



**RCI INDUSTRIES &
TECHNOLOGIES
LIMITED**

**ANNUAL REPORT
2018-19**



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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

Key Managerial Personnel

*Mr. Rajeev Gupta - Chairman & Managing
Director*

Mr. Anand Kumar Pandey - Company Secretary &
Compliance Officer*

Mr. I.P. Saboo - Chief Financial Officer

**Appointed w.e.f. July 01, 2019*

Nomination & Remuneration Committee

Mr. Raj Singh Jamwal - Chairman

Mr. Anil kumar Jain - Member

Mrs. Mamta Gupta - Member

Independent Auditors

KRA & Co.

Chartered Accountants

H-1/208, Garg Tower,

Netaji Subhash Palace, Pitampura,

New Delhi-110034

Audit Committee

Mr. Raj Singh Jamwal - Chairman

Mr. Anil kumar Jain - Member

Mr. Rajeev Gupta - Member

Share Transfer Agents

Bigshare Services Private Limited

4E/8, 1st Floor, Jhandewalan Extn.

New Delhi-110055

**Shareholder Grievance Committee**

Mr. Raj Singh Jamwal - Chairman

Mr. Anil kumar Jain - Member

Mr. Rajeev Gupta - Member

Registered Office

B-97, All Heavens Building,

Wazirpur Ring Road

Delhi – 110052

Email: abhishek@rciind.com

Website: www.rciind.com

CSR Committee

Mr. Raj Singh Jamwal - Chairman

Mr. Anil kumar Jain - Member

Mr. Rajeev Gupta - Member

Listed in Stock Exchanges

Bombay Stock Exchange



CHAIRMAN'S MESSAGE

Dear Fellow Stakeholders,

It is with enormous satisfaction I present to you the highlights of our Company's performance for the financial year ended March 31, 2019. The year 2016 has been a turning point for our Company on many counts. We have expanded the production of our Baddi unit and highly concentrated on manufacturing

Our Company has continued to maintain its strong position in the trade and manufacture of copper products. Our ability to offer a complete portfolio of flat and round products in copper, brass and to a small extent in stainless steel and special alloys has made us a preferred partner with our customers.

The focus of the company will continue to deliver value to our clients; to contribute to the manufacturing drive of the nation; give career & growth opportunities to our employees and grow profitability ultimately leading to maximization of shareholder value & return.

In the past year, we saw that the global economic scenario continue to be weak. However, India is amongst one of the fastest growing major economies in the world but growth was muted on account of various factors like policy reform setbacks, stress in Indian banking industry and lack of private sector investments amongst others. This affected growth and profitability of companies across sectors.

Seeing the trend continue, we have concentrated our efforts on bringing in efficiencies through shift towards manufacturing, investment in plant and machinery, process improvement, cost optimization and technology enhancement.

We believe that quality and innovation go hand in hand and have made significant steps in increasing are foothold as a strong contender in the copper product segment. Maintaining product quality, timely deliver and ability to cater to large volume demand are the focal points of our business strategy and we will endeavour to maintain our strengths.

In the past year, RCI acquired Devi Metal Technologies a partnership firm engaged in manufacturing copper, brass, stainless steel strips, sheets and coils. The unit is located in a tax-exempt zone at Baddi, Himachal Pradesh. The unit has state-of-the-art machinery and infrastructure to cater to special alloy products as well.

We planned to increase the production capacities of the unit in phase manner to capture the sizable market in the segment. We are confident that in the coming years, along with the growth in domestic consumption & growth in economy, we will not only emerge as a leading manufacturer in India but increase our global footprint.

BUSINESS PERFORMANCE:

The consolidated financial performance for the 12 months ended March 31, 2019, is as follows:

- Total revenue from operations at Rs. 197,780 Lakhs for the year ended March 31, 2019, as against Rs. 203,734 Lakhs for the corresponding previous period.
- EBIDTA at Rs. 4565Lakhs for the year ended March 31, 2019, as against Rs. 4037 Lakhs for the corresponding previous period.



- PAT of Rs. 3,666 Lakhs for the year ended March 31, 2019, as against Rs. 3,280 Lakhs for the corresponding previous period.
- EPS for the year ended March 31, 2019 was Rs. 27.29 for a face value of Rs. 10 per share

FUTURE PLANS:

With the Government's focus on growth of manufacturing in India we expect that the domestic consumption of copper will rise and domestic manufacturers will benefit from it. This rise in demand will come from sectors like power, telecom, automobile, railway and defense.

We are consciously shifting from trade to manufacturing. We have acquired a manufacturing unit in Baddi, Himachal Pradesh and are expanding capacity. This unit will focus on flat products which are value added products in this segment.

Going forward, we will continue to focus on value added segments and sectors such as Defence, Mint, and Aircraft industry. We will leverage our diversified network and products to further strengthen our product portfolio. Our Company also plans to manufacture a unique tape (copper and stainless steel) for industrial applications. This is currently imported.

Quality remains the core our success and we have continued and will continue to invest considerable efforts in this direction to provide high quality products to our customers. Employee engagement is another pillar of our growth strategy. I believe that our existing talent pool will enable us to outperform our peers and meet our obligations as an organization to all our stakeholders.

We are grateful for the continued support of our customers, employees, partners, shareholders, business associates and society at large, for their faith in us. We would not be able to make the progress we are making without their support. We are also fortunate to have a dedicated and conscientious Board of Directors, employees and project teams. Together, we are working diligently with one goal in mind that RCI Industries & Technologies would be known as single window solution for ferrous and nonferrous products i.e. Strips, Foils, Coils and Sheets etc.

Thank You



DIRECTORS' REPORT

**TO,
THE MEMBERS,**

Your Directors have pleasure in presenting the 28th (Twenty Eighth) Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended March 31, 2019 is summarized below:-

<i>Particulars</i>	<i>Standalone – Year Ended</i>		<i>Consolidated – Year Ended</i>	
	<i>Year ended on 31st March, 2019</i>	<i>Year ended on 31st March, 2018</i>	<i>Year ended on 31st March, 2019</i>	<i>Year ended on 31st March, 2018</i>
Revenue from Operations'	16,369,387,076	16,204,652,033	19,978,049,308	20,373,487,421
Other Income	54,196,922	46,866,996	55,939,911	66,816,957
Total Income	16,423,583,998	16,251,519,028	20,033,989,219	20,440,304,378
Total Expenses	16,158,421,988	16,024,854,660	19,577,475,831	20,036,566,055
Profit/(Loss) before extraordinary items and tax	265,162,010	226,664,368	456,513,388	403,738,323
Less: Tax Expenses:				
Current Tax	87,843,647	68,359,407	87,845,991	68,363,086
Deferred Tax	2,011,339	7,367,811	2,010,434	7,367,586
Minimum Alternate Tax	-	-		
Profit/(Loss) for the period	175,307,024	150,937,150	366,656,963	328,007,651

RESERVES & SURPLUS

The Company's reserve & surplus for the financial year ended March 31, 2019 is Rs. 1,193,578,579 as compared to the previous year it was 1,031,122,004.

DIVIDEND

The Company has inadequate profits during the year under review and as such your Directors do not recommend any dividend considering the need to augment the resources for operational purposes. However, your Company has already declared and paid Interim Dividend of Rupee 0.50/- per equity share in the month November 2018.



BUSINESS PERFORMANCE REVIEW

The gross revenues of your Company touched Rs. 16,423,583,998* and the profit after taxes recorded was Rs. 175,307,024*. 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 2018-19 has increased from Rs. 11.23 to Rs. 13.05. 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 FY20. 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, 2019.

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, 2019, 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 paid up equity share capital of the Company as on March 31, 2019 was Rs. 13,43,64,150/- (Rupees Thirteen Crores Forty Three Lakhs Sixty Four Thousand One Hundred and Fifty only) divided in to 1,34,36,415 (One Crore Thirty Four Lakhs Thirty Six Thousand Four Hundred And Fifteen only) equity shares of Rs. 10/- each.

Further, there was no public issue, rights issue, bonus issue etc. during the year under review. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Further, the authorised share capital of the Company is Rs. 250,000,000 (Rupees Twenty Five Crore) divided into 25,000,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/- each.

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 2019-20 to the said Stock Exchange.

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 2019-20 has been paid to both the Depositories.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India (“ICSI”) in consultation with Central Government which are mandatory to be complied by the Company.

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.

Accordingly, your Company has spent Rs. 28 Lakh in the financial year 2018-19. The Annual Report on CSR Activities is attached as ‘ANNEXURE-5’.

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 confirming 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, 2019, your Board comprises of 4 Directors including 2 Independent Directors.