tower,
Netaji Subhash Palace, Pitampura,
New Delhi-110034

Share Transfer Agents

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

Registered Office

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

Listed in Stock Exchanges

Bombay Stock Exchange

CHAIRMAN'S MESSAGE

Dear Fellow Shareowners,

It is matter of pride to present you the Annual Report for the financial year ended March 31, 2018. It has been an important year for the company as we underwent capacity expansion for our company unit; which is into the manufacturing of flat products. The capacity expansion will be completed by FY19. This will help the company to increase the revenue and also increase operational efficiencies. We have also acquired additional land, which will be used to manufacture aluminium foils & sheets.

In Financial Year 2017-2018 total revenue from operations was INR 20,440Mn, as against INR 17,567 Mn for the corresponding previous period, supported by increase in volumes and revenues. EBIDTA reported as on 31st March 2018 was INR 645 Mnas against INR 546 Mn for the corresponding previous period, a jump of 18%. net profit reported was INR 328 Mn, as against INR 358 Mn. EPS for the year ended March 31, 2018 was INR 24.41 for a face value of INR 10 per share.

We have a strong foothold in trading and manufacturing of copper products and have been preferred partner for our clients because of our diversified product portfolio of round and flat products in copper, bras, alloys etc. We have been focusing on providing quality service to customers, drive manufacturing growth of the nation and grow the revenue of the company which will lead to good return for the shareholders in the long run.

On India's outlook refined copper production has increased compared to last year because of use of copper in building and construction activities and in the electrical wiring segment. It will also help to increase production operational efficiencies which will result in better capacity utilization. Demand for the domestic copper market is dependent largely on electrical, building, construction, automobiles and the consumer durables segments. The SMART City development, impetus on increase of renewable energy, demand from the automobile segment and capex activities related in the railways and defence sector is likely to further support the domestic demand for the metal.

We are going to target additional segments and sector like defence, mint and aircraft industry in the coming years. It has led to diversify our current product basket. We are going to leverage our distribution network to strengthen our product portfolio. Our Company also plans to manufacture a unique tape (copper and stainless steel) for industrial applications. This is currently imported in India. Overall this will lead to increase in the margins of our company.

One of core focus has been to bring efficiencies by shifting to manufacturing business, upgrading the machinery, technologies, reduction in cost, improve the overall processes which will eventually help the company to grow, increase profitability and provide quality products to customers. We provide top quality products to our customers and will continue to provide them by investing considerably in quality of our products.

Finally, I would like to thank our customers, employees, partners, shareholders, business associate and society at large, for believing in us. This would have not been possible without the constant support of you all. I look forward to your continued and valuable support in taking the company to greater and newer heights in the future.

Thank You.



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, Email: abhishek@rciind.com
CIN: L74900DL1992PLC047055

NOTICE

27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED WILL BE HELD ON FRIDAY, THE 20TH DAY OF JULY, 2018 AT 09:30 A.M. AT ITS REGISTERED OFFICE B-97, ALL HEAVENS BUILDING, WAZIRPUR RING ROAD, DELHI-110052 TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company- on Standalone & Consolidated basis prepared under Ind-AS, for the Financial Year ended March 31, 2018 including Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the Financial Year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a Final Dividend on equity shares for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Rajeev Gupta (DIN 00503196), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Statutory Auditors to fill casual vacancy:

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 provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. KRA & Co, Chartered Accountants, (Firm Registration No. 020266N), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C).

“**RESOLVED FURTHER THAT** M/s. KRA & Co, Chartered Accountants, (Firms Registration No. 020266N), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 25th May, 2018, until the conclusion of this Annual General Meeting (27th) of the Company, at such remuneration, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

5. Appointment of Statutory Auditor:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. KRA & Co, Chartered Accountants, (Firms Registration No. 020266N), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2023 subject to ratification of the appointment by the Members at every Annual General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

Date: May 25, 2018

Place: New Delhi

By Order of the Board
For **RCI Industries & Technologies Limited**
Sd/-
Mr. Abhishek Kedia
Company Secretary & Compliance Officer
M. No. A33537

IMPORTANT NOTES:

1. ***A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND & VOTE ON A POLL AT THE MEETING ON HIS/HER BEHALF.*** A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 A person shall not act as proxy for more than 50 (fifty) members and hold in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. A blank Proxy form (MGT -11) is being sent herewith. The instrument appointing Proxy in order to be effective, duly stamped, completed and signed should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send (in advance) at the Registered Office of the Company, a duly certified copy of the relevant Board Resolution/ Letter of Authority/ Power of Attorney, together with the respective specimen signatures of those representative(s), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
4. The Attendance Slip and a Proxy Form with clear instructions for filing, stamping, signing and/or depositing the Proxy Form are enclosed. Members/Proxy holder must bring the attendance slip (attached herewith) duly signed, to the meeting and handover it at the entrance of the meeting hall. The Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Company has fixed the record date of June 22, 2018 for determining the entitlement of shareholders to receive Annual Report of the Financial Year 2017-18.
6. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Saturday, July 14, 2018 to Friday, July 20, 2018 (both days inclusive) for the purpose of payment of the final Dividend for the financial year ended March 31, 2018, if any, approved by the members and the AGM.
7. Board of Directors has recommended a Final Dividend of Rupee 0.50/- per equity share of face value of Rs. 10/- each for the year ended 31st March, 2018. The Interim Dividend of Rupee 0.50/- per equity share was declared on 28th November, 2017 and paid on 22nd December, 2017. The total dividend for the financial year 2017-18 (including the proposed Final Dividend) aggregates to 10% of the face value of the equity shares.
8. Subject to the provisions of the Companies Act, 2013, final dividend as recommended by the Board of Directors, if approved at the annual general meeting, will be paid within a period of 30 days from the date of its declaration as under:
 - i). To all Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to all valid share transfer requests lodged with the Company or its Register & Share Transfer Agents (R&T Agents) viz. Bigshare Services Private Limited as of the close of business hours on July 13, 2018.
 - ii). To all beneficial owners in respect of shares held in dematerialised form as per the data as made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of the business hours on July 13, 2018.
9. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar & Share Transfer Agents as mentioned above, or the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF, as per section 124 of the Act, and applicable rules.
10. Route map of the venue of the meeting forms part of the Notice calling the Annual General Meeting.

11. Guidelines for attending the ensuing Annual General Meeting of the Company:

- Entry to the Auditorium/Hall will be strictly against entry coupon available at the counter at the venue and against the exchange of duly filled in, signed and valid Attendance Slip alongwith furnishing a valid Identity Proof such as the PAN Card, Passport, AADHAAR Card or Driving License.
- Any briefcase/ bags/ eatables or other articles are not allowed inside the Auditorium/Hall.
- Member(s) are requested to bring the copy of the Annual Report to the meeting.

12. 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.

13. Inspection:

- All documents referred to in the Notice and Annual Report will be available for inspection by the members at the Registered Office of the Company on all working days (except Sundays and Public Holidays) from 2:00 P.M. to 4:00 P.M. upto the date of Annual General Meeting.
- The Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
- A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting and ending with the conclusion of the said meeting, provided he/she has given to the Company a notice, in writing, of his intention to inspect not less than three days before the commencement of the said meeting.

14. Members desirous of obtaining any information/ clarification concerning the Financial Statements for the Financial Year ended March 31, 2018, of the Company, may send their queries in writing atleast seven days before the Annual General Meeting to the Company Secretary at the registered office of the Company or at e-mail id: abhishek@rciind.com

15. Additional information, details pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The director has furnished the requisite declaration for his re-appointment, confirming that he meets the criteria for re-appointment.

16. Members are requested to notify immediately about any change in their postal address/ e-mail address/ bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent viz. M/s Bigshare Services Private Ltd having its office at E4/8, Block E 4, Jhandewalan Extension, Jhandewalan, New Delhi, Delhi 110055. Shareholders holding Equity Shares of the Company in physical form may register their E-Mail address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and

Notice of Meeting(s) by E-Mail, by sending appropriate communication on bssdelhi@bigshareonline.com

17. 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.
18. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to the members whose E-mail address are registered with the Company/Depository Participant(s) unless any member has requested for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their E-mail address with the Company/Depository Participant(s) and from whom the Company has received a request for a physical copy of the Annual Report. The said documents are also available for download and may also be accessed on the Company's website viz. www.rciind.com, on the BSE's website viz. www.bseindia.com and also on the NSDL's website viz. www.evoting.nsdl.com
19. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No(s).
20. Members who hold shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.
21. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/Demat form, the nomination form may be filed with the respective Depository Participant.
- 22. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with their depository Participants.**
23. E-Voting:
 - I. In compliance with Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 as may be amended from time to time, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 issued by Institute of Company Secretaries of India, the Company is delighted to offer E-Voting facility to the Members of the Company to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means in respect of the resolutions contained in this notice. The facility of casting the votes by the members using an electronic voting system ("remote E-Voting") from a place other than the venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the businesses as detailed in the notice.
 - II. The members who have cast their votes by remote e-voting prior to the date of AGM may also attend the AGM but shall not be entitled to cast their vote again. Please note that E-Voting is an alternate

mode to cast votes and is optional. In case Members cast their vote both via physical ballot paper and E-Voting, then voting through E-Voting shall prevail and voting done by ballot paper shall be treated as invalid notwithstanding whichever option is exercised first.

- III. The cut-off date for determining the eligibility of shareholders to exercise remote E-Voting rights and attendance at 27th Annual General Meeting (AGM) is July 13, 2018. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date, shall be entitled to avail the facility of E-Voting or voting at the meeting through ballot paper. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- IV. The facility for voting through ballot paper will be made available by the Company at the AGM and the members attending the meeting who have not casted their vote by remote E-Voting, will be able to exercise their right at the meeting through ballot paper. The members who have casted 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.
- V. At the AGM, the Chairman of the meeting shall after discussion on all the resolutions on which voting is to be held, allow voting by use of Ballot/Poll Paper by all those members who are present at the meeting but have not cast their votes by availing the remote E-Voting facility.
- VI. The Board of Directors of your Company have appointed Ms. Kiran, Practicing Company Secretary (COP No.: 14168) as the Scrutinizer for conducting the voting through electronic voting system or through polling paper at the AGM, in fair and transparent manner.
- VII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM 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 submit, not later than 48 (forty eight) hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.
- VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz. www.rciind.com and on the website of NSDL www.evoting.nsdl.com and shall also be communicated to the BSE Limited.

IX. E-voting particulars

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
108514		

The e-voting facility will be available during the following voting period

Commencement of e- voting	End of e-voting
July 17, 2018 at 9:00 a.m. IST	July 19, 2018 at 5:00 p.m. IST

X. Members are requested to carefully read the instructions for E-Voting before casting their vote.

XI. The instructions for e-voting are as follows:

Step 1: Log in to NSDL’s e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL’s e-voting system

Step 1

How to log in to the NSDL e-voting website

1. Visit the e-voting website of NSDL by opening your web browser and typing the following URL: <https://www.evoting.nsdl.com/> either on a desktop computer / laptop or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8-Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical	EVEN Number followed by Folio Number

Form.

registered with the company

For example if folio number is 001*** and
EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
 - b) If you are using the NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password', and change your password, as prompted by the system.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the file. The password to open the file is your 8-digit client ID for your NSDL account, or the last 8 digits of client ID for your CDSL account, or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (for those holding shares in demat accounts with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) A "Physical User Reset Password?" (for those holding shares in physical mode) option is also available on www.evoting.nsdl.com.
 - c) If you are unable to get your password following the aforesaid options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, agree to the terms and conditions by checking the box.
8. Next, click on the "Login" button.
9. After you click on the "Login" button, the Home page of e-Voting will open.

Step 2

How to cast your vote electronically on the NSDL e-voting system?

1. After successfully logging in following Step 1, you will be able to see the homepage of e-voting. Click on 'e-Voting'. Then, click on 'Active Voting Cycles'.
2. Upon clicking on 'Active Voting Cycles', you will be able to see the 'EVEN' of all the companies in which you hold shares and whose voting cycles are in 'active' status.
3. Select the 'EVEN' of the company for which you wish to cast your vote.
4. Now you are on the voting page and ready for e-voting.
5. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote, and click on 'Submit'. Also click on 'Confirm' when prompted.
6. Upon confirmation, the message, 'Vote cast successfully', will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

General guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cskiranaswal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the 'Physical User Reset Password?' option available on www.evoting.nsdl.com, to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on the toll-free no.: 1800-222-990, or send a request at evoting@nsdl.co.in.
4. The remote E-voting period for all items of business contained in this notice shall commence from Tuesday the 17th July, 2018 (9:00 am) and will end on Thursday the 19th July, 2018 (5:00 pm). The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any member, the member shall not be allowed to change it subsequently.
5. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. July 13, 2018, may obtain the login ID and password by sending a request E-mail at evoting@nsdl.co.in or Issuer/RTA by mentioning their Folio No./DP ID and Client ID. 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 or contact NSDL at the following toll free no.: 1800-222-990.

6. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. July 13, 2018

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

EXPLANATORY STATEMENT

ORDINARY BUSINESS:

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

Name of the Director	Mrs. Rajeev Gupta
DIN	00503196
Date of Birth	10.10.1967
Type of appointment	Liable to retire by rotation
Date of Appointment/ Re-appointment	17.01.1992
Areas of Specialization	Leadership, legal, regulatory, information security and compliance requirement of the industries
Qualifications	Commerce Graduate from Hindu College, Delhi University
No. of Shares Held in the Company	47,64,720 (35.46%)
Justification for appointment	Promoter Director
Chairman/member of the Committee of the Board of Directors of this Company	Member: 1. Audit Committee 2. Stakeholders Relationship Committee 3. Corporate Social Responsibility Committee
Chairman/member of the Committee of the Board of Directors of other listed Companies or holding Directorship in any other listed company	Nil
Relation with Key Managerial Personnel and Directors	Husband of Mrs. Mamta Gupta

ITEM NO. 4

The Members of the Company at its 23rd AGM held on Thursday, 24th July, 2014 had appointed M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) as the Statutory Auditors of the Company to hold office from the conclusion of 23rd AGM till the conclusion of the Annual General Meeting to be held in the year 2019, subject to ratification of the appointment by the Members at every AGM held after the 23rd AGM of the Company.

M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) vide their letter dated 21st May, 2018 have resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 25th May, 2018, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s. KRA & Co., Chartered Accountants, (Firms Registration No. 020266N), to hold office as the Statutory Auditors of the Company till the conclusion of 27th AGM and to fill the casual vacancy caused by the resignation of M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) subject to the approval by the members at the 27th Annual General Meeting of the Company, at such remuneration, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s. KRA & Co., Chartered Accountants, (Firms Registration No. 020266N), to act as Statutory Auditors of the Company in place of RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

ITEM NO. 5

The Board of Directors at its meeting held on 25th May, 2018, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s. KRA & Co., Chartered Accountants, (Firms Registration No. 020266N), as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 27th AGM, till the conclusion of the 32th AGM of the Company to be held in the year 2023 subject to ratification of the appointment by the Members at every AGM held after the 27th AGM, at such remuneration, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s. KRA & Co., Chartered Accountants, (Firms Registration No. 020266N) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

Date: 25.05.2018

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,**

Your Directors have pleasure in presenting the 27th (Twenty Seventh) Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2018.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended March 31, 2018 is summarized below:-

<i>Particulars</i>	<i>Standalone – Year Ended*</i>		<i>Consolidated – Year Ended*</i>	
	<i>Year ended on 31st March, 2018</i>	<i>Year ended on 31st March, 2017</i>	<i>Year ended on 31st March, 2018</i>	<i>Year ended on 31st March, 2017</i>
Revenue from Operations'	16,204,652,033	14,059,591,029	20,373,487,421	17,567,915,388
Other Income	46,866,996	22,257,521	66,816,957	22,284,591
Total Income	16,251,519,028	14,081,848,551	20,440,304,378	17,590,199,980
Total Expenses	16,024,854,660	13,976,177,594	20,036,566,055	17,196,863,843
Profit/(Loss) before extraordinary items and tax	226,664,368	105,670,956	403,738,322	393,336,137
Less: Tax Expenses:				
Current Tax	68,359,407	28,822,170	68,363,086	28,843,317
Deferred Tax	7,367,811	6,082,863	7,367,586	6,116,984
Minimum Alternate Tax	-	-		(21,147)
Profit/(Loss) for the period	150,937,150	70,765,924	328,007,651	358,396,983

**The above figures are extracted from the audited standalone and consolidated financial statements as per Indian Accounting Standards (IND AS). The financial statements for 2016-17 have been re-drawn as per IND AS. Accordingly, the figures stated above for 2016-17 may not be comparable with financials for 2015-16 approved by the Directors vide Report dated 2nd September, 2017.*

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affects the financial position of the Company.

RESERVES & SURPLUS

The Company's reserve & surplus for the financial year ended March 31, 2017 is Rs. 1,031,122,004 as compared to the previous year it was 896,507,218.

DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend a Final Dividend of Rupee 0.50/- per equity share of face value of Rs. 10/- each for the year ended 31st March, 2018. The Interim Dividend of Rupee 0.50/- per equity share was paid on 22nd December, 2017.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on 20th July, 2018, will be paid within 30 days from the date of its declaration, to the members whose names appear in the Register of Members after giving effect to all valid share transfer requests lodged with the Company or its Register & Share Transfer Agents (R&T Agents) viz. Bigshare Services Private Limited as of the close of business hours on July 13, 2018.

The Board of Directors has declared Interim Dividend of Rupee 0.50/- per equity share on 28th November, 2017 and was paid on 22nd December, 2017. The total dividend for the financial year 2017-18 (including the proposed Final Dividend) aggregates to 10% of the face value of the equity shares.

BUSINESS PERFORMANCE REVIEW

Your Company achieved an all-time high performance both in the turnover and its profits. The gross revenues touched Rs. 16,251,519,028* and the profit after taxes recorded was Rs. 150,937,150*. 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 Rs. 10) for the year 2017-18 has increased from Rs. 6.18 to Rs. 11.23. During the year under review, your Company has entered into B2C segment for production of copper cables/electrical wires under the brand name "RIKAYAA", which will improve the profitability and future prospects of the Company.

Note: The above figures are extracted from the audited standalone financial statements.

Future Prospects

The enhanced capacity of 24,000 MT in a manufacturing unit located in Baddi, Himachal Pradesh, is expected to be operational in FY19. The Company plans to foray into value added segments of defence and the mint in an endeavor to enhance profitability. The capacity verification and other technical eligibility of the plant have been successfully carried out and very soon your Company will be supplying materials to the ordinance factory, katni, Ministry of Defence, Government of India.

At a sectoral level, there exists tremendous growth potential for copper in India. This will come from sectors like power, telecom, automobile, railway, defence etc. Reports indicate that the domestic copper usage will double in India by next decade driven by Government initiatives and increased consumption. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

SUBSIDIARIES AND ASSOCIATES

Subsidiary in Dubai

Your Company, upon the approval of Board of Directors, incorporated a wholly owned subsidiary in Dubai Multi Commodities Centre Authority under the name and style of "RCI World Trade Link DMCC" for trading of Ferrous and Non-Ferrous Metal products, on February 10, 2014 with a share capital of AED

50,000 divided into 50 shares of value AED 1,000 each. RCI World Trade Link DMCC has commenced the operations under the requisite licenses and permissions obtained from regulatory authorities.

Subsidiary in India

Your Company, upon the approval of Board of Directors, incorporated a wholly owned subsidiary under the name and style of “RCI Skills & Social Development Private Limited” for providing Vocational training, Skills and other Social Development activities towards CSR on September 29, 2014 with a paid-up share capital of Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10 each.

Associate Companies

Your Company has 2 Associate Companies in the name of “Metalrod Private Limited” and “Ace Matrix Solutions Limited” as at March 31, 2017.

Consolidated Financial Statements

In compliance with the applicable provisions of the Companies Act, 2013 and Indian Accounting Standard (IND AS)-110 on consolidated financial statements, the Audited consolidated financial statement for the financial year ended March 31, 2018, is provided in this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013 and Indian Accounting Standard- 110 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 the associates companies (viz. Metalrod Private Limited and Ace Matrix Solutions Limited) as the applicable accounting standard for the time being in force, exempts the consolidation of financial statement of such associates because the investment in shares of associates was acquired/ made as stock in trade and the intention of such investment was to dispose of 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 states 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 and 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.

SHARE CAPITAL

During the year under review, the Company has increased its Authorised Share Capital from Rs. 150,000,000 (Rupees Fifteen Crore only) divided into 15,000,000 (One Crore Fifty Lac) Equity Shares of Rs. 10/- each to Rs. 250,000,000 (Rupees Twenty Five Crore) divided into 25,000,000 (Two Crore Fifty

Lac) Equity Shares of Rs. 10/- each vide special resolution passed through Postal Ballot dated 28th March, 2018.

Further, there were no change in the Issued, Subscribed and Paid-up Share Capital of your Company. Hence, the Paid-up Share Capital of the Company is Rs. 134,364,150.

LISTING

Your Company's fully paid-up equity shares continue to be listed and traded on BSE Limited ('BSE'). The said Stock Exchange has nation-wide trading terminals and hence facilitates the Shareholders/Investors of the Company in trading the Shares. The Company has paid the annual listing fee for the Financial Year 2018-19 to the said Stock Exchange.

COMPULSORILY CONVERTIBLE DEBENTURES

Your Company has allotted 5,60,000 Unsecured Zero Coupon Compulsorily Convertible Debentures of Rs. 900/- each to Promoters/Non-Promoters, for an aggregate amount of Rs. 50,40,00,000 (Rupees Fifty Crore Forty Lakh only) by way of Preferential Allotment on Private Placement Basis, which shall be converted into Equity Shares of Rs. 225/- each (1 CCD=4 Equity Shares) on or before completion of 18 months from the date of their allotment viz. 31.03.2018.

DEPOSITORIES

Your Company has arrangements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), the Depositories, for facilitating the members to trade in the fully paid up equity shares of the Company in Dematerialized form. The Annual Custody fees for the Financial Year 2018-19 has been paid to both the Depositories.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Statement for the year under review as provided under Listing Regulations is separately attached hereto and forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The applicability of concept of Corporate Social Responsibility on the Company commenced from the financial year 2016-17, as the turnover of the Company crossed Rs. 1,000 Crore in the financial year 2015-16. Accordingly, pursuant to Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR Committee comprises of two Independent Directors and the Managing Director. The Committee had given their recommendation to incur the CSR expenses through its wholly owned subsidiary named "RCI Skills & Social Development Private Limited" and identified the areas of Vocational Skills especially among children as specified under Schedule VII of the Companies Act, 2013 as primary focus area. However, during the financial year 2016-17 the subsidiary company has applied various governments tender related to said vocational skills but all the tenders got rejected on technical grounds. Hence, requisite amount of CSR expenditure could not be spent. However, your Company has committed to spend the consolidated amount of CSR for both current and previous financial year during the financial year 2017-18 in order to comply with the Companies Act, 2013 in true spirit.

Accordingly, your Company has spent Rs. 35 Lakh in the financial year 2017-18. The Annual Report on CSR Activities is attached as 'ANNEXURE-5'.

POSTAL BALLOT

During the year under review, your Company sought the approval of the Shareholders on the following resolutions, vide Postal Ballot Notice dated 22nd February, 2018:

- Ordinary Resolution for Increase in Authorised Share Capital and Alteration of the Capital Clause in the Memorandum of Association.
- Issue and Allotment of Compulsorily Convertible Debentures and Equity Shares arising on conversion of Compulsorily Convertible Debentures.

The said notice along with Postal Ballot Form were duly sent to the Shareholders and your Company also offered E-Voting facility as an alternate option for voting by the Shareholders, which enabled them to cast their votes electronically, instead of Physical Postal Ballot Form. The results on the voting conducted through Postal Ballot process were declared on 28th March, 2018.

The procedure prescribed under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, was adopted for conducting the Postal Ballot.

Further, details related to the Postal Ballot procedure adopted, voting pattern and result thereof have been provided under the General Body Meetings Section of 'Report on Corporate Governance'.

CORPORATE GOVERNANCE

Corporate Governance refers to a set of systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability and independence.

Your Company views Corporate Governance more as a way of business life than a mere legal obligation. The Company has adopted various practices of governance conforming to highest ethical and responsible standard of business, globally benchmarked. Strong and effective implementation of governance practices in the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, market capitalization, etc.

A certificate from Practising Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as 'ANNEXURE-8' and forms part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

As on 31st March, 2018, your Board comprises of 4 Directors including 2 Independent Directors.

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Rajeev Gupta (DIN 00503196), Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with provisions of the Companies Act, 2013.

A brief resume of the Director proposed to be re-appointed, the nature of his expertise in specific functional areas, names of companies in which he holds Directorships, committee memberships/

chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM. The Directors recommend his re-appointment at the ensuing AGM.

Further, there were no changes in the Directorship of the Company.

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

Board Diversity

As on March 31, 2018, your Board comprises of 4 Directors including 2 Independent Directors and 1 Woman Director. The Company recognizes and embraces the importance of a diverse Board in its success. The Board has also adopted the Board Diversity Policy.

Board Meetings

The Board met 16 times during the Financial Year 2017-18, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Regulations.

Key Managerial Personnel

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Rajeev Gupta, Managing Director and Chairman, Mr. Abhishek Kedia, Company Secretary and Mr. Inder Prakash Saboo, Chief Financial Officer of the Company are the Key Managerial Personnel of the Company.

Further, there were no changes in the Key Managerial Personnel of the Company.

Policy on Directors' appointment and Policy on remuneration

Pursuant to 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 as 'ANNEXURE- 2' to this Report.

It is thereby, affirmed that remuneration paid to the Directors, Key Management Personnel and other employees is as per the 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.

Familiarisation Programme for Independent Directors

The Company conducts Familiarization Programme for the Independent Directors to enable them to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with senior management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry, it is a part.

The Policy on Familiarisation Programme for Independent Directors is also available on the Company's website www.rciind.com under the web link http://www.rciind.com/yahoo_site_admin/assets/docs/FamiliarizationProgrammeForIndependentDirectors.pdf.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining their duties and responsibilities as a Director.

Committees of Board

Currently, the Board has Four standing Committees viz. Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Audit Committee of the Board comprises of 3 (Three) members, with Mr. Raj Singh Jamwal, Non-Executive Independent Director, as its Chairman. During year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.rciind.com. A detailed note on the Board and its Committees is provided under the Report on Corporate Governance section.

Whistle Blower Policy/ Vigil Mechanism

The Board has adopted a Whistle Blower Policy (Vigil Mechanism) to provide opportunity to Directors/Employees/Stakeholders of the Company to report concerns about unethical behavior, actual or

suspected fraud of any Director and/or Employee of the Company or any violation of the Code of Conduct.

Further during the year under review, no case was reported under the Vigil Mechanism.

AUDITORS

Statutory Auditors

At the 23rd Annual General Meeting held on Thursday, 24th July, 2014, M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 23rd AGM till the conclusion of the Annual General Meeting to be held in the year 2019, subject to ratification of the appointment by the Members at every AGM held after the 23rd AGM of the Company.

M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) vide their letter dated 21st May, 2018 have resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 25th May, 2018, recommended the appointment of M/s. KRA & Co., Chartered Accountants (Firm Registration No: 020266N) as Statutory Auditors of the Company in place of M/s. RPMD & Associates, Chartered Accountants, (Firm Registration No: 005961C) to hold office from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting subject to ratification of their appointment at every Annual General Meeting.

Your Company has received a letter from M/s. KRA & Co., Chartered Accountants (Firm Registration No: 020266N) to the effect that their appointment, if made, would be under the second and third proviso to Section 139 (1) of the Companies Act, 2013 and that they are not disqualified within the meaning of Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014.

The Audit Report given by RPMD & Associates (erstwhile Statutory Auditors) for the financial year 2017-18, forming part of this Annual Report.

Secretarial Auditor

During the year under review, the Board re-appointed Ms. Kiran, Practicing Company Secretary, proprietor of M/s. Kiran & Associates, Company Secretaries, as the Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit was carried out in compliance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Report thereon in the prescribed form MR-3 is attached as 'ANNEXURE-3'.

The reports of Statutory Auditor and Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks. During the year the Statutory Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under the applicable provisions of the Act.

Internal Auditors

M/s Kiran & Associates, Practicing Company Secretary performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2018 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 as `ANNEXURE-1` to this Report.

DISCLOSURES

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 Note No. 2.5 & 2.7 to the Standalone Financial Statements forming the part of annual report.

Borrowings and Debt Servicing: During the year under review, your Company has met all its obligations towards repayment of principal and interest on loans availed.

Related Party Transactions: None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. All transactions with related parties entered during the year were in the Ordinary Course of Business and on 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.

However, as required under Companies Act, 2013 the details of related party transactions are disclosed in prescribed Form No. AOC – 2 which is attached as ANNEXURE-4.

Also, you may refer to Related Party transactions in Note No. 2.30 of the Standalone Financial Statements.

Deposits: Your Company has neither invited nor accepted any public deposit under chapter V of the Companies Act, 2013.

Sexual harassment: The Company has zero tolerance for Sexual Harassment at workplace and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' and the Rules made thereunder. There was no complaint on sexual harassment during the year under review.

Regulatory Orders: No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Conservation of Energy

Your Company, being a manufacturer, trader and exporter of Ferrous and Non-Ferrous Metal products, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption

In its endeavor to deliver the best to its customers, clients and business partners, your Company is constantly active in harnessing and tapping the latest and best technology in the industry.

Foreign Exchange Earning & Outgo

Following are the particulars of Foreign Exchange Earnings and Outgo during the financial year 2017-18:

a). Value of Imports calculated in CIF Basis:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Materials	468,158,303.00	1,337,817,454
Traded Goods	-	374,962,807
Capital Goods	-	-

b). Expenditure in Foreign Currency:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Payment	-	2,460,310
Commission on Export Sales	-	43,322,131
Tour & Travelling	364,929	1,372,861

c). Earnings in Foreign Currency:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Export of Goods	670,955,868	1,489,142,790

PARTICULARS OF EMPLOYEES

As on March 31, 2018, the total numbers of employees on the records of the Company were 275. The information required under Section 197 of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, along with statement showing names and other particulars of the top 10 employees in terms of remuneration drawn is annexed to this report as 'ANNEXURE-6'.

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.

RISK MANAGEMENT SYSTEM & INTERNAL CONTROL SYSTEMS

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with standard operating procedures (SOPs) and which ensures that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. The Company has laid down procedures to inform audit committee and board about the risk assessment and mitigation procedures, to ensure that the management controls risk through means of a properly defined framework. The internal control systems of your Company ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

Your Company has in place adequate internal financial controls with reference to financial statements. Based on internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18. During the year, no reportable material weakness in the design or operation was observed.

Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Company also has an Audit Committee, presently comprising of 3 (three) Members i.e. professionally qualified Directors, who interact with the Statutory Auditors, Internal Auditors and Auditees in dealing with matters within its terms of reference. The Committee inter alia deals with accounting matters, financial reporting and internal controls which also periodically reviews the Risk Management Process.

INSIDER TRADING CODE

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

Your Company has further put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. Both the aforesaid Codes are in line with the PIT Regulations.

INDUSTRIAL OPERATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across the organization.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations and actual results might differ.

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
Sd/-
Mr. Rajeev Gupta
Chairman & Managing Director
DIN 00503196

Place: New Delhi
Date: 25.05.2018

ANNEXURES TO DIRECTOR'S REPORT

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2018

[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:

CIN	L74900DL1992PLC047055
Registration Date	7 th January, 1992
Name of the Company	RCI INDUSTRIES & TECHNOLOGIES LIMITED
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered Office and contact details	B-97 , All Heavens Building , Wazirpur Ring Road , Delhi-110052; Tel: +91 11 2737 2194
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Big Share Services Private Limited 4E/8, 1 st Floor, Jhandewalan Extension, New Delhi-110055; Tel: +91 11 2352 2373; Website: www.bigshareonline.com

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 & Brass Products	27201	97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & 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 Building, 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 Building, Wazirpur Ring Road, Delhi-110052	U74899DL2000PLC103256	Associate	22	2(6)
4.	Metalrod Private Limited	U27106DL1974PLC007235	Associate	34.27	2(6)

Sub Total:(B)(1)	5600	0	5600	0.04	200	0	200	0.00	(0.04)
(2). Non Institutions									
a) Bodies Corporates									
i) Indian	1087530	0	1087530	8.09	560077	0	560077	4.17	(3.92)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lac	449509	2800	452309	3.37	1818763	2801	1821564	13.56	10.19
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lac	2948500	0	2948500	21.94	1837582	0	1837582	13.67	(8.27)
c)Others (HUF)	310001	0	310001	2.31	330757	0	330757	2.46	0.15
Clearing Members	45049	0	45049	0.33	166795	0	166795	1.24	0.91
Non Resident Indians	10811	0	10811	0.08	142825	0	142825	1.06	0.98
Overseas Corporate Bodies	0	0	0	0	0	0	0	-	0
Trusts	0	0	0	0	0	0	0	-	0
Sub Total:(B)(2)	4851400	2800	4854200	36.12	4856799	2801	4859600	36.17	0.05
Total Public Shareholding (B)= (B)(1)+(B)(2)	4857000	2800	4859800	36.16	4856999	2801	4859800	36.17	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	-	0
Grand Total (A+B+C)	13433615	2800	13436415	100	13433614	2801	13436415	100	0.00

(ii). Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding 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	569090	4.24	-	569090	4.24	-	-
2	Rajeev Gupta	4764720	35.46	-	4764720	35.46	-	-
3	Hembala Gupta	30	0.00	-	30	0.00	-	-
4	Ritika Gupta	2625	0.01	-	2625	0.01	-	-

5	Blossom Impex Private Limited	30000	0.22	-	30000	0.22	-	-
6	Ace Matrix Solutions Limited	1751900	13.04	-	1751900	13.04	-	-
7	Kay Kay Exim Private Limited	50000	0.37	-	50000	0.37	-	-
8	Metalrod Private Limited	812500	6.05	-	812500	6.05	-	-
9	Ace Trade Solutions Private Limited	595750	4.43	-	595750	4.43	-	-

*There is no change in Promoters Shareholding however, Compulsorily Convertible Debenture were allotted during the period under review hence, diluted shareholding of promoters may get changed after looking the allotment of CCD on 31.03.2018.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	8576615	63.83	8576615	63.83
2	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):	-	-	-	-
3	At the end of the year	8576615	63.83	8576615	63.83

*There is no change in Promoters Shareholding however, Compulsorily Convertible Debenture were allotted during the period under review hence, diluted shareholding of promoters may get changed after looking the allotment of CCD on 31.03.2018.

(iv). Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2218624	16.51	2218624	16.51
2	Date wise Increase / Decrease in				

	Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	1. Decrease through online trade on BSE by public shareholder	(938624)	(6.98)	(938624)	(6.98)
3	At the end of the year	1280000	9.53	1280000	9.53

(v). Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year:	5333810	39.70	5333810	39.70
2	Date wise Increase /Decrease in Share holding during the year	-	-	-	-
3	At the end of the year:	5333810	39.70	5333810	39.70

*There is no change in Directors Shareholding however, Compulsorily Convertible Debenture were allotted during the period under review hence, diluted shareholding of Directors may get changed after looking the allotment of CCD on 31.03.2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Short Term:				
i) Principal Amount	1,210,154,235	-	-	1,210,154,235
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Long Term				
i) Principal Amount	-	300,000,000	-	300,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total	1,210,154,235	300,000,000	-	1,510,154,235
Change in Indebtedness during the financial year				
Short Term				
Addition	-	-	-	-
Reduction	55,770,518	-	-	55,770,518

Long Term				
Addition	-	-	-	-
Reduction	-	247,626,703	-	247,626,703
Net Change	(55,770,518)	(247,626,703)		(303,397,221)
Indebtedness at the end of the financial year				
Short Term				
i) Principal Amount	1,154,383,717	-	-	1,154,383,717
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Long Term				
i) Principal Amount	-	52,373,297	-	52,373,297
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total	1,154,383,717	52,373,297	-	1,206,757,014

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Rajeev Gupta Managing Director	
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,800,000	4,800,000
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of Profit	-	-
	- others (specify)	-	-
5	Others, please specify	-	-
	Total	4,800,000	4,800,000
	Ceiling as per the Act	5% of the Net Profits as per Section 198 of the Companies Act, 2013	

A. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
---------	-----------------------------	-------------------	--------------

1	Independent Directors	Raj Singh Jamwal	Anil Kumar Jain		
	a) Fee for attending board / committee meetings	None			
	b) Commission	None			
	c) Others, please specify	None			
	Total (1)	None			
2	Other Non-Executive Directors	Mamta Gupta			
	a) Fee for attending board / committee meetings	None			
	b) Commission	None			
	c) Others, please specify	None			
		Total (2)	None		
		Total (B)=(1+2)	None		
	Total Managerial Remuneration			4,800,000	
	Overall Ceiling as per the Act	11% of the Net Profits as per Section 198 of the Companies Act, 2013			

B. Remuneration to Key Managerial Personnel other than MD / Manager/ WTD

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Company Secretary	CFO	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	960,000	1,200,000	2,160,000
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of Profit			
	- others (specify)			
5	Others, please specify	-	-	-
	Total	960,000	1,200,000	2,160,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
------	------------------------------	-------------------	---	-----------------------------	------------------------------------

A. Company	
Penalty	None
Punishment	
Compounding	
B. Directors	
Penalty	None
Punishment	
Compounding	
C. Other Officers in Default	
Penalty	None
Punishment	
Compounding	

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.

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.

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 / FORMATION 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 Directors as available on the website of the company.
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.
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;
- (i) Facilitate Company's adherence to high standards of ethics and corporate behavior;
- (ii) Guide the Board in monitoring the effectiveness of the Company's governance Practices and to recommend changes, required if any;
- (iii) 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
- (iv) 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 MARCH 31, 2018

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

**To,
The Members,
RCI Industries & Technologies Limited
B-97, Wazirpur Industrial Area,
Delhi – 110052**

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 & Technologies Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on March 31, 2018 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 & Technologies Limited (“the company”) for the financial year ended on March 31, 2018 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 thereunder;
- (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 thereunder 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;

- (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) Goods & Service Tax Act, 2017
 - (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, standards, etc mentioned above.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

Place: Ghaziabad

Date: 25.05.2018

For Kiran & Associates

Company Secretaries

Sd/-

Kiran (Proprietor)

Membership No. 37306

Certificate of Practice No. 14168

**ANNEXURE-4
FORM 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	Name(s) of the related party and nature of relationship	As per Notes no. 2.30 of Notes to accounts forming part of Annual Report
2	Nature of contracts/ arrangements/ transactions	As per Notes no. 2.30 of Notes to accounts forming part of Annual Report
3	Duration of the contracts / arrangements/ transactions	As per Notes no. 2.30 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. 2.30 of Notes to accounts forming part of Annual Report
5	Date(s) of approval by the Board, if any	As per Notes no. 2.30 of Notes to accounts forming part of Annual Report
6	Amount paid as advances, if any	As per Notes no. 2.30 of Notes to accounts forming part of Annual Report

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

**Sd/-
Rajeev Gupta
Chairman & Managing Director
DIN 00503196**

ANNEXURE-5
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Vocational skills etc. The CSR policy is available on the website of the Company www.rciind.com.

2. **The Composition of the CSR Committee:**

The CSR Committee of the Board of Directors comprises of 3 Directors. Mr. Raj Singh Jamwal, Independent Director is the Chairman of the Committee while Mr. Anil Kumar Jain, Independent Director and Mr. Rajeev Gupta, Chairman & Managing Director are its members.

3. **Average net profit of the Company for last three financial years:** 639.00 Lakh

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above) for FY 2017-18:**

Rs. 12.78 Lakh

5. **Details of CSR spent during Financial Year 2017-18**

Particulars	Amount (In Rs.)
Total amount to be spent for the financial year 2017-18	Rs. 12.78 Lakhs
Amount unspent, if any	NIL
Manner in which the amount spent during the financial year 2017-18	Through Wholly owned Subsidiary namely RCI Skills & Social Development Private Limited Under various Vocational Skills Project etc.

Total Amount of 35 Lakh has been spent towards CSR in FY 2017-18 and said spent amount of 35 Lakh includes the amount of 20.74 Lakh which was unspent for the FY 2016-17 towards CSR. Hence, company has spent consolidated CSR amount of both the FY i.e. 2016-17 & 2017-18.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:**

Not Applicable

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: New Delhi
Dated: 25.05.2018

Sd/-
Rajeev Gupta
Chairman & Managing Director
DIN: 00503196

Sd/-
Raj Singh Jamwal
Chairman, CSR Committee
DIN: 06698519

ANNEXURE-6

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

<i>Sl. No.</i>	<i>Name of Director & Designation</i>	<i>Ratio of remuneration of each Director to median remuneration of employees</i>
1.	Mr. Rajeev Gupta Managing Director	24.24:1.00

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year

<i>Sl. No.</i>	<i>Name of Director & KMP</i>	<i>Designation</i>	<i>% increase in remuneration of Director & KMP</i>
1.	Mr. Rajeev Gupta	Managing Director	300
2.	Mr. I.P. Saboo	Chief Financial Officer	Nil
3.	Mr. Abhishek Kedia	Company Secretary	60

(iii) The percentage increase in the median remuneration of employees in the financial year – 125%*

(iv) The number of permanent employees on the rolls of company - 275

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average annual increase in the salaries of employees during the year was 15% whereas there was no significant change in the managerial remuneration (Managing Director's remuneration) during the financial year 2017-18

(vi) Affirmation that the remuneration is as per the remuneration policy of the company

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**Due to the drastic increase in the no. of employees from the last financial year, the percentage increase in the median remuneration of employees exceeds 100%.*

Statement showing the names and other particulars of the top ten employees in terms of remuneration drawn as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<i>Sl. No.</i>	<i>Name</i>	<i>Age (Yrs)</i>	<i>Designation/ Nature of Duties</i>	<i>Total Remuneration (in Rs.)</i>	<i>Educational Qualification</i>	<i>Experience (in years)</i>	<i>Date of Joining</i>	<i>Previous Employment</i>
1	Rajendra Yawalkar	53	V.P. Plant	16,80,000	B.Sc	31	01.10.16	Arcotech Limited
2	Tara Singh	53	Manager	13,80,000	Diploma in General Mech.	39	24.04.17	Freelancer in Toshi Engineering
3	Sanjay K Gupta	52	General Manager	11,70,000	B.Com (Hons)	34	01.04.17	SOI Hospitality Pvt. Ltd
4	Abhishek Kedia	30	Company Secretary	9,60,000	CS and LLB	4	18.03.14	-
5	Sanjay Kumar Tomar	53	Manager-Maintenance	9,18,000	B.E. Mechanical	30	11.11.07	Devi Metal Technologies Limited
6	Uma Shankar Prajapati	48	Vice President	8,75,000	B.E. Mechanical	25	01.09.17	Arcotech Limited
7	Anil Saini	43	Sr. Manager Accounts	8,25,000	CA(Inter)	16	05.05.17	Blue Star
8	Y.K. Sharma	54	Manager-Sales	7,20,000	M.A. BED	26	01.04.13	Devi Metal Technologies Limited
9	Rewa Yawalkar	52	Manager-Administration	7,20,000	M.A. Home Science	16	01.10.16	Rimjhim Stainless Steel
10	Rajesh Kumar	47	Manager-Electrical	6,84,000	Diploma in Electrical	25	22.06.17	Ilasakaa Steels

Notes:

1. None of the Employees named above is relative of any Director of the Company
2. None of the Directors hold any Equity Shares in the Company

Place: New Delhi
Date: 25.05.2018

For and on behalf of the Board of Directors
Sd/-
Rajeev Gupta
Chairman and Managing Director
DIN: 00503196

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and systems which define the manner of operations of a Company in the various facets of its operations. The elements of Corporate Governance inter alia are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company's philosophy of Corporate Governance is built on timeless principles of transparency, fairness, integrity, equity and accountability. For RCI Industries & Technologies Limited, corporate governance is an ethically driven business process that is committed to values - aimed at enhancing an organization's brand and reputation.

Our governance philosophy is all encompassing and it is our constant endeavor to align our vision and business strategy with the welfare and best interest of all stakeholders. It is our firm conviction that good Corporate Governance practices are powerful enablers, which infuse trust and confidence and are able to attract and retain financial and human capital. These resources, in turn, are leveraged to maximize long-term shareholder value, on a sustainable basis. Transparency and accountability are the fundamental principles of your Company which ensures that your Company is managed and monitored in a responsible manner for 'creating and sharing value'. A transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organization which has been the hallmark of your Company.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. Strong leadership and effective corporate governance practices have been your Company's hallmark.

Corporate Governance primarily involves the establishment of structures and processes, with appropriate checks and balances that enable the Board, as collegian, to discharge their responsibilities in a manner which is beneficial to all Stakeholders. The Company's Board considers good corporate governance to be a key driver of sustainable corporate growth and long term value creation, and exercises its fiduciary responsibilities accordingly.

The Securities and Exchange Board of India (SEBI) introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as 'Listing Regulations'), to bring in additional Corporate Governance norms for listed entities. These norms provide for additional disclosures and preparation of various new policies such as policy for preservation of documents, policy for determining material subsidiary, policy for determination of materiality etc. Your Company is in compliance with the mandatory requirements of the Listing Regulations formulated by the Securities and Exchange Board of India ('SEBI'). This section, along with the section on 'Management Discussion and Analysis' and 'General Shareholders' Information', constitute the Company's compliance with Regulation 34 of the Listing Regulations

BOARD OF DIRECTORS

Composition of the Board

Your Company has a balanced and optimal Board with combination of Executive and Non-Executive Directors. The Composition of the Board as on March 31, 2018 is in conformity with Regulation 17(1) of the Listing Regulations which lays down an optimal combination of Executive and Non-Executive Directors, with at least one woman director and not less than 50 per cent of the Board comprising of Independent Directors, for a Board not chaired by Non-Executive Director.

Composition of the Board as on March 31, 2018:

<i>Category of Directors</i>	<i>No. of Directors</i>	<i>% of total no. of Directors</i>
Executive Director	1	25%
Non-Executive Independent Director	2	50%
Other Non-Executive Director	1	25%
Total	4	100%

Number of Board Meetings

During the year under review, the Board of Directors of the Company met 16 times on 01/04/2017, 30/05/2017, 28/06/2017, 03/08/2017, 02/09/2017, 12/09/2017, 29/09/2017, 26/10/2017, 28/11/2017, 11/12/2017, 13/12/2017, 16/12/2017, 29/01/2018, 22/02/2018, 28/03/2018, 31/03/2018. The maximum gap between any two consecutive meetings was less than one hundred and twenty days as stipulated under Companies Act, 2013, Regulation 17(2) of the Listing Regulations and Secretarial Standards. The necessary quorum was present for all the meetings.

As required under the SEBI Listing Regulations, all the necessary information was placed before the Board from time to time.

Directors' Attendance Record and their other Directorships/ Committee Memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2018 are given below:

Name of the Director	#Category	Attendance in Financial Year 2017-18			Number of other Directorships and Committee Memberships/ Chairmanships held*		
		Number of Board Meetings Held	Last AGM held on 29.09.2017	Attended	Other Directorships	Committee Memberships	Committee Chairmanships
Rajeev	Chairman/	16	16	Yes	7	2	-

Gupta Mamta Gupta	PD/ED							
Raj Singh	PD/NED	16	16	Yes	9	-	-	
Jamwal Anil Kumar Jain	ID	16	8	Yes	-	2	2	
	ID	16	8	Yes	1	4	2	

#PD – Promoter Director; NED – Non-Executive Director; ID – Non-Executive Independent Director; ED – Executive Director

*In accordance with Regulation 26 of the Listing Regulations, Chairmanships/Memberships of only Audit Committees and Stakeholders Relationship Committee in all Public Limited Companies (Listed and Unlisted) have been considered.

Independent Directors

As mandated by the Listing Regulations, the Independent Directors on your Company's Board:

- a. Are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;
- b. Are not a Promoter of the Company or its holding, subsidiary or associate company;
- c. Are not related to Promoters or Directors in the Company, its holding, subsidiary or associate company;
- d. Apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- e. Have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or Fifty Lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- f. Neither themselves nor any of their relatives —
 - A. hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed;
 - B. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed, of -
 - (1). a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate company; or
 - (2). any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) hold together with their relatives two per cent or more of the total voting power of the Company; or
 - (iv). is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty five per cent or more of its receipts or corpus from the Company, any of its Promoters,

Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
(v). is a material supplier, service provider or customer or a lessor or lessee of the Company;
g. are not less than 21 years of age.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

Maximum Tenure of Independent Directors

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company is for a term of 5 consecutive years from the date of their appointment.

Number of Independent Directorships

In compliance with Regulation 25 of the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

Terms and conditions of appointment of Independent Directors

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company viz. www.rciind.com.

Separate Meeting of Independent Director

In accordance with Companies Act, 2013, the Independent Directors of the Company shall hold at least one meeting in a year without the presence of Non-Independent Directors and members of management.

During the year under review, separate meeting of the Independent Directors of the Company was held on February 22, 2018.

Familiarisation Program for Independent Directors

The Company conducts Familiarization Programme for the Independent Directors to enable them to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with senior management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry, it is a part. The Policy on Familiarisation Programme for Independent Directors is also available on the Company's website www.rciind.com under the web link http://www.rciind.com/yahoo_site_admin/assets/docs/FamiliarizationProgrammeForIndependentDirectors.pdf

Performance Evaluation of the Board, its Committees and Individual Directors, including Independent Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, 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. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board and its Committees a structured questionnaire, 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 is in place. 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.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2017-18.

The Independent Directors had met separately on February 22, 2018 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 determines whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

Disclosure of relationships between Directors inter-se

None of the Directors are related to each other, except Mr. Rajeev Gupta and Mrs. Mamta Gupta who are related to each other, being Husband and Wife.

Remuneration Policy

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

Remuneration paid to Executive Directors

Your Board currently comprises of one Executive Director viz. Mr. Rajeev Gupta, Managing Director. The remuneration paid to the Managing Director was Rs. 48,00,000 (Rupees Forty Eight Lacs) during the year as a salary and perquisites duly recommended by the nomination and remuneration committee and approved by the Board in their meeting held on September 2, 2017, in accordance with Section 197 and Schedule V of the Companies Act, 2013.

Remuneration paid to Non-Executive Directors

No Remuneration was paid to Non-Executive Directors during the year under review.

Shareholding of Non-Executive Directors

Mrs. Mamta Gupta, Non-Executive Promoter Director as on March 31, 2018, holding 569,090 equity shares of Rs.10/- each, in the Company. None of the other Non-Executive Directors hold shares in the Company. Since the Company has not issued any convertible instruments, disclosure in this respect is not applicable.

In accordance with the relevant provisions of the Companies Act, 2013 and the Listing Regulations, the Appointment of Board Members and Remuneration Policy have been attached as 'ANNEXURE-2' of this Report.

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

COMMITTEES OF THE BOARD

Your Company has 4 Board Level Committees:

- A. Audit Committee
- B. Nomination & Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Corporate Social Responsibility Committee

The composition of various Committees of the Board of Directors is available on the website of the Company at www.rciind.com and web link for the same is http://www.rciind.com/yahoo_site_admin/assets/docs/CompositionOfBoardCommittees.pdf.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

A). AUDIT COMMITTEE

In compliance with Section 177 of the Companies Act, 2013 read with rules made thereto and Regulation 18 of the Listing Regulations, the 'Audit Committee' of the Board comprises of Mr. Raj Singh Jamwal, Non-Executive Independent Director as its Chairman, Mr. Anil Kumar Jain, Non-Executive Independent Director and Mr. Rajeev Gupta, Managing Director as its Members i.e. 2/3rd of the members of Audit Committee are Independent Directors.

The Role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment, terms of appointment/ reappointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees/remuneration.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - A). Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub section (5) of Section 134 of the Companies Act, 2013.
 - B). Changes, if any, in accounting policies and practices and reasons for the same.
 - C). Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - D). Significant adjustments made in the financial statements arising out of audit findings.
 - E). Compliance with listing and other legal requirements relating to financial statements.
 - F). Disclosure of any related party transactions.
 - G). Qualifications in the draft audit report.
5. Review/examine, with the Management, the quarterly/year to date financial statements and auditor's report thereon, before submission to the Board for approval.
6. Reviewing with the Management, the financial statements of subsidiaries and in particular the investments made by each of them.
7. Reviewing/Monitoring, with the Management, the statement of uses/application/end use of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matters, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Review and monitor the Auditor's independence, performance and effectiveness of Audit process.
9. Approval or any subsequent Modification of transactions of the Company with related parties.
10. Scrutiny of inter- corporate loans and investments.
11. Valuation of undertakings or assets of the Company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing, with the Management, performance of statutory and internal auditors and adequacy of the internal control systems.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussion with internal auditors any significant findings and follow-ups there on.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
17. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

19. To review the functioning of the Whistle- Blower Mechanism.

20. Approval of appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

The Audit Committee also reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
4. Internal audit reports relating to internal control weaknesses; and
5. Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) (whenever applicable).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) (whenever applicable).

Audit Committee Meetings

In addition to the Audit Committee members, the Audit Committee meetings are generally attended by the Company Secretary, Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company. The Company Secretary acts as the Secretary of the Audit Committee.

During the year under review, the Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings did not exceed the limit prescribed in Regulation 18 of the of the Listing Regulations.

The Audit Committee met 7 times during the year under review i.e. on 30/05/2017, 02/09/2017, 12/09/2017, 28/11/2017, 16/12/2017, 29/01/2018, 31/03/2018. The necessary quorum was present for all the meeting held during the year.

Name of Committee Members	Meeting Details			Whether attended last AGM (Y/N)
	Held during the year	Attended	% of Total	
Raj Singh Jamwal	7	7	100	Yes
Anil Kumar Jain	7	7	100	No

Rajeev Gupta	7	7	100	Yes
--------------	---	---	-----	-----

Mr. Raj Singh Jamwal, Chairman of the Audit Committee was present at the 26th Annual General Meeting of the Company held on September 29, 2017.

B). NOMINATION & REMUNERATION COMMITTEE

Composition

In compliance with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013 read with rules made thereto, 'Nomination and Remuneration Committee' of the Board comprises of Mr. Raj Singh Jamwal, Non-Executive Independent Director as its Chairman, Mr. Anil Kumar Jain, Non-Executive Independent Director and Mrs. Mamta Gupta, Non-Executive Director as its Members. The Company Secretary acts as the Secretary of the Committee.

Terms of Reference

The brief terms of reference of the Nomination and Remuneration Committee inter alia include:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
3. Formulate the criteria for evaluation of Director's and Board's performance and to carry out the evaluation of every Director's performance.
4. Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
5. Devising a policy on Board diversity.
6. To approve Remuneration of Directors, Key Managerial Personnel, Senior Management and Senior Employees (employees one level below KMP) and to approve promotion / increments / rewards / incentives for the said employees.
7. To decide and approve grant of Stock Options, including terms of grant etc under the Company's Employee Stock Option Scheme, if any.

Attendance at Nomination and Remuneration Committee Meetings

During the year under review, the Nomination & Remuneration Committee met 4 times viz. 30/05/2017, 02/09/2017, 28/11/2017, 22/02/2018.

Name of Committee Members	Meeting Details		
	Held during the year	Attended	% of Total
Raj Singh Jamwal	4	4	100
Anil Kumar Jain	4	4	100
Mamta Gupta	4	4	100

In addition to the Nomination & Remuneration Committee members, the Meetings of the Committee are generally attended by the Managing Director of the Company.

C). STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

In compliance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 read with rules made thereto, 'Stakeholders Relationship Committee' of the Board comprises of Mr. Raj Singh Jamwal, Non-Executive Independent Director as its Chairman, Mr. Anil Kumar Jain, Non-Executive Independent Director and Mr. Rajeev Gupta, Managing Director as its Members. The Company Secretary acts as the Secretary of the Committee.

Terms of Reference

The brief terms of reference of the Stakeholders Relationship Committee inter alia include:

- a) To approve transfer of shares.
- b) To specifically look into the redressal of grievances of shareholders, investors, debenture holders and other security holders.
- c) To provide adequate and timely information to shareholders.
- d) To consider and resolve the grievances of security holders of the company, including complaints related to transfer of shares, issue of Duplicate Share certificates, non-receipt of balance sheet, non-receipt of declared dividends and other shares related matters.

Meeting and Attendance during the year

During the year under review, Stakeholders Relationship Committee met 4 times viz. 30/05/2017, 02/09/2017, 28/11/2017, 22/02/2018. The meetings were attended by all the members of the Committee. Details of number of Complaints received (inclusive of SCORES) from Members during the year ended March 31, 2018 is as under:

Complaints received

1

Pending as on 31st March, 2018

Nil

D). CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee comprising Mr. Raj Singh Jamwal, Independent Director as its Chairman, Mr. Rajeev Gupta, Managing Director and Mr. Anil Kumar Singh, Independent Director, as its Members. The broad terms of reference of the CSR Committee are as under:

- a). Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company.
- b). Recommending the amount of expenditure to be incurred on the aforesaid activities and
- c). Reviewing and Monitoring the CSR Policy of the Company from time to time.

During the period under review, the CSR Committee met 5 times viz. 30/05/2017, 02/09/2017, 28/11/2017, 22/02/2018, 31/03/2018.

SUBSIDIARY COMPANIES - MONITORING FRAMEWORK

The Company monitors performance of its subsidiary companies, inter-alia, by the following means:

- i) The Audit Committee reviews financial statements of the subsidiary companies, along with investments made by them, on a quarterly basis.
- ii) The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary companies.

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company viz. www.rciind.com.

Your Company does not have any unlisted material subsidiary, incorporated in India. [Under the Listing Regulations, a "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year].

Company also does not have a listed subsidiary.

DICLOSURES

Related Party Transactions

In compliance with the requirements of Regulation 23 of the Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, which is in compliance with the applicable provisions of law including the provisions of the Companies Act, 2013. The said Related Party Transaction Policy is also available on the Company's website and is accessible at http://www.rciind.com/yahoo_site_admin/assets/docs/RelatedPartyTransactionPolicy.pdf.

During the Financial year 2017-18 there were no materially significant related party transactions i.e. transactions material in nature, between the Company and its Promoters, Directors or Key Managerial Personnel or their relatives etc. having any potential conflict with interests of the Company at large or any transaction which was not on arm's length and / or in ordinary course of business. The Company places all the relevant details before the Audit Committee and the Board on Quarterly and Annual Basis.

Details of non-compliance by the Company

Your Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Whistle Blower Policy / Vigil Mechanism

As per Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, Whistle Blower Policy / Vigil Mechanism has been approved and implemented within the organization. The policy enables the Employees and Directors to raise and report concerns about unethical behavior, actual or suspected fraud of any Director and/ or Employee of the Company or any violation of the Code of Conduct. This Policy is also available on the Company's website and is accessible at http://www.rciind.com/yahoo_site_admin/assets/docs/WhistleBlowerPolicy.pdf. Further during the year

under review, no case was reported under the Vigil Mechanism. No person was denied access to Audit Committee.

Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

Policy for determining Material Subsidiaries

In compliance with the requirements of Regulation 16 (c) of the Listing Regulations, the Board of Directors of the Company has approved a Policy for determining Material Subsidiaries. The said policy determines material subsidiaries of the Company and provides a governance framework for them. The said Policy is also available on the Company's website viz. www.rciind.com.

Your Company does not have any unlisted material subsidiary, incorporated in India.

Code for prevention of Insider-Trading Practices

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Company Secretary has been appointed as the Compliance Officer.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

The Company is subject to market risk with respect to commodity price fluctuations. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.

The Company's payables and receivables are in foreign currency and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a risk management framework for identification and monitoring and mitigation of foreign exchange risks. The company has entered into foreign exchange forward, option and futures contracts to manage its exposure to exchange rate fluctuations, in accordance with its risk management policies. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management policy. Moreover, the foreign exchange exposure is also reviewed by the Audit of the Board of Directors of the Company for optimisation and risk mitigation.

CEO/ CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the certification on the financial statements of the Company, as certified by the Chief Executive Officer/Managing Director and Chief Financial Officer of your Company is annexed as an Annexure-7 to this Report.

Certificate on Corporate Governance

The Certificate confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of Listing Regulations is annexed in this Annual Report.

Disclosure Regarding Appointment / Re-Appointment of Directors

The members, at the ensuing Annual General Meeting, shall be considering the re-appointment of Mr. Rajeev Gupta as Managing Director, who is retiring at the ensuing Annual General Meeting. The detailed profile of the Directors has been provided in this report.

Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board and Senior Managerial Personnel. All the Directors and senior functionaries, as defined in the Code, provide their annual confirmation of compliance with the Code. Copy of the Code is also available on the Company's website and is accessible at http://www.rciind.com/yahoo_site_admin/assets/docs/CodeOfConduct.pdf.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and senior Managerial Personnel is given below:

Declaration

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2018.

Rajeev Gupta
Managing Director
 New Delhi, May 25, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management discussion and analysis is provided separately as a part of this Annual Report.

GENERAL BODY MEETINGS

Details of the last three general body meetings held are given below:

<i>Financial Year Ended</i>	<i>Day, Date & Time</i>	<i>Venue</i>	<i>Special Resolution Passed</i>
March 31, 2017	Friday, September 29, 2017, 09:30 AM	B-97, All Heavens Wazirpur Industrial Area, Delhi	To Issue up to 6,67,000 (Six Lakh Sixty Seven Thousand) Equity Shares to Mr. Rajeev Gupta, Promoter of the

			110052			Company on Preferential basis
March 2016	31,	Friday, September 30, 2016, 10:00 AM	B-97, Building, Industrial Area, 110052	All	Heavens Wazirpur Delhi –	To Issue upto 8 Lakh Equity Shares on Preferential basis
March 2015	31,	Tuesday, September 29, 2015, 10:00 AM	B-97, Building, Road, Delhi – 110052	All	Heavens Wazirpur Ring	None

All Special Resolutions passed in the previous three Annual General Meetings of the Company were passed with requisite majority.

None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013, read with Rules made thereunder.

POSTAL BALLOT

Resolutions passed by Postal Ballot:

During the year under review, your Company sought the approval of the Shareholders through the Postal Ballot Mechanism for the below mentioned resolution proposed by the Company vide Postal Ballot Notice dated February 22, 2018. The postal ballot was conducted in terms of the procedure provided under Section 110 of Companies Act, 2013 read with Rules made thereunder, as amended from time to time. The results on the voting conducted through Postal Ballot process were declared on March 28, 2018. The Resolution passed through postal ballot and the voting pattern (Postal Ballot & e-voting) is mentioned hereunder:

Particulars of Resolution	% of Votes	
	In favour	Against
Ordinary Resolution for Increase in Authorised Share Capital and Alteration of the Capital Clause in the Memorandum of Association	99.99	0.01
Special Resolution for Issue and Allotment of Compulsorily Convertible Debentures and Equity Shares arising on conversion of Compulsorily Convertible Debentures.	99.99	0.01

Procedure followed for Postal Ballot:

The procedure prescribed under Section 110 of the Companies Act, 2013, read with Rules made thereunder was adopted for the Postal Ballot.

In compliance with aforesaid provisions, your Company offered E-Voting facility as an alternate/option, for voting by the Shareholders, in addition to the option of physical voting, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Each Shareholder/Member had to opt for exercising only one mode for voting i.e. either by Physical Ballot or by e-voting. In case of Shareholder(s)/Member(s) who casted their vote via both modes i.e. Physical Ballot as well as e-voting, voting done through a valid Physical Postal Ballot Form was treated as prevailing over the e-voting of

that Shareholder/Member. Ms. Kiran, Practicing Company Secretary was appointed as the Scrutinizer for carrying out the Postal Ballot in a fair and transparent manner.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of Listing Regulations. In addition to the above, the Company has complied with the Reporting of Internal Auditor directly to the Audit Committee, the non-mandatory requirements of Listing Regulations.

MEANS OF COMMUNICATION

Quarterly and Annual Financial Results:

Pursuant to Regulation 33 and Regulation 30 of the Listing Regulations, the Company furnishes the quarterly un-audited as well as annual audited Financial Results, (within 30 minutes of closure of the Board meeting) by online filings, to the Stock exchange i.e. BSE Limited. Such information has also been displayed in the 'Investors' section on the Company's website i.e. www.rciind.com. Quarterly and Annual financial results including other statutory information are published in an English daily viz. 'Financial Express' (All Edition) and in a vernacular language newspaper viz. 'Jan Satta' (Delhi Edition).

News Releases/Presentations:

Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's website www.rciind.com.

Website:

Pursuant to Regulation 46 of the Listing Regulations, the Company's website www.rciind.com contains a separate section 'investors' where all the information needed by shareholders is available including information on Directors, Shareholding Pattern, Quarterly Reports, Financial Results, Annual Reports, Press Releases and various policies of the Company.

Annual Report:

Annual Report is circulated to members and other concerned including Auditors etc. Further, the Management Discussion and Analysis (MDA) Report, highlighting operations, business performance, financial and other important aspects of the Company's functioning, forms an integral part of the Annual Report.

Chairman's Speech:

The Chairman's Speech forms part of this Annual Report and is also placed on the Company's website at www.rciind.com

BSE Corporate Compliance & Listing Centre:

Your Company has been regularly uploading information related to its financial results, periodical filings like shareholding pattern, corporate governance report and other communications on BSE's online portal BSE Corporate Compliance and Listing Centre, a web based application designated for corporate by BSE Limited.

GENERAL SHAREHOLDER INFORMATION

This section inter alia provides information pertaining to the Company, its shareholding pattern, means of dissemination of information, share price movements and such other information in terms of Listing Regulations relating to Corporate Governance.

A. Annual General Meeting:

Day & Date: Friday, July 20, 2018

Venue: B-97, All Heavens Building, Wazirpur Ring Road, New Delhi - 110052

Time: 09:30 AM

Last date of receipt of proxy form: Wednesday, July 18, 2018

Book Closure: Saturday, July 14, 2018 to Friday, July 20, 2018 (both days inclusive)

B. Financial year: 2017-18

C. Financial Calendar:

For the Financial year 2017-18

Results were announced on:

First quarter ended 30th June, 2017	Tuesday, September 12, 2017
Second quarter and half year ended 30th September, 2017	Tuesday, November 28, 2017
Third quarter and nine months ended 31st December, 2017	Monday, January 29, 2018
Fourth quarter and year ended 31st March, 2018	Saturday, May 5, 2018

D. Registered Office & Address for Correspondence:

B-97, All heavens Building, Wazirpur Industrial Area, Delhi - 110052

Tel: +91 11 2737 2194/ 2197, Fax: +91 11 2737 1334, Email: info@rciind.com

Website: www.rciind.com, CIN: L74900DL1992PLC047055

Email ID for Investors Relation: investors@rciind.com

Investor Grievance Officer: Mr. Abhishek Kedia, Company Secretary & Compliance Officer, Email ID: abhishek@rciind.com

E. Plant Locations:

RCI Copper (A Unit of RCI Industries & Technologies Limited):

- *Unit Himachal Pradesh:* Khasra No. – 377/175 & 378/175, Village Rakh Ram Singh, Nalagarh, Distt. Solan, H.P, Tel/Fax: 01795 220796
- *Unit J&K:* Lane-5, Phase-2, SIDCO Industrial Complex, Bari Brahmana, Jammu, Tel/Fax: 01923 220524

RCI Strips (A Unit of RCI Industries & Technologies Limited formerly known as Devi Metal Technologies):

- Plot No. 84 & 85, HPSIDC Baddi, Distt. Solan, H.P

F. Listing details of Equity Shares:

The Equity Shares of the Company are at present listed at the BSE Limited and the Company has paid the annual listing fee for the Financial Year 2018-19 to the said Stock Exchange.

Stock Code: 537254

ISIN at NSDL / CDSL: INE140B01014

G. Details of Allotment of Compulsorily Convertible Debentures:

Your Company has allotted 5,60,000 Unsecured Zero Coupon Compulsorily Convertible Debentures of Rs. 900/- each to Promoters/Non-Promoters, for an aggregate amount of Rs. 50,40,00,000 (Rupees Fifty Crore Forty Lakh only) by way of Preferential Allotment on Private Placement Basis, which shall be converted into Equity Shares of Rs. 225/- each (1 CCD=4 Equity Shares) on or before completion of 18 months from the date of their allotment viz. 31.03.2018.

ISIN at NSDL/CDSL: INE140B08019

H. Corporate Identity Number (CIN): L74900DL1992PLC047055

I. Registrar & Share Transfer Agent:

Shareholders may correspond with the Registrar & Share Transfer Agent at the following address for all matters related to transfer/dematerialization of shares and any other query relating to Equity shares of your Company:

Bigshare Services Private Limited

4E/8, First Floor, Jhandewalan Extension,
New Delhi - 110055

Tel: 011 2352 2373, Website: www.bigshareonline.com

Email: bssdelhi@bigshareonline.com

J. Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2018-19 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories of the Company.

K. Service of Documents through E-mail

Your Company will be sending the Notice and Annual Report for the Financial Year 2017-18 in electronic form to the members whose e-mail address have been made available to the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report for the Financial Year 2017-18 are sent in the permitted mode.

Members holding shares in electronic form but who have not registered their email address (including those who wish to change their already registered e-mail id) with their DP yet and members holding shares in physical form are requested to register their e-mail address with their DP / Company, as the case may be.

Members who have registered their e-mail address with their DP/ Company but wish to receive the said documents in physical form are requested to write to the Company at investor@rciind.com duly quoting their DP ID and Client ID / Folio No., as the case may be, to enable the Company to record their decision.

L. E-Voting Facility

In compliance with Section 108 of the Companies Act, 2013 and Regulation 44 of the Listing Regulations, your Company is providing e-voting facility to all members to enable them cast their votes electronically on all resolutions set forth in the Notice of Annual General Meeting, using the e-voting

platform of NSDL. The instructions for e-voting have been provided in the Notice of Annual General Meeting.

M. Share Transfer System

All Shares have been transferred and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

SEBI vide its circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of such transfer of shares. The Company and its RTA is complying with the aforesaid provisions.

As per the requirement in Regulation 7(3) of the Listing Regulations, certificate on half yearly basis confirming due compliance of share transfer formalities duly signed by both the Compliance Officer and the authorised representative of Share Transfer Agent was submitted to the Stock Exchanges within stipulated time.

RCI Industries & Technologies Limited – Distribution of Shareholding as on 31st March 2018

Category of Shareholders	No. of Shares held	% to Paid Up Capital
Promoter & Promoter Group	8576615	63.83
Financial Institutions / Banks	200	0.00
Resident Individuals & HUF	3989903	29.69
Non Resident Indians	142825	1.07
Bodies Corporates (including Clearing Members)	726872	5.41
Total	13436415	100

Dematerialization of Equity Shares & Liquidity

As per extant guidelines, trading in equity shares of the Company is mandatory in dematerialized form. To facilitate trading in demat form, there are two Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these Depositories. The Shareholders can open account with any of the Depository Participant registered with any of these two Depositories.

As on March 31, 2018, 99.98% of the equity shares of the Company are in the dematerialized form. Entire Shareholding of the Promoter's in the Company are held in dematerialized form. The equity shares of the Company are frequently traded at BSE Limited (BSE).

Status on Dematerialised shares as on 31st March, 2018 (Equity ISIN No. INE140B01014):

Shares held through	% of Holding
NSDL	8216964
CDSL	5216650
Physical	2801

Market Price Data Relating to Shares Listed

The monthly high and low prices of Company's shares traded on BSE Limited (BSE) for the period April 2017 to March 2018 are as under:

<i>Month</i>	<i>High (Rs.)</i>	<i>Low (Rs.)</i>
April, 2017	187.30	167.30
May, 2017	180	150.60
June, 2017	188.65	161.00
July, 2017	190.20	167.00
August, 2017	179.95	158.10
September, 2017	211.00	165.20
October, 2017	196.65	169.00
November, 2017	195.00	155.35
December, 2017	248.90	188.00
January, 2018	254.90	209.00
February, 2018	222.00	161.00
March, 2018	186.95	138.00

Report on Corporate Governance

The Company regularly submits to the Stock Exchange, within the prescribed period, quarterly reports on Corporate Governance electronically through the online portal of the BSE. A Certificate from the Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations is attached as an 'ANNEXURE-8' to this Report.

ANNEXURE-7

CERTIFICATION PURSUANT TO REGULATION 33 OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We Rajeev Gupta, Managing Director and Inder Prakash Saboo, Chief Financial Officer of RCI Industries & Technologies Limited (“the Company”) do hereby certify to the Board that:

A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended March 31, 2018 and that to the best of their knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements together present a true and fair view of the Company’s affair and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 are fraudulent, illegal or violative of the Company’s code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. During the year:

- i. there have not been any significant changes in internal control over financial reporting;
- ii. there have not been any significant changes in accounting policies; and
- iii. there have been no instances of significant fraud of which we are aware that involve management or other employee having a significant role in the Company’s internal control system over financial reporting.

Sd/-
Rajeev Gupta
Managing Director

Sd/-
I.P Saboo
Chief Financial Officer

Place: New Delhi

Date: 25.05.2018

ANNEXURE-8

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015

To,
The Members of RCI Industries & Technologies Limited

I have examined the compliance of conditions of corporate governance by RCI Industries & Technologies Limited (“the Company”) for the year ended March 31, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I state that as on March 31, 2018, no investor grievance has been filed against the Company as per the records maintained by the Stakeholder Relationship Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kiran & Associates**
Company Secretaries
Sd/-

Kiran

(Proprietor)

Membership No.: 37306

Certificate of Practice No. 14168

Place: Delhi
Date: 25.05.2018

MANAGEMENT DISCUSSION AND ANALYSIS

Forward looking statement

Statements made herein describing the Company's objectives, expectations or predictions are "forward looking statements" within the meaning of applicable laws and regulations. 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.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "RCI" are to RCI Industries & Technologies Ltd. and its subsidiaries and associates.

OVERVIEW OF ECONOMY

Global Economy Overview

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performance in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest for seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook. (Source: IMF and OECD).

Indian Economy Overview

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020. (Source: OECD and Economic Times)

Fiscal deficit for 2017-18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 inspite of transformation in the economy. In addition to initiatives like; "Make in India", "Housing for All", "Digital India" government has also introduced "Sagar Mala" and "Bharat Mala"

initiatives which is expected to boost the domestic growth of the country. (Source: IBEF and Trading Economics)

ABOUT RCI INDUSTRIES & TECHNOLOGIES

Head quartered in Delhi, it is among the leading manufacturers of copper products in India. The Company is into the trade and manufacturing of flat and round products in copper, brass, stainless steel and special alloys. With two plants in Himachal Pradesh at Nalagarh and Baddi, RCI offers a wide range of customized products.

The Company has a global customer network with a strong presence in Middle East and African countries. It caters to a diverse customer portfolio of traders and manufacturers.

GLOBAL COPPER INDUSTRY OUTLOOK

Global demand for copper metal (produced from refined copper and recycled scrap) is projected to advance 4.2 percent per year through 2019 to 36.0 million metric tons, valued at \$261 billion. Robust gains in building construction expenditures are expected to boost the use of copper wire, tube, and other mill products in applications such as building wire and plumbing. Increased infrastructure investment, particularly in developing countries, will further benefit copper suppliers as updates to national power grids drive the production of wire and cable. In addition, advances in global manufacturing output are expected to bolster the use of copper metal in transportation equipment, industrial machinery, domestic appliances, and other durable goods.

The demand outlook for the red metal remains positive with expectations of a recovery in Chinese demand. This has been driven by President Trump's plans to boost spending on infrastructure and construction, depreciation of the US dollar and the rising use of copper in electric vehicles and other electrical applications. The primary boost is expected to come from the recovery of the Chinese economy as the country continues its transitions towards a domestic demand driven economy.

The global copper market is eyeing at China's ambitious USD 4 Trillion One Belt, One Road (OBOR) infrastructure development plan that aims at developing trade corridors across Asia, Europe, Africa and Middle East which would further drive demand. Other notable factors which are expected to drive the demand of the red metal

The year has been quite outstanding for copper and other base metals. In the year 2017, copper demand, especially from China, turned out to be better than expected. China's housing market proved resilient, while global economic growth also strengthened over the year. There were more surprises on the supply side. Earlier this year, two of the biggest copper mines, Escondido in Chile and Grasberg in Indonesia both experienced prolonged disruptions, while other producers also suffered cutbacks due to declining ore grades and weather factors. Copper exceeded expectations in as demand proved stronger than expected while supply suffered some major disruptions.

(<https://www.nbhcindia.com/copper-to-gain-more-positive-tractions-in-2018>)

Chart 1: Region- Wise Total Copper Demand during CY17.

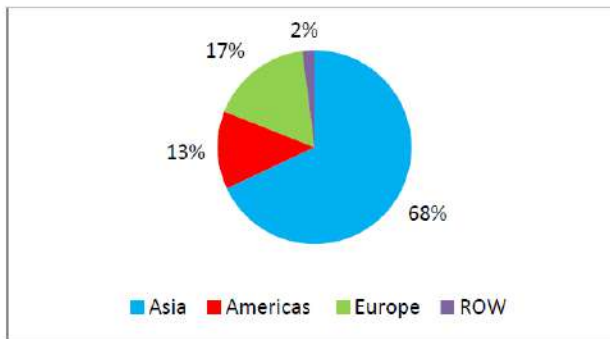
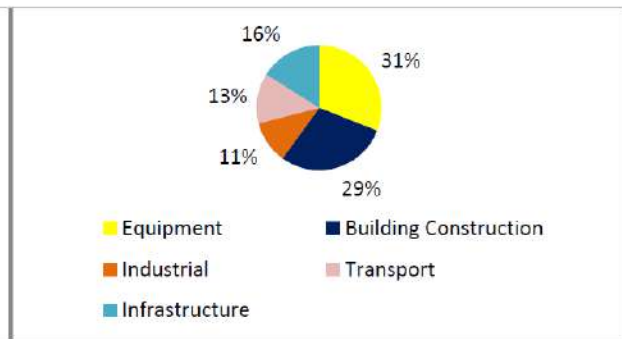


Chart 2: World End use demand of Refined Copper



Source: ICSG

INDIAN COPPER INDUSTRY OUTLOOK

Copper today is a 8 billion US dollar industry in India having created 50,000 direct and indirect jobs and growing at a CAGR 5-7% per annum. India has a huge growth potential in copper consumption for the next 20-25 years as the government increases focus on smart cities, rapid urbanization and investments in infrastructure. India is expected to be the 6th largest copper market by 2020 with major consumption sectors being - Electrical, Transport and Telecommunications.

Copper is the second largest non-ferrous metals market in India in terms of production. India ranks 5th in global refined copper production and during FY18 refined copper production grew by 6.0% y-o-y compared with 0.9% last year. Increase in production can be attributed to better operational efficiencies resulting in better capacity utilization. By 2020, India is poised to become the world's fourth largest copper market, growing at a CAGR of ~6.1% per annum from FY16-FY20. India may become a net copper importer by the end of financial year 2019-20 if domestic demand for non-ferrous metal grows at 7-8 per cent, according to rating agency Icria. However, this is unlikely to remain the case if the domestic market sees copper demand continue to grow at the current pace, of 7-8 per cent, the market is likely to turn into a deficit in the next couple of years.

In light of the order of the permanent closure of the Tuticorin smelter, the production of domestic refined copper is expected to be around 510 KT during FY19 resulting in 40% drop from the FY18 production levels. India's refined copper production during FY18 was 843 KT. Value-wise refined copper exports during FY18 (April-February) was USD 2,201 million vis-à-vis to the value being USD 1,545 million during FY17. Exports have increased as global markets copper markets were facing a deficit due to low availability of copper ore, which was beneficial to India as we have a low consumption base and surplus production.

Demand for refined copper has risen by 0.9% from its previous year's de-growth on account of use of copper in building and construction activities and in the electrical wiring segment. The demand for copper in India will remain strong, driven by rapidly increasing electricity generation and consumption. Major applications of copper are in electrical sectors viz, transformers, motors, generators, switchgears, house wiring etc. The metal finds usage across numerous applications including but not limited to defense,

spacecraft, railways, power cables, electronics & communications, auto ancillaries, and consumer durables such as air conditioning, refrigeration.

GLOBAL ALUMINIUM OUTLOOK

According to a new report published by Allied Market Research, titled, "Aluminum Market by End User and Processing Method: Global Opportunity Analysis and Industry Forecast, 2014-2022" the global aluminum market was valued at \$133,564 million in 2015, and is projected to reach \$167,277 million by 2022, growing at a CAGR of 3.3% from 2016 to 2022. The transport segment dominated the market in 2015, with more than one-fourth share, in terms of revenue.

As measured by the volumes, Aluminum is the second most used metal, only next to steel. It is the fastest growing non-ferrous metal and the same is evident by its growing and widespread use. China which is the key player in the aluminum market has been slashing its aluminum capacity to help stabilize the market as well as reduce pollution. It is estimated that China will cut around 3-4 million tonnes of aluminum capacity this year. This may result in tighter market balance for some time and increase prices

The current price surge is more driven by non-market forces, though a downward price correction is expected due to weak demand and overproduction. We expect that China's capacity closures will help in better market fundamentals in the short term. However, once the environmental compliance procedure completed, the new and cost efficient supply growth will substantially increase, which may impact the global aluminum market. The global aluminum demand is still weak but will show some strength over the next ten years. The automotive sector has remained the key driver behind the growth. Most OEMs and auto body producers are located in developed markets so consequently the automotive sector dominates aluminum market in these markets. The usage of aluminum in the automotive sector is growing as aluminum is lighter than steel which makes it more ideal for vehicles. Light vehicles improve fuel efficiency, reduce carbon dioxide emission and are environment-friendly. The current wave of substituting steel with aluminum is mainly supported by the EU emissions scheme and the Corporate Average Fuel Economy (CAFE) regulation in the US.

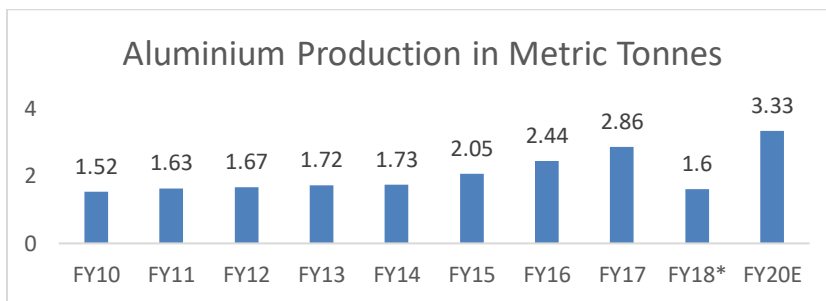
INDIAN ALUMINIUM OUTLOOK

India has the fifth largest bauxite reserves with deposits of about 3bn tonnes or 5% of world deposits. India's share in world aluminium capacity rests at about 3%. Production of 1 tonne of aluminium requires 2 tonnes of alumina while production of 1 tonne of alumina requires 2 to 3 tonnes of bauxite. India's installed capacity for primary aluminum production has grown steeply over the last five years, witnessing a stellar growth over the course of this period. However, there has been a sharp decline in the capacity utilization. The capacity utilization has fallen from almost 100% in 2007 to about 66% in 2016 due to operational issues and continuous rise in aluminium capacity. However, with growing demand of 8-9%, effective capacity utilization is increasing gradually and projected to increase to 93% by 2019-20.

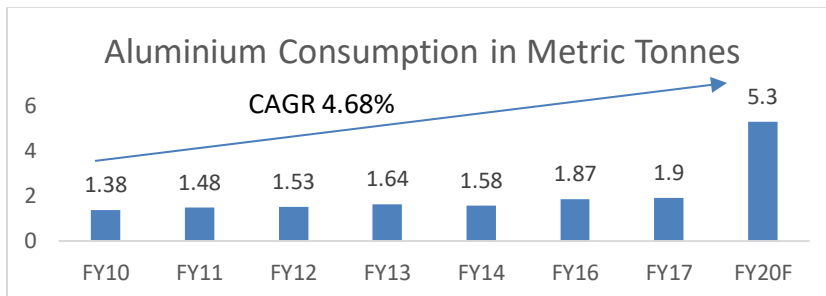
Indian players are constantly ramping up their production capacities to cater primarily to the domestic markets and to export the surplus stock to aluminium-deficit countries. Significant capacity addition has taken place over the past five years due to implementation of various capacity addition plans. During

2011-12 to 2016-17, capacity has gone up from 2.7million tonnes per annum to 4.1 million tonnes per annum other sectors that will drive the demand include electrical applications, consumer durables, construction, packaging, transportation and aviation. India’s strength in aluminium stems from its rich reserves of bauxite, a core resource used in production of Aluminium.

Demand for aluminium is expected to pick up as the scenario improves for user industries, like power, infrastructure and transportation. Production of aluminium stood at 2.86 million metric tonnes during FY17 and it is estimated to reach 3.33 million tonnes per annum in FY20.National Aluminium Company (NALCO), a central government owned entity, is set to join the club of million-tonne producers in the metal segment by 2020. NALCO has readied an about US\$ 3.72 billion investments for increasing its alumina, aluminium and power production capacities. Aluminium demand in the country is expected to grow 7 per cent in 2018-19.(IBEF)



FY18* Up to Sept 17

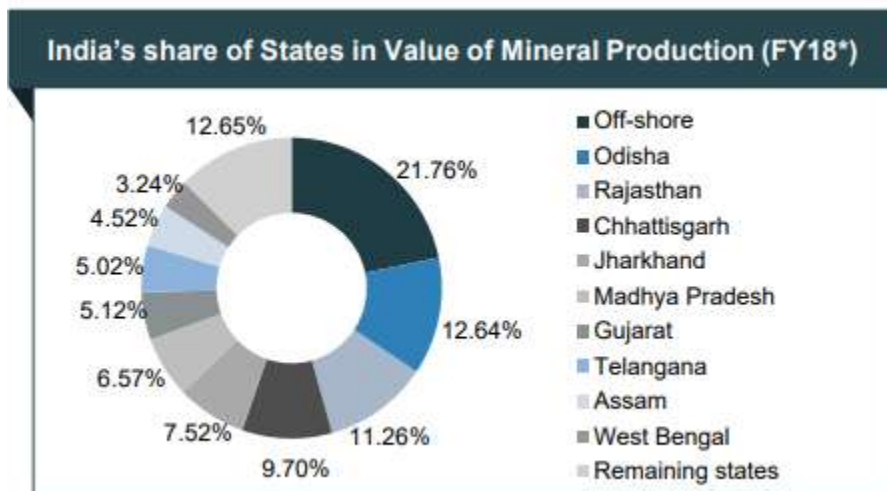


OTHER METALS INDUSTRY OUTLOOK

In 2017, India stood as the 3rd largest crude steel producer in the world, with total crude steel production of 101.4 MT. Finished Steel output grew 3 per cent year-on-year to reach 104.98 million tonnes during 2017-18.

India accounted for 6.0 per cent of the total steel production in the world in the year 2017 and is expected to overtake Japan to become the world's second largest steel producer by 2019-20.

Ind-Ra expects the domestic market to remain in surplus as well with recently added capacities and competition from imports. While a part of this surplus is tipped to get absorbed in the global markets through exports, the premiums are expected to be under pressure owing to export market competition, amid slowing aluminium demand in China. It factors in a restraint in supply from China which is poised to balance demand-supply at a global level.



RISKS AND CONCERNS

The Company faces the following Risks and Concerns:

Economic Risk

A part of business is substantially dependent on the prevailing global economic conditions. Factors that may adversely affect the global economy and in turn India's economic growth, that could affect the demand for copper and other non ferrous and ferrous metal products include slowdown in the rate of infrastructure development, inflation, changes in tax, trade, fiscal and monetary policies, scarcity of credit etc. However, given that our key drivers for demand are fast growing segments like Electrical, Transport, General Engineering and Consumer Durables combined with growth in global EXIM traffic and current prevailing trend of falling copper prices, we do not expect this risk to affect our business.

Competition Risk

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each product segment, from domestic as well as multinational companies. However, RCI has established strong brand goodwill in the market and a strong foothold in a wide spectrum of non ferrous and ferrous products. We are one of leading copper product manufacturers and traders in India. Our wide network across the globe helps us generate higher volumes and negotiate competitive pricing. We have built a strong relationship with key industry suppliers and traders and as a result are able to obtain competitive commercial terms and operational advantages. We also counter this risk with the quality of our products, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined and time bound order executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

Trade Risk

Our business can be affected by the rise and fall in the levels of price and import of copper in the country. Global copper demand may continue to grow at a moderate pace as China, which accounted for 45% of global demand in 2015, transitions toward an economy driven by domestic consumer spending rather than government infrastructure investment. Given the projected growth in the Indian economy and expected recovery in global trade, rising spending in the infrastructure and manufacturing space and increasing per capita and disposable income, it is estimated that demand for goods will continue to rise steadily. The Company is further reducing its dependence on global EXIM trade by shifting focus from trading to manufacturing. Thus, we believe we have adequate mitigation in place for trade risk.

Regulatory Risk

If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. We require certain approvals, licenses, registrations and permissions for operating and expanding capacities at our plants. Also, some of the new value-added product segments that the Company plans to enter require Government approval. We may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all, which may have an adverse effect on our revenues. However, the Government has come up with a number of initiatives to boost the sector. The estimated copper usage growth is expected to increase as the Government has put in process various initiatives such as Housing for All, Make in India and smart cities to name few. As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

Liability Risk

This risk refers to our liability arising from any damage to products, equipment, plant & machinery, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

Execution Risk

The Company has undertaken number of orders in the last year and several more are in the pipeline. Order execution is largely dependent upon sourcing of raw materials and timely manufacturing. Any delay in project implementation can impact revenue and profit for that period. Our implementation schedules are in line with the plans. Emergency and contingency plans are in place to prevent or minimize business interruptions. Therefore, we do not expect this risk to affect us materially in the future. Concerns like soaring copper and other metal prices, an unfavourable tax structure, infrastructure bottle-necks, retaining talent and unprecedented natural and man-made disasters and political/social turmoil which may affect our business, remain. However, these are threats faced by the entire industry. With superior methodologies and improved processes and systems, the Company is well positioned to lead a high growth path.

OPPORTUNITIES & THREATS

Although the competition in metal products is hectic, the Company has an edge over our competitors with our quality and timely execution of orders. Attraction and retention of customer base remains a key focus area for our Company.

Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. A moderate recovery is expected for 2018, with receding obstacles to activity in commodity - exporting emerging markets and developing economies. However, fiscal stimulus in key major economies—in particular, the United States—could lead to stronger-than-expected activity in the near term and thus represent a substantial upside in the overall global recovery. The higher transit time owing to geographical position and adverse movement of foreign exchange rate of the Rupee are major concerns for the growth of the industry as a whole.

On the domestic front, the full economic impact of demonetization is yet to reflect in the industries performance. The implementation of GST will bring about a paradigm shift in the way our domestic trade and manufacturing function. India's per capita copper usage is around 0.8 kg whereas the world average is 3.7 kgs, indicating clearly that there is a huge potential for growth. The falling prices of copper in international markets are expected to benefit the Company. However large fluctuations in base metal prices may have a negative impact. Significant regulatory changes for metals, manufacturing and our customer segments would affect the way we do business.

The fluctuation of Rupee against US Dollar, a trend noted during the first quarter of the calendar year may affect the company's profitability in both short and long term. United States, European Union, China along with Japan (the four largest economies in the world) will largely determine the direction of the global economy through the rest of this year and into 2018. The good news is that the advanced economies are expected to stage an overall recovery and will perform more strongly and contribute more to global growth in 2018-19.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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:

- The Company has a comprehensive risk management framework
- RCI Industries & 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. 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.

HUMAN RESOURCES

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.

As on March 31, 2018, the Company had a workforce of 275 people on rolls.

By Order of the Board of Directors

For **RCI Industries & Technologies Limited**

Sd/-

Mr. Rajeev Gupta
Chairman & Managing Director
DIN 00503196

Date: 25.05.2018

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 Ind AS 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 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.
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 judgments 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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit.
In conducting 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 thereunder.
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 standalone Ind AS 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 2018;
 - ii. in the case of the statement of profit and loss, of the profit including other comprehensive income for the year ended on that date; and
 - iii. in the case of the statement of change in equity, of the changes in equity including other equity for the year ended on that date; and
 - iv. 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, 2016 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 and 4 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:
 - i. 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;
 - ii. 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;
 - iii. The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and changes in equity 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;

- iv. In our opinion, the aforesaid standalone financial statement comply with the Indian Accounting standards specified under Section 133 of the Act;
- v. On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- vi. 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
- vii. 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:
 - a. The company does not have any pending litigations which would impact its financial position materially.
 - b. The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. 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 7th 2018

“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 31st March, 2018.

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.
 - c) 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
 - d) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
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.

“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 31st March, 2018.

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 mentioned in Note 2.28 to Standalone financial statements wherein Rs. 5,56,047/- has been shown as contingent liabilities in respect of disputed demand pertaining to tax laws.
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

“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 31st March, 2018.

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 2.30 forming part of the standalone 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 made preferential allotment on private placement basis of fully compulsorily convertible debentures during the year under review. To the extent of audit conducted by us, we report that the company has complied with the requirements of Section 42 of the Companies Act.

During the year the Company has allotted 5,60,000 unsecured zero coupon compulsorily convertible debentures (CCD) of the face value of INR 900 each, by way of preferential allotment on private placement basis as approved by the board of directors during the meeting held on March 31, 2018. As per the terms of arrangement, the CCDs shall be converted into equity shares on or before the completion of 18 months from the date of allotment of CCDs. 1 (one) CCD shall be converted into 4 (four) equity shares each. The equity shares to be issued on conversion shall rank pari passu in all respects with the existing equity shares of the company.

To the extent of audit conducted by us, we report that the purposes for the allotment of CCDs were to repay the Inter Corporate Deposit (ICD) of Rs. 30 Crores and to meet the capital expenditure to support business expansion plan of the company. We observe that the company has repaid the ICD of Rs. 30 Crores. However, as the funds were received on March 31, 2018, the capital expenditure is yet to be incurred.

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.

“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 31st March, 2018.

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, 2018 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

“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 31st March, 2018.

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control

“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 31st March, 2018.

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 7th 2018

RCI INDUSTRIES & TECHNOLOGIES LTD
CIN : L74900DL1992PLC047055
STANDALONE IND AS BALANCE SHEET AS AT 31 MARCH 2018

(Amount in Rs., unless otherwise stated)

Balance Sheet	Note	As at 31 March 2018	As at 31 March 2017	Opening Balance As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2.3	540,227,206	209,780,296	42,504,587
Capital work-in-progress	2.3	91,848,659	159,841,072	-
Intangible Assets under Development	2.4	5,635,250	-	-
Financial Assets				
Investments	2.5	46,722,000	46,722,000	46,722,000
Loans	2.7	34,827,773	36,617,287	15,656,131
Deferred tax assets (net)		-	-	246,553
Other non-current assets	2.12	49,161,384	27,578,969	-
Income tax assets (net)	2.26	-	-	-
Total Non - Current Assets		768,422,273	480,539,624	105,129,270
Current assets				
Inventories	2.8	1,002,762,834	721,521,409	741,482,322
Financial Assets				
Investments	2.5	4,468,485	502,235	-
Trade receivables	2.6	1,974,169,336	1,953,594,570	1,748,379,980
Cash and cash equivalents	2.10	13,124,398	(1,944,693)	17,972,152
Bank Balances other than Cash and Cash Equivalents	2.11	144,341,052	519,502,425	54,035,160
Loans	2.7	27,548,400	3,781,861	11,983,845
Other financial assets	2.9	7,296,696	6,736,512	12,431,241
Current Tax Assets (net)	2.26	-	-	-
Other current assets	2.12	341,627,397	265,238,134	260,322,315
Total Current Assets		3,515,338,599	3,468,932,454	2,846,607,015
Assets held for Sale		14,260,759	-	-
Total Assets		4,298,021,631	3,949,472,078	2,951,736,285
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.2	134,364,150	134,364,150	108,994,150
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	2.2	504,000,000	-	-
Other equity				
Reserves and surplus	2.2	346,880,609	212,265,823	140,551,688
Other reserves	2.2	684,241,395	684,241,395	218,786,395
Total equity		1,669,486,154	1,030,871,368	468,332,233
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.13	52,373,297	300,000,000	300,000,000
Trade payables	2.14	-	-	-
Other financial liabilities	2.15	-	476,396	148,500,000
Provisions	2.17	6,020,876	3,980,842	963,581
Deferred tax liabilities (net)	2.26	13,204,121	5,836,310	-
Other non-current liabilities	2.16	-	-	-
Total Non - Current Liabilities		71,598,294	310,293,548	449,463,581
Current liabilities				
Financial Liabilities				
Borrowings	2.13	1,154,383,717	1,210,154,235	760,850,922
Trade payables	2.14	1,207,577,862	1,201,654,028	1,058,841,218
Other financial liabilities	2.15	57,468,159	67,590,887	111,802,503
Other current liabilities	2.16	68,764,042	99,871,674	84,916,733
Provisions	2.17	383,996	214,167	-
Current Tax Liabilities (net)	2.26	68,359,407	28,822,170	17,529,097
Total Current Liabilities		2,556,937,183	2,608,307,162	2,033,940,472
Total Equity and Liabilities		4,298,021,631	3,949,472,078	2,951,736,285

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

For RPMD & Associates

Chartered Accountants
Firm's Registration Number: 005961C

(Rajeev Gupta)
Managing Director
DIN- 00503196

(Mamta Gupta)
Director
DIN- 00503302

(Rahul Jain)
Partner
Membership No. 518352
Place: Delhi
Date: May 07th, 2018

(Inder Prakash Saboo)
Chief Financial Officer

(Abhishek Kedia)
Company Secretary
M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

Standalone Statement of Profit & Loss for the year ended March 31, 2018

(Amount in Rs., unless otherwise stated)

Statement of Profit and Loss for the period ended	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	2.18	16,204,652,033	14,059,591,029
Other Income, net	2.19	46,866,996	22,257,521
Total Income [A]		16,251,519,028	14,081,848,551
Expenses			
Cost of Material Consumed	2.20	9,124,363,107	7,729,312,403
Purchase of stock-in-trade		6,803,161,442	5,672,390,498
Change in Inventories of Finished Goods/ Stock in Trade/ Work in Progress	2.21	(401,179,167)	(32,160,658)
Excise Duty	2.22	42,016,297	220,382,843
Employee benefit expenses	2.23	87,918,950	51,322,848
Finance Costs	2.24	190,511,704	128,176,164
Depreciation and amortisation expense	2.3	49,877,931	24,125,771
Other expenses	2.25	128,184,396	182,627,726
Total Expenses [B]		16,024,854,660	13,976,177,594
Profit Before Exceptional Items and Tax [A-B]		226,664,368	105,670,956
Exceptional Items		-	-
Profit before tax		226,664,368	105,670,956
Tax Expense:			
Current tax	2.26	68,359,407	28,822,170
Deferred tax	2.26	7,367,811	6,082,863
MAT Credit Entitlement	2.26	-	-
Profit for the period		150,937,150	70,765,924
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/asset	2.2	403,534	(51,946)
Equity instruments through other comprehensive income		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		403,534	(51,946)
Total comprehensive income for the period		151,340,684	70,713,978
Earnings per equity share			
Equity shares of par value `10/- each			
Basic (`)		11.23	6.18
Diluted (`)		11.23	6.18
Weighted average equity shares used in computing earnings per equity share			
Basic	2.27	13,436,415	11,455,181
Diluted	2.27	13,436,415	11,455,181

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For RPMD & Associates

Chartered Accountants

Firm's Registration Number: 005961C

(Rajeev Gupta)

Managing Director

DIN- 00503196

(Mamta Gupta)

Director

DIN- 00503302

(Rahul Jain)

Partner

Membership No. 518352

Place: Delhi

Date: May 07th, 2018

(Inder Prakash Saboo)

Chief Financial Officer

(Abhishek Kedia)

Company Secretary

M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED**CIN : L74900DL1992PLC047055****Standalone Cash Flow Statement for the year ended 31st March, 2018**

Particulars	For The Year Ended March 31,2018	For The Year Ended March 31,2017
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	226,664,368	105,670,956
<i>Adjustments for:</i>		
Depreciation	49,877,931	24,125,771
Finance Cost	190,511,704	128,176,164
Interest income	(25,546,229)	(21,677,476)
(Gain)/ Loss due to change in fair value of Investment	33,750	(2,235)
Acturial Gain / (loss) on defined benefit plan	403,534	(51,945)
Provision for gratuity/leave encashment	2,209,864	3,231,428
Operating profit before working capital changes	444,154,922	239,472,662
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	(281,241,424)	19,960,913
(Increase)/Decrease in Trade Receivables	(20,574,767)	(205,214,590)
(Increase)/Decrease in Other Financial asset	(560,184)	5,694,730
(Increase)/Decrease in Other asset	(76,389,262)	(4,915,820)
Increase/(Decrease) in Trade Payables	5,923,834	142,812,811
Increase/(Decrease) in Other Financial Liabilities	(10,122,728)	(44,211,616)
Increase/(Decrease) in Other current Liabilities	(31,107,633)	14,954,942
<i>Cash generated from operations</i>	30,082,757	168,554,032
Income tax Refund/ (paid) during the year	(37,432,243)	(17,673,363)
Net cash from operating activities (A)	(7,349,486)	150,880,669
B. Cash flow from Investing activities		
Purchase of Fixed assets (including capital advances)	(332,228,438)	(350,098,128)
(Purchase)/Sale Of Long Term Investment	-	-
(Purchase)/Sale Of Current Investment	(4,000,000)	(500,000)
(Increase)/Decrease in investment in fixed deposit	375,161,373	(465,467,265)
Interest Income	25,546,229	21,677,476
(Increase)/Decrease in loans	(21,977,025)	(12,759,173)
(Increase)/Decrease in non current asset	(21,582,415)	(27,578,969)
Net cash from investing activities (B)	20,919,724	(834,726,059)
C. Cash flow from Financing activities		
Proceeds from issue of share capital including share premium/ application money/ Compulsory convertible debentures	504,000,000	490,825,000
Increase / (Decrease) in borrowings	(303,397,221)	449,303,314
Increase / (Decrease) in other financial liabilities	(476,396)	(148,023,604)
Interest paid on borrowings	(190,511,704)	(128,176,164)
Dividend Paid including corporate dividend tax	(8,115,826)	-
Net cash from financing activities (C)	1,498,854	663,928,546
Net increase in cash and cash equivalents (A+B+C)	15,069,091	(19,916,845)
Cash and cash equivalents at the beginning of the year	(1,944,693)	17,972,152
Cash and cash equivalents at the end of the year	13,124,398	(1,944,693)

Note:

Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

As per our report of even date

For & on behalf of Board of Directors

For **RPMD & Associates****Chartered Accountants**

Firm's registration no. 005961C

(Rahul Jain)

Partner

Membership No. 518352

Place: Delhi

Date: May 07th, 2018

(Rajeev Gupta)

Managing

Director

DIN- 00503196

(Mamta Gupta)

Director

DIN- 00503302

(Inder Prakash Saboo)

Chief Financial Officer

(Abhishek Kedia)

Company Secretary

M No. A33537

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDING ON MARCH 31, 2018

1. CORPORATE INFORMATION

The Company was incorporated on January 7, 1992 and is a public limited company, equity shares of which are listed on the Bombay Stock Exchange. The main object of the company is to manufacture, import, export, trade and otherwise deal in all types of metal and products thereof.

2.1 FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016, if any. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

2.2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”), Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

Upto the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous generally accepted accounting principles (“Previous GAAP”), which includes Accounting Standards (“AS”) notified under the Companies (Accounting Standards) Rules, 2006 and prescribed under Section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable. These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is 1 April 2016. Refer Note 2.31 for the details of reconciliations from Previous GAAP.

B. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liability as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognized in the period in which results are ascertained.

C. Cash Flow Statement

Cash flow statement is prepared in accordance with IndAS-7 using the indirect method to determine cash flow from operating activities.

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDING ON MARCH 31, 2018

D. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

All costs, attributable to the fixed assets are capitalized. Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

E. Employee Benefits

The amount paid/ payable on account of short term employee benefits, comprising largely of salaries & wages, short term compensated absences and annual bonus is valued on an undiscounted basis and charged to the profit and loss statement for the year.

Defined contribution plans: Fixed contribution to provident and other funds which are defined contribution schemes are absorbed in the accounts at actual cost to the company.

Defined benefit plans:

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDING ON MARCH 31, 2018

Gratuity: The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted using the projected unit credit method, as adjusted for unrecognized past services cost if any, is recognized in the accounts. Actuarial gains and losses are recognized in full in the profit and loss statement for the period in which they occur.

Compensated Absences/ Leave Encashment: The Company has a scheme for compensated absences for employees, the liability other than for short term compensated absences is determined on actuarial valuation using the projected unit credit method. Actuarial gain and losses are recognized in full in the profit and loss statement for the period in which they occur.

F. Leases

Operating Leases: Lease arrangement where the risks and rewards are incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss account on a straight-line basis.

Finance Leases: Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases.

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

G. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

H. Investments

Long Term Investments are stated on the principles of historical cost convention. Long term investments made by the company include investment in wholly owned subsidiaries by way of equity and loan.

I. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any except in case of by products which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their present location and condition.

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDING ON MARCH 31, 2018

J. Earnings Per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

K. Depreciation

Pursuant to Companies Act, 2013, the company has adopted the estimated useful life of the fixed assets on written down value as prescribed under Schedule II of the Companies Act, 2013 for the purpose of computation of depreciation.

L. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

- a) Sale of goods is recognised net of returns and trade discounts, when the risk and rewards of ownership are transferred to the customers. Sales include amounts recovered towards excise duty and exclude sales tax/value added tax/ GST. Revenue is also recognised on sale of goods in case where the delivery is kept pending at the instance of the customer, the risk and rewards are transferred and customer takes title and accepts billing as per usual payment terms.
- b) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered.
- c) Export benefits are accounted for on accrual basis.

M. Expenditure

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

N. Other Income

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

O. Foreign Currency Transactions

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

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

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

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDING ON MARCH 31, 2018

P. Provision for Current and Deferred Tax

Tax expense comprising current tax and deferred tax are recognized in profit and loss account statement for the year.

Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities due to change in such assets/ liabilities as at the end of accounting period as compared to that at the beginning to the period due to a change in tax rates are recognized in the income statement for the period.

Q. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Other contingent liabilities to the extent management is aware is disclosed by way of notes on financial statement.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

2.2.1 STATEMENTS OF CHANGE IN EQUITY & OTHER EQUITY

Particulars	Equity Share Capital		Instruments entirely equity in nature	Other Equity			Total equity attributable to equity holders of the Company
	No of Shares	Amount	Compulsorily Convertible Debentures	Reserves & Surplus		Other comprehensive income	
			Amount	Securities premium reserve	Retained earnings	Other items of other comprehensive income	
Balance as of April 1, 2016	10,899,415	108,994,150	-	218,786,395	140,551,688	-	468,332,233
Changes in equity for the year ended Mar 31, 2017							
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.29)						(51,946)	(51,946)
Change in accounting policy					1,144,424		1,144,424
Excess provision with respect to income tax written off and TDS receivable of previous year					(144,266)		(144,266)
Issue of Equity Share Capital	2,537,000	25,370,000		465,455,000			490,825,000
Profit for the period					70,765,924		70,765,924
Balance as of Mar 31, 2017	13,436,415	134,364,150	-	684,241,395	212,317,769	(51,946)	1,030,871,368
Balance as of April 1, 2017	13,436,415	134,364,150	-	684,241,395	212,317,769	(51,946)	1,030,871,368
Changes in equity for the year ended Mar 31, 2018							
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.29)						403,534	403,534
Excess proviosn with respect to income tax written off and TDS receivable of previous year					(8,610,073)		(8,610,073)
Dividends (including corporate dividend tax)					(8,115,826)		(8,115,826)
Addition during the period			504,000,000				504,000,000
Profit for the period					150,937,150		150,937,150
Balance as of Mar 31, 2018	13,436,415	134,364,150	504,000,000	684,241,395	346,529,021	351,588	1,669,486,154

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For RPMD & Associates
Chartered Accountants

Firm's Registration Number: 005961C

(Rahul Jain)
Partner
Membership No. 518352
Place: Delhi
Date: May 07th, 2018

(Rajeev Gupta)
Managing Director
DIN- 00503196

(Inder Prakash Saboo)
Chief Financial Officer

(Mamta Gupta)
Director
DIN- 00503302

(Abhishek Kedia)
Company Secretary
M No. A33537

2.2.2 EQUITY SHARE CAPITAL

Particulars	As at	
	31.03.2018	31.03.2017
Authorized Equity shares, `10/- par value 2,50,00,000 (1,50,00,000 ⁽¹⁾) equity shares	250,000,000	150,000,000
Issued, Subscribed and Paid-Up Equity shares, `10/- par value 1,34,36,415 (1,34,36,415 ⁽¹⁾) equity shares fully paid-up	134,364,150	134,364,150
	134,364,150	134,364,150

⁽¹⁾ Refer note 2.27 for details of basic and diluted shares

2.2.3 The authorised equity shares were 1,50,00,000 and the issued, subscribed and paid-up shares were 1,34,36,415 as of April 1, 2017. The company has increased its authorised capital from Rs. 1500 Lakhs to Rs. 2500 Lakhs comprising of 250 Lakhs equity shares having face value of Rs. 10 each as approved in General Meeting of the members held on March 28, 2018

2.2.4 The Company has only one class of shares referred to as equity shares having a par value of `10/-. Each holder of equity shares is entitled to one vote per share.

2.2.5 The details of shareholder holding more than 5% shares are set out below :

Name of the shareholder	31.03.2018	31.03.2017
	Number and Shareholding %	Number and Shareholding %
Rajeev Gupta	47,64,720 (35.46%)	4,764,720 (35.46%)
Ace Matrix Solutions Ltd.	17,51,900 (13.04%)	1,751,900 (13.04%)
Metalrod Pvt Ltd.	812,500 (6.05%)	812,500 (6.05%)

2.3 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

Particulars	Land	Leasehold Equipments	Container	Buildings	Plant and machinery	Motor Vehicles	Furniture & Fittings	Electronic Installation	Office Equipment	Computer & Printers	Capital Work-in-progress	Total
Gross carrying value as of April 1, 2016	1	186,545	405,000	29,086,622	33,633,230	22,889,324	612,608	1,332,265	3,621,723	1,146,017	-	92,913,335
Additions	47,020,817	-	-	14,880,747	105,686,209	9,480,907	205,250	9,198,077	2,197,500	1,587,548	159,841,072	350,098,128
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2017	47,020,818	186,545	405,000	43,967,369	139,319,439	32,370,231	817,858	10,530,342	5,819,223	2,733,565	159,841,072	443,011,463
Accumulated depreciation as of April 1, 2016	-	127,936	163,252	14,904,101	17,478,444	12,972,671	511,155	927,951	2,334,368	988,870	-	50,408,748
For the period	-	12,030	32,815	2,762,928	15,315,037	4,401,772	75,683	524,263	733,411	267,832	-	24,125,771
Deduction / Adjustments during the period	-	-	-	(22,331)	(1,263,143)	-	4,103	-	156,209	(19,263)	-	(1,144,424)
Accumulated depreciation as of March 31, 2017	-	139,966	196,067	17,644,698	31,530,338	17,374,443	590,941	1,452,214	3,223,988	1,237,440	-	73,390,094
Carrying value as of March 31, 2017	47,020,818	46,579	208,933	26,322,671	107,789,101	14,995,789	226,917	9,078,128	2,595,235	1,496,125	159,841,072	369,621,368
Gross carrying value as of April 1, 2017	47,020,818	186,545	405,000	43,967,369	139,319,439	32,370,231	817,858	10,530,342	5,819,223	2,733,565	159,841,072	443,011,463
Additions	73,041,241	-	-	21,937,891	260,340,334	6,726,124	3,483,998	12,425,180	1,858,946	511,129	208,023,323	588,348,166
Deletions	-	-	-	-	-	-	-	-	-	-	(276,015,736)	(276,015,736)
Gross carrying value as of March 31, 2018	120,062,059	186,545	405,000	65,905,260	399,659,774	39,096,355	4,301,856	22,955,522	7,678,169	3,244,694	91,848,659	755,343,892
Accumulated depreciation as of April 1, 2017	-	139,966	196,067	17,644,698	31,530,338	17,374,443	590,941	1,452,214	3,223,988	1,237,440	-	73,390,094
For the period	-	9,564	28,689	4,030,680	32,728,229	5,823,706	64,099	4,710,299	1,575,077	907,588	-	49,877,931
Deduction / Adjustments during the period	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2018	-	149,530	224,756	21,675,378	64,258,567	23,198,149	655,040	6,162,512	4,799,065	2,145,027	-	123,268,025
Carrying value as of March 31, 2018	120,062,059	37,015	180,244	44,229,881	335,401,207	15,898,206	3,646,816	16,793,009	2,879,104	1,099,666	91,848,659	632,075,867
Carrying value as of March 31, 2017	47,020,818	46,579	208,933	26,322,671	107,789,101	14,995,789	226,917	9,078,128	2,595,235	1,496,125	159,841,072	369,621,368

2.4 Intangible Assets under Development (Development/ Implementation of Softwares)

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Gross carrying value as of April 1, 2017	-	-	-
Additions	5,635,250	-	-
Deletions	-	-	-
Gross carrying value as of March 31, 2018	5,635,250	-	-
Accumulated depreciation as of April 1, 2017	-	-	-
For the period	-	-	-
Deduction / Adjustments during the period	-	-	-
Accumulated depreciation as of March 31, 2018	-	-	-
Carrying value as of March 31, 2018	5,635,250	-	-
Carrying value as of March 31, 2017	-	-	-

2.5 INVESTMENTS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current investments			
Unquoted Investments			
Investment in Wholly Owned Subsidiaries at cost			
Investment in Equity share of RCI Skills & Development Pvt Ltd (10,000/- equity share of Rs10 each, fully paid)	100,000	100,000	100,000
Investment in Equity share of RCI World Trade Link DMCC, Dubai	46,622,000	46,622,000	46,622,000
	46,722,000.00	46,722,000.00	46,722,000.00
Current investments			
Other Investments at FVTPL			
Investments in mutual funds			
(50,000 units of CP7G-Union Capital Protection Oriented Fund Series 7 -Regular Plan - Growth	529,470	502,235	-
(399,900 units of PFG-Union Balanced Advantage Fund Regular Plan - Growth)	3,939,015	-	-
	4,468,485.00	502,235.00	-
Total carrying value	51,190,485	47,224,235	46,722,000

Aggregated amount of Quoted investments and value thereof	4,468,485	502,235	-
Aggregated amount of UnQuoted investments	46,722,000	46,722,000	46,722,000

2.6 TRADE RECEIVABLES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current receivables			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
	-	-	-
Current receivables			
Secured, considered good	-	-	-
Unsecured, considered good	1,974,169,336	1,953,594,570	1,748,379,980
	1,974,169,336	1,953,594,570	1,748,379,980
Total carrying value	1,974,169,336	1,953,594,570	1,748,379,980

2.7 LOANS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non Current			
Unsecured, considered good			
Security Deposits	12,179,755	9,160,195	7,583,009
Other loans and advances	21,687,158	26,503,732	7,129,161
Loans to related parties	960,860	953,360	943,960
	34,827,773	36,617,287	15,656,131
Current			
Unsecured, considered good			
Security Deposits	6,154,150	3,781,861	5,983,845
Loans to related parties	-	-	6,000,000
Other loans and advances	21,394,250	-	-
Total carrying value	27,548,400	3,781,861	11,983,845

2.8 INVENTORIES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Raw Materials	159,811,485	279,749,226	331,870,797
-Goods in Transit	-	-	3,268,542
Work in Progress	471,811,119	17,722,345	-
Finished Goods	77,301,306	35,967,768	52,628,697
Stores & Spares	18,682,745	-	-
Stock in trade	275,156,179	388,082,069	353,714,285
	1,002,762,834	721,521,409	741,482,322

2.8.1 The inventories are valued at lower of Cost or Net Realizable Value

2.8.2 The Stores and spares having useful life greater than one year is classified under property plant & equipment as per IND AS- 16

2.9 OTHER FINANCIAL ASSETS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non Current			
Others loans & advances	-	-	-
	-	-	-
Current			
Interest accrued on deposit	614,956	54,772	5,674,502
Rent Receivable	-	-	75,000
Insurance Claims	6,681,740	6,681,740	6,681,740
	7,296,696	6,736,512	12,431,241
Total	7,296,696	6,736,512	12,431,241
Financial assets carried at amortized cost	7,296,696	6,736,512	12,431,241
Financial assets carried at fair value through Profit or Loss	-	-	-

2.10 CASH AND CASH EQUIVALENTS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Balances with banks			
In current and deposit accounts	6,956,797	(5,779,545)	15,562,239
Cash on hand	6,167,602	3,834,853	2,409,913
	13,124,398	(1,944,693)	17,972,152

2.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Unpaid Dividend accounts	9,955	-	-
Balances with banks held as margin money deposits	144,331,098	519,502,425	54,035,160
	144,341,052	519,502,425	54,035,160
Deposit with more than 12 months maturity	-	-	-
Balances with banks held as margin money deposits against guarantees	144,331,098	519,502,425	54,035,160

Unpaid Dividend Account

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be called "Unpaid Dividend Account". The above amount includes Rs. 1792.50 as excess deposited by the company in dividend accounts. The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

Balances with banks held as margin money deposits

Amounts in margin money deposits represents the amount deposited with the banks/ financial institutions towards margin money under the stipulation of Sanctioned Credit Facility for issuance of Letter of Credit/ Bank Guarantees including both financial and performance guarantees, LOU/LUT etc from Banks/ financial institutions.

2.12 OTHER ASSETS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Capital Advances	49,161,384	27,578,969	-
	49,161,384	27,578,969	-
Current			
Advances other than capital advance			
-Payment to vendors for supply of goods/services	13,822,644	17,848,104	9,268,678
-Advances to Employees	-	5,649,468	-
Others			
-Balances with Govt. Authorities	313,643,365	237,684,648	247,210,915
-Prepaid Expenses	14,161,388	4,055,915	3,842,721
	341,627,397	265,238,134	260,322,315
Total Other Assets	390,788,781	292,817,103	260,322,315

2.13 BORROWINGS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Term Loans			
Unsecured at amortized cost			
-From Related Parties	52,373,297	300,000,000	300,000,000
	52,373,297	300,000,000	300,000,000
Current			
Loans Repayable on Demand			
Secured at amortized cost			
-From Banks	1,154,383,717	1,210,154,235	760,671,134
Unsecured at amortized cost			
-From Related Parties	-	-	179,787
	1,154,383,717	1,210,154,235	760,850,922
Total financial liabilities	1,206,757,014	1,510,154,235	1,060,850,922
Financial liability carried at amortized cost	1,206,757,014	1,510,154,235	1,060,850,922

Summary of borrowing arrangements

1. There are no outstanding long-term borrowings as of 31 March 2018. Intercompany Deposits of Rs. 3000 Lakhs has been repaid during the year
2. Secured loan repayable on demand comprises cash credit balances secured by a pari-passu charge on current assets and moveable fixed assets of the Company. These are further secured by the Collateral Security given by the company
3. Secured loan repayable on demand also includes Buyers Credit denominated in foreign currency secured by the Letter of Undertaking issued by the Banks

2.14 TRADE PAYABLES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Trade Payables	-	-	-
	-	-	-
Current			
Trade Payables	587,243,676	1,074,769,777	1,058,841,218
Acceptances	620,334,186	126,884,251	-
	1,207,577,862	1,201,654,028	1,058,841,218
Total Trade Payables	1,207,577,862	1,201,654,028	1,058,841,218
Financial liability carried at amortized cost	1,207,577,862	1,201,654,028	1,058,841,218
Financial liability carried at fair value through profit or loss	-	-	-

2.15 OTHER FINANCIAL LIABILITIES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Security Deposit from Buyers	-	-	148,500,000
Others	-	476,396	-
	-	476,396	148,500,000
Current			
Creditors for capital Goods	335,161	-	-
Expenses Payable	56,729,099	67,583,373	111,802,503
Other liabilities	403,899	7,514	-
	57,468,159	67,590,887	111,802,503
Total financial liabilities	57,468,159	68,067,283	260,302,503
Financial liability carried at amortized cost	57,468,159	68,067,283	260,302,503
Financial liability carried at fair value through profit or loss	-	-	-

2.16 OTHER LIABILITIES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Current			
Statutory Dues	3,468,262	9,173,724	12,012,215
Advance from customer	39,526,130	75,269,107	61,217,635
Creditor for capital goods	25,769,649	3,042,851	610,832
CST Security against C Form	-	11,076,051	11,076,051
Others	-	1,309,941	-
	68,764,042	99,871,674	84,916,733

2.17 PROVISIONS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Provision for Employees Benefits			
-Gratuity	4,805,699	3,973,275	963,581
-Leave Encashment	1,215,177	7,567	-
	6,020,876	3,980,842	963,581
Current			
Provision for Employees Benefits			
-Gratuity	346,800	214,167	-
-Leave Encashment	37,196	-	-
	383,996	214,167	-
Total Provision for Employee Benefits	6,404,872	4,195,009	963,581

Provision for Gratuity

The movement in the provision for gratuity is as follows :

Particulars	31.03.2018	31.03.2017
Balance at the beginning	4,187,442	963,581
Provision recognized/(reversed)	1,268,799	3,745,519
Provision Utilized	(303,742)	(521,658)
Balance at the end	5,152,499	4,187,442

Provision for Leave Encashment

The movement in the provision for leave encashment is as follows :

Particulars	31.03.2018	31.03.2017
Balance at the beginning	7,567	-
Provision recognized/(reversed)	1,252,373	7,567
Provision Utilized	(7,567)	-
Balance at the end	1,252,373	7,567

2.18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products		
Domestic Sales	15,754,525,311	12,509,205,004
Export Sales	400,413,060	1,489,142,790
Sale of Services	46,026,315	20,462,147
Other Operating Revenues	3,687,347	40,781,088
	16,204,652,033	14,059,591,029

Other Operating Revenue Comprises of Export Incentives of INR 36.87 Lakhs (LY INR 407.81 Lakhs)

2.19 OTHER INCOME

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest income received from		
-Fixed Deposits	24,637,944	15,750,734
-Others	908,284	5,926,743
Exchange gains/(losses) Fluctuations	19,503,380	-
Miscellaneous income, net	1,817,386	580,045
	46,866,996	22,257,521

2.20 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening stock	279,749,226	331,870,797
Add: Purchases	9,004,425,366	7,677,190,832
Less: Closing Stock	159,811,485	279,749,226
	9,124,363,107	7,729,312,403

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock		
Finished goods	35,967,768	52,628,697
Work-in-progress	17,722,345	-
Stock-in-trade	388,082,069	353,714,285
Stock on Consignment	-	3,268,542
	441,772,182	409,611,525
Closing Stock		
Finished goods	77,301,306	35,967,768
Work-in-progress	471,811,119	17,722,345
Stock-in-trade	275,156,179	388,082,069
Stores & Spares	18,682,745	-
	842,951,349	441,772,183
	(401,179,167)	(32,160,658)

2.22 EXCISE DUTY

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Excise duty on sale of goods	43,311,647	219,087,493
Excise duty on Closing stock of Finished Goods	(1,295,350)	1,295,350
	42,016,297	220,382,843

2.23 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March	For the year ended 31st March
	2018	2017
Employee benefit expenses		
Salary & Wages	73,407,452	42,460,090
Contribution to provident & other funds	3,078,296	2,354,516
Director's remuneration	4,800,000	1,200,000
Provision for Gratuity/ Leave Encashment	2,919,505	1,493,909
Contribution to ESIC/ Insurance Linked Expenses	1,132,955	699,965
Staff welfare expenses	2,580,743	3,114,368
	87,918,950	51,322,848

2.24 FINANCE COSTS

Particulars	For the year ended 31st March	For the year ended 31st March
	2018	2017
Interest Expense on borrowings	142,658,111	83,310,152
Interest Expense on others	283,592	97,583
Interest expense on Trade Payables	24,236,929	29,568,340
Net (Profit)/ Loss on foreign currency transactions and translations	-	(3,735,805)
Other borrowing costs	23,333,071	18,935,894
	190,511,704	128,176,164

2.25 OTHER EXPENSES

Particulars	For the year ended 31st March	For the year ended 31st March
	2018	2017
Audit Fees	400,000	400,000
Business Promotion Expenses	388,786	328,397
Clearing & Forwarding Charges	1,379,848	3,842,533
Commission on Sales	744,472	51,212,872
Consumable Expenses	1,850,706	199,550
Conveyance & Travelling Expenses	4,619,558	3,135,477
Donation & Charity	17,330	3,116,000
Freight & Cartage	23,681,565	33,663,467
General Expenses	1,279,493	4,741,888
Insurances	2,566,691	2,473,883
Indirect Taxes Paid	417,967	-
Legal and Professional Charges	20,575,110	6,089,659
Loss/(Profit) on re-measurement of Financial Asset	33,750	(2,235)
Loss/Expenses Related to hedging/derivatives contracts.	8,593,997	4,620,534
Net Profit/ loss on foreign currency transaction and translation	-	28,823,806
Other government charges and taxes	134,663	219,691
Packing Charges	2,375,430	1,705,822
Pollution Expenses	131,666	30,700
Power & Fuel	30,893,256	18,586,257
Printing & Stationary Expenses	574,104	440,554
Prior Period Expenses	181,290	605,326
Rebate, Claims and Discount Expenses	241,016	787,800
Rent, rate and Taxes	2,503,475	1,712,870
Repair & Maintenance	7,225,046	1,645,337
Security Services	4,564,850	-
Shipment Expenses	7,253,212	12,104,802
Telephone & Postage Expenses	908,516	795,401
Vehicle Running & maintenance expenses	4,648,600	1,347,336
	128,184,396	182,627,726

2.26 INCOME TAXES

Income tax expense in the statement of profit and loss comprises:

Particulars	31.03.2018	31.03.2017
Current taxes	68,359,407	28,822,170
Deferred taxes	7,367,811	6,082,863
Income tax expense	75,727,218	34,905,033

2.26.1 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	31.03.2018
Profit before income taxes	226,664,368
Tax Expense at Statutory tax rates of @34.608%	78,444,004
Adjustments:	
Effect of income that is exempt from tax	
Effect of expenses that are not deductible in determining taxable profit	(10,084,597)
Others	
Income tax expense	68,359,407
Current Tax expense reported in the Statement of Profit and Loss	68,359,407

2.26.2 The following table provides the details of income tax assets and income tax liabilities as at March 31, 2018

Particulars	As at 31 March 2018	As at 31 March 2017
Income tax assets	-	-
Current income tax liabilities	68,359,407	28,822,170
Net current income tax assets/ (liability) at the end	(68,359,407)	(28,822,170)

2.26.3 The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Deferred income tax assets			
Disallowance under Income tax Act	-	-	
Property Plant & Equipment	-	-	246,553
Unabsorbed Business Loss/ Depreciation	-	-	
Total deferred income tax assets	-	-	246,553
Deferred income tax liabilities			
Property Plant & Equipment	13,204,121	5,836,310	-
Total deferred income tax liabilities	13,204,121	5,836,310	-
Deferred income tax assets after set off	-	-	246,553
Deferred income tax liabilities after set off	13,204,121	5,836,310	-

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.27 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	31.03.2018	31.03.2017
Basic earnings per equity share - weighted average number of equity shares outstanding (Nos)	13,436,415	11,455,181
Effect of dilutive shares (Nos)	-	-
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding (Nos)	13,436,415	11,455,181

Note

1. During the year the Company has allotted 5,60,000 unsecured zero coupon compulsorily convertible debenture (CCD) of the face value of INR 900 each, by way of preferential allotment on private placement basis as approved by the board of directors during the meeting held on March 31, 2018.

2. The CCDs shall be converted into equity shares on or before the completion of 18 months from the date of allotment of CCDs. 1 (one) CCD shall be converted into 4 (four) equity shares each. The equity shares to be issued on conversion shall rank pari passu in all respects with the existing equity shares of the company.

3. The effect of CCDs for computation of dilutive shares has not been considered because of the fact that the CCDs were issued on the Closing date of Balance Sheet i.e. at March 31, 2018

RCI INDUSTRIES & TECHNOLOGIES LIMITED

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED
MARCH 31, 2018

2.28 Contingent Liabilities and Commitments

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Contingent Liabilities		
(A) Claims against the company / disputed liabilities not acknowledged as debts *		
in respect of demand pertaining to taxes	556,647	9,322,087
Total	556,647	9,322,087

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

2.29 Defined benefit Plan

Gratuity Plan

2017-18

2016-17

Change in Defined Benefit Obligation (DBO) during the year

Present value of DBO at the beginning of the year	4,187,442	3,163,245
Current service cost	1,358,274	1,247,176
Interest cost	314,058	246,733
Actuarial loss arising from changes in financial assumptions	(288,266)	51,946
Actuarial loss arising from changes in experience adjustments	(115,267)	
Benefits paid	(303,742)	(521,658)
Present value of DBO at the end of the year	5,152,499	4,187,442

Change in fair value of plan assets during the year

Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer contributions	303,742	521,658
Benefits paid	(303,742)	(521,658)
Remeasurements – return on plan assets (excluding interest income)	-	-
Present value of DBO at the end of the year	5,152,499	4,187,442

Amounts recognised in the Balance Sheet	5,152,499	4,187,442
Present value of DBO at the end of the year	5,152,499	4,187,442
Fair value of plan assets at the end of the year	-	-
Funded status of the plans – liability	5,152,499	4,187,442
Liability recognised in the Balance Sheet	5,152,499	4,187,442

Components of employer expense

Current service cost	1,358,274	1,247,176
Interest cost/ (income) on net defined benefit obligation	314,058	246,733
Expense recognised in Statement of Profit and Loss	1,672,332	1,493,909

Remeasurement on the net defined benefit obligation

Return on plan assets (excluding interest income)	-	-
Actuarial loss arising from changes in financial assumptions	(288,266)	51,946
Actuarial loss arising from changes in experience adjustments	(115,267)	-
Remeasurements recognised in other comprehensive income	(403,533)	51,946
Total defined benefit cost recognised	1,268,799	1,545,855

Nature and extent of investment details of the plan assets

State and Central Securities	0%	0%
Bonds	0%	0%
Special deposits	0%	0%
Insurer managed funds	0%	0%

2.29 Defined benefit Plan (...Continued)

Assumptions	Gratuity Plan	
	2017-2018	2016-2017
Discount Rate	7.89%	7.50%
Rate of increase in Compensation levels	8%	8%
Rate of Return on Plan Assets	NA	NA

Sensitivity Analysis	2017-2018	Impact (Absolute)	Impact %
Base Liability	5,152,499.00		
Increase Discount Rate by 0.50%	4,814,152.00	(338,347.00)	-6.57%
Decrease Discount Rate by 0.50%	5,526,251.00	373,752.00	7.25%
Increase Salary Inflation by 1%	5,931,106.00	778,607.00	15.11%
Decrease Salary Inflation by 1%	4,502,373.00	(650,126.00)	-12.62%
Increase in Withdrawal Rate by 1%	5,101,261.00	(51,238.00)	-0.99%
Decrease in Withdrawal Rate by 1%	5,206,006.00	53,507.00	1.04%

Notes:

1. The base liability is calculated at discount rate of 7.89% per annum and salary inflation rate of 8.00% per annum for all future years.
2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate.
3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.30 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Rajiv Gupta, Mrs. Mamta Gupta
Relatives of KMP (Relation with KMP)	Ritika Gupta(Daughter), Hembala Gupta (Sister), 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	Mamta Global Pvt Ltd, All Heavens Restaurant Pvt Ltd, Metalroad Private Limited, Ace Trade Solutions Private Limited, Blossom Impex Private Limited, Kay Kay Exim Private Limited, Ace Matrix Solutions Private Limited

Note: Reliance for list of related parties, nature of relationship and transactions during the year & balances as on 31st March 2018 is placed on the details provided by the management.

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	-	-	-	4,977,463	4,977,463
	-	-	-	-	-
Receiving of services	-	4,800,000	-	120,000	4,920,000
	-	(1,200,000)	-	(120,000)	(1,320,000)
Sale of goods	-	-	-	1,389,466	1,389,466
	-	-	-	-	-
Advance received back	-	-	-	2,025,000	2,025,000
	-	-	-	(1,975,000)	(1,975,000)
Loan/ Investment in Subsidiaries	7,500	-	-	-	7,500
	(9,400)	-	-	-	(9,400)
Dividend Paid	-	2,666,905	1,328	1,620,075	4,288,308
	-	-	-	-	-
Borrowings paid back	300,000,000	-	-	-	300,000,000
	-	-	-	-	-
Borrowings	-	52,373,297	-	-	52,373,297
	-	-	-	-	-

Balances outstanding at the end of the year

Trade payables/ Expenses Payables	-	-	-	-	-
	-	-	-	-	-
Loans and advances Receivable	-	-	2,000,000	-	2,000,000
	-	-	(2,000,000)	(2,025,000)	(4,025,000)
Loans/ Investment	47,682,860	-	-	-	47,682,860
	(47,675,360)	-	-	-	(47,675,360)
Borrowings	-	52,373,297	-	-	52,373,297
	(300,000,000)	-	-	-	(300,000,000)
Loans and advances Payable	-	-	-	-	-
	-	-	-	-	-

Note: Figures in bracket relates to the previous year

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED
MARCH 31, 2018

2.31 Reconciliation of equity as previously reported under Indian GAAP to Ind-AS

	31-Mar-17	1-Apr-16
Equity as reported under IGAAP	212,275,436	359,344,900
Effect of measuring financial asset at fair value	(4,335)	(6,818)
Effect of measuring derivatives at fair value	(7,514)	-
Effect of measuring investments at fair value through profit and loss	2,235	-
Effect of remeasurement of the net defined benefit liability/asset through OCI	51,946	-
Equity as reported under Ind-AS	212,317,769	359,338,082

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE

2.31.2 Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Company:

	As at 31st March 2018	As at 31st March 2017	As at 01 April 2016
Equity (A)	1,669,486,154	1,030,871,368	468,332,233
Debt			
Short-term borrowings and current portion of long-term debt (i)	1,154,383,717	1,210,154,235	760,850,922
Long-term debt (ii)	52,373,297	300,000,000	300,000,000
Less: deposits with financial institutions (iii)	144,341,052	519,502,425	54,035,160
Less: Cash and cash equivalents (iv)	13,124,398	(1,944,693)	17,972,152
Net debt (i+ii-iii-iv)	1,049,291,564	992,596,503	988,843,610
Total capital (equity + net debt)	2,718,777,718	2,023,467,871	1,457,175,843
Net debt to capital ratio	0.39	0.49	0.68
Interest coverage ratio	2.19	1.82	

2.31.3 Categories of financial instruments

Financial assets

Measured at fair value through profit or loss (FVTPL)

(a) Mandatorily measured:

(i) Equity investments	4,468,485	502,235	-
(ii) Security Deposits	12,179,755	9,160,195	7,583,009

Measured at amortised cost

(a) Cash and bank balances	157,465,451	517,557,732	72,007,312
(b) Other financial assets at amortised cost	3,034,425,285	2,713,091,444	2,522,350,510

Measured at cost

(a) Investments in equity instruments in subsidiaries, joint ventures and associate	46,722,000	46,722,000	46,722,000
---	------------	------------	------------

Financial liabilities

Measured at amortised cost	2,471,803,036	2,779,875,547	2,379,994,642
----------------------------	---------------	---------------	---------------

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.31.4 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

Item	Primarily affected by	Risk management policies
Market risk - currency risk	USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies
Market risk - other price risk	Decline in value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR

2.31.5 Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

Financial assets/financial liabilities	Fair Value as at*			Fair value hierarchy
	As at 31st March 2018	As at 31st March 2017	As at 01 April 2016	
1) Investments in quoted equity instruments at FVTPL	4,468,485	502,235	-	Level 1
2) Investments in unquoted equity instruments at cost	46,722,000	46,722,000	46,722,000	Level 2
Total	51,190,485	47,224,235	46,722,000	

*positive value denotes financial asset (net) and negative value denotes financial liability (net)

Notes:

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.31.6 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Fair value hierarchy	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value

Financial assets

Financial assets at amortised cost:

- Trade receivables	Level 2	1,974,169,336	1,974,169,336	1,953,594,570	1,953,594,570	1,748,379,980	1,748,379,980
- Cash and cash equivalents	Level 2	13,124,398	13,124,398	(1,944,693)	(1,944,693)	17,972,152	17,972,152
- Bank balances other than cash and cash equivalents	Level 2	144,341,052	144,341,052	519,502,425	519,502,425	54,035,160	54,035,160
- Loans	Level 2	50,196,418	50,196,418	31,238,953	31,238,953	20,056,966	20,056,966
- Other financial assets	Level 2	7,296,696	7,296,696	6,736,512	6,736,512	12,431,241	12,431,241

Financial liabilities

Financial liabilities at amortised cost:

- Borrowings	Level 2	1,206,757,014	1,206,757,014	1,510,154,235	1,510,154,235	1,060,850,922	1,060,850,922
- Trade payables	Level 2	1,207,577,862	1,207,577,862	1,201,654,028	1,201,654,028	1,058,841,218	1,058,841,218
- Other financial liabilities	Level 2	57,468,159	57,468,159	68,067,283	68,067,283	260,302,503	260,302,503

1. In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of fair value measurements for the year ended 31 March 2017:

	Investments in unquoted security deposit at FVTPL	Investments in quoted equity instruments at FVTPL	Total
	Level 3	Level 1	
Balance as per GAAP	9,175,097	500,000	9,675,097
Total gains or losses:			
- in profit or loss	(14,902)	2,235	(12,667)
- in other comprehensive income	-	-	-
Balance as per IND AS	9,160,195	502,235	9,662,430

Reconciliation of fair value measurements as at 01 April 2016:

	Investments in unquoted security deposit at FVTPL
	Level 3
Balance as per GAAP	7,609,511
Total gains or losses:	
- in profit or loss	(26,502)
- in other comprehensive income	-
Closing balance	7,583,009

RCI INDUSTRIES & TECHNOLOGIES LTD
CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.32 Corporate Social Responsibility

The applicability of Concept of Corporate Social Responsibility on the company commenced from the Financial Year 2016-17 as the turnover of the company crossed INR 1000 Crs in the Financial Year 2015-16. Accordingly, Board of Directors constituted Corporate Social Responsibility Committee. Further, company had incorporated a wholly owned subsidiary RCI Skills & Social Development Private Limited towards CSR and Corporate Social Responsibility Committee had given their recommendation to incur the CSR Expenses through the said subsidiary and identified the area of vocation skills especially among children as specified the Schedule VII of the Companies Act, 2013. However, during the Financial Year 2016-17 the subsidiary company has applied various governments tender related to said vocational skills but all the tenders got rejected on technical grounds. Hence, requisite amount of CSR expenditure could not be spent. However company has committed to spend the consolidated amount of CSR for both current and previous financial year during the financial year 2017-18 in order to comply the Companies Act, 2013 in true spirit.

Accordingly the company has spent Rs. 35 Lakhs in the Financial Year 2017-2018

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 by the management
- (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.
- (iv) The lease agreements provide for an increase in the lease payments by 10-15% every one or two years.
- (v) Lease payments of Rs. 24.04 Lakhs (LY 16.70 Lakhs) have been recognised in the statement of Profit & Loss with respect to above mentioned operating lease agreements
- (vi) Some of the balances of receivables and payables remains unconfirmed till balance sheet date.
- (vii) 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.

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

(Rahul Jain)
Partner
Membership No. 518352
Place: Delhi
Date: May 7th, 2018

For & on behalf of Board of Directors

(Rajeev Gupta)
Managing Director
DIN- 00503196

(Inder Prakash Saboo)
Chief Financial Officer

(Mamta Gupta)
Director
DIN- 00503302

(Abhishek Kedia)
Company Secretary
M No. A33537

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 Ind AS financial statements of **RCI INDUSTRIES AND TECHNOLOGIES LIMITED** (“hereinafter referred to as the ‘Company’”) and its wholly owned subsidiaries (collectively referred to as “Group”) which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Indian Accounting Standards referred to in section 133 of the Act.
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 judgments 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 thereunder.
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:
 - i. in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31 March 2018;
 - ii. in the case of the consolidated statement of profit and loss, of the consolidated profit for the year ended on that date;
 - iii. in the case of the consolidated cash flow statement, of the consolidated cash flows for the year ended on that date; and
 - iv. in the case of the consolidated Statement of changes in equity, of the consolidated changes in equity for the year ended on that date.

Other Matters

7. We did not audit the financial statements/ financial information of foreign subsidiary (RCI World Trade Link DMCC) whose financial statement reflect total assets of Rs. 6825.35 Lakhs as at March 31, 2018, total revenue of Rs. 41,806.05 Lakhs for the year then ended on that date.

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:
 - i. 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;

- ii. 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;
- iii. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and consolidated statement of changes in equity 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;
- iv. In our opinion, the aforesaid consolidated financial statement comply with the Indian Accounting standards specified under Section 133 of the Act;
- v. On the basis of written representations received from the directors of the Company as on 31 March 2018, 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 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- vi. 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
- vii. 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:
 - a. The company does not have any pending litigations which would impact its financial position materially.
 - b. The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses
 - c. 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 7th 2018

“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 31st March, 2018.

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 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, 2018 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

2. 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

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.

“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 31st March, 2018.

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.

“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 31st March, 2018.

Opinion

8. 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, 2018, 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 7th 2018

RCI INDUSTRIES & TECHNOLOGIES LTD
CIN : L74900DL1992PLC047055
CONSOLIDATED IND AS BALANCE SHEET AS AT 31 MARCH 2018

Balance Sheet as at	Note	As at 31 March 2018	As at 31 March 2017	Opening Balance As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2.3	569,257,677	238,794,091	42,504,587
Capital work-in-progress	2.3	92,797,828	160,790,241	5,211,015
Intangible Assets under Development	2.4	5,635,250		
Financial Assets				
Investments	2.5	-	-	364,487,088
Loans	2.7	40,391,515	388,913,927	314,712,171
Deferred tax assets (net)		21,372	-	280,674
Other non-current assets	2.12	49,161,384	27,578,969	-
Income tax assets (net)	2.26	-	-	-
Total Non - Current Assets		757,265,027	816,077,228	727,195,534
Current assets				
Inventories	2.8	1,002,762,834	721,521,409	741,482,322
Financial Assets				
Investments	2.5	4,468,485	502,235	-
Trade receivables	2.6	2,552,062,533	2,626,232,911	2,254,597,433
Cash and cash equivalents	2.10	26,716,775	4,997,937	21,397,577
Bank Balances other than Cash and Cash Equivalents	2.11	144,341,052	519,502,425	54,035,160
Loans	2.7	59,279,901	16,856,863	12,118,845
Other financial assets	2.9	7,296,696	6,736,512	12,431,241
Current Tax Assets (net)	2.26	591,233	42,553	
Other current assets	2.12	368,185,081	362,528,555	260,322,315
Total Current Assets		4,165,704,590	4,258,921,399	3,356,384,893
Asset held for Sale		14,260,759	-	-
Total Assets		4,937,230,376	5,074,998,628	4,083,580,427
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.2	134,364,150	134,364,150	108,994,150
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	2.2	504,000,000	-	-
Other equity				
Reserves and surplus	2.2	970,188,049	655,798,577	297,965,878
Other reserves	2.2	684,241,395	684,241,395	218,786,395
Total equity		2,292,793,594	1,474,404,122	625,746,423
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.13	52,373,297	300,000,000	559,854,658
Trade payables	2.14	-	-	-
Other financial liabilities	2.15	-	300,476,396	448,500,000
Provisions	2.17	6,020,876	3,980,842	963,581
Deferred tax liabilities (net)	2.26	13,204,121	5,815,163	-
Other non-current liabilities	2.16	-	-	-
Total Non - Current Liabilities		71,598,294	610,272,401	1,009,318,239
Current liabilities				
Financial Liabilities				
Borrowings	2.13	1,154,383,717	1,210,154,235	760,850,922
Trade payables	2.14	1,208,079,359	1,508,805,469	1,470,144,149
Other financial liabilities	2.15	60,184,496	70,312,687	112,964,802
Other current liabilities	2.16	81,447,512	172,013,377	87,026,797
Provisions	2.17	383,996	214,167	-
Current Tax Liabilities (net)	2.26	68,359,407	28,822,170	17,529,097
Total Current Liabilities		2,572,838,488	2,990,322,105	2,448,515,766
Total Equity and Liabilities		4,937,230,376	5,074,998,628	4,083,580,427

The accompanying notes form an integral part of the standalone
As per our report of even date attached

For and on behalf of the Board of Directors

For RPMD & Associates

Chartered Accountants
Firm's Registration Number: 005961C

(Rajeev Gupta) (Mamta Gupta)
Managing Director **Director**
DIN- 00503196 **DIN- 00503302**

(Rahul Jain)
Partner
Membership No. 518352
Place: Delhi
Date: May 07th, 2018

(Inder Prakash Saboo) (Abhishek Kedia)
Chief Financial Officer Company Secretary
M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

Consolidated Statement of Profit & Loss for the year ended March 31, 2018

(Rs. in Lakhs otherwise stated)

Statement of Profit and Loss for the period ended	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	2.18	20,373,487,421	17,567,915,388
Other Income, net	2.19	66,816,957	22,284,591
Total Income [A]		20,440,304,378	17,590,199,980
Expenses			
Cost of Material Consumed	2.20	9,124,363,107	7,729,312,403
Purchase of stock-in-trade		10,794,246,957	8,871,839,198
Change in Inventories of Finished Goods/ Stock in Trade/ Work in Progress	2.21	(401,179,167)	(32,160,658)
Excise Duty	2.22	42,016,297	220,382,843
Employee benefit expenses	2.23	93,278,126	55,932,475
Finance Costs	2.24	191,148,785	128,654,054
Depreciation and amortisation expense	2.3	49,880,254	24,125,771
Other expenses	2.25	142,811,696	198,777,759
Total Expenses [B]		20,036,566,055	17,196,863,843
Profit Before Exceptional Items and Tax [A-B]		403,738,322	393,336,137
Exceptional Items		-	-
Profit before tax		403,738,322	393,336,137
Tax Expense:			
Current tax	2.26	68,363,086	28,843,317
Deferred tax	2.26	7,367,586	6,116,984
MAT Credit Entitlement	2.26	-	(21,147)
Profit for the period		328,007,651	358,396,983
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/asset	2.2	403,534	(51,946)
Equity instruments through other comprehensive income		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		403,534	(51,946)
Total comprehensive income for the period		328,411,185	358,345,037
Earnings per equity share			
Equity shares of par value `10/- each			
Basic (`)		24.41	31.29
Diluted (`)		24.41	31.29
Weighted average equity shares used in computing earnings per equity share			
Basic	2.27	13,436,415	11,455,181
Diluted	2.27	13,436,415	11,455,181

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For RPMD & Associates

Chartered Accountants

Firm's Registration Number: 005961C

(Rajeev Gupta)

Managing Director

DIN- 00503196

(Mamta Gupta)

Director

DIN- 00503302

(Rahul Jain)

Partner

Membership No. 518352

Place: Delhi

Date: May 07th, 2018

(Inder Prakash Saboo)

Chief Financial Officer

(Abhishek Kedia)

Company Secretary

M No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED

CIN : L74900DL1992PLC047055

Consolidated Cash Flow Statement for the year ended 31st March, 2018

Particulars	For The Year Ended March 31,2018	For The Year Ended March 31,2017
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	403,738,322	393,336,137
<i>Adjustments for:</i>		
Depreciation	49,880,254	24,125,771
Finance Cost	191,148,785	128,654,054
Interest income	(25,546,229)	(21,677,476)
(Gain)/ Loss due to change in fair value of Investment	33,750	(2,235)
Actuarial Gain / (loss) on defined benefit plan	403,534	(51,946)
Provision for gratuity/leave encashment	2,209,864	3,231,428
Gain/(loss) on conversion of asset and liabilities in INR	2,704,186	(1,512,494)
Operating profit before working capital changes	624,572,466	526,103,237
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	(281,241,424)	19,960,913
(Increase)/Decrease in Trade Receivables	74,170,377	(371,635,478)
(Increase)/Decrease in Other Financial asset	(560,184)	5,694,730
(Increase)/Decrease in Other asset	(5,656,526)	(102,206,240)
Increase/(Decrease) in Trade Payables	(300,726,110)	38,661,320
Increase/(Decrease) in Other Financial Liabilities	(10,128,191)	(42,652,115)
Increase/(Decrease) in Other current Liabilities	(90,565,864)	84,986,580
<i>Cash generated from operations</i>	9,864,543	158,912,947
Income tax Refund/ (paid) during the year	(37,984,602)	(17,737,064)
Net cash from operating activities (A)	(28,120,058)	141,175,883
B. Cash flow from Investing activities		
Purchase of Fixed assets (including capital advances)	(332,247,437)	(374,850,077)
(Purchase)/Sale Of Long Term Investment	-	364,487,088
(Purchase)/Sale Of Current Investment	(4,000,000)	(500,000)
(Increase)/Decrease in investment in fixed deposit	375,161,373	(465,467,265)
Interest Income	25,546,229	21,677,476
(Increase)/Decrease in loans	306,099,374	(78,939,775)
(Increase)/Decrease in non current asset	(21,582,415)	(27,578,969)
Net cash from investing activities (B)	348,977,123	(561,171,522)
C. Cash flow from Financing activities		
Proceeds from issue of share capital including premium / application money/ Compulsory convertible debentures	504,000,000	490,825,000
Increase / (Decrease) in borrowings	(303,397,221)	189,448,656
Increase / (Decrease) in other financial liabilities	(300,476,396)	(148,023,604)
Interest paid on borrowings	(191,148,785)	(128,654,054)
Dividend Paid including corporate dividend tax	(8,115,826)	-
Net cash from financing activities (C)	(299,138,227)	403,595,998
Net increase in cash and cash equivalents (A+B+C)	21,718,838	(16,399,641)
Cash and cash equivalents at the beginning of the year	4,997,937	21,397,577
Cash and cash equivalents at the end of the year	26,716,775	4,997,937

Note:

Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

As per our report of even date

For & on behalf of Board of Directors

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

(Rahul Jain)
Partner
Membership No. 518352
Place: Delhi
Date: May 7th 2018

(Rajeev Gupta)
Managing
Director
DIN- 00503196

(Mamta Gupta)
Director
DIN- 00503302

(Inder Prakash Saboo)
Chief Financial Officer

(Abhishek Kedia)
Company Secretary
M No. A33537

RCI INDUSTRIES AND TECHNOLOGIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH 2018

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”), Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

Upto the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous generally accepted accounting principles (“Previous GAAP”), which includes Accounting Standards (“AS”) notified under the Companies (Accounting Standards) Rules, 2006 and prescribed under Section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013/ Companies Act, 1956, as applicable.

These are the Group’s first Ind AS consolidated financial statements. The date of transition to Ind AS is 1 April 2016. Refer Note 2.31 for the details of reconciliations from Previous GAAP.

B. Principles of Consolidation

The consolidated financial statements relate to RCI Industries & Technologies Limited and its wholly owned subsidiaries, (1) RCI World Trade Link DMCC and (2) RCI Skills and Development Private Limited. The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements”.

ii) The subsidiary – RCI World Trade Link DMCC being foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.

iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

C. Other Significant Accounting Policies

These are set out under “Significant Accounting Policies” as given in the Company’s Standalone Financial Statements.

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.2 STATEMENTS OF CHANGE IN EQUITY & OTHER EQUITY

Particulars	Equity Share Capital		Instruments entirely equity in nature	Other Equity					Total equity attributable to equity holders of the Company
	No of Shares	Amount	Compulsorily Convertible Debentures	Reserves & Surplus			Other comprehensive income		
				Securities premium reserve	Capital Redemption Reserve	Retained earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as of April 1, 2016	10,899,415	108,994,150	-	218,786,395	-	297,965,878	-	-	625,746,423
Changes in equity for the year ended Mar 31, 2017									
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.29)		-	-	-	-	-	-	-51,946	-51,946
Change in accounting policy						1,144,424			1,144,424
Excess provision with respect to income tax written off and TDS receivable of previous year						-144,268			-144,268
Gain/(loss) on coversion of asset and liabilities in INR						-1,512,494			-1,512,494
Transfer to Retained Earnings									-
Dividends (including corporate dividend tax)									-
Issue of Equity Share Capital	2,537,000	25,370,000		465,455,000					490,825,000
Addition during the period									-
Profit for the period						358,396,983			358,396,983
Balance as of Mar 31, 2017	13,436,415	134,364,150	-	684,241,395	-	655,850,523	-	-51,946	1,474,404,122
Balance as of April 1, 2017	13,436,415	134,364,150	-	684,241,395	-	655,850,523	-	-51,946	1,474,404,122
Changes in equity for the year ended Mar 31, 2018									
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.29)								403,534	403,534
Change in accounting policy									-
Excess provision with respect to income tax written off and TDS receivable of previous year						-8,610,073			-8,610,073
Transfer to Retained Earnings									-
Gain/(loss) on coversion of asset and liabilities in INR						2,704,186			2,704,186
Dividends (including corporate dividend tax)						-8,115,826			-8,115,826
Issue of Equity Share Capital									-
Addition during the period			504,000,000						504,000,000
Profit for the period						328,007,651			328,007,651
Balance as of Mar 31, 2018	13,436,415	134,364,150	504,000,000	684,241,395	-	969,836,461	-	351,588	2,292,793,594

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For **RPMD & Associates**
Chartered Accountants
Firm's Registration Number: 005961C

(Rajeev Gupta)
Managing Director
DIN- 00503196

(Mamta Gupta)
Director
DIN- 00503302

(Rahul Jain)
Partner
Membership No.
Place: Delhi
Date: May 7th 2018

(Inder Prakash Saboo)
Chief Financial Officer

(Abhishek Kedia)
Company Secretary
M No. A33537

2.2.2 EQUITY SHARE CAPITAL

Particulars	As at	As at
	31.03.2018	31.03.2017
Authorized Equity shares, `10/- par value 2,50,00,000 (1,50,00,000 ⁽¹⁾) equity shares	250,000,000	150,000,000
Issued, Subscribed and Paid-Up Equity shares, `10/- par value 134,36,415 (134,36,415 ⁽¹⁾) equity shares fully paid-up	134,364,150	134,364,150
	134,364,150	134,364,150

⁽¹⁾ Refer note 2.27 for details of basic and diluted shares

2.2.3 The authorised equity shares were 1,50,00,000 and the issued, subscribed and paid-up shares were 1,34,36,415 as of April 1, 2017. The company has increased its authorised capital from Rs. 1500 Lakhs to Rs. 2500 Lakhs comprising of 250 Lakhs equity shares having face value of Rs. 10 each as approved in General Meeting of the members held on March 28, 2018

2.2.4 The Company has only one class of shares referred to as equity shares having a par value of `10/-. Each holder of equity shares is entitled to one vote per share.

2.2.5 The details of shareholder holding more than 5% shares are set out below :

Name of the shareholder	31.03.2018		31.03.2017
	Number of shares	% held	Number and Shareholding %
Rajeev Gupta	4,764,720.00	35.46%	4,764,720 (35.46%)
Ace Matrix Solutions Ltd.	1,751,900.00	13.04%	1,751,900 (13.04%)
Metalrod Pvt Ltd.	812,500.00	6.05%	812,500 (6.05%)

2.3 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the year year March 31, 2018:

Particulars	Land	Leasehold Equipments	Container	Buildings	Plant and machinery	Motor Vehicles	Furniture & Fittings	Electronic Installation	Office Equipment	Computer & Printers	Capital Work-in-progress	Total
Gross carrying value as of April 1, 2016	47,020,817	186,545	405,000	29,086,622	33,633,230	22,889,324	612,608	1,332,265	3,621,723	1,146,017	949,169	93,862,504
Additions	-	-	-	43,894,542	105,686,209	9,480,907	205,250	9,198,077	2,197,500	1,587,548	159,841,072	379,111,923
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2017	47,020,818	186,545	405,000	72,981,164	139,319,439	32,370,231	817,858	10,530,342	5,819,223	2,733,565	160,790,241	472,974,427
Accumulated depreciation as of April 1, 2016	-	127,936	163,252	14,904,101	17,478,444	12,972,671	511,155	927,951	2,334,368	988,870	-	50,408,748
For the period	-	12,030	32,815	2,762,928	15,315,037	4,401,772	75,683	524,263	733,411	267,832	-	24,125,771
Deduction / Adjustments during the period	-	-	-	(22,331)	(1,263,143)	-	4,103	-	156,209	(19,263)	-	(1,144,424)
Accumulated depreciation as of March 31, 2017	-	139,966	196,067	17,644,698	31,530,338	17,374,443	590,941	1,452,214	3,223,988	1,237,440	-	73,390,094
Carrying value as of March 31, 2017	47,020,818	46,579	208,933	55,336,466	107,789,101	14,995,789	226,917	9,078,128	2,595,235	1,496,125	160,790,241	399,584,332
Gross carrying value as of April 1, 2017	47,020,818	186,545	405,000	72,981,164	139,319,439	32,370,231	817,858	10,530,342	5,819,223	2,733,565	160,790,241	472,974,427
Additions	73,041,241	-	-	21,937,891	260,340,334	6,726,124	3,483,998	12,425,180	1,877,945	511,129	208,023,323	588,367,165
Deletions	-	-	-	-	-	-	-	-	-	-	(276,015,736)	(276,015,736)
Gross carrying value as of March 31, 2018	120,062,059	186,545	405,000	94,919,055	399,659,774	39,096,355	4,301,856	22,955,522	7,697,168	3,244,694	92,797,828	785,325,855
Accumulated depreciation as of April 1, 2017	-	139,966	196,067	17,644,698	31,530,338	17,374,443	590,941	1,452,214	3,223,988	1,237,440	-	73,390,094
For the period	-	9,564	28,689	4,030,680	32,728,229	5,823,706	64,099	4,710,299	1,577,400	907,588	-	49,880,254
Deduction / Adjustments during the period	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2018	-	149,530	224,756	21,675,378	64,258,567	23,198,149	655,040	6,162,512	4,801,388	2,145,027	-	123,270,348
Carrying value as of March 31, 2018	120,062,059	37,015	180,244	73,243,676	335,401,207	15,898,206	3,646,816	16,793,009	2,895,780	1,099,666	92,797,828	662,055,507
Carrying value as of March 31, 2017	47,020,818	46,579	208,933	55,336,466	107,789,101	14,995,789	226,917	9,078,128	2,595,235	1,496,125	160,790,241	399,584,332

2.4 Intangible Assets under Development (Development/ Implementation of Softwares)

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Gross carrying value as of April 1, 2017	-	-	-
Additions	5,635,250	-	-
Deletions	-	-	-
Gross carrying value as of March 31, 2018	5,635,250	-	-
Accumulated depreciation as of April 1, 2017	-	-	-
For the period	-	-	-
Deduction / Adjustments during the period	-	-	-
Accumulated depreciation as of March 31, 2018	-	-	-
Carrying value as of March 31, 2018	5,635,250	-	-
Carrying value as of March 31, 2017	-	-	-

2.5 INVESTMENTS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current investments			
Unquoted Investments			
Investment in Equity Shares of HillView Marketing Pvt Ltd	-	-	364,487,088
	-	-	364,487,088.00
Current investments			
Other Investments at FVTPL			
Investments in mutual funds			
(50,000 units of CP7G-Union Capital Protection Oriented Fund Series 7 -Regular Plan - Growth	529,470	502,235	-
(399,900 units of PFG-Union Balanced Advantage Fund Regular Plan - Growth)	3,939,015	-	-
	4,468,485.00	502,235.00	-
Total carrying value	4,468,485	502,235	364,487,088

Aggregated amount of Quoted investments and value thereof

4,468,485

502,235

-

Aggregated amount of UnQuoted investments

-

-

364,487,088

2.6 TRADE RECEIVABLES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current receivables			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
	-	-	-
Current receivables			
Secured, considered good	-	-	-
Unsecured, considered good	2,552,062,533	2,626,232,911	2,254,597,433
	2,552,062,533	2,626,232,911	2,254,597,433
Total carrying value	2,552,062,533	2,626,232,911	2,254,597,433

2.7 LOANS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non Current			
Unsecured, considered good			
Security Deposits	12,179,755	9,160,195	7,583,009
Other loans and advances	28,211,760	79,753,732	7,129,161
Loans to related parties	-	300,000,000	300,000,000
	40,391,515	388,913,927	314,712,171
Current			
Unsecured, considered good			
Security Deposits	6,321,013	4,114,877	6,118,845
Loans to related parties	-	-	6,000,000
Other loans and advances	52,958,888	12,741,986	-
Total carrying value	59,279,901	16,856,863	12,118,845

2.8 INVENTORIES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Raw Materials	159,811,485	279,749,226	331,870,797
-Goods in Transit	-	-	3,268,542
Work in Progress	471,811,119	17,722,345	-
Finished Goods	77,301,306	35,967,768	52,628,697
Stores & Spares	18,682,745	-	-
Stock in trade	275,156,179	388,082,069	353,714,285
	1,002,762,834	721,521,409	741,482,322

2.8.1 The inventories are valued at lower of Cost or Net Realizable Value

2.8.2 The Stores and spares having useful life greater than one year is classified under property plant & equipment as per IND AS- 16

2.9 OTHER FINANCIAL ASSETS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non Current			
Others loans & advances	-	-	-
	-	-	-
Current			
Security Deposits	-	-	-
Interest accrued on deposit	614,956	54,772	5,674,502
Rent Receivable	-	-	75,000
Insurance Claims	6,681,740	6,681,740	6,681,740
	7,296,696	6,736,512	12,431,241
Total	7,296,696	6,736,512	12,431,241
Financial assets carried at amortized cost	7,296,696	6,736,512	12,431,241
Financial assets carried at fair value through Profit or Loss	-	-	-

2.10 CASH AND CASH EQUIVALENTS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Balances with banks			
In current and deposit accounts	16,939,437	233,222	18,452,427
Cash on hand	9,777,337	4,764,714	2,945,150
	26,716,775	4,997,937	21,397,577

2.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Unpaid Dividend accounts	9,955	-	-
Balances with banks held as margin money deposits	144,331,098	519,502,425	54,035,160
	144,341,052	519,502,425	54,035,160
Deposit with more than 12 months maturity			
Balances with banks held as margin money deposits against guarantees	144,331,098	519,502,425	54,035,160

Unpaid Dividend Account

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be called "Unpaid Dividend Account". The above amount includes Rs. 1792.50 as excess deposited by the company in dividend accounts. The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

Balances with banks held as margin money deposits

Amounts in margin money deposits represents the amount deposited with the banks/ financial institutions towards margin money under the stipulation of Sanctioned Credit Facility for issuance of Letter of Credit/ Bank Guarantees including both financial and performance guarantees, LOU/LUT etc from Banks/ financial institutions.

2.12 OTHER ASSETS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Capital Advances	49,161,384	27,578,969	-
	49,161,384	27,578,969	-
Current			
Advances other than capital advance			
-Payment to vendors for supply of goods/services	40,373,117	114,969,935	9,268,678
-Advances to Employees	-	5,649,468	-
Others			
-Balances with Govt. Authorities	313,643,365	237,851,398	247,210,915
-Prepaid Expenses	14,168,599	4,057,755	3,842,721
	368,185,081	362,528,555	260,322,315
Total Other Assets	417,346,465	390,107,524	260,322,315

2.13 BORROWINGS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Term Loans			
-From Related Parties	52,373,297	300,000,000	300,000,000
-From Body Corporates	-	-	259,854,658
	52,373,297	300,000,000	559,854,658
Current			
Loans Repayable on Demand			
-From Banks	1,154,383,717	1,210,154,235	760,671,134
-From Related Parties	-	-	179,787
	1,154,383,717	1,210,154,235	760,850,922
Total financial liabilities	1,206,757,014	1,510,154,235	1,320,705,580
Financial liability carried at amortized cost	1,206,757,014	1,510,154,235	1,320,705,580

Summary of borrowing arrangements

- There are no outstanding long-term borrowings as of 31 March 2018. Intercorporate Deposits of Rs. 3000 Lakhs has been repaid during the year
- Secured loan repayable on demand comprises cash credit balances secured by a pari-passu charge on current assets and moveable fixed assets of the Company. These are further secured by the Collateral Security given by the company
- Secured loan repayable on demand also includes Buyers Credit denominated in foreign currency secured by the Letter of Undertaking issued by the Banks

2.14 TRADE PAYABLES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Non-current			
Trade Payables	-	-	-
	-	-	-
Current			
Trade Payables	587,745,173	1,381,921,218	1,470,144,149
Acceptances	620,334,186	126,884,251	-
	1,208,079,359	1,508,805,469	1,470,144,149
Total Trade Payables	1,208,079,359	1,508,805,469	1,470,144,149
Financial liability carried at amortized cost	1,208,079,359	1,508,805,469	1,470,144,149
Financial liability carried at fair value through profit or loss	-	-	-

2.15 OTHER FINANCIAL LIABILITIES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
<u>Non-current</u>			
Deposits from dealers & Contractors	-	300,000,000	300,000,000
Security Deposit from Buyers	-	-	148,500,000
Others	-	476,396	-
	-	300,476,396	448,500,000
<u>Current</u>			
Creditors for capital Goods	335,161	-	-
Expenses Payable	59,295,436	70,155,173	112,964,802
Other liabilities	553,899	157,514	-
	60,184,496	70,312,687	112,964,802
Total financial liabilities	60,184,496	370,789,083	561,464,802
Financial liability carried at amortized cost	60,184,496	370,789,083	561,464,802
Financial liability carried at fair value through profit or loss	-	-	-

2.16 OTHER LIABILITIES

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
<u>Current</u>			
Unearned revenue	-	-	-
Others	-	-	-
Statutory Dues	3,545,961	9,193,698	12,012,215
Advance from customer	52,131,902	147,390,835	63,327,699
Creditor for capital goods	25,769,649	3,042,851	610,832
CST Security against C Form	-	11,076,051	11,076,051
Others	-	1,309,941	-
	81,447,512	172,013,377	87,026,797

2.17 PROVISIONS

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
<u>Non-current</u>			
Provision for Employees Benefits			
-Gratuity	4,805,699	3,973,275	963,581
-Leave Encashment	1,215,177	7,567	-
	6,020,876	3,980,842	963,581
<u>Current</u>			
Provision for Employees Benefits			
-Gratuity	346,800	214,167	-
-Leave Encashment	37,196	-	-
	383,996	214,167	-
Total Provision for Employee Benefits	6,404,872	4,195,009	963,581

Provision for Gratuity

The movement in the provision for gratuity is as follows :

Particulars	31.03.2018	31.03.2017
Balance at the beginning	4,187,442	963,581
Provision recognized/(reversed)	1,268,799	3,745,519
Provision Utilized	(303,742)	(521,658)
Balance at the end	5,152,499	4,187,442

Provision for Leave Encashment

The movement in the provision for leave encashment is as follows :

Particulars	31.03.2018	31.03.2017
Balance at the beginning	7,567	-
Provision recognized/(reversed)	1,252,373	7,567
Provision Utilized	(7,567)	-
Balance at the end	1,252,373	7,567

2.18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products		
Domestic Sales	18,964,685,529	15,943,330,387.47
Export Sales	1,350,908,230	1,489,142,790.00
Sale of Services	54,206,315	26,948,546.84
Other Operating Revenues	3,687,347	108,493,664.17
	20,373,487,421	17,567,915,388.48

Other Operating Revenue Comprises of Export Incentives of INR 36.87 Lakhs (LY INR 407.81 Lakhs)

2.19 OTHER INCOME

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest income received from		
-Fixed Deposits	24,637,944	15,750,733.84
-Others	908,284	5,926,742.58
Exchange gains/(losses) Fluctuations	37,325,792	-
Miscellaneous income, net	3,944,936	607,115.03
	66,816,957	22,284,591.45

2.20 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2018
Opening stock	279,749,226	331,870,797.20
Add: Purchases	9,004,425,366	7,677,190,832.05
Less: Closing Stock	159,811,485	279,749,226.28
	9,124,363,107	7,729,312,402.97

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock		
Finished goods	35,967,768	52,628,697.33
Work-in-progress	17,722,345	-
Stock-in-trade	388,082,069	353,714,285.20
Stock on Consignment	-	3,268,542.00
	441,772,182	409,611,524.53
Closing Stock		
Finished goods	77,301,306	35,967,768.48
Work-in-progress	471,811,119	17,722,345.00
Stock-in-trade	275,156,179	388,082,069.33
Stores & Spares	18,682,745	-
	842,951,349	441,772,183
	(401,179,167)	-32,160,658.28

2.22 EXCISE DUTY

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Excise duty on sale of goods	43,311,647	219,087,493.00
Excise duty on Closing stock of Finished Goods	(1,295,350)	1,295,350.15
	42,016,297	220,382,843.15

2.23 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Employee benefit expenses		
Salary & Wages	77,784,886	47,016,112.00
Contribution to provident & other funds	3,078,296	2,354,516.00
Director's remuneration	5,775,000	1,200,000.00
Provision for Gratuity/ Leave Encashment	2,919,505	1,493,909.00
Contribution to ESIC/ Insurance Linked Expenses	1,132,955	699,965.00
Staff welfare expenses	2,587,486	3,167,972.60
	93,278,126	55,932,474.60

2.24 FINANCE COSTS

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expense on borrowings	142,658,111	83,310,151.58
Interest Expense on others	283,592	97,583.00
Interest expense on Trade Payables	24,236,929	29,568,340.19
Net (Profit)/ Loss on foreign currency transactions and translations	-	(3,735,804.98)
Other borrowing costs	23,970,153	19,413,783.86
	191,148,785	128,654,053.65

2.25 OTHER EXPENSES

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Audit Fees	465,748	410,000.00
Business Promotion Expenses	402,030	336,696.78
Clearing & Forwarding Charges	1,379,848	3,842,533.00
Commission on Sales	744,472	51,212,872.26
Consumable Expenses	1,850,706	199,550.00
Conveyance & Travelling Expenses	5,157,987	4,417,361.70
Donation & Charity	17,330	4,093,164.13
Freight & Cartage	23,991,274	34,560,801.91
General Expenses	6,722,107	4,933,411.21
Insurances	2,566,691	3,451,321.89
Indirect Taxes Paid	418,027	-
Legal and Professional Charges	25,032,003	7,317,664.94
Loss/(Profit) on re-measurement of Financial Asset	252,995	(2,235.00)
Loss/Expenses Related to hedging/derivatives contracts.	8,593,997	12,535,275.83
Net Profit/ loss on foreign currency transaction and translation	94,970	28,823,805.68
Other government charges and taxes	773,637	309,321.25
Packing Charges	2,375,430	1,898,231.94
Pollution Expenses	131,666	30,700.00
Power & Fuel	30,893,256	18,766,116.50
Printing & Stationary Expenses	817,631	604,085.25
Prior Period Expenses	181,290	605,326.00
Rebate, Claims and Discount Expenses	241,016	787,800.08
Rent, rate and Taxes	4,762,533	3,262,370.43
Repair & Maintenance	7,288,646	1,976,417.00
Security Services	4,564,850	-
Shipment Expenses	7,253,212	12,104,801.95
Telephone & Postage Expenses	1,189,745	953,028.52
Vehicle Running & maintenance expenses	4,648,600	1,347,335.51
	142,811,696	198,777,758.77

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31,

2.26 INCOME TAXES

Income tax expense in the statement of profit and loss comprises:

Particulars	31.03.2018	31.03.2017
Current taxes	68,363,086	28,843,317
Deferred taxes	7,367,586	6,095,837
Income tax expense	75,730,672	34,939,154

2.26.1 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	31.03.2018
Profit before income taxes	403,738,322
Tax Expense at Statutory tax rates	78,447,683
Adjustments:	
Effect of income that is exempt from tax	
Effect of expenses that are not deductible in determining taxable profit	(10,084,597)
Others	
Income tax expense	68,363,086
Current Tax expense reported in the Statement of Profit and Loss	68,363,086

2.26.2 The following table provides the details of income tax assets and income tax liabilities as at March 31, 2018

Particulars	As at 31 March 2018	As at 31 March 2017
Income tax assets	-	-
Current income tax liabilities	68,359,407	28,822,170
Net current income tax assets/ (liability) at the end	(68,359,407)	(28,822,170)

2.26.3 The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	As at		
	31.03.2018	31.03.2017	01.04.2016
Deferred income tax assets			
Disallowance under Income tax Act	-	-	
Property Plant & Equipment	-	21,147	246,553
Unabsorbed Business Loss/ Depreciation	-	-	34,121
Total deferred income tax assets	-	21,147	280,674
Deferred income tax liabilities			
Property Plant & Equipment	13,204,121	5,836,310	
Total deferred income tax liabilities	13,204,121	5,836,310	-
Deferred income tax assets after set off	-	-	280,674
Deferred income tax liabilities after set off	13,204,121	5,815,163	-

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 20

2.27 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	31.03.2018	31.03.2017
Basic earnings per equity share - weighted average number of equity shares outstanding (Nos)	13,436,415	11,455,181
Effect of dilutive shares (Nos)	-	-
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding (Nos)	13,436,415	11,455,181

Note

1. During the year the Company has allotted 5,60,000 unsecured zero coupon compulsorily convertible debenture (CCD) of the face value of INR 900 each, by way of preferential allotment on private placement basis as approved by the board of directors during the meeting held on March 31, 2018.

2. The CCDs shall be converted into equity shares on or before the completion of 18 months from the date of allotment of CCDs. 1 (one) CCD shall be converted into 4 (four) equity shares each. The equity shares to be issued on conversion shall rank pari passu in all respects with the existing equity shares of the company.

3. The effect of CCDs for computation of dilutive shares has not been considered because of the fact that the CCDs were issued on the Closing date of Balance Sheet i.e. at March 31, 2018

RCI INDUSTRIES & TECHNOLOGIES LIMITED

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED M

2.28 Contingent Liabilities and Commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	Rs.	Rs.	Rs.
Contingent Liabilities			
(A) Claims against the company / disputed liabilities not acknowledged as debts *			
in respect of demand pertaining to taxes	556,647	9,322,087	2,549,475
Total	556,647	9,322,087	2,549,475

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

2.29 Defined benefit Plan

Gratuity Plan

2017-18

2016-17

Change in Defined Benefit Obligation (DBO) during the year

Present value of DBO at the beginning of the year	4,187,442	3,163,245
Current service cost	1,358,274	1,247,176
Interest cost	314,058	246,733
Actuarial loss arising from changes in financial assumptions	(288,266)	51,946
Actuarial loss arising from changes in experience adjustments	(115,267)	
Benefits paid	(303,742)	(521,658)
Present value of DBO at the end of the year	5,152,499	4,187,442

Change in fair value of plan assets during the year

Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer contributions	303,742	521,658
Benefits paid	(303,742)	(521,658)
Remeasurements – return on plan assets (excluding interest income)	-	-
Present value of DBO at the end of the year	5,152,499	4,187,442

Amounts recognised in the Balance Sheet	5,152,499	4,187,442
Present value of DBO at the end of the year	5,152,499	4,187,442
Fair value of plan assets at the end of the year	-	-
Funded status of the plans – liability	5,152,499	4,187,442
Liability recognised in the Balance Sheet	5,152,499	4,187,442

Components of employer expense

Current service cost	1,358,274	1,247,176
Interest cost/ (income) on net defined benefit obligation	314,058	246,733
Expense recognised in Statement of Profit and Loss	1,672,332	1,493,909

Remeasurement on the net defined benefit obligation

Return on plan assets (excluding interest income)	-	-
Actuarial loss arising from changes in financial assumptions	(288,266)	51,946
Actuarial loss arising from changes in experience adjustments	(115,267)	-
Remeasurements recognised in other comprehensive income	(403,533)	51,946
Total defined benefit cost recognised	1,268,799	1,545,855

Nature and extent of investment details of the plan assets

State and Central Securities	0%	0%
Bonds	0%	0%
Special deposits	0%	0%
Insurer managed funds	0%	0%

2.29 Defined benefit Plan (...Continued)

Assumptions	Gratuity Plan	
	2017-2018	2016-2017
Discount Rate	7.89%	7.50%
Rate of increase in Compensation levels	8%	8%
Rate of Return on Plan Assets	NA	NA

Sensitivity Analysis	2017-2018	Impact (Absolute)	Impact %
Base Liability	5,152,499.00		
Increase Discount Rate by 0.50%	4,814,152.00	(338,347.00)	-6.57%
Decrease Discount Rate by 0.50%	5,526,251.00	373,752.00	7.25%
Increase Salary Inflation by 1%	5,931,106.00	778,607.00	15.11%
Decrease Salary Inflation by 1%	4,502,373.00	(650,126.00)	-12.62%
Increase in Withdrawal Rate by 1%	5,101,261.00	(51,238.00)	-0.99%
Decrease in Withdrawal Rate by 1%	5,206,006.00	53,507.00	1.04%

Notes:

1. The base liability is calculated at discount rate of 7.89% per annum and salary inflation rate of 8.00% per annum for all future years.
2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate.
3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.30 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Rajiv Gupta, Mrs. Mamta Gupta
Relatives of KMP (Relation with KMP)	Ritika Gupta(Daughter), Hembala Gupta (Sister), Mr. Pradeep Gupta(Brother)
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Mamta Global Pvt Ltd, All Heavens Restaurant Pvt Ltd, Metalroad Private Limited, Ace Trade Solutions Private Limited, Blossom Impex Private Limited, Kay Kay Exim Private Limited, Ace Matrix Solutions Private Limited

Note: Reliance for list of related parties, nature of relationship and transactions during the year & balances as on 31st March 2018 is placed on the details provided by the management.

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	-	-	4,977,463	4,977,463
	-	-	-	-
Receiving of services	4,800,000	-	120,000	4,920,000
	(1,200,000)	-	(120,000)	(1,320,000)
Sale of goods	-	-	1,389,466	1,389,466
	-	-	-	-
Dividend Paid	2,666,905	1,328	1,620,075	4,288,308
	-	-	-	-
Borrowings	52,373,297	-	-	52,373,297
	-	-	-	-
Advance received back	-	-	2,025,000	2,025,000
	-	-	(1,975,000)	(1,975,000)

Balances outstanding at the end of the year

Trade payables/ Expenses Payables	-	-	-	-
	-	-	-	-
Loans and advances Receivable	-	2,000,000	-	2,000,000
	-	(2,000,000)	(2,025,000)	(4,025,000)
Borrowings	52,373,297	-	-	52,373,297
	-	-	-	-
Loans and advances Payable	-	-	-	-
	-	-	-	-

Note: Figures in bracket relates to the previous year

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED
MARCH 31, 2018

2.31 Reconciliation of equity as previously reported under Indian GAAP to Ind-AS

	31-Mar-17	01-Apr-16
Equity as reported under IGAAP	1,340,049,583	516,759,091
Effect of measuring financial asset at fair value	(4,335)	(6,818)
Effect of measuring derivatives at fair value	(7,514)	-
Effect of measuring investments at fair value through profit and loss	2,235	-
Effect of remeasurement of the net defined benefit liability/asset through OCI	51,946	-
Equity as reported under Ind-AS	1,340,091,915	516,752,273

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.31.2 Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Company:

	As at 31st March 2018	As at 31st March 2017	As at 01 April 2016
Equity (A)	2,292,793,594	1,474,404,122	625,746,423
Debt			
Short-term borrowings and current portion of long-term debt (i)	1,154,383,717	1,210,154,235	760,850,922
Long-term debt (ii)	52,373,297	300,000,000	559,854,658
Less: deposits with financial institutions (iii)	144,341,052	519,502,425	54,035,160
Less: Cash and cash equivalents (iv)	26,716,775	4,997,937	21,397,577
Net debt (i+ii-iii-iv)	1,035,699,188	985,653,874	1,245,272,843
Total capital (equity + net debt)	3,328,492,781	2,460,057,995	1,871,019,266
Net debt to capital ratio	0.31	0.40	0.67
Interest coverage ratio	3.11	4.06	

2.31.3 Categories of financial instruments

Financial assets

Measured at fair value through profit or loss (FVTPL)

(a) Mandatorily measured:

(i) Equity investments	4,468,485	502,235	-
(ii) Security Deposits	12,179,755	9,160,195	7,583,009

Measured at amortised cost

(a) Cash and bank balances	171,057,827	524,500,361	75,432,737
(b) Other financial assets at amortised cost	3,649,613,725	3,751,101,427	3,327,759,003

Financial liabilities

Measured at amortised cost	2,471,803,036	2,779,875,547	2,379,994,642
----------------------------	---------------	---------------	---------------

2.31.4 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

Item	Primarily affected by	Risk management policies
Market risk - currency risk	USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies
Market risk - other price risk	Decline in value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities

RCI INDUSTRIES & TECHNOLOGIES LTD
 CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.31.5 Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

Financial assets/financial liabilities	Fair Value as at*			Fair value hierarchy
	As at 31st March 2018	As at 31st March 2017	As at 01 April 2016	
1) Investments in quoted equity instruments at FVTPL	4,468,485	502,235	-	Level 1
Total	4,468,485	502,235	-	

*positive value denotes financial asset (net) and negative value denotes financial liability (net)

Notes:

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market

2.31.6 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Fair value hierarchy	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Financial assets at amortised cost:							
- Trade receivables	Level 2	2,552,062,533	2,552,062,533	2,626,232,911	2,626,232,911	2,254,597,433	2,254,597,433
- Cash and cash equivalents	Level 2	26,716,775	26,716,775	4,997,937	4,997,937	21,397,577	21,397,577
- Bank balances other than cash and cash equivalents	Level 2	144,341,052	144,341,052	519,502,425	519,502,425	54,035,160	54,035,160
- Loans	Level 2	87,491,661	87,491,661	396,610,595	396,610,595	319,248,006	319,248,006
- Other financial assets	Level 2	7,296,696	7,296,696	6,736,512	6,736,512	12,431,241	12,431,241

Financial liabilities

Financial liabilities at amortised cost:

- Borrowings	Level 2	1,206,757,014	1,206,757,014	1,510,154,235	1,510,154,235	1,320,705,580	1,320,705,580
- Trade payables	Level 2	1,208,079,359	1,208,079,359	1,508,805,469	1,508,805,469	1,470,144,149	1,470,144,149
- Other financial liabilities	Level 2	60,184,496	60,184,496	370,789,083	370,789,083	561,464,802	561,464,802

1. In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of fair value measurements for the year ended 31 March 2017:

	Investments in unquoted security deposit at FVTPL	Investments in quoted equity instruments at FVTPL	Total
Balance as per GAAP	Level 3	Level 1	
Total gains or losses:	9,175,097	500,000	9,675,097
- In profit or loss	(14,902)	2,235	(12,667)
- In other comprehensive income	-	-	-
Balance as per IND AS	9,160,195	502,235	9,662,430

Reconciliation of fair value measurements as at 01 April 2016:

	Investments in unquoted security deposit at FVTPL	Level 3
Balance as per GAAP		7,609,511
Total gains or losses:		(26,502)
- In profit or loss		-
- In other comprehensive income		-
Closing balance		7,583,009

RCI INDUSTRIES & TECHNOLOGIES LTD
CIN : L74900DL1992PLC047055

NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

2.32 Corporate Social Responsibility

The applicability of Concept of Corporate Social Responsibility on the company commenced from the Financial Year 2016-17 as the turnover of the company crossed INR 1000 Crs in the Financial Year 2015-16. Accordingly, Board of Directors constituted Corporate Social Responsibility Committee. Further, company had incorporated a wholly owned subsidiary RCI Skills & Social Development Private Limited towards CSR and Corporate Social Responsibility Committee had given their recommendation to incur the CSR Expenses through the said subsidiary and identified the area of vocation skills especially among children as specified the Schedule VII of the Companies Act, 2013. However, during the Financial Year 2016-17 the subsidiary company has applied various governments tender related to said vocational skills but all the tenders got rejected on technical grounds. Hence, requisite amount of CSR expenditure could not be spent. However company has committed to spend the consolidated amount of CSR for both current and previous financial year during the financial year 2017-18 in order to comply the Companies Act, 2013 in true spirit. Accordingly the company has spent Rs. 35 Lakhs in the Financial Year 2017-2018

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 by the management
- (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.
- (iv) The lease agreements provide for an increase in the lease payments by 10-15% every one or two years.
- (v) Some of the balances of receivables and payables remains unconfirmed till balance sheet date.
- (vi) 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.

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

(Rahul Jain)
Partner
Membership No. 518352
Place: Delhi
Date: May 7th, 2018

For & on behalf of Board of Directors

(Rajeev Gupta)
Managing Director
DIN- 00503196

(Mamta Gupta)
Director
DIN- 00503302

(Inder Prakash Saboo)
Chief Financial Officer

(Abhishek Kedia)
Company Secretary

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 or Associate
Companies or Joint Ventures as on March 31, 2018**

Part "A": Subsidiaries

Name of Subsidiary	RCI Skills and Social Development Private Limited	RCI World Trade Link DMCC
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting currency and Exchange rate as on March 31, 2018, in case of Foreign Subsidiaries	INR	United Arab Emirates Dirham (AED) 1AED = 17.72 INR
Share capital	100,000	44,375,000
Reserves & surplus	363	625,554,076
Total assets	4,356,756	682,534,848
Total Liabilities	4,356,756	682,534,848
Investments	0	
Turnover	8,180,000	4,160,655,388
Profit before taxation	13329	177060626
Provision for taxation	3454	0
Profit after taxation	9875	177060626
Proposed Dividend	NIL	NIL
% of shareholding	100%	100%

Notes:

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

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Name of Associates	Ace Matrix Solutions Limited	Metalrod Private Limited
Latest Audited Balance Sheet Date	31-Mar-2017	31-Mar-2017
Shares of Associate/Joint Ventures held by the company on the year end		
• No.	30110	316380
• Amount of Investment in Associates	6,016,304	3,994,528
• Extend of Holding %	22%	34.27%
Description of how there is significant influence	Due to the percentage of Share Capital	

Reason why the associate is not consolidated	Investment in shares of associates was made as stock in trade and the intention of such investment was to dispose of the same in near future. Accordingly Applicable Indian Accounting Standards exempts the consolidation of such associates.	
Net worth attributable to Shareholding as per latest audited Balance Sheet	6,267,950	69,893,139
Profit / Loss for the year		
i. Considered in Consolidation	NA	NA
ii. Not Considered in Consolidation	NA	NA

Notes:

- Names of associates or joint ventures which are yet to commence operations - NA
- 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 Registration No. 005961C

Sd/-
Rahul Jain
Partner
M. No. 518352
Delhi

Sd/-
Rajeev Gupta
Managing Director
DIN: 00503196

Sd/-
Mamta Gupta
Director
DIN: 00503302

Sd/-
I.P. Saboo
Chief Financial Officer

Sd/-
Abhishek Kedia
Company Secretary
M. No. A33537

RCI INDUSTRIES & TECHNOLOGIES LIMITED

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
CIN: L74900DL1992PLC047055

PROXY FORM

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

CIN: L74900DL1992PLC047055
Name of the Company: RCI INDUSTRIES & TECHNOLOGIES LIMITED
Registered Office: B-97, All Heavens Building, Wazirpur Ring Road, Delhi – 110052

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No. / Client ID No.*	
DP ID No.*	

*Applicable for Shareholders holding shares in Electronic Form

I/We, being the Member(s) of _____ shares of the RCI Industries & Technologies Limited, hereby appoint

- Name: _____ E-mail Id: _____
Address: _____ Signature: _____ or failing him
- Name: _____ E-mail Id: _____
Address: _____ Signature: _____ or failing him
- Name: _____ E-mail Id: _____
Address: _____ Signature: _____

as my/our proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Friday, the 20th day of July, 2018 at 09.30 A.M at B-97, All Heavens Building, Wazirpur Ring Road, Delhi - 110052 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	Type of Resolution
1.	Adoption of the Audited Financial Statements - on Standalone & Consolidated Basis, prepared under Ind-AS, for the financial year ended March 31, 2018	Ordinary
2.	To confirm the payment of Interim Dividend and to declare a Final Dividend on equity shares for the financial year ended March 31, 2018	Ordinary
3.	To appoint Director in place of Mr. Rajeev Gupta, who retires by rotation and being eligible, offers himself for re-appointment	Ordinary
4.	Appointment of Statutory Auditors to fill casual vacancy	Ordinary
5.	Appointment of Statutory Auditor	Ordinary

Signed this _____ day of _____, 2018
Signature of Member _____ 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
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
CIN : L74900DL1992PLC047055

ATTENDANCE SLIP
27TH ANNUAL GENERAL MEETING

Venue of the Meeting: B-97, All Heavens Building, Wazirpur Ring Road, Delhi – 110052

Date and Time: Friday, July 20, 2018 at 09.30 AM

Name and Address of the Shareholder (In Block Letters)	
Name and Address of the Proxy (In Block Letters)	
Reg. Folio No.	
Client ID No.*	
DP ID No.*	
No .of Shares	

*Applicable for Shareholders holding shares in Electronic Form

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company convened on Friday, the 20th day of July, 2018 at the Registered Office of the Company viz. B-97, All Heavens Building, Wazirpur Ring Road, Delhi – 110052.

Signature of the Shareholder/Proxy

Notes:

1. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
2. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

E-VOTING PARTICULARS

EVEN (Remote e-voting Number)	USER ID	PASSWORD/PIN
108514		

Notes:

Please refer to the instructions printed under the Notes of the 27th Annual General Meeting. The e-voting period commences on Tuesday, July 17, 2018 (9.00 a.m.) and ends on Thursday, July 19, 2018 (5.00 p.m.). The e-voting module shall be disabled by NSDL for voting thereafter.

