
**24th Annual Report
2017-18
of
RMC SWITCHGEARS
LIMITED**

Navigation To Our Report

WELCOME- 01

OUR COMPANY-02

MISSION AND VISION- 03

CHAIRMAN'S SPEECH- 04-06

OUR BOARD OF DIRECTORS AND
LEADERSHIP TEAM- 07-09

OUR PRODUCTS AND
PORTFOLIO-10

CORPORATE INFORMATION-11

FINANCIAL HIGHLIGHT-12

NOTICE CALLING AGM- 14-21

BOARD REPORT AND
ANNEXURES- 22-98

AUDITED FINANCIAL
STATEMENTS- 99-146



The E-Version of our Annual Report
2017-18 is also available online at
www.rmcindia.in

We welcome the views of our Stakeholders on our
Reports. Please email your feedback to
cs@rmcindia.in

Our Company

We are proud to be the only Indian Electrical Enclosure Manufacturing Company offering enclosures in all type of Materials. Our Infrastructure is spread over an area of more than 800000 SQ. FT. with all ultramodern Manufacturing and Testing Facilities.

We are certified with all quality Certifications like 5S KAIZEN, ISO- 9001: 2008.

RMC is a family of more than 500 people aiming to become the best in the electrical Industry. Our production capacity can't be matched with any other Company in our niche area.

Our approvals with various states and central power utilities of the country are our strengths. Almost all the EPC Companies and meter manufacturing companies in Pan India are our customers. We are one of the very few companies to be accorded with ISI mark on our enclosures as per IS: 14772.

MISSION OF OUR COMPANY

1. To create a world class working environment for the Employees of our Company.
2. To be a Leader in the Indian Power Industry by providing the best quality Products.
3. To save the interest of the society and nature by reducing carbon emission and providing shock proof and tamper proof electrical equipments.
4. To make our contribution in making the nation independent in 100% safe and balance power Distribution.
5. To maintain and conduct good moral values.

VISION

Our vision is to be the World's most reputed and Customer Centric Company by building a place where one can find anything related to LV and MV Power Equipments.

CHAIRMAN'S SPEECH



My Dear Fellow Members,

It gives me immense pleasure in welcoming you all to the [24th Annual General Meeting](#) of our Company. The Financial year 2017-18 was another great year for us. We had a highly successful IPO in 2017, and in less than one year, the Company has successfully made a [Preferential Issue of 10 Lakh Equity Shares](#) at a price of Rs. 70/- per share, including a premium of Rs. 60 per share raising Rs. 700 Lakhs. During the year, the Company implemented and commenced the Trial Production of PVC Imitation Marble and Wooden Surfaces under the Brand name “Lamina”. The Company also formed a [Subsidiary](#) for Manufacturing and Marketing of [Smart Data Loggers in Collaboration with FactoryLab, B.V. Netherlands](#).

I am proud to share the strong set of numbers; the Company has delivered this Year. The Company's PBT has more than doubled this year growing by [104% amounting to Rs. 301.08 Lakhs](#), as compared to last year's [Rs. 147.69 Lakhs](#). The Annual Turnover grew around [63% from Rs. 5071.93 Lakhs to Rs. 8311.84 Lakhs](#), indicating that the Company was able to increase the order flow. The Company also reported [EBITDA of Rs. 984.2 Lakhs](#) during the year which is [35.41% higher](#) as compared to the last year.

I am delighted to share that we have successfully done the [Trial Production of PVC Marble and Wooden Surfaces under the Brand Name “LAMINA”](#) in our factory premises situated at Chaksu, Jaipur. The company has also launched its website for this new product www.laminadecor.com/ and has appointed Distributors/ Dealers/Stockists in Jaipur, Jodhpur, Bhilwara, and Guwahati. In the current year, we plan to launch our Acrylic Solid Surface with quality at par of MNCs. We would be amongst the very first companies to manufacture this quality product in India, which is currently being totally imported from China, Korea, Europe, and the USA. The estimated market in India for this product is around 1000 Crores annually, and is expected to grow multifold in the coming years. The company has engaged foreign consultants and vendors to ensure quality outputs. We have been receiving tremendous response for our products.

Simultaneously, the Company has taken another significant step by entering in a [Fresh Business Line of Internet Of Things \(IoT\) with all new LoRa Communication Technology in collaboration with FactoryLab, B.V. Netherlands](#) for importing the technical expertise and, manufacturing, and marketing of Smart Data Loggers in India and other Asian countries. A Wholly Owned Subsidiary “[Explora IOT Solutions Private Limited](#)” has been incorporated on the 10th May 2018. A Wholly Owned Subsidiary “Explora IOT Solutions Private Limited” has been incorporated on the 10th May 2018. This could be a game changer as this will help in arresting theft & pilferage of electricity besides other multiple uses. Currently, this technology is being implemented by TATA group in India. The company is quite hopeful with the opportunities available in this segment and we are expecting this to be another profit center for us in the coming years.

Indian energy sector has registered rapid growth in the last few years. It continues to remain the key focus area for the country with our revered PM’s slogan “[Har Ghar Bijali](#)” by 2022. We have been continuously strengthening and updating our manufacturing capacity to cope up with the market demands. With the experience of our promoters & senior management, we have been able to sustain and grow continuously, all thanks to our customers like KEI Industries Limited, NCC Limited, Capital Electec etc. besides all Government-owned power utilities of the States of Rajasthan, Haryana, Uttar Pradesh, Madhya Pradesh, Bihar, Karnataka, Gujarat, Kerala, Jharkhand and Uttaranchal, to name a few. This year, the company has also undertaken projects under the Central funded schemes like DDUGJY and IPDS schemes in the states of Karnataka and Gujarat, to ensure theft-free and safe power.

The business environment around us continues to remain challenging and competitive, and is likely to remain the same. With our diversified product line, passionate employees and your undying support, I am confident that we will continue to deliver growth that is consistent, competitive, profitable and responsible. I would like to thank all our stakeholders, for their trust and wholehearted support.

**Thank You,
Ashok Kumar Agarwal
Chairman & Managing Director**

OUR BOARD AND LEADERSHIP TEAM



Mr. Ashok Kumar Agarwal

Mr. Ashok Kumar Agarwal, aged 62 years, has been on Board since the inception of the Company and currently holding the position as Chairman cum Managing Director and is one of the Promoters of our Company. He has an overall experience of around 38 years out of which 20 years in the field of Electrical Industry. He is instrumental in taking major policy decisions of the Company. He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the Business of our Company. His leadership abilities have been instrumental in leading the Core Team of our Company.



Mr. Ankit Agrawal

Mr. Ankit Agrawal, aged 36 years is the Whole Time Director of our Company. He has 19 years of rich experience in the field of Electrical Industry. He is entrusted with the responsibility to look after the Marketing and Production Department of our Company. He has been instrumental in establishing the quality assurance standard for the Company. He is providing his learned guidance and mentoring the Senior Management of our Company to execute and implement the future growth strategy.



Mrs. Neha Agarwal

Mrs. Neha Agrawal, aged 35 years is associated with the Company from 2016 as Director. She holds the degree of Bachelor of Business Administration from Eastern Institute for Integrated Learning in Management and has an overall experience of 3 Years in the electrical Industry. She currently looks after the overall administration of the Company.



Mr. Suresh Kumar Jain

In 2016, Company brought Mr. Suresh Kumar Jain, aged 60 Years on Board as Independent Director. He is having 35 years of experience in the field of Taxation and other Professional Services.



Mr. Devi Shankar Goyal

In 2016, Company brought Mr. Devi Shankar Goyal, aged 71 years on Board as Independent Director. He is having 27years of experience in the field of Industrial Vastu Consultancy.






Mrs. Radhika Agarwal

Mrs. Radhika Agarwal, aged 40 years is associated with the Company from 2016 as Independent Director having an experience of in the field of Electrical equipment industry.

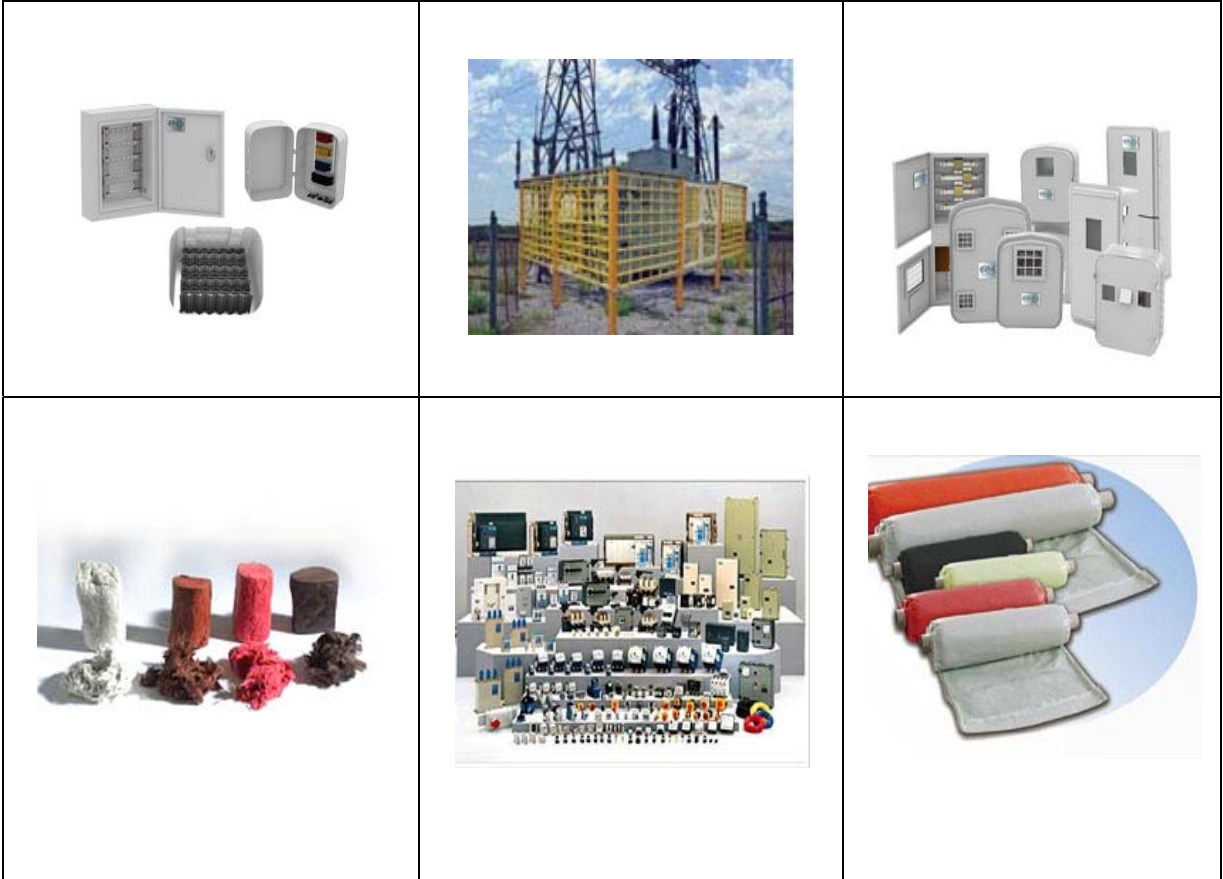


Mr. Himanshu Goyal

Mr. Himanshu Goyal, aged 35 years is associated with the company from Feb. 2018 as Additional Independent Director. He has done CA from ICAI and LLB from Rajasthan University. He has more than 13 years experience as a Practicing Chartered Accountant.

| | |
|---|--|
|  | <p style="text-align: center;"><u>Mr. Atul Dixit</u></p> <p>Mr. Atul Dixit, aged 52 years, has done Masters in Arts from Ajmer University and EGMP course from IIM-Bangalore. He has an overall 27 years of rich experience in Sales & Marketing, Business Development, Strategy and HR. He joined the company as CEO on 04.09.2017</p> |
|  | <p style="text-align: center;"><u>Mr. Shiv Charan Maheshwari</u></p> <p>Mr. Shiv Charan Maheshwari, aged 62 years is the Chief Financial Officer of our Company. He holds a Bachelor Degree of Commerce, LLB, CAIIB, Certificate in Industrial Finance, Diploma in Banking & Finance and a Diploma in Management. He takes care of all accounts, banking, taxation and financial activities of our Company. He has 40 years of experience in his functional area and associated with the company since 2016.</p> |
|  | <p style="text-align: center;"><u>Mrs. Monika Sharma</u></p> <p>Mrs. Monika Sharma, aged 41 years is Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary from Institute of Company Secretaries of India. She has experience of more than 14 years in the field of Secretarial Matters. She looks after the overall Corporate Governance and Secretarial matters of our Company.</p> |

OUR PRODUCTS AND PORTFOLIO



STATUTORY INFORMATION

Board of Directors:

1. Mr. Ashok Kumar Agarwal (Chairman & Managing Director)
2. Mr. Ankit Agrawal (Whole-Time Director)
3. Mrs. Neha Agarwal, Director
4. Mr. Suresh Kumar Jain, Independent Director
5. Mr. Devi Shankar Goyal, Independent Director
6. Mrs. Radhika Agarwal, Independent Director
7. Himanshu Goyal, Independent Director

Key Management Team:

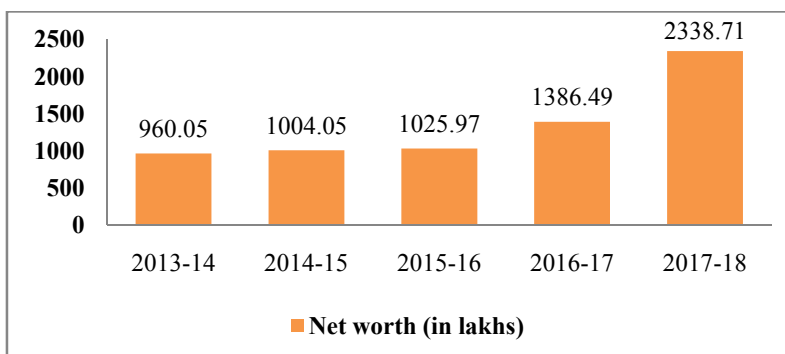
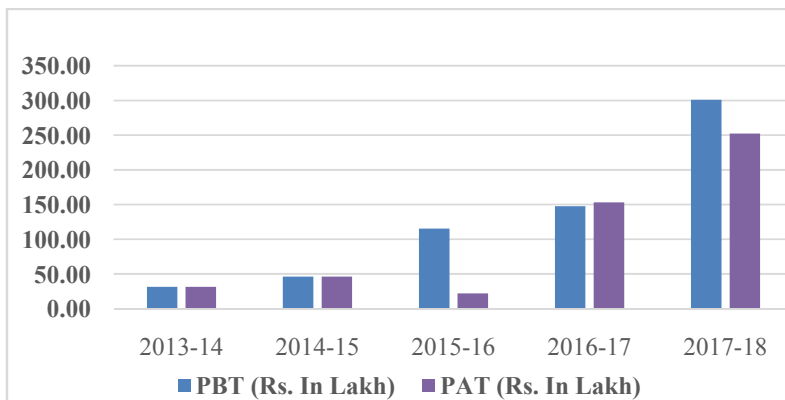
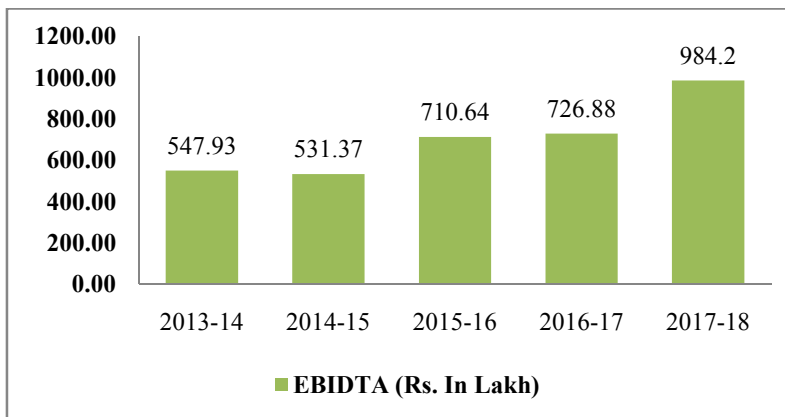
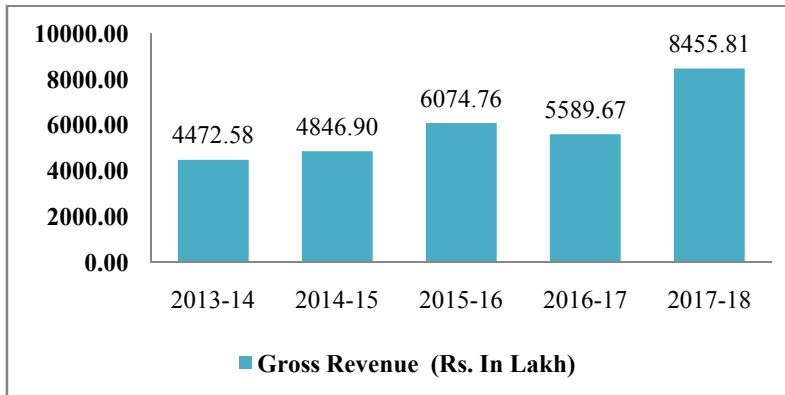
1. Mr. Atul Dixit, CEO
2. Mr. Shiv Charan Maheshwari, CFO
3. Mrs. Monika Sharma, Company Secretary

| | | |
|--|--|--|
| Statutory Auditors Saraswat & Company Chartered Accountants, 305,3rd floor, Jaipur Tower, M. I. Road, Jaipur-302001 FRN: 004846C | Secretarial Auditors Deepika Jain & Associates Company Secretaries 307, City Pearl, Sanjay Marg, Gopalbadi , Jaipur-302001 COP No. 16994 | Internal Auditor Ms. Ekta Gupta, Chartered Accountant Village Post- Palawala Jatan, Teh: Bassi Dist: Jaipur 303301 |
|--|--|--|

| | | |
|---|---|---|
| Principal Banker The Federal Bank Limited C-98, Sanghi Upasana Tower, Subhash Marg, C- Scheme, Jaipur-302001 Punjab National Bank Everest Colony, Jaipur-302004 | RTA Link Intime India Private Limited C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083 Maharashtra | Stock Exchange BSE-SME Platform BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Maharashtra |
|---|---|---|

| | | |
|---|--|---|
| Registered Office 7 Km. from Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur - 303901 Rajasthan | Corporate Office B-11 (B&C), Malviya Industrial Area, Jaipur-302017 Rajasthan | Other Information CIN: L25111RJ1994PLC008698 E Mail ID: info@rmcindia.in : cs@rmcindia.in Website: www.rmcindia.in,www.laminadecor.com Contact No: 0141-4031516, 4400222 |
|---|--|---|

FINANCIAL HIGHLIGHTS





RMC SWITCHGEARS LIMITED

(Formerly Known as RMC Switch Gears Limited)

Registered Office: 7 Km. from Chaksu, Khotkawda Road, Village Badodiya,
Tehsil Chaksu, Tonk Road, Jaipur-303901, Rajasthan

Corporate Office: B-11 (B&C) Malviya Industrial Area, Jaipur-302017

E Mail ID: info@rmcindia.in, cs@rmcindia.in CIN: L25111RJ1994PLC008698

Website: www.rmcindia.in, Contact No: 0141-4031516, 4400222

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of RMC Switchgears Limited (Formerly Known as RMC Switch Gears Limited) will be held on Tuesday, the 14th August, 2018 at 11.00 am at the Registered Office of the Company situated at 7 Km. From Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur-303901 Rajasthan to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statement

To receive consider and adopt the Audited Balance Sheet as at 31st March, 2018, Statement of Profit & Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Auditors and Directors thereon.

2. Re-appointment of Mr. Ankit Agrawal as a Director, liable to Retire by Rotation

To re appoint Mr. Ankit Agrawal (DIN: 00793035) as a director, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. Regularization of Appointment of Mr. Himanshu Goyal as an Independent Non Executive Director:-

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 Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Mr. Himanshu Goyal (DIN: 03101053), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from February 28, 2018 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
Chairman & Managing Director
DIN: 00793152
Place: Jaipur
Date: 18.07.2018**

NOTES:

1. At the 21st AGM, M/s. Saraswat & Company, Chartered Accountants (Firm Registration No. 004846C) were appointed as Statutory Auditors of the Company for a term of 5 years until the conclusion of 26th AGM of the Company. The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 1833(E) dated May 7, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of the AGM Notice.
3. A Member entitled to attend and vote at the meeting is entitled to appoint proxy/ proxies to attend and vote instead of himself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

Proxies submitted on behalf of Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.

3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Notice to Annual General Meeting as **Annexure “A”**.
4. The Register of Members and Share Transfer Books of the Company will not close.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
6. Notice of Annual General Meeting will be sent to those who are members of the Company as on (Cut off date) 13th July, 2018
7. 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 their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt Ltd.

Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend(if declared).

The Company or its Registrars and Transfer Agents, Link Intime India Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the company or Link Intime India Private Limited.
9. Non-Resident Indian Shareholders are requested to inform Link Intime India Private Limited the Registrar and Share Transfer Agent of the Company immediately about:
 - i) The change in the Residential status on return to India for permanent settlement.
 - ii) The particulars of the Bank Account maintained in India with complete name, branch, and account type, account number and address of the Bank, if not furnished earlier.
10. Members requiring information on the accounts are requested to write to the company at least 10 (Ten) days before the date of the meeting to enable the company to furnish the information.
11. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company, to support the MCA's Green Initiative in the Corporate Governance.
- 12. Members are requested to:**
 - i) Intimate change in their Registered Addresses, if any, in respect of Equity Shares held in electronic form (Dematerialized form) to their Depository Participant(s).
 - ii) Intimate the Registrar & Share Transfer Agent about any change in their Registered Addresses in respect of equity shares held in physical form.
 - iii) Quote the registered folio number / DP-ID and CL-ID in all future correspondence.
 - iv) To address their grievances to the Company Secretary at the Registered Office of the Company.
13. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the meeting.
14. Members are informed that in case of Joint holders attending the meeting; only the joint holder whose names appear first in Register of members will be entitled to vote.

15. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
17. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.
18. Members may kindly note that bags, eatables, laptops, arms, ammunitions or any other harmful/dangerous objects are not allowed inside the Auditorium at the meeting venue.
19. Members may also note that the Notice of 24th Annual General Meeting and Annual Report for the year 2017-2018 is also available on the website of the company www.rmcindia.in for their download.
20. Company is exempted from conducting E – Voting vide Rule 20(2) of Companies (Management & Administration) Amendment Rule, 2015. So voting will be conducted by means of ballot paper at the Annual General Meeting.

ANNEXURE A:

Statement provided pursuant to the provisions of Regulation 36 of SEBI (LODR) Regulations, 2015 read with Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India:

1. Re-appointment of Mr. Ankit Agrawal as a Director

| | | |
|----------|--|---|
| 1 | Name | Mr. Ankit Agrawal |
| 2 | Date of Birth | 09.03.1982 |
| 3 | Date of Appointment | 20.11.2008 |
| 4 | Qualifications | Graduate |
| 5 | Expertise in specific functional Area | He has 19 years of rich experience in the field of electrical industry. He is providing his learned guidance and mentoring the senior managerial personnel of the company to execute and implement future growth strategy |
| 6 | Directorship held in other public companies (Excluding foreign companies and Section 8 Companies) | Nil |
| 7 | Memberships/Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee) | Nil |
| 8 | Number of shares held in the company | 569880 |
| 9 | Relationship between Directors inter-se | Son of Ashok Kumar Agarwal (Managing director), and Spouse of Neha Agrawal (Executive Director). |

2. Regularization of Mr. Himanshu Goyal as an Independent Director

| | | |
|---|--|--|
| 1 | Name | Mr. Himanshu Goyal |
| 2 | Date of Birth | 24.06.1982 |
| 3 | Date of Appointment | 28.02.2018 |
| 4 | Qualifications | Chartered Accountant, LLB |
| | Expertise in specific functional Area | <p>He has more than 13 years experience as a Chartered Accountant. He has extensive experience of dealing various audit and taxation assignments of Real Estate Companies, Power Sector Companies, Banks, MNCs, External Funding Agencies, Insurance, Infrastructure Companies, Hotels, Petroleum Companies, NBFCs, Telecom Companies and Construction Companies etc. He is member of various associations like ASSOCHAM, CII, All India Federation of Tax Practitioner, Direct Tax Committee of The Institute of Chartered Accountants of India, Rajasthan Tax Consultants Association.</p> |
| 5 | Directorship held in other public companies (Excluding foreign companies and Section 8 Companies) | Nil |
| 6 | Memberships/Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee) | Nil |
| 7 | Number of shares held in the company | Nil |
| 8 | Relationship between Directors inter-se | There is no relationship with other Directors on the Board. |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 2

Ankit Agrawal (DIN 00793035) As regards re-appointment of Ankit Agrawal referred to in item no. 2 of the Notice; following necessary disclosures are made for the information of the Members:

Information about the Appointee:

Ankit Agrawal,

Aged 36, Graduate in Commerce, has more than 19 years of rich experience in the field of electrical industry. He is providing guidance and mentoring the management of the company to execute and implement future growth strategy.

He holds 569880 Equity Shares in the Company as on 31 March 2018. He is not disqualified from being re-appointed as a Director in terms of section 164 of the Act and will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company. He is not debarred from holding the office of director by virtue of any SEBI order or orders of any other such authority.

Disclosures of his relationship inter-se with other directors and on the number of Board Meetings attended by him are given above and also in the Annual Report.

He was first appointed on the Board with effect from the date 20.11.2008 and his last drawn remuneration during the year 2017-18 was Rs. 12, 00,000/-. More details about the remuneration are available in the Annual Report.

He is not related to any of the Directors or Key Managerial Personnel of the Company, except Ashok Kumar Agarwal (Managing director), Ankit Agarwal (Whole Time Director) and Neha Agarwal (Executive Director).

None of the Directors or Key Managerial Personnel or their relatives, except Ashok Kumar Agarwal, and Neha Agrawal are concerned or interested in the said item. The Board commends item No. 2 of the Notice for approval by Shareholders.

ITEM NO. 3

Mr. Himanshu Goyal (DIN-03101053) was appointed as an Additional Non Executive Independent Director w.e.f. 28 February, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting Nomination and Remuneration Committee has recommended regularization of Mr. Himanshu Goyal as an Independent Non Executive Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Section 149 and Section 152 inter alia specifies that:

(a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in General Meeting; and

(b) An Independent Director shall not be liable to retire by rotation at the AGM.

In the opinion of the Board Mr. Himanshu Goyal he is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made there under and is independence of the management of the Company and He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during Normal Business Hours on any working day. Members may note that the requisite declarations under Section 149(7) of the Companies Act, 2013 have been furnished by the Independent Non Executive Directors confirming compliance with the provisions of Section 149 (6) of the Companies Act, 2013. Upon the confirmation of the appointment of him as Independent Non Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Non Executive Director. The Board accordingly recommends the Resolutions at Item No. 3 of this Notice for the approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Himanshu Goyal is in any way concerned or interested, financially or otherwise, in the Resolution at Item No.3 of this Notice.

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
Chairman & Managing Director
DIN: 00793152
Place: Jaipur
Date: 18.07.2018**

DIRECTORS' REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company on the business and operations of the Company together with the Audited financial accounts for the financial year ended on 31st March, 2018.

1. Financial Performance & Highlights

(Rs. in Lakh)

| Particulars | March 31,2018 | March 31, 2017 |
|--|----------------|----------------|
| Revenue From Operations (Gross) | 8455.81 | 5589.68 |
| Less: Excise Duty | 143.97 | 517.75 |
| Revenue from operations (Net) | 8311.84 | 5071.92 |
| Other Income | 100.74 | 165.25 |
| Total Revenue | 8412.58 | 5237.17 |
| Profit before Depreciation, Interest and Tax Expenses | 984.2 | 726.88 |
| Less: Finance Cost | 509.39 | 426.60 |
| Profit before Depreciation and Tax Expenses | 474.81 | 300.28 |
| Less: Provision for Depreciation | 173.72 | 152.59 |
| Net Profit before Tax | 301.09 | 147.69 |
| Less: Deferred Tax | 48.86 | -5.46 |
| Net Profit after Tax | 252.22 | 153.16 |

2. Brief Description of the Company's working during the Year/State of Company's Affair

The Company is engaged in the business of Manufacturing, LT/HT Distribution Boxes and Panels, Junction Boxes, Feeder Pillars and other Power Distribution and Circuit Protection Switchgears. During the year company also successfully commenced trial production of PVC Imitation Marble.

Company has registered impressive growth in Gross revenue which increased to Rs. 8455.81 Lakh, against Rs. 5589.68 Lakh in the previous year.

Similarly Profit before depreciation and taxation was Rs. 474.81 Lakh against Rs. 300.28 Lakh in the previous year and Net Profit before Tax amounting to Rs. 301.09 Lakh against Rs. 147.69 Lakh in the previous year, the net profit of the company for the year under review has increased to Rs. 252.22 Lakh as against Rs. 153.16 Lakh in the previous year. The year under review was an excellent one for the company.

3. Dividend

To conserve the resources of the Company for its future growth, the Board of Directors of the Company have decided to plough back the profit into the business, therefore no dividend is recommended for the Financial Year 2017-2018.

4. Transfer to Reserves & Surplus

Your Directors do not propose to transfer any amount to the Reserve and transferred Profit of Rs. 252.22 Lakh from Profit and Loss Account to Surplus.

5. Share Capital & Unclaimed Shares

During the year under review, Your Company has allotted 10,00,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs.60/- each on preferential basis to promoters and non promoters, in February, 2018 consequently the paid-up Share Capital got increased from Rs. 5,09,22,000 to Rs. 6,09,22,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2018, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

6. Credit Rating

During Financial Year 2017-18, we have submitted the documents to CARE for rating renewal & new rating is awaited.

7. Board of Directors & Key Managerial Personnel

In accordance with the provisions of section 149, 152 & Article 105 to 110 of Article of Association of the Company and other applicable provisions of the Companies Act, 2013, one third of the of Directors are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently Mr. Ankit Agrawal, Director of the Company is liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment for the consideration of Members of the Company at the ensuing Annual General Meeting. He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The Board, upon the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 28th February, 2018, appointed Mr. Himanshu Goyal (DIN: 03101053) as an Additional (Independent) Director. He holds office upto the date of this Annual General Meeting.

Nomination and Remuneration Committee has recommended regularization of Mr. Himanshu Goyal as an Independent Director. The Company has received consent in writing from Mr. Himanshu Goyal to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the condition for appointment as Independent Director on the Board. He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. Mr. Himanshu Goyal is eligible to be appointed as a Director of the Company and his appointment requires the approval of members at the ensuing Annual General Meeting.

The details of Directors being recommended for reappointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the appointment/ re-appointment of Directors are also included in the Notice.

During the year under review, there is change in the Board of Directors & KMP of the Company as follow:

1. Mr. Atul Dixit appointed as CEO w.e.f. September 4,2017
2. Mrs. Monika Sharma has been appointed as company Secretary in place of Ms. Priyanka Gattani w.e.f. October 31, 2017
3. Mr. Himanshu Goyal appointed as Additional Independent Non Executive Director w.e.f. February 28, 2018

The following are the Key Managerial Personnel of the Company for the Financial Year 2017-18:

| S. No. | Name of Person | Designation |
|---------------|---------------------------------------|------------------------------|
| 1 | Mr. Ashok Kumar Agarwal | Chairman & Managing Director |
| 2 | Mr. Ankit Agrawal | Whole Time Director |
| 3 | Mrs. Neha Agrawal | Executive Director |
| 4 | Mr. Atul Dixit | Chief Executive Officer |
| 5 | Mr. Shiv Charan Maheshwari | Chief Financial Officer |
| 6 | Ms. Priyanka Gattani(till 31/10/2017) | Company Secretary |
| 7 | Mrs. Monika Sharma(w.e.f.31/10/2017) | Company Secretary |

8. Number of Meetings of the Board

The Board of the Company has met Twenty One Times (21) and the details of the number of Meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 31st March, 2018, without the presence of non-independent directors and members of the management, to review the performance of non independent directors and the Board as a whole, the performance of the Chairperson of the company and also to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

9. Committees of the Board

The Board of Directors has the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee

The details of the Committees along with their composition, number of Meetings and Attendance at the Meetings are provided in the **Corporate Governance Report**.

10. Formal Annual Evaluation

Meeting the requirements of the statute and considering Board Performance Evaluation as an important step for a Board to transit to a higher level of performance, the Nomination and Remuneration Committee has laid down a comprehensive framework for carrying out the evaluations prescribed in the Companies Act, 2013 and the Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The framework was developed to give all Board members an opportunity to evaluate and discuss the Board's performance openly from multiple perspectives and enhance governance practices within the Board. The framework describes the evaluation coverage and the process thereof.

Performance Evaluation of the Board and Committees

In respect of the Financial Year ended 31st March, 2018, the Board conducted its self-evaluation, that of its Committees and all of its individual Members. Some of the parameters which were taken into account while conducting Board evaluation were: Leadership initiative, Initiative in terms of new ideas and planning for the Company, Professional skills, problem solving, and decision-making, Compliance with policies of the Company, ethics, code of conduct, etc. The evaluation of each of the Board Committees were done on parameters such as Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues etc.

Performance Evaluation of Non-Independent Directors

The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors, considering aspects such as Attendance and participations in the Meetings, Raising of concerns to the Board, Safeguard of confidential information, Rendering independent, unbiased opinion and resolution of issues at meetings, Initiative in terms of new ideas and planning for the Company, Safeguarding interest of whistle-blowers under vigil mechanism etc.

Evaluation Outcome

It was assessed that the Board as a whole together with each of its Committees was working effectively in performance of its key functions- effective in decision making, effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities, effective for identifying material risks and reporting material violations of policies and law etc.

The Board is kept well informed at all times through regular communication and meets once per quarter and more often during times of rapid growth or if Company needs merit additional oversight and guidance. Comprehensive agendas are sent to all the Board Members well in advance to help them prepare and keep the Meetings productive. The performance of the Chairman was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities for the day to day management of the business, in line with the strategy and long term objectives.

The Executive Directors and Non-executive Directors provided entrepreneurial leadership of the Company within a framework of prudent and effective controls, with a balanced focus on policy formulation and development of operational procedures. It was acknowledged that the management afforded sufficient insight to the Board in keeping it up-to-date with key business developments which was essential for each of the individual Directors to maintain and enhance their effectiveness. The policy on Board Performance Evaluation is appended in **Annexure- A** to the Directors Report.

11. Familiarization Program for Directors

The Company had organized orientation program for newly appointed Independent Directors in the Board. The details are provided in the **Corporate Governance Report**.

12. Declaration by an Independent Director(s) and Re- Appointment, if any

All Independent Directors have given declarations that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Finance & Accounts

Your Company prepares its Financial Statements in accordance with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner. The form and substance of transactions reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2018. Bank, Cash and cash equivalents as at March 31, 2018 was Rs. 188.44 Lakh. The Company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

14. Subsidiary Companies/Joint Venture/ Associates Company

The Company does not have any Subsidiary/Joint Venture/Associates Company as on 31.03.2018 but company has entered into MoU with FactoryLabB.V. Netherlands and accordingly formed a Subsidiary named Explora IOT Solutions Private Limited on May 10, 2018.

15. Auditors

(A) Statutory Auditor

M/s. SARASWAT & COMPANY, Chartered Accountants, (FRN- 004846C) were appointed by the shareholders at the 21st Annual General Meeting to hold office until the conclusion of the Annual General Meeting of the Company to be held in the Year 2020 subject to ratification by shareholders at each Annual General Meeting. The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is however not required now, in terms of Notification No. S.O. 1833(E) dated May 7, 2018 issued by the Ministry of Corporate Affairs.

(B) Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has continued the appointment of Deepika Jain & Associates, a firm of Company Secretaries in Practice (CP No. 16994) to undertake the Secretarial Audit of the Company for the F.Y. 2017-18 as required under Section 204 (1) of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is enclosed as **Annexure-B** and forms part of this Report. The Report is self-explanatory and does not call for any further comment.

(C) Cost Auditors

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company hereby confirms that your company need not require appointing Cost Auditor for the Financial Year 2017-18. Further pursuant to provision of section 148(1) of the Companies Act, 2013, Maintenance of Cost Records has been specified by Central Government and such account and Records have been so made and maintained by the Company.

(D) Internal Auditor:

Pursuant to the provisions of Section 138 and any other applicable provisions of the Companies Act, 2013 and the rules made there under, Miss Ekta Gupta, Chartered Accountant (Membership No.430348) was appointed as an Internal Auditor of the Company w.e.f. 17/04/2017. She has resigned from the post of Internal Auditor on 28th June, 2018.

16. Management's Explanation on Emphasis of Matter mentioned in the Audited Accounts of the Company:

The Auditor has given Emphasis on matter in the Audit Report and the Management's explanation for the same is given under Note No. 1(vi) (b) of notes on Financial Statements as under:

Note 1(vi) (b): Deferred Tax has been provided on the DTL (net of DTA) at the prevailing Income Tax Rates as prescribed under Income Tax Act, 1961. However, the tax rate being used is as prescribed u/s 115JB of the Income Tax Act, 1961 (in place of regular rate i.e. 30%) in view of the availability of unabsorbed depreciation and MAT Credit balance lying for adjustment against future profits. Company was using regular rate of tax till the last financial year and had such rate been used for current FY also, the profit after tax would had been lower by Rs. 1,18,33,930/- (Previous Year Rs. 45,26,876/-) and Deferred Tax Liability would had been higher by the same amount.

17. Vigil Mechanism / Whistle Blower Policy

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and Shareholder's Responsibility. The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

The Whistle Blower Policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.rmcindia.in.

18. Risk Management

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The risk management framework is reviewed periodically by the Board and the Audit Committee. Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the company should have developed and implemented Risk management policy for the Company including identification therein of elements of risk. Your Company has identified the following risks:

(A) Commodity Price Risk

Risk of price fluctuation on basic raw materials as well finished goods used in the process of manufacturing. Your Company commands excellent business relationship with both suppliers and buyers. In Case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.

(B) Interest Rate Risk

Any increase in interest rate can affect the finance cost. Your Company's dependency on interest bearing debt is reasonably low therefore risk on account of any unforeseen hike in interest rate is very nominal.

(C) Human Resource Risk

Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non availability of the required talent resource can affect the overall performance of the Company. By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place production incentives on time bound basis and evaluating the performance at each stage of work. Also recruitment is across almost all states of India which helps to mitigate this risk and we do not anticipate any major issue for the coming years.

(D) Competition Risk

Your Company is exposed to competition risk particularly from China. The increase in competition can create pressure on margins, market share etc. However, by continuous efforts to enhance the brand image of the Company by focusing on, quality, cost, timely delivery, best customer service and by introducing new product range commensurate with demands, your Company plans to mitigate the risks so involved.

(E) Compliance Risk

Any default can attract penal provisions. Your Company regularly monitors and reviews the changes in regulatory framework through various legal compliance management tools to avoid any such compliance related risk.

(F) Industrial Safety, Employee Health and Safety Risk

The Electrical industry is labour intensive and is exposed to accidents, health and injury risk due to machinery breakdown, etc. By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.

“All the insurable interests of your Company including Properties, Equipments and Stocks etc. are adequately insured.” (Inserted via Corrigendum dated 26.07.2018)

19. Extract of Annual Return

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, **Extract of Annual Return in Form MGT-9**, is included in this report as **Annexure-C** and forms an integral part of this Report.

20. Material changes and commitments, if any, 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 the Report

During the current financial year 2018-19 your company has Incorporated Wholly Owned Subsidiary – Explora IOT Solutions Private Limited.

21. Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future

There are no significant and material order passed by the Regulators/ court that would impact the going concern status of the company and its future operations.

22. Deposits

Your Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Loan from Directors:

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the respective directors have given declaration in writing to the Company to the effect that

the amount is not being given out of funds acquired by them by borrowing or accepting loans or deposits from others. Accordingly the following amounts are excluded from the definition of Deposit as per Rule 2(1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014:-

| Name of Director Giving Loan | Amount Borrowed During 2017-18 (In Rs.) |
|-------------------------------------|--|
| Mr. Ashok Kumar Agarwal | 38,565,000.00 |
| Mr. Ankit Agarwal | 35,308,566.60 |
| Mrs. Neha Agarwal | 15,823,000.00 |

* (Inserted via Corrigendum dated 26.07.2018)

23. Particulars of Loans, Guarantees or Investments

Details of Loan, Guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

24. Particulars of Contracts or Arrangements with Related Parties

All transactions entered with the Related Parties during the financial year were in the ordinary course of business and on Arm's Length Basis and do not attract the provisions of section 188 of the Companies Act, 2013 and rules made there under. Disclosure in form AOC- 2 in terms of section 134 of the Companies Act, 2013 and its rules in the **Annexure-D** to the directors report.

Related party transactions have been disclosed under the Note No. 25 of significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard- 18". None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.

25. Listing with Stock Exchanges

Your Company's shares are listed on the BSE – SME Platform. Your Company came up with an Preferential Issue of 10,00,000 equity shares to promoter and non promoter and the shares got listed on 28th March, 2018 & trading approval was given on 18th April, 2018.

26. Corporate Governance

As per Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditors confirming compliance forms an integral part of this report. (The Members may please note that according to the SEBI (LODR) Regulations, 2015 the company, being a SME Listed Company of BSE Ltd, is exempted from the compliance of corporate governance requirements as provided under regulations 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V.)

Further, the Management Discussion and Analysis Report and CEO / CFO Certificate as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also presented in separate Sections forming part of the Annual Report.

27. Environment and Safety

Your Company is driven by principles of sustainability incorporating environment, employees and society aspects in all our activities. We are focused on employee well-being, developing safe and efficient products, minimizing environmental impact of our operations and products and minimizing the impact of our operations on society. Your Company is conscious of the importance of environmentally clean and safe operations and ensure of all concerned, compliances, environmental regulations and preservation of natural resources. RMC Switchgears Limited recognizes quality and productivity as a pre-requisite for its operations and has implemented ISO 9001:2015. Continuous efforts to preserve the environment are pursued.

Employees' well-being and safety is of paramount importance to us. Creating a safe and healthy work environment is the most material issue in our operations. The focus is to continuously improve our health and safety performance. Our operations are comparatively safe and do not use significant amount of hazardous materials. All our employees are provided with relevant personal protective equipment according to the nature of work handled. They are also imparted relevant training on safety and handling of hazardous materials.

28. Corporate Social Responsibility Initiatives

As per Provisions of Section 135 of the Company Act 2013, and Rules made there under, the CSR is not applicable on your company for the Financial Year 2017-2018.

29. Directors Responsibility Statement

To the best of knowledge and belief and according to the information and explanation obtained by them, your directors make the following statement in terms of section 134(3) (c)

- a) In the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation relating to material departures from the same, if there any.
- b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 and of the Profit of the Company for the year ended on that date.
- c) The Directors have 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 irregularity.
- d) The Directors have prepared the Annual Accounts of the Company on a going concern basis.
- e) The Director has laid down internal financial control to be followed by the company and such internal financial control are adequate and were operating effectively; and
- f) The Director has devised proper system to ensure compliance with the provision of all applicable law and that such system operating effectively

30. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

31. Management Discussion & Analysis Report

The Management Discussion and Analysis Report as required under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in the separate section forming part of this Annual Report.

32. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As per section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed in **Annexure-E** an integral part of this report.

33. Business Responsibility Report

The Business Responsibility Reporting as required under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to your Company for the Financial Year 2017-18.

34. Internal Control Systems and Their Adequacy

The Company has adequate internal control system, commensurate with the size of its operations. Adequate records and documents are maintained as required by laws. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The Audit Committee gives valuable suggestions from time to time for improvement of the company's business processes, systems and internal controls. All efforts are being made to make the internal control systems more effective

35. Nomination And Remuneration Policy of Directors, Key Managerial Personnel and Other Employees

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the have approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Objective, Role of Committee, Appointment and removal of directors/KMP/ Senior Management, Terms & tenure, Evaluation, Policy for Remuneration to Directors/ KMP/ Senior Management Personnel etc.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure-F** and forms part of this Report.

36. Human Resource Management, Health and Safety

At RMC, we consider our employees as the most valuable resource and ensure strategic alignment of Human Resource practices to business priorities and objectives. Our constant endeavour is to invest in people and people processes to improve human capital for the organization and service delivery to our

customers. Attracting, developing and retaining the right talent will continue to be a key strategic imperative and the organization continues its undivided attention towards that. We would like to take this opportunity to express appreciation for the hard work and commitment of the employees of the Company and look forward to their continued contribution.

RMC strives to provide a conducive and competitive work environment to help the employees excel and create new benchmarks of productivity, efficiency and customer delight. At RMC, the Human Resource agenda continues to remain focused on reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture and a strong talent pipeline and building capabilities in the organization. To maintain its competitive edge in a highly dynamic industry, we recognize the importance of having a work force which is consumer-focused, performance-driven and future-capable. In keeping with this, a number of policies and initiatives have been drawn up like regular employee engagement surveys, focusing on objective performance management system with key result areas and performance indicators. These initiatives ensure a healthy balance between business needs and individual aspirations.

At RMC, we ensure that there is full adherence to the code of ethics and fair business practices. RMC provides equal opportunity in all aspects of employment, including recruitment, training, work conditions, career progression, etc. that reconfirms our commitment that equal employment opportunity is a component of our growth and competitiveness. Further, RMC is committed to maintaining a workplace where each employee's privacy and personal dignity is respected and protected from offensive or threatening behaviour including violence. The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility.

The company has a policy on prohibition, prevention and Redressal of Sexual Harassment of women at workplace and matters connected there with or incidental there to covering all the aspects as contained under "The Sexual Harassment of women at workplace (Prohibition, Prevention and Redressal) Act, 2013". During the year, no complaint was lodged.

37. Particulars of Employees

In terms of provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 no employees except the CEO of the Company, drawing remuneration in excess of the limits set out in the said rules. Further, the 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 is annexed in **Annexure-G** an integral part of this report.

38. Dematerialization of Shares

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on March 31, 2018, 100% of the Share Capital Stands Dematerialized.

39. Internal Financial Control

The Report on Internal Financial Control form part of Independent Audit report, **Annexure ‘B’**

40. Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company’s website www.rmcindia.in.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed Compliance with the Code. All Management Staff were given appropriate training in this regard.

Declaration by Chairman & Managing Director regarding compliance by board members and senior management personnel with the company’s code of conduct is given in **Annexure “H”**

41. Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

42. Payment of Listing Fee

Your Company has paid Annual Listing Fee of BSE for the F.Y. 2018-19

43. Cautionary Statement

Statements in this report, describing the Company’s objectives, expectations and/or anticipations may be forward looking within the meaning of applicable Securities Law and Other laws & regulations. Actual results may differ materially from those stated in the statement. Important factors that could influence the Company’s operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and

industrial relations. The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

44. Acknowledgement

The Directors of your Company acknowledge a deep sense of gratitude for the continued support extended by Investors, Customers, Business Associates, Bankers and Vendors. Yours Directors place on record their appreciation for the significant contribution made by the employees at all levels through their hard work and dedication. The Directors also thanks the various Government and Regulatory Authorities and last but not the least the Shareholders for their patronage, support and faith in the company. The Board looks forward to their continued support in the years to come.

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

ANNEXURE “A “TO THE DIRECTORS’ REPORT

Board’s Performance Evaluation Policy

Introduction

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Articles of Association, SEBI (LODR) Regulation, 2015, Listing Agreement with stock exchanges and Code of Conduct and policies formulated by the Company for its internal execution. The Company’s Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders. Accordingly, the present policy for Board’s performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides for the a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

The Act, under clause VIII of Schedule IV, casts an obligation on part of the Board of Directors for evaluating the performance of independent directors. All the directors on the board of a company, except the independent director whose performance is being evaluated, will assess the performance of the independent director. Accordingly, a report of board’s performance evaluation of each independent director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company’s top management, this Board Performance Evaluation process aims to ensure individual director (“Directors”) and the Board of Directors of the Company (“Board”) as a whole work efficiently and effectively in achieving their functions. This policy aims at establishing a procedure for conducting periodical evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Effectiveness of the Board

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 non-performing Directors of the Company. For this reason, based on the fore stated criteria of evaluation the remuneration of the Directors and Key Managerial Personnel shall be determined and reviewed from time to time.

Responsibility of Board/ Independent Director

It shall be the duty of the Board, who shall be supported by the Management to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an Annual Basis:

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Independent Directors are duty bound to evaluate the performance of Non - Independent Directors and Board as a whole. The Independent Directors of the Company shall hold at least one Meeting in a year to review the performance of the Non- Independent Directors, performance of Chairperson of the Company and Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors.

Evaluation Factors

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular Director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors as, such evaluation factors may vary in accordance with their respective functions and duties.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

Rating Scale

| Scale Performance | Rating Scale |
|---------------------------|--------------|
| Exceptionally good | 5 |
| Good | 4 |
| Satisfactory | 3 |
| Needs improvement | 2 |
| Unacceptable | 1 |

The Company has chosen to adopt the following Board Performance Evaluation Process:

Independent Directors

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed: _____

| S. No. | Assessment Criteria | Rating | Remarks/ Comments |
|--------|---|--------|-------------------|
| 1. | Attendance and participations in the Meetings | | |
| 2. | Raising of concerns to the Board | | |
| 3. | Safeguard of confidential information | | |
| 4. | Rendering independent, unbiased opinion and resolution of issues at meetings | | |
| 5. | Initiative in terms of new ideas and planning for the Company | | |
| 6. | Safeguarding interest of whistle-blowers under vigil mechanism | | |
| 7. | Timely inputs on the minutes of the meetings of the Board and Committee's, if any | | |

Non-Independent Directors, Executive Directors Non – Independent Directors / Executive Directors

Some of the specific issues and questions that should be considered in a performance evaluation of Chairperson/Non-Independent Director / Executive Director by Independent Directors, in which the concerned Director being evaluated shall not be included, are set out below:

Name of Director being assessed: _____

| S. No. | Assessment Criteria | Rating | Remarks/ Comments |
|--------|---|--------|-------------------|
| 1. | Leadership initiative | | |
| 2. | Initiative in terms of new ideas and planning for the Company | | |
| 3. | Professional skills, problem solving, and decision-making | | |
| 4. | Compliance with policies of the Company, ethics, code of conduct, etc. | | |
| 5. | Reporting of frauds, violation etc. | | |
| 6. | Safeguarding of interest of whistle blowers under vigil mechanism | | |
| 7. | Timely inputs on the minutes of the meetings of the Board and Committee, if any | | |

Board of Directors

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by Independent Directors are set out below:

| S. No. | Assessment Criteria | Rating | Remarks/ Comments |
|---------------|---|---------------|--------------------------|
| 1. | The Board of Directors of the Company is effective in decision making. | | |
| 2. | The Board of Directors is effective in developing a Corporate Governance structure that allows and encourages the Board to fulfill its Responsibilities. | | |
| 3. | The Company's Systems of control are effective for identifying material risks and Reporting Material Violations of policies and law. | | |
| 4. | The Board reviews the organization's performance in carrying out the stated Mission on a regular basis. | | |
| 5. | The Board of Directors is effective in providing necessary advice and suggestions to the company's management. | | |
| 6. | Is the board as a whole up to date with latest developments in the regulatory environment and the market? | | |
| 7. | The information provided to directors prior to Board Meetings meets your expectations in terms of length and level of detail. | | |
| 8. | Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues. | | |
| 9. | The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the board. | | |
| 10. | The Board appropriately considers internal audit reports, management's responses, and steps towards improvement. | | |
| 11. | The Board oversees the role of the independent Auditor from selection to termination and has an effective process to evaluate the Independent Auditor's qualifications and performance. | | |
| 12. | The Board considers the Independent Audit Plan and provides Recommendations. | | |

Committees of Board

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee; and
3. Stakeholders Relationship Committee

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

| S. No | <u>Audit Committee (for Audit Committee Members only)</u> | Rating | Remarks/ Comments |
|-------|---|--------|-------------------|
| 1. | Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely Resolution of issues | | |
| 2. | Timely inputs on the minutes of the Meetings | | |

| S. No. | <u>Nomination and Remuneration Committee (For Nomination and Remuneration Committee Members only)</u> | Rating | Remarks/ Comments |
|--------|--|--------|-------------------|
| 1. | Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely Resolution of issues. | | |
| 2. | Timely inputs on the Minutes of the Meetings | | |

| S. No. | <u>Stakeholders Relationship Committee (For Stakeholders Relationship Committee Members only)</u> | Rating | Remarks/ Comments |
|--------|--|--------|-------------------|
| 1. | Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues. | | |
| 2. | Timely inputs on the Minutes of the Meetings | | |

Key Managerial Personnel and Senior Executives

For evaluating the performance of Key Managerial Personnel and other Senior Executives, the Board of Directors shall pay regards to the following aspects as set out below:

Name of person being assessed: _____

| S. No. | Assessment Criteria | Rating | Remarks/Comments |
|--------|---|--------|------------------|
| 1. | Abidance and behavior in accordance with ethical standards & code of conduct of Company | | |
| 2. | Interpersonal and communication skills | | |
| 3. | Compliance with policies of the Company, ethics, code of conduct, etc. | | |
| 4. | Safeguarding interest of whistle-blowers under vigil mechanism | | |
| 5. | Team work attributes | | |
| 6. | Safeguard of confidential information | | |

Review & Amendment

The performance evaluation process will be reviewed annually by the “Nomination and Remuneration Committee”.

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

Disclosure

Company will disclose details of its Board Performance Evaluation processes in its Board’s Report. The Board’s report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual Directors of the Company.

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

ANNEXURE “B “TO THE DIRECTORS’ REPORT

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204, 9(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,
The Members,
RMC Switchgears Ltd.,
Jaipur**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RMC Switchgears Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company’s 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 Authorised 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 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 the Company for the financial year ended on March 31, 2018 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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, 1992/2015;
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

6. Other Laws applicable to the Company;

- (a) Industrial Disputes Act, 1947
- (b) The Factories Act, 1948
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) Employee State Insurance Act, 1948
- (f) The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- (g) The Payment of Bonus Act, 1965
- (h) The Payment of Gratuity Act, 1972
- (i) The Contract Labour (Regulation and Abolition) Act, 1970
- (j) The Maternity Benefits Act, 1961
- (k) Competition Act, 2002
- (l) The Income Tax Act, 1961
- (m) The Central Goods and Services Tax Act, 2017
- (n) State Goods and Services Tax Act, 2017
- (o) The Customs Act, 1962
- (p) The Finance Act, 1994
- (q) IGST Act, 2017

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Limited.

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 clarification on the agenda items before the Meeting and for meaningful participation at the Meeting.

All decision at Board Meetings and Committee Meetings has been carried 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 processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

**For Deepika Jain & Associates
(Company Secretaries)**

**(Deepika Jain)
Proprietor
M. No.: A41190
CP: 16994
Place: Jaipur
Date: 18.07.2018**

Note: This Report is to be read with our letter of even date which is annexed as “ANNEXURE- A” and forms an integral part of this report.

“ANNEXURE A”

To,
The Member,
RMC Switchgears Ltd.,
Jaipur

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Deepika Jain & Associates
(Company Secretaries)**

**(Deepika Jain)
Proprietor
M. No.: A41190
CP: 16994**

**Place: Jaipur
Date: 18.07.2018**

ANNEXURE “C “TO THE DIRECTORS’ REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I | REGISTRATION & OTHER DETAILS: | |
|------------|--|--|
| i | CIN | L25111RJ1994PLC008698 |
| ii | Registration Date | 23/08/1994 |
| iii | Name of the Company | RMC Switchgears Limited |
| iv | Category/Sub-category of the Company | Public Company/ Limited By Shares |
| v | Address of the Registered office & contact details | 7 Km. From Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur-303901 Rajasthan 0141-4400222 Email id: cs@rmcindia.in |
| vi | Whether listed company | YES |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Private Limited C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai Maharashtra- 400083 Website: www.linkintime.co.in 022-49186000 |

| 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 hereunder: | | | |
| S. No. | Name & Description of main Products/Services | NIC Code of the Product /service | % to total turnover of the company |
| 1 | Manufacturing of Electrical Equipment (Meter/Distribution Boxes) | 279 | 92.86% |

| III | PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES | | | | |
|--------------|--|----------------|---------------------------------------|-------------------------|---------------------------|
| S. No | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % Of Shares Held | Applicable Section |
| 1 | NA | NA | NA | NA | NA |

| I V SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) | | | | | | | | | | |
|---|--|---|----------|---------|-------------------|-------------------------------------|----------|---------|-------------------|--------------------------|
| i) Category-wise Share Holding | | | | | | | | | | |
| S. No. | Category of Shareholder | Shareholding at the beginning of the year | | | | Shareholding at the end of the year | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 2961960 | 0 | 2961960 | 58.17 | 3401960 | 0 | 3401960 | 55.84 | -2.33 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (A)(1) | 2961960 | 0 | 2961960 | 58.17 | 3401960 | 0 | 3401960 | 55.84 | -2.33 |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (Specify) | 0 | | | | | | | | 0 |
| | Sub Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Shareholding | 2961960 | 0 | 2961960 | 58.17 | 3401960 | 0 | 3401960 | 55.84 | -2.33 |

| | of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | | | | | | | | | |
|------------|--|--------|---|--------|-------|--------|---|--------|-------|------|
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Any Other (Specify) | 0 | | | | | | | | 0 |
| | Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [2] | Central Government/ State Government(s) / President of India | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 2 Lakh. | 569150 | 0 | 569150 | 11.18 | 763900 | 0 | 763900 | 12.54 | 1.36 |

| | | | | | | | | | | |
|------|--|----------------|--------------|----------------|--------------|----------------|----------|----------------|--------------|-------------|
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 410520 | 0 | 410520 | 8.06 | 1014520 | 0 | 1014520 | 16.65 | 8.59 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Hindu Undivided Family | 342816 | 0 | 342816 | 6.73 | 313000 | 0 | 313000 | 5.14 | -1.59 |
| | Non Resident Indians (Non Repat) | 8000 | 0 | 8000 | 0.16 | 8000 | 0 | 8000 | 0.13 | -0.03 |
| | Non Resident Indians (Repat) | 48000 | 0 | 48000 | 0.94 | 84000 | 0 | 84000 | 1.38 | 0.44 |
| | Clearing Member | 168953 | 0 | 168953 | 3.32 | 32100 | 0 | 32100 | 0.53 | -2.79 |
| | Bodies Corporate | 569201 | 13600 | 582801 | 11.44 | 474720 | 0 | 474720 | 7.79 | -3.65 |
| | Sub Total (B)(3) | 2116640 | 13600 | 2130240 | 41.83 | 2690240 | 0 | 2690240 | 44.16 | 2.33 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | 2116640 | 13600 | 2130240 | 41.83 | 2690240 | 0 | 2690240 | 44.16 | 2.33 |
| | Total (A)+(B) | 5078600 | 13600 | 5092200 | 100 | 6092200 | 0 | 6092200 | 100 | |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|--------|--|---------|-------|---------|-----|---------|---|---------|-----|--|
| | Total (A)+(B)+(C) | 5078600 | 13600 | 5092200 | 100 | 6092200 | 0 | 6092200 | 100 | |
| | | | | | | | | | | |
| Notes: | 1) Paid up Equity Shares Capital as on 01.04.2017 Rs. 5,09,22,000 2) Allotment of Equity Shares capital on preferential basis during the year Rs. 1,00,00,000 | | | | | | | | | |

(ii) SHAREHOLDING OF PROMOTERS

| S. 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 HELD | % of total Shares of the company | %of Shares Pledged /encumbered to total shares | NO.OF SHARES HELD | % of total Shares of the company | %of Shares Pledge d/ encumbered to total shares | |
| 1 | Ankit Agrawal | 569880 | 11.19 | - | 569880 | 9.35 | 0 | -1.84 |
| 2 | Santosh Agarwal | 568520 | 11.16 | - | 568520 | 9.33 | 0 | -1.83 |
| 3 | Vitthal Das Agarwal HUF | 500600 | 9.83 | - | 500600 | 8.22 | 0 | -1.61 |
| 4 | Ashok Kumar Agarwal | 455000 | 8.93 | - | 585000 | 9.6 | 0 | +0.67 |
| 5 | Parwati Bai Agrawal | 302920 | 5.94 | - | 302920 | 4.97 | 0 | -0.97 |
| 6 | Ashok Kumar Agrawal HUF | 212840 | 4.17 | - | 212840 | 3.49 | 0 | -0.68 |
| 7 | Neha Agrawal | 110000 | 2.16 | - | 420000 | 6.89 | 0 | +4.73 |
| 8 | Ankit Agarwal HUF | 104000 | 2.04 | - | 104000 | 1.70 | 0 | -0.34 |
| 9 | Vitthal Das Agrawal | 63200 | 1.24 | - | 63200 | 1.04 | 0 | -0.20 |
| 10 | Rajendra Kumar Agrawal | 40320 | 0.79 | - | 40320 | 0.66 | 0 | -0.13 |
| 11 | Atika Agrawal | 34680 | 0.68 | - | 34680 | 0.57 | 0 | -0.11 |
| Notes: | 1) Paid up Equity Shares Capital as on 31.03.2018 Rs.6,09,22,000 2) Allotment of Equity Shares capital on preferential basis during the year Rs. 1,00,00,000 | | | | | | | |

| (iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE) | | | | | |
|---|--|---|-----------------------------------|--|-----------------------------------|
| S. No. | Name & Type of Transaction | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
| | | No. of Shares Held | % of Total Shares Of The Company* | No of Shares Held | % of Total Shares of The Company* |
| 1 | ANKIT AGRAWAL | 569880 | 9.35 | 569880 | 9.35 |
| 2 | SANTOSH AGARWAL | 568520 | 9.33 | 568520 | 9.33 |
| 3 | VITTHAL DAS AGARWAL HUF | 500600 | 8.22 | 500600 | 8.22 |
| 4 | ASHOK KUMAR AGARWAL | | | | |
| | At the beginning of the year | 455000 | 7.47 | 455000 | 7.47 |
| | Allotment of shares on Preferential basis | 130000 | 2.13 | 585000 | 9.6 |
| | AT THE END OF THE YEAR | 585000 | 9.6 | 585000 | 9.6 |
| 5 | PARWATI BAI AGRAWAL | 302920 | 4.97 | 302920 | 4.97 |
| 6 | ASHOK KUMAR AGRAWAL HUF | 212840 | 3.49 | 212840 | 3.49 |
| 7 | NEHA AGRAWAL | | | | |
| | At the beginning of the year | 110000 | 1.80 | 110000 | 1.80 |
| | Allotment of Shares on Preferential Basis | 310000 | 5.09 | 420000 | 6.89 |
| | AT THE END OF THE YEAR | 420000 | 6.89 | 420000 | 6.89 |
| 8 | ANKIT AGARWAL HUF | 104000 | 1.71 | 104000 | 1.71 |
| 9 | VITTHAL DAS AGRAWAL | 63200 | 1.03 | 63200 | 1.03 |
| 10 | RAJENDRA KUMAR AGRAWAL | 40320 | 0.66 | 40320 | 0.66 |
| 11 | ATIKA AGRAWAL | 34680 | 0.57 | 34680 | 0.57 |
| Notes: | 1) Allotment of Equity Shares capital on preferential basis during the year Rs. 1, 00, 00,000 *% of total Shares of the Company are based on the paid up Capital of the Company at the end of the Year. | | | | |

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

| | Name & Type of Transaction | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|----------|---|---|----------------------------------|--|----------------------------------|
| | | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | ARGENT LEASING AND FINANCE PVT.LTD | | | | |
| | At the beginning of the year | 413120 | 6.7811 | 413120 | 6.7811 |
| | At the end of the year | 413120 | 6.7811 | 413120 | 6.7811 |
| | | | | | |
| | | | | | |
| 2 | SUNIT KARNAWAT | | | | |
| | At the beginning of the year | 16000 | 0.2626 | 16000 | 0.2626 |
| | Allotment of shares on preferential basis | 288000 | 4.7270 | 304000 | 4.9900 |
| | At the end of the year | 304000 | 4.9900 | 304000 | 4.9900 |
| | | | | | |
| 3 | VIKRAM KARNAWAT | | | | |
| | At the beginning of the year | 16000 | 0.2626 | 16000 | 0.2626 |
| | Transfer on 28.04.2017 | 16000 | 0.2626 | 32000 | 0.5253 |
| | Allotment of shares on preferential basis | 272000 | 4.4650 | 304000 | 4.99 |
| | At the end of the year | 304000 | 4.9900 | 304000 | 4.9900 |
| | | | | | |
| 4 | ISHWAR PRASAD AGARWAL AND SONS | | | | |
| | At the beginning of the year | 121000 | 1.9860 | 121000 | 1.9860 |
| | CHANGE | 0 | 0 | 0 | 0 |
| | AT THE END OF THE YEAR | 121000 | 1.9860 | 121000 | 1.9860 |
| | | | | | |
| 5 | VASUDEVARAO DHANEKULA | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.0000 |
| | Transfer 15.12.2017 | 28000 | 0.4596 | 28000 | 0.4596 |
| | Transfer 22.12.2017 | 43728 | 0.7177 | 71728 | 1.1774 |
| | Transfer 12.01.2018 | 8272 | 0.1358 | 80000 | 1.3132 |
| | Transfer 19.01.2018 | 12000 | 0.1969 | 92000 | 1.5101 |
| | At the end of the year | 92000 | 1.5101 | 92000 | 1.5101 |

| | | | | | |
|---|---------------------------------|---------|----------|-------|--------|
| 6 | MANOJ KUMAR KOTHARI HUF | | | | |
| | At the beginning of the year | 60000 | 0.985 | 60000 | 0.985 |
| | At the end of the year | 60000 | 0.985 | 60000 | 0.985 |
| 7 | RASHMI RANI PAHWA | | | | |
| | At the beginning of the year | 12000 | 0.1969 | 12000 | 0.1969 |
| | Transfer 19.05.2017 | (12000) | -0.1969 | 0 | 0 |
| | Transfer 15.09.2017 | 16000 | 0.2626 | 16000 | 0.2626 |
| | Transfer 6.10.2017 | 20000 | 0.3283 | 36000 | 0.5909 |
| | Transfer 09.02.2018 | 8000 | 0.1313 | 44000 | 0.7222 |
| | Transfer 23.02.2018 | 8000 | 0.1313 | 52000 | 0.8536 |
| | Transfer 31.03.2018 | 4000 | 0.0656 | 56000 | 0.9192 |
| | At the end of the year | 56000 | 0.9192 | 56000 | 0.9192 |
| 8 | KUSHAL JAYESH KHANDWALA | | | | |
| | At the beginning of the year | 20000 | 0.3283 | 20000 | 0.3283 |
| | TRANSFER 07.04.2017 | 12000 | 0.1969 | 32000 | 0.5253 |
| | TRANSFER 23.06.2017 | 16000 | 0.2626 | 48000 | 0.7879 |
| | TRANSFER 09.02.2018 | (4000) | (0.0656) | 44000 | 0.7222 |
| | At the end of the year | 44000 | 0.7222 | 44000 | 0.7222 |
| 9 | VINAY JAIPRAKASH AMBEKAR | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.00 |
| | Transfer 22.12.2017 | 24000 | 0.3939 | 24000 | 0.3939 |
| | Transfer 2.03.2018 | 12000 | 0.1969 | 36000 | 0.5908 |
| | Transfer 31.03.2018 | 4000 | 0.0656 | 40000 | 0.6566 |
| | At the end of the year | 40000 | 0.6566 | 40000 | 0.6566 |
| 10 | GARVIT KOTHARI | | | | |
| | At the beginning of the year | 20000 | 0.3280 | 20000 | 0.3280 |
| | Transfer 29.12.2017 | 12000 | 0.1969 | 32000 | 0.5253 |
| | Transfer 05.01.2018 | 4000 | 0.0656 | 36000 | 0.5909 |
| | At the end of the year | 36000 | 0.5909 | 36000 | 0.5909 |
| Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 6092200 Shares. | | | | | |
| 2. The details of holding have been clubbed based on PAN. | | | | | |
| 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year. | | | | | |

| (v) SHAREHOLDING OF DIRECTORS & KMP | | | | | |
|---|--|---|---------------|--|---|
| For Each of the Directors & KMP | Shareholding at the end of the year | | Reason | Cumulative Shareholding during the year | |
| | No. of shares | % of total shares of the company | | No of shares | % of total shares of the company |
| ASHOK KUMAR AGARWAL (Chairman & Managing Director) | | | | | |
| At the beginning of the year | 455000 | 7.47 | | 455000 | 7.47 |
| Allotment of Shares on Preferential basis on 28.02.2018 | 130000 | 2.13 | Allotment | 585000 | 9.6 |
| AT THE END OF THE YEAR | 585000 | 9.6 | | 585000 | 9.6 |
| ANKIT AGRAWAL (Whole Time Director) | | | | | |
| At the beginning of the year | 569880 | 9.35 | | 569880 | 9.35 |
| AT THE END OF THE YEAR | 569880 | 9.35 | | 569880 | 9.35 |
| NEHA AGRAWAL (Executive Director) | | | | | |
| At the beginning of the year | 110000 | 1.80 | | 110000 | 1.80 |
| Allotment of Shares on Preferential basis on 28.02.2018 | 310000 | 5.09 | Allotment | 310000 | 5.09 |
| AT THE END OF THE YEAR | 420000 | 6.89 | | 420000 | 6.89 |
| SURESH KUMAR JAIN (Independent Non-Executive Director) | <u>NONE</u> | | | | |
| At the beginning of the year | | | | | |
| 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) | | | | | |
| At the end of the year | | | | | |
| DEVI SHANKAR GOYAL (Independent Non-Executive Director) | | | | | |
| At the beginning of the year | | | | | |
| 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) | | | | | |

| | |
|---|--|
| At the end of the year | |
| RADHIKA AGARWAL (Independent Non-Executive Director) | |
| At the beginning of the year | |
| 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) | |
| At the end of the year | |
| HIMANSHU GOYAL (Additional Independent Non-Executive Director) | |
| From 28.02.2018 | |
| 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) | |
| At the end of the year | |
| SHIV CHARAN MAHESHWARI (CFO) | |
| At the beginning of the year | |
| 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) | |
| At the end of the year | |
| ATUL DIXIT (CEO) | |
| From 4.09.2017 | |
| 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) | |
| At the end of the year | |
| PRIYANKA GATTANI(Company Secretary) | |
| At the beginning of the year | |
| 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) | |
| (Upto 31.10.2017) | |
| MONIKA SHARMA (Company Secretary) | |
| From .31.10.2017 | |
| 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) | |
| At the end of the year | |
| | |
| | |

| V. INDEBTEDNESS | | | | |
|--|---|----------------------------|-----------------|-------------------------------|
| | | | | Amount In Rupee |
| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 134447580.70 | 156694971.03 | - | 291142551.73 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 271233 | - | - | 271233 |
| Total (i+ii+iii) | 134718813.70 | 156694971.03 | | 291413784.73 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 81663853.10 | - | - | 81663853.10 |
| Reduction | - | 5179387.34 | - | 5179387.34 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 216382666.8 | 151515583.69 | - | 367898250.49 |
| ii) Interest due but not paid | | - | - | |
| iii) Interest accrued but not due | 329000 | - | - | 329000 |
| Total (i+ii+iii) | 216711666.8 | 151515583.69 | | 368227250.49 |

| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | | | | | | | |
|---|--|----------------------------|--|--------------------|--|----------------------------|-------------------|
| (A) Remuneration to Managing Director, Whole Time Director and/or Manager: | | | | | | | |
| | | | | | | Amount In Rupee | |
| S. No. | Particulars of Remuneration | Name of the MD/WTD/Manager | | | | Total Amount | |
| | | Ashok Kumar Agarwal | Ankit Agrawal | Neha Agrawal | | | |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 1200000 | 1200000 | 900000 | | 3300000 | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 14,400 | 14,400 | 10,800 | | 39,600 | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | Nil | Nil | Nil | | Nil | |
| 2 | Stock option | Nil | Nil | Nil | | Nil | |
| 3 | Sweat Equity | Nil | Nil | Nil | | Nil | |
| 4 | Commission | Nil | Nil | Nil | | Nil | |
| | as % of profit | Nil | Nil | Nil | | Nil | |
| | others (specify) | Nil | Nil | Nil | | Nil | |
| 5 | Others, please specify | Nil | Nil | Nil | | Nil | |
| | Total (A) | 12,14,400 | 12,14,400 | 9,10,800 | | 33,39,600 | |
| | Ceiling as per the Act | | Remuneration paid to directors is as per ceiling limit of the Company Act, 2013. | | | | |
| | | | | | | | |
| (B) | Remuneration to other directors: | | | | | | |
| S. No | Particulars of Remuneration | Name of the Directors | | | | Total Amount | |
| | | Suresh Kumar Jain | Devi Shankar Goyal | Radhika Agarwal | | | Himanshu Goyal |
| 1 | Independent Directors | | | | | | |
| | (a) Fee for attending board committee meetings | | | | | | |

| | | | | | | | |
|---------|--|---------------------------------|---|---|-------------------------------|--|--------------|
| | (b) Commission | <u>NONE</u> | | | | | |
| | (c) Others, please specify | | | | | | |
| | Total (1) | | | | | | |
| 2 | Other Non Executive Directors | | | | | | |
| | (a) Fee for attending board committee meetings | | | | | | |
| | (b) Commission | | | | | | |
| | (c) Others please specify. | | | | | | |
| | Total (2) | | | | | | |
| | Total (B)=(1+2) | | | | | | |
| | Total Managerial Remuneration | | | | | | |
| | Overall Ceiling as per the Act. | | | | | | |
| (C) | Remuneration to Key Managerial Personnel other than MD/Manager/WTD | | | | | | |
| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | | | |
| 1 | Gross Salary | CEO | Company Secretary | | CFO | | Total |
| | | Atul Dixit | Priyanka Gattani (1.04.2017 to 31.10.2017) | Monika Sharma (31.10.2017 to 31.03.2018) | Shiv Charan Maheshwari | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 23,60,458 | 1,84,782 | 1,35,446 | 4,80,000 | | 31,60,686 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | | | | | | |
| | (c) Profits in lieu of salary under section 17(3) of the | NA | | NA | NA | | NA |

| | Income Tax Act, 1961 | | | | | | |
|----------|---------------------------|-----------|----------|----------|----------|--|-----------|
| 2 | Stock Option | NA | | NA | NA | | NA |
| 3 | Sweat Equity | NA | | NA | NA | | NA |
| 4 | Commission | NA | | NA | NA | | NA |
| | as % of profit | NA | | NA | NA | | NA |
| | others, specify | NA | | NA | NA | | NA |
| 5 | Others, please specify | NA | | NA | NA | | NA |
| | Total | 23,60,458 | 1,84,782 | 1,35,446 | 4,80,000 | | 31,60,686 |

| 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 | <u>NONE</u> | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

By the order of the Board
 For RMC Switchgears Limited
 (Formerly known as RMC Switch Gears Ltd.)

Ashok Kumar Agarwal
 DIN: 00793152
 Chairman & Managing Director
 Dated: 18.07.2018
 Place: Jaipur

ANNEXURE “D “TO THE DIRECTORS’ REPORT

FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at Arm's Length Basis:

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts/arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Justification for entering into such contracts or arrangements or transactions: N.A.
- (f) Date of approval by the Board: N.A.
- (g) Amount paid as advances, if any: N.A.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.

2. Details of material contracts or arrangement or transactions at Arm's Length Basis: N.A.

- (a) Name(s) of the related party and nature of Relationship: N.A.
- b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts/arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Date(s) of approval by the Board, if any: N.A.
- (f) Amount paid as advances, if any: N.A.

By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)

Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018

ANNEXURE “E “TO THE DIRECTORS’ REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given below and forms part of the Director’s Report.

(A) Conservation of Energy

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries, which should furnish this information in **Form-A** annexed to the **Companies (Disclosure of particular in report of Board of Director) Rules, 1988**, so we are not required to furnish such information.

(B) Technology Absorption

Efforts in brief, made towards Technology absorption, adaptation and innovation:

The Company continues to perform Product Development activities to improve quality of products and to reduce production cost to serve its customer better.

Benefits derived as a result of the above efforts:

Improvement in overall productivity, quality of the products and reduced process scrap and cost

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

--**Technology Imported -No technology has been imported by the Company.**

--**Year of Import- N. A.**

--**Has technology been fully absorbed -N. A**

If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N. A.

The expenditure incurred on Research and Development:

Company has not incurred any expenditure on Research and Development

(C) Foreign Exchange Earnings and Outgo

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: NIL
- b) The details of earnings in foreign currency and outgo of foreign currency are as under:

| Particular | | Year Ended 31.03.2018 | Year Ended 31.03.2017 |
|------------|-------------------------------------|--------------------------|--------------------------|
| A) | <i>Foreign Currency used for:</i> | Rs. | Rs. |
| a) | Raw Materials | 6,856,313.00 | 2,411,565.36 |
| b) | Capital Goods | 34,581,098.12 | 6,672,620.00 |
| c) | Expenditure in Foreign Currency | - | 461,383.73 |
| B) | <i>Earnings in Foreign Currency</i> | - | - |

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

ANNEXURE “F” TO THE DIRECTORS’ REPORT

NOMINATION AND REMUNERATION POLICY

Preamble:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (“the Act”) read along with rules there under and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Applicability:

This Nomination and Remuneration Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of RMC Switchgears Limited (the “Company”).

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

1. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
2. Company Secretary;
3. Chief Financial Officer; and
4. Such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that:-

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

Nomination and Remuneration Committee being constituted in compliance of Section 178 of the Companies Act, 2013 (“the Act”) read along with rules thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time will be working as under:

The role of the NRC will be the following:-

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
2. To formulate criteria for evaluation of Independent Directors, Board and its Committees.
3. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
4. To carry out evaluation of Director’s performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. To devise a policy on Board diversity, composition, size.
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

Appointment And Removal Of Director, Key Managerial Personnel And Senior Management:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company’s Policy.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
4. The Company shall not appoint or continue the employment of any person as whole-time Director who is an undercharged insolvent or has at any time been adjudged as an insolvent.

Term / Tenure:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director 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.

b) Independent Director:

Company shall have at least 50% of the total number of directors as independent directors and all independent directors shall meet the criteria as laid as laid down in Section 149(6) of the Act.

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of an ordinary resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Removal:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act. 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.

Policy for Remuneration To Directors/ KMP/ Senior Management Personnel:

1) Remuneration to Managing Director / Whole-time Directors:

- a) Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013, Schedule V of the Act and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors to attract, retain and motivate them.
- c) Company may make a balance in remuneration by fix and variable reflecting short term and long term performance and working of the company.

2) Remuneration to Non-Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 read with rules thereunder and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and members from time to time.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay reflecting their short term and long term performance and working, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Loan to KMP, Senior Management and Other Employees of the Company: (Except Director Which is Governed by Section 185 of The Companies Act, 2013)

- 1) Company may consider the loan applications received from KMP, Senior Management and other employees of the company.
- 2) The loan may be granted/ sanctioned for purchase of vehicle, medical treatment of self and family dependent or to meet other personal expenditure.
- 3) The loan may be given at a concessional rate of interest or interest free at the sole discretion of the board/company.
- 4) The amount of loan, repayment period, and mode of repayment, amount of installment, extension and other relevant terms & conditions may be decided by board/company as they/it deem fit or suitable from time to time.
- 5) The company may take suitable steps to secure the loan given by availing collateral security, deposit of title deed/papers of the vehicle/property concerned or by taking post dated cheque or any other way.

Implementation:

- 1) The Committee may recommend to the board or board may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- 2) The Committee may Delegate any of its powers to one or more of its Members or Directors of the company.

The NRC may recommend changes, if any or the Board may itself amend the policy from time to time in accordance with Act, Rules, and Provisions in force.

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

ANNEXURE-G TO THE DIRECTORS' REPORT

Details 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

| Rule | Particulars | | | |
|--------------|--|---|---|--------|
| (i) | The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | a | Mr. Ashok Kumar Agarwal, Chairman & Managing Director | 3.61% |
| | | b | Mr. Ankit Agrawal, Whole Time Director | 3.61% |
| | | c | Mrs. Neha Agrawal, Executive Director | 2.71% |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year. | a | Mr. Ashok Kumar Agarwal, Chairman & Managing Director | 12.97% |
| | | b | Mr. Ankit Agrawal, Whole Time Director | 27.83% |
| | | c | Mrs. Neha Agrawal, Executive Director | 73.48% |
| | | d | Mr. Shiv Charan Maheshwari, Chief Financial Officer | Nil |
| | | e | Priyanka Gattani, Company Secretary (till 31.10.2017) | 10% |
| | | f | Mr. Atul Dixit (w.e.f. 4.09.2017) | Nil |
| | | g | Monika Sharma company secretary (w.e.f.31.10.2017) | Nil |
| (iii) | *The percentage increase in the median remuneration of employees in the financial year.- 36.34% | | | |
| (iv) | The number of permanent employees on the rolls of the Company -87 | | | |

| | | |
|-------|---|--|
| (v) | The explanation on the relationship between average increase in remuneration and Company performance. | The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness .Pay mix is designed to reflect the performance and is aligned to the long term interests of the Shareholders. |
| (vi) | 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 managerial percentage has been increased by 77.28%.due to appointment of CEO in the company there is increase in managerial remuneration in the F.Y. 2017-18, while for others it is increased to 14.96%.This is based on Remuneration policy of the Company that rewards people differentially based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relativities are taken care of. |
| (vii) | It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company. | |

Note:

(a) The Non-Executive Directors of the Company are entitled for sitting fees and commission as per statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors is therefore not considered for the above purpose.

The Median Remuneration of Employees of the Company was Rs. 336000./-p.a.

(b) The median remuneration calculated on the basis of employee who worked for whole financial year 2017-18

(c) For calculation of median remuneration of employee total remuneration paid during the year was taken of the all employee except contract labour. Employee Join/ left during the year were not considered for this calculation

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S. No. | Name of Employee | Designation | Remuneration |
|--------|-------------------------|------------------------------|--------------|
| 1 | Mr. Atul Dixit * | Chief Executive Officer | 2360458 |
| 2 | Mr. Ashok Kumar Agarwal | Chairman & Managing Director | 1214400 |

| | | | |
|--|---------------------------|--------------------------|---------|
| 3 | Mr. Ankit Agrawal | Whole Time Director | 1214400 |
| 4 | Mrs. Neha Agrawal | Executive Director | 910800 |
| 5. | Mr. Nitesh.K. Patel | Compound Plant Head | 732828 |
| 6 | Mr. Kamlesh K. Patel | SMC Plant Head | 732828 |
| 7 | Mr. Tarun Sharma | President Product Head | 720000 |
| 8 | Mr. Ravindra Kumar Sharma | Senior Accountant | 570000 |
| 9 | Mr. Yogesh Upadhyay | Vice President (Project) | 556000 |
| 10 | Mr. Sudhir Bishnoi | DGM (Marketing) | 528000 |
| * Mr. Audit Dixit appointed as CEO w.e.f. 4.09.2018 | | | |
| Note: | | | |
| (1) None of the employee was in receipt of remuneration for the year, in the aggregate, Which was not less than One Crore and Two Lakh Rupee. | | | |
| (2) None of the employee employed part of the year that was in receipt of remuneration at a rate which in the aggregate was not less than Eight Lakh fifty thousand rupee per month | | | |
| (3)None of the employee employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. | | | |

By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)

Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Dated: 18.07.2018
Place: Jaipur

ANNEXURE “H “TO THE DIRECTORS’ REPORT

Declaration of Chairman & Managing Director regarding compliance by Board Members and Senior Management Personnel with the Company’s Code of Conduct

I hereby confirm that The Company has in respect of the financial year ended March 31, 2018 received a declaration of compliance with the Code of Conduct from the Senior Management Team of the Company and the Members of the Board as applicable to them.

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview

The Indian electrical equipment industry comprises of two broad segments – generation equipment (boilers, turbines, generators) and transmission & distribution (T&D) and allied equipment like transformers, cables, transmission lines, switch gears, capacitors, energy meters, instrument transformers, surge arrestors, stamping and lamination, insulators, insulating material, industrial electronics, indicating instruments, winding wires, etc.

Sector Analysis

- The present scenario of the transmission & distribution industry is very dynamic with increasing resources of state government to provide power supply to consumers.
- The generation equipment sector is around 15% of the total industry, while the T&D equipment sector is the rest 85% of the Industry. Generators, Generating Sets & Parts, Switchgear and Control gear, Transformers & Parts, Cables, Industrial Electronics, Boilers & Parts, and Transmission Line Towers etc.
- The sector boasts of a diversified, matured and strong manufacturing base backed by a robust supply chain. Rugged performance design of equipment to meet tough network demand and presence of major foreign players, either directly or through technical collaborations with Indian manufacturers is a testimony of unique advantages India holds in this sector.
- With state-of-the-art technology in most sub-sectors at par with global standards, the major export markets for Indian electrical equipment are USA, Germany, UAE, Saudi Arabia, France, UK, Nigeria, China, Kenya and Brazil. The major export products are Rotating Machines (Motors, AC Generators, and Generating Sets) & Parts, Switchgear and Control gear, Transformers & Parts, Cables, Industrial Electronics, Boilers & Parts, and Transmission Line Towers etc. (Source: <http://ieema.org>)

Industry Structure and Development

India's electrical equipment industry is highly diverse and manufactures a wide range of high and low technology products. The industry directly employs around half million persons and provides indirect employment to another one million people. The industry can be broadly classified into two sectors – generation equipment and T&D equipment. Other electrical equipment, including instrument transformers, surge arrestors, stamping and lamination, insulators, insulating material, industrial electronics, indicating instruments, winding wires, etc., contributed to `25,000 Crore (US\$ 5.2 billion).

There has been an overall growth in most segments of the electrical equipment industry — in boilers, turbines, generators, transformers, switchgears, and wires and cables due to the high demand from central and state power utilities. India's EE industry is expected to grow steadily and witness growth opportunities as a result of the government's focus on capacity augmentation across generation, transmission and distribution. (Source: <http://ieema.org>)

Company started its operations in the year 1994 initially in the building hardware segment. It started production of Enclosures of Energy Meters, LT/HT Distribution Boxes and Panels in the year 2000. Over the years, we have gradually expanded our product base. Now your Company is ISO 9001:2008



certified Company engaged in the business of designing and manufacturing of Enclosures of Energy Meters, LT/HT Distribution Boxes and Panels, Junction Boxes,

Feeder Pillars and other Power Distribution and Circuit Protection Switchgears made from Mild Steel, Stainless Steel in Fabrication and Deep Drawn Process along with Sheet Moulding Compound and Bulk Moulding Compound (DMC) materials. Your company also undertaking work involving laying of energy transmission lines and establishing electric substation, fixing of new energy meters and shifting of existing energy meters from inside to outside etc in different regions of the country.

The company will be creating the networks also in various circles. Indian energy sector has registered rapid growth in the last few years. It continues to remain the key focus area for the country with our revered PM's slogan "Har Ghar Bijali" by 2022. The company is quite hopeful with the opportunities available in this segment and we are expecting this to be another profit centre for us in the coming years. We have been continuously strengthening and updating our manufacturing capacity to cope up with the market demands. With the experience of our promoters & senior management, we have been able to sustain and grow continuously, all thanks to our customers like KEI Industries Limited, NCC Limited, Capital Electec and all Government owned power utilities of the States of Rajasthan, Haryana, Uttar Pradesh, Madhya Pradesh, Bihar, Karnataka, Gujarat, Kerala, Jharkhand and Uttaranchal, to name a few. This year, the company has also undertaken projects under the Central funded schemes like DDUGJY and IPDS schemes in the states of Karnataka and Gujarat, to ensure theft-free and safe power.

SWOT ANALYSIS

Strengths:

- Quality of the products gives a market edge for most of the suppliers.
- Manufacturing of SMC enclosures, demand for which is continuously rising.
- Competitive edge in terms of quality and competitive bidding.
- The company has well knit marketing network.
- Long Experience of Promoter in the Field.
- Strong Management Team and a motivated and efficient work force.
- Profit making company since incorporation with proven track record.

Weaknesses:

- Company has to mainly depend on the financially weak SEBs for its sales. Though the payment is almost secure but the delay in payment is normal feature of some of the SEBs.
- Uncertainty and slow pace of reforms.
- Macroeconomic challengers which constrain public and private funding.

Opportunities:

- The Government is focusing on increasing the penetration of power supply in villages.
- Expansion of key industry sector like power, steel, petrochemicals, telecom and others.
- Per capita consumption of energy being relatively low, the growth potential for this industry in medium and long term is high.
- Govt's plan to convert traditional meters into smart meters
- Replacement and retrofitting programmes.
- Government's focus on improving health of Electricity Boards through various schemes and other measures
- Manufacturing of SMC enclosures, demand for which is continuously rising

Threats

- Stiff competition in the Electrical industry.
- Change of technology.
- Opening of the Indian economy for overseas players
- Any unfavorable change in Govt. Policies may affect the profitability of the company.
- Entry of new competitors in the domestic market.
- Scarcity of technically skilled personnel.

Segment-Wise or Product-Wise Performance

The Company is mainly engaged in the business of manufacturing of Distribution Boxes and Panels, Junction Boxes, Feeder Pillars, so the Management considers as this is the only business segment of the Company.

Industry Outlook

There is still lot of potential for growth in the turnover of the Company because the demand of Company's products in the market is fast increasing. The Company is specially developing an innovative and different type of product as per requirement of the market. There is a strong Demand of SMC enclosure in the market hence management has planned to expand its production capacity to cater the increased demand.

In the Financial year 2017-18 your company apart from current manufacturing operation, took an important step in building the one more pillar of its growth strategy by commencing new project for manufacturing of environmental friendly ***“Imitation Marble and Wooden Surfaces for walls and floors with production capacity of more than 20lakh Sq. Ft. of sheets/ profile per annum”*** in the same factory situated at Chaksu Jaipur.

Risk and Concern

Your Company continuously ascertains risks and concerns in the Electrical Industry affecting its present operations, future performances and business environment. In order to overcome such risks and concerns your Company adopts preventive measures as considered expedient and necessary.



Internal Control System and Their Adequacy

The Company has adequate internal control system, commensurate with the size of its operations. Adequate records and documents are maintained as required by laws. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The Audit Committee gives valuable suggestions from time to time for improvement of the company's business processes, systems and internal controls. All efforts are being made to make the internal control systems more effective.

Discussions on Financial Performance Vis-À-Vis Operational Performance

Financial performance of the Company has been good and your company is doing well on fulfilling its objectives of growth, profitability and maximization of shareholders wealth.

During the year company made net profit Rs. 252.22Lakh and last year net profit was Rs. 153.15 Lakh. This Year turnover of our company is Rs 8455.81Lakh and last year turnover was Rs. 5589.68 Lakh; EBIDTA of your company is Rs. 984.2 Lakh during the year.

Material Developments in Human Resources / Industrial Relations Front Including Number of People Employed

The Company always believes that its growth is closely linked with the growth and overall development of its employees. The Company is committed to upgrade the skill of its employees and to create an environment where excellence is recognized and rewarded. The target is to place right people at right position and to enhance the efficiency, working speed, competency and time management skill of its employees. The Company's endeavor is to create an environment where people can use all of their capabilities in promoting the business of the Company. Number of on rolls people employed, as on 31/03/2018 is 87.

Cautionary Statement

The report may contain certain statements that the Company believes are, or may be considered to be "forward looking statements" that describe our objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but limited to, Government action, economic development, risks inherent in the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation")

1. Company's Philosophy on Code of Governance

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders. Your Company believes in adopting and adhering to the best standards of Corporate Governance. RMC Switchgears Limited's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability and equity in all spheres of its operations. Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes the good Corporate Governance goes beyond working results and financial priority and is pre-requisite for the attainment of excellent performance.

RMC Switchgears Limited is committed to adhere to the Code of Corporate Governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to Investors, Customers, Creditors and Society at large. Your Company consistently endeavors to attain the highest standards of Corporate Governance by ensuring transparency in all its operations, disclosures and to maximize shareholder's value and places emphasis on business ethics.

Above all, corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability and transparency are key drivers to improve decision making and the rationale behind such decisions, which in turn creates stakeholders confidence.

The Company's governance framework is based on the following Principles:

- ❖ Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- ❖ Availability of information to the members of the Board and Board Committees to enable them discharge their fiduciary duties;
- ❖ Timely disclosure of material operational and financial information to the stakeholders;
- ❖ Systems and processes in place for internal control; and
- ❖ Proper business conduct by the Board, senior management and Employees.

2. Board of Directors

The Board of Directors of the Company has optimum combination of No. of Executive and Independent Non Executive Directors. The Board comprises of three executive and four Non Executive Independent Directors. The Chairman of the Company is a Executive Director. There are four independent Directors in the Company out of its total strength of seven. Accordingly, composition of the Board is in conformity with the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Except the Managing Director & Independent Directors all other Directors are liable to retire by rotation.

Board Meeting

The Board meets at regular intervals to discuss and decide on business strategies/policies, review the financial performance of the company and other matters. The notice of Board Meeting is given well in advance to all the Directors. The agenda of the Board Meetings is set by the Company Secretary in consultation with the Chairman & Managing Director of the Company. The agenda for the Board Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision.

During the year under review, Twenty One Board Meetings were held on 11.04.2017, 18.04.2017, 03.05.2017, 15.05.2017, 27.05.2017, 12.06.2017, 07.07.2017, 22.08.2017, 4.09.2017, 17.10.2017, 31.10.2017, 02.11.2017, 13.11.2017, 07.12.2017, 23.12.2017, 06.01.2018, 22.01.2018, 07.02.2018, 28.02.2018, 13.03.2018 and 31.03.2018 the time gap between two Meetings did not exceed 120 days. All statutory and other important items / information were placed before the Board for approval / review.

The composition and category of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting as also number of Directorship in other Indian Companies and membership of the Committee (Audit Committee, Stakeholder Grievance Committee and Nomination and Remuneration Committee) of the Board of such Companies are as follows:

| Name of Directors & DIN | Date of Appointment/ Resignation | Category | Attend ed the last AGM | No. of Board Meetings attend ed | No. of Shares held in the company (as on 31.03.2018) | No. of Directorsh ip in other Companie s | No. of Committee Membership held | |
|--|----------------------------------|------------------------------|------------------------|---------------------------------|--|--|----------------------------------|-----------|
| | | | | | | | As Chairman | As Member |
| Ashok Kumar Agarwal DIN: 00793152 | 23.08.1994 | Chairman & Managing Director | Yes | 20 | 585000 | 1 | - | 2 |
| Ankit Agrawal DIN: 00793035 | 20.11.2008 | Whole Time Director | Yes | 18 | 569880 | 1 | - | - |
| Neha Agrawal DIN: | 28.06.2016 | Executive Director | Yes | 19 | 420000 | - | - | - |

| | | | | | | | | |
|---|------------|---|-----|---|---|---|---|---|
| 07540311 | | | | | | | | |
| Suresh Kumar Jain DIN: 07546087 | 01.08.2016 | Independent Non Executive Director | Yes | 6 | - | - | 2 | 1 |
| Devi Shankar Goyal DIN: 07559565 | 01.08.2016 | Independent Non Executive Director | Yes | 7 | - | - | 1 | 2 |
| Radhika Agarwal DIN: 07579658 | 01.08.2016 | Independent Non Executive Director | Yes | 7 | - | - | - | 1 |
| Himanshu Goyal* DIN: 03101053 | 28.02.2018 | Additional Independent Non Executive Director | No | 2 | - | 2 | - | - |

Notes: -

1. Mr. Ashok Kumar Agarwal, Mr. Ankit Agarwal, Mrs. Neha Agarwal, are relatives as per section 2 (77) of the Companies Act, 2013.
2. Brief profile of the Board Members is given on the website of the Company (www.rmcindia.in)
3. *Mr. Himanshu Goyal appointed as Additional Independent Non Executive Director w.e.f. 28.02.2018
4. No shares and/or convertible instruments have held by Independent Directors.

Information Supplied to the Board among others

The Company provides the information as set out in Regulation 17 read with Part- A of Schedule II of Listing Regulation to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings. The day to day business is conducted by the officers and the managers of the Company under the control & supervision of board of the Company. The Board generally meets every month to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The Board performs the following specific functions in addition to its other functions:

- Review, monitor and approve major financial and business strategies and corporate actions.
- Assess critical risks facing the Company, review options for their mitigation.
- Provide counsel on the selection, evaluation, development and compensation of senior management.

The Company holds minimum of four Board Meetings in each year. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve urgent matters by passing resolution by circulation. The meetings are held at the Company's Registered / Corporate Office and the procedure is as follows:

- (a) The Chairman & Managing Director, Chief Financial Officer and Company Secretary in consultation with other concerned persons in the senior management, finalize the agenda papers for the Board Meetings.
- (b) Agenda papers are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda Papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.
- (c) In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.
- (d) Board Support: The Company Secretary Attends Board/Board Committee meetings and advises on Compliances with applicable laws and governance.
- (e) The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of the meeting.
- (f) Post Meeting Mechanism: The important decision taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing (Obligation and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on March, 31 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

Induction & Training of Board Members (Familiarization Programme for Independent Directors)

Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman cum Managing Director & Whole Time Director on the Company's manufacturing, marketing, finance and other important aspects and information is available at www.rmcindia.in.

Evaluation of the Board's Performance

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee. For more information please find Board's Performance Evaluation Policy in the annexure to the director's report.

3. Audit Committee

The Company has a Qualified and Independent Audit Committee. Mr. Suresh Kumar Jain is the Chairman of the Audit Committee. The Other Members of the Audit Committee are Mr. Devi Shankar Goyal and Mr. Ashok Kumar Agarwal. The Company Secretary of the Company acts as the Secretary of the Committee.

Terms of Reference

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
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 and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), 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 proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee has the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

At the invitation of the committee, the Statutory Auditor and the Secretary of the Company who is acting as Secretary to the Committee also, attended the Audit Committee Meetings to answer and clarify the queries raised at the committee meetings.

During the Financial Year 2017-18 the Committee met 6 times on 11.04.2017, 27.05.2017, 22.08.2017, 13.11.2017, 23.12.2017 and 28.02.2018.

Composition & Meetings

| Name of Directors | Position held in the Committee | No. of meetings held during the year | |
|--------------------------------|--------------------------------|--------------------------------------|----------|
| | | Held | Attended |
| Mr. Suresh Kumar Jain | Chairman | 6 | 5 |
| Mr. Devi Shankar Goyal | Member | 6 | 6 |
| Mr. Ashok Kumar Agarwal | Member | 6 | 6 |

4. Nomination And Remuneration Committee

Terms of Reference

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director’s performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the Remuneration for Directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the Report of performance evaluation of Independent Directors;

- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme

During the Financial Year 2017-2018 the Committee, after its formation, met 4times on 22.08.2017, 4.09.2017, 31.10.2017 & 28.02.2018. The Composition and attendance of the Members at the Committee Meetings were as follow:

Composition & Meeting

| Name of Directors | Position held in the Committee | No. of meetings during the F.Y. 2017-18 | |
|-------------------------------|--------------------------------|---|----------|
| | | Held | Attended |
| Mr. Suresh Kumar Jain | Chairman | 4 | 3 |
| Mr. Devi Shankar Goyal | Member | 4 | 4 |
| Mrs. Radhika Agarwal | Member | 4 | 4 |

Performance Evaluation Criteria for Independent Directors-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-

Areas of Evaluation

1. Attendance and participations in the Meetings
2. Raising of concerns to the Board
3. Safeguard of confidential information
4. Rendering independent, unbiased opinion and resolution of issues at meetings
5. Initiative in terms of new ideas and planning for the Company
6. Safeguarding interest of whistle-blowers under vigil mechanism
7. Timely inputs on the minutes of the meetings of the Board and Committee's, if any

5. Remuneration of Directors

(A) The Non - executive Directors does not have any other material pecuniary relationship or transactions with the Company during the year.

(B) Criteria of making payments to non-executive directors are available on company website: www.rmcindia.in.

(C) Disclosures with respect to Remuneration:

| Name of Director | Business Relationship with the company | Remuneration paid during 2017-18 (Amount In Rs.) | | | |
|-------------------------|---|--|--|--|-------------------------------|
| | | All element of remuneration package i.e. salary, benefit, bonuses, pensions etc. | Fixed components and performance linked incentives along with performance criteria | Service contract, Notice Period, severance fee | Stock options details, if any |
| Mr. Ashok Kumar Agarwal | Chairman & Managing Director | 12,14,400 | - | - | - |
| Mr. Ankit Agrawal | Whole Time Director | 12,14,400 | - | - | - |
| Mrs. Neha Agrawal | Executive | 9,10,800 | - | - | - |
| Mr. Suresh Kumar Jain | Independent Non Executive Director | - | - | - | - |
| Mr. Devi Shankar Goyal | Independent Non Executive Director | - | - | - | - |
| Mrs. Radhika Agarwal | Independent Non Executive Director | - | - | - | - |
| Mr. Himanshu Goyal* | Additional Independent Non Executive Director | - | - | - | - |

1. Mr. Ashok Kumar Agarwal, Mr. Ankit Agarwal, Mrs. Neha Agarwal are relatives as per section 2 (77) of the Companies Act, 2013.

2. *Mr. Himanshu Goyal was appointed as Additional Independent Non Executive Director w.e.f. 28.02.2018

3. The appointment is subject to termination/resignation by giving one month notice in writing on either side or the notice period may be waived at the discretion of management.

6. Stakeholders Relationship Committee

The Board has constituted Stakeholders Relationship Committee to approve the matters relating to transfer of shares, change in address, issue of duplicate share certificates, non-receipt of Annual Reports, non-receipt of dividend and review and redressed of Shareholders' / Investors' grievances. Sufficient powers have been delegated to this Committee. The power of approving transfer of securities as well as or rematerialization of securities has been delegated to the Company Secretary.

Composition & Meeting

The Committee met four times on 8.04.2017, 7.07.2017, 13.10.2017 and 12.01.2018 during the year 2017-2018. The Composition and attendance of the Members at the Committee Meetings were as follows:

| Name of Directors | Position held in the Committee | No. of meetings held during the F.Y. 2017-18 | |
|--------------------------------|--------------------------------|--|----------|
| | | Held | Attended |
| Mr. Devi Shankar Goyal | Chairman | 4 | 4 |
| Mr. Suresh Kumar Jain | Member | 4 | 4 |
| Mr. Ashok Kumar Agarwal | Member | 4 | 4 |

Mrs. Monika Sharma, Company Secretary of the Company is the Compliance Officer of the Company.

In the Financial Year 2017-2018, the Company has not received any investor complaint.

In the Financial Year 2017-2018, the Company has no complaint which is not solved to the satisfaction of shareholder.

In the Financial Year 2017-2018, the Company has no pending investor complaint.

7. General Body Meetings

Location and Time of last three Annual General Meetings were:

| Financial Year | Venue | Date & Time | Special Resolution Passed for |
|----------------|--|---|--|
| 2016-17 | 7 Km. From Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur Rajasthan 303901 India | 29 th September, 2017 at 11.00 A.M | YES to Revise Perquisites Payable to Directors |
| 2015-16 | 7 Km. From Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur Rajasthan 303901 India | 8 th September, 2016 at 11.00A.M. | YES to fix remuneration of ED |
| 2014-15 | B-11 (B & C), Malviya Industrial Area, Jaipur-302017 | 30 th September, 2015 at 11.00A.M. | NONE |

Special Resolution passed last year through Postal Ballot – details of voting pattern and procedure thereof:

1. Special Resolution was passed pursuant to Postal Ballot Notice dated 22.08.2017 for the following items:
 - a. Alteration in object clause of MOA
 - b. Variation in the terms of 'Objects of the Issue' as mentioned in the Company's Prospectus dated 20th Feb. 2017

Miss Deepika Jain, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot voting in fair and transparent manner

| S. No. | Brief Particulars of Special Resolutions | Total No. of Valid votes | No. of shares and percentage of total votes cast in favour | | No. of shares and percentage of total votes cast against | |
|--------|--|--------------------------|--|------------|--|------------|
| | | | No. of shares | % of votes | No. of shares | % of votes |
| 1 | Alteration in object clause of MOA | 3515880 | 3515880 | 100 | Nil | Nil |
| 2 | variation in the terms of 'Objects of the Issue' as mentioned in the Company's Prospectus dated 20 th Feb. 2017 | 3515880 | 3515880 | 100 | Nil | Nil |

The procedure for postal ballot is as per section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The scrutinizer has submitted report to the Chairman stating that the resolution has been duly passed by the members of the company with requisite majority.

2. Special Resolution was passed pursuant to Postal Ballot Notice dt. 06.01.2018 for the following items:

- a. Issue of 10,00,000 Equity Shares on Preferential Basis to Promoters and Non-Promoters.
- b. Alteration in Articles of Association.

Miss Deepika Jain, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot voting in fair and transparent manner

| S. No. | Brief Particulars of Special Resolutions | Total No. of Valid votes | No. of shares and percentage of total votes cast in favour | | No. of shares and percentage of total votes cast against | |
|--------|---|--------------------------|--|------------|--|------------|
| | | | No. of shares | % of votes | No. of shares | % of votes |
| 1 | Issue of 10,00,000 Equity Shares on Preferential Basis to Promoters and Non-Promoters | 748360 | 748360 | 100 | Nil | Nil |
| 2 | Alteration in Articles of Association. | 3635320 | 3635320 | 100 | Nil | Nil |

The procedure for postal ballot is as per section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The scrutinizer has submitted report to the Chairman stating that the resolution has been duly passed by the Members of the Company with requisite majority.

Special Resolution proposed to be conducted through postal ballot: No Special Resolution proposed to be conducted through Postal Ballot.

Procedure for postal ballot: Complete resolution and procedure have been sent to shareholder separately.

Extraordinary General Meeting

No extra ordinary General Meeting was held during the year 2017-18

8. Means of Communication

The Company has a Web Site i.e. www.rmcindia.in and follow practice to uploads the Half Year/and Annual Results regularly on their website. Your company being listed on SME platform of BSE exempt from the requirement of publishing results in newspaper under SEBI (LODR) Regulation, 2015. The Web site of the Company doesn't displays official news releases. No presentation has been made to

Institutional Investors / Analysts by the Company. The Management Discussion and Analysis (MD&A) forms part of the Annual Report.

9. General Shareholders Information:

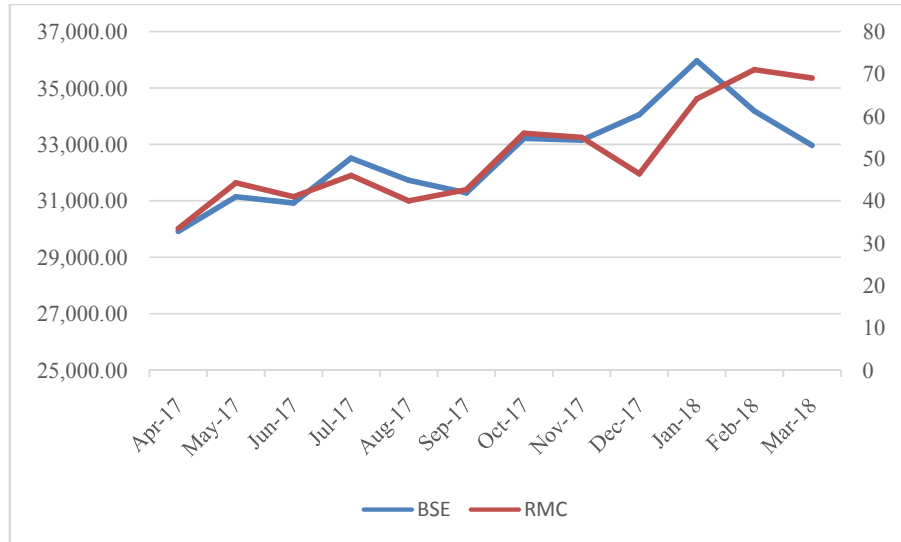
- a. **Annual General Meeting- Date, Time and Venue:** Tuesday , August 14th, 2018 at 11.00 A. M. at 7 Km. From Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur Rajasthan 303901 India
- b. **Financial Year:** The Company Financial Year cover period from April 1, 2017 to March 31, 2018.
- c. **Dividend Payment Date:** No Dividend has been recommended by the Board of Directors for the year under review. The Company has not declared any dividend so far hence there is not any unpaid / unclaimed dividend's
- d. **The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):** SME platform of BSE, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-01. The Company has paid listing fees, as applicable for the financial year 2018-2019 to the BSE.
- e. **Stock Code:** BSE-540358
- f. **Market Price Data- high, low during each month in financial year 2017-18:**

| Month | Stock Prices | | |
|--------|---------------|-------|-------|
| | Volume (Nos.) | High | Low |
| Apr-17 | 240000 | 41.00 | 32.05 |
| May-17 | 392000 | 44.80 | 32.20 |
| Jun-17 | 212000 | 46.25 | 37.15 |
| Jul-17 | 496000 | 63.45 | 40.20 |
| Aug-17 | 120000 | 46.00 | 35.00 |
| Sep-17 | 400000 | 58.00 | 42.40 |
| Oct-17 | 444000 | 66.10 | 40.95 |
| Nov-17 | 352000 | 63.55 | 51.80 |
| Dec-17 | 440000 | 70.00 | 47.90 |
| Jan-18 | 228000 | 74.00 | 62.55 |
| Feb-18 | 136000 | 72.40 | 59.55 |
| Mar-18 | 192000 | 76.50 | 63.20 |

*Source: www.bseindia.com

g. Performance in comparison to broad-based indices such as BSE SENSEX, CRISIL Index etc:

Below comparison is with BSE S & P SENSEX



h. In case the securities are suspended from trading, the Directors Report shall explain there as on thereof: Your company’s shares have never been suspended from Trading.

i. Registrar to an Issue and Share Transfer Agents: Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai Maharashtra- 400083 Website: www.linkintime.co.in, 022-49186000

j. Share Transfer System: The shares of the company are compulsory traded in dematerialized Form. For transfer of Share Company have appointed a common agency Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai Maharashtra-400083 Website: www.linkintime.co.in Website: www.linkintime.co.in for Demat as well as physical transfer. The company has also entered into agreement with NSDL & CDSL so as to provide member as opportunity to hold and trade equity shares of the company in electronic mode. Physical transfers are affected with due care and well within the statutory period.

The application for transfer, transmission and transposition of shares are received by the Company at its Registered Office or at the Office of its Registrar and Share Transfer Agents – Link Intime India Private Limited.

Following is the procedure for transfer of **Physical Share Certificates:-**

- 1) Entry of the share certificates in the computer on receipt thereof in the office.
- 2) Scrutiny of transfer deeds.
- 3) Tallying of transferor’s signatures with the specimen signature available with the Registrar and Share Transfer Agent.
- 4) Data entry of transfer deeds.
- 5) Preparation of objection memos and notices in respect of shares rejected for transfer.

- 6) Generation of checklist for valid and invalid transfer deeds.
- 7) Correction of data in the computer system on the basis of changes marked in the check list.
- 8) Approval of transfer / transmission / split applications in the Shareholder's / Investor's Grievance Committee meeting.
- 9) Recording of transfer of shares in the computer system.
- 10) Endorsement and signatures on the reverse side of share certificates.
- 11) Generation of covering letters for the transferred share certificates and dispatch of transferred share certificates, objection memos and notices by registered post.

Distribution of shareholding & Shareholding Patterns on 31.03.2018:

Distribution of Shareholding:

| Range | Total No. of share holders | % of Total Holders | Total Holding | % of Share holding |
|----------------|----------------------------|--------------------|---------------|--------------------|
| 1-5000 | 1 | 0.4525 | 1000 | 0.0016 |
| 10001-20000 | 0 | 0 | 0 | 0 |
| 20001-30000 | 0 | 0 | 0 | 0 |
| 30001-40000 | 148 | 66.9683 | 5919000 | 9.7157 |
| 40001-50000 | 0 | 0 | 0 | 0 |
| 50001-100000 | 30 | 13.5747 | 2400000 | 3.9395 |
| 100001 & above | 42 | 19.0045 | 52602000 | 86.3432 |
| | 221 | 100.00 | 60922000 | 100.00 |

(b) Shareholding Pattern as on 31.03.2018

| Particulars | No. of Shares held | % of shareholding |
|--|--------------------|-------------------|
| Promoters | 3401960 | 55.8413 |
| Financial Institutions, Banks and Mutual Funds | 0 | 0 |
| Trusts / Clearing Members/HUF | 345100 | 5.6646 |
| Pvt. Corporate Bodies | 474720 | 7.7923 |
| Indian Public | 1778420 | 29.1918 |
| NRIs / OCBs | 92000 | 1.51 |
| Total | 6092200 | 100.00 |

- k. Dematerialization of Shares and liquidity:** The Company's shares are currently traded only in dematerialized form at The Bombay Stock Exchange Ltd. To facilitate trading in dematerialized form, the Company has tied up arrangements with both the present depositories viz. National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). Shareholders can open Demat Account with any Depository participant registered with any of these depositories. As on 31st March, 2018 about 100 % of the Company's shares were held in dematerialized form.

Following is the procedure for dematerialization of share:-

- 1) Entry of the share certificates and the dematerialization request form in the computer.
- 2) Scrutiny of the share certificates and the dematerialization request form in the computer.
- 3) Tallying of signature of the shareholders on the dematerialization request form with the specimen signature available with the Registrar and Share Transfer Agent.
- 4) Data entry of dematerialization request form.
- 5) Generation of checklist.
- 6) Change of shares from physical to Demat mode.
- 7) Electronically releasing the shares in favour of NSDL and CDSL, as the case may be.

Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: There were no outstanding GDRs//ADRs/Warrants or any convertible instruments.

- l. Commodity price risk or foreign exchange risk and hedging activities: Nil**

m. Plant locations: 7 Km. from Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur-303901 Rajasthan.

n. Address for correspondence: For any assistance regarding dematerialization/ rematerialization of Shares, Transfer / Transmission of shares, change of address or any other query relating to shares, the investors may please contact with the Registrar & Share Transfer Agent of the Company at the following address:

Link Intime India Private Limited: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai Maharashtra- 400083 Website: www.linkintime.co.in

For any other query the investors may please contact to: Ms. Monika Sharma, Company Secretary RMC Switchgears Limited Regd. Office: 7 Km. from Chaksu, Khotkawda Road, Village Badodiya, Tehsil Chaksu, Tonk Road, Jaipur Rajasthan 303901 India
Corporate Office: B-11 (B&C), Malviya Industrial Area, Jaipur-302017, cs@rmcindia.in, 0141-4400222.

10. Disclosures

- a. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** During the financial year ended 31st March, 2018 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- b. **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:** Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years
- c. **Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel have been denied access to the audit committee:** The Company has announced Whistle Blower policy and no personnel of the company have been denied access to the Audit Committee.
- d. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** The Company has complied with the mandatory requirements. The Company may have also adopted some non-mandatory requirements.

Web link where policy for determining 'Material' Subsidiaries is disclosed: The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website www.rmcindia.in.

- e. **Web link where policy on dealing with Related Party Transactions:** The Company has framed Related Party Transaction Policy and is placed on the Company's website www.rmcindia.in.
- f. **Disclosure of commodity price risks and commodity hedging activities:** During the financial year ended 31st March, 2018 the Company did not engage in commodity hedging activities.

11. Non-compliance of any requirement of Corporate Governance report of sub Para (2) to (10) above, with reasons thereof shall be disclosed:

There has been no instance of non-compliance of any requirement of corporate governance report.

12. Extent company has adopted the discretionary requirements as specified in part e of schedule ii of SEBI (LODR) Regulation, 2015:

A. The Board

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

B. Shareholder Rights

Half yearly / Annual Financial Results are forwarded to the Stock Exchanges and uploaded on the website of the Company.

C. Modified opinion(s) in Audit Report

During the year under review, there was Emphasis of Matter in the Auditors' Report on the Company's financial statements which is explained in Boards Report.

D. Separate posts of Chairperson and Chief Executive Officer

The company has appointed Mr. Atul Dixit as CEO w.e.f. 4.09.2017. The post of Chairman of the Company and CEO is separate.

E. Reporting of Internal Auditor

The Company has appointed Internal Auditor w.e.f. 17.04.2017 who is a permanent invitee to the Audit Committee Meetings. Present Internal Auditor has resigned on 28.06.2018, The New Internal Auditor is being appointed and he/she shall be attending the Meetings of Audit Committee for the financial year 2018-19 for reporting his/her findings of the internal audit to the Audit Committee Members.

13. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report:

The Company, being a SME Listed Company of BSE Ltd, is exempted from the compliance of corporate governance requirements as provided under regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V.)

Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There is a Emphasis of matter in the Company's financial statements for the year under review.

Declaration

A signed declaration by the Managing director stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is been forming part of annexure to the Directors Report.

Demat Suspense Account/Unclaimed Suspense Account: NA

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Ashok Kumar Agarwal
DIN: 00793152
Chairman & Managing Director
Place: Jaipur
Dated: 18.07.2018**

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
RMC Switchgears Ltd.
(Formerly known as RMC Switch Gears Ltd.)
Jaipur

1. We have examined the compliance of conditions of Corporate Governance by RMC Switchgears Ltd. for the year ended on 31st March, 2018 as stipulated in SEBI (LODR) Regulation, 2015
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) regulation, 2015.
4. We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders / Investors grievance committee.
5. We 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 Deepika Jain & Associates
(Company Secretaries)

(Deepika Jain)
Proprietor
M. No.: A41190
CP: 16994
Place: Jaipur
Date: 18.07.2018

CEO'S/ CFO'S CERTIFICATION

We, Atul Dixit, Chief Executive Officer and Shiv Charan Maheshwari, Chief Financial Officer of RMC Switchgears Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed Financial Statements and the cash flow statement for the year ended on 31st March, 2018 and that to the best of our 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 affairs and are in compliance with existing accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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 we 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 to be taken to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee;
 - i) Significant Changes in internal control, if any, over financial reporting, during the year.
 - ii) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

This Certificate has been issued in compliance with the provisions of SEBI (LODR) Regulation, 2015

**By the order of the Board
For RMC Switchgears Limited
(Formerly known as RMC Switch Gears Ltd.)**

**Atul Dixit
Chief Executive Officer**

**Shiv Charan Maheshwari
Chief Financial Officer**

**Place: Jaipur
Date: 18.07.2018**

INDEPENDENT AUDITORS' REPORT

To
The Members of *RMC SWITCHGEARS LIMITED*,

Report on the Financial Statements

We have audited the accompanying financial statements of “*RMC SWITCHGEARS LTD.*”, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

We draw your attention to following notes to the Financial Statements:

Providing deferred Tax Liability at the rate prescribed u/s 115JB of the Income Tax Act, 1961 as described in Note No. 1(vi) (b) of the Financial Statements, in place of regular rate of income tax, as suggested under Accounting Standard-22

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure – A", a statements on the matters specified in the paragraph 3 & 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. 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;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Sub Section (2) of Section 164 of the Companies Act, 2013.
- f. 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
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. The Company is not required to transfer any amount to the Investors Education and Protection Fund.

For **SARASWAT & COMPANY**
Chartered Accountants
Firm’s registration number: 004846C

CA PRAVIN SARASWAT
Partner
Membership Number: 072679
Place: Jaipur
Dated: 24/05/2018

Annexure – A to the Auditors’ Report

The Annexure referred to in the Independent Auditors’ Report to the Members of the Company on the Financial Statements for the year ended 31st March 2018, we Report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details & situation of Fixed Assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals; No such material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company except Leasehold/Freehold Lands which are in the old name of company i.e. RFH Metal Castings Private Ltd.
2. The Physical Verification of Inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In respect of loans, investments, guarantees, and security all the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposit from the public within the meaning of Section 73 to 76 of the Act and Rules framed there-under to the extent notified.
6. The maintenance of Cost Records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained by the Company.
7. (a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, CESS, Goods and Services Tax (GST) and any other statutory dues to the appropriate authorities.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Central Excise are under dispute:

| Name of Statute | Nature of dues | Amount (in Rs.) (Net of Deposit) | Period to which amount relates | Forum where Dispute is pending |
|--------------------------|-----------------------|---|---------------------------------------|---------------------------------------|
| Central Excise Act, 1944 | Excise Duty & Penalty | 126629/- | March, 2011 | Commissioner (Appeals), Jaipur |

8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.
9. No money was raised during the year by way of initial public offer by the company. Term Loans raised have been used by the company for the purpose for which they were sanctioned and raised.
10. No Fraud by the Company or fraud on the company by its Officers or employees has been noticed or reported during the year.
11. The Managerial Remuneration has been paid and provided in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. The company is not a Nidhi Company and hence reporting under clause 12 of the CARO, 2016 Order is not applicable.
13. All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. The company has made preferential allotment of shares during the year under review and the requirement of section 42 of Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised.
15. The Company has not entered into any non-cash transaction with the Directors or person connected with him/her under the provisions of section 192 of Companies Act, 2013.



16. According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SARASWAT & COMPANY**
Chartered Accountants
Firm's registration number: 004846C

CA PRAVIN SARASWAT
Partner
Membership Number: 072679
Place: Jaipur
Dated: 24/05/2018

Annexure – B to the Auditors’ Report

Report on the Internal Financial Control under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control over Financial Reporting of RMC SWITCHGEARS LTD. (“the Company”) as on 31 March 2018 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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 (‘ICAI’). 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.

Auditor’s Responsibility

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.

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. 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 judgment, 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 Control over Financial Reporting

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

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 31 March 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 **SARASWAT & COMPANY**
Chartered Accountants
Firm's registration number: 004846C

CA PRAVIN SARASWAT

Partner
Membership Number: 072679
Place: Jaipur
Dated: 24/05/2018



| RMC SWITCHGEARS LIMITED | | | | | |
|---|-----------------------------------|-------------------------------|---------------------------------|-----------------------------|-----------------------|
| (Formerly Known as RMC Switch Gears Limited) | | | | | |
| (CIN:L25111RJ1994PLC008698) | | | | | |
| BALANCE SHEET AS AT 31st MARCH, 2018 | | | | | |
| <i>(Amount in Rs.)</i> | | | | | |
| Particulars | | Note No. | As At March 31, 2018 | As At March 31, 2017 | |
| I. | EQUITY AND LIABILITIES | | | | |
| | 1) Shareholders' Funds | | | | |
| | (a) | Share Capital | 2 | 60,922,000.00 | 50,922,000.00 |
| | (b) | Reserves and Surplus | 3 | 172,949,311.12 | 87,726,866.73 |
| | | | | 233,871,311.12 | 138,648,866.73 |
| | 2) Non-Current Liabilities | | | | |
| | (a) | Long Term Borrowings | 4 | 205,365,204.02 | 182,691,298.95 |
| | (b) | Deferred Tax Liabilities(Net) | - | 13,677,581.09 | 8,791,347.21 |
| | (c) | Other Long Term Liabilities | 5 | - | 1,144,621.13 |
| | (d) | Long Term Provisions | 6 | 2,829,803.00 | 1,052,123.00 |
| | | | | 221,872,588.11 | 193,679,390.29 |
| | 3) Current Liabilities | | | | |
| | (a) | Short Term Borrowings | 7 | 139,001,746.55 | 89,101,941.79 |
| | (b) | Trade Payables | - | 155,250,292.46 | 110,880,912.65 |
| | (c) | Other Current Liabilities | 8 | 66,506,189.37 | 60,544,699.99 |
| | (d) | Short Term Provisions | - | - | - |
| | | | | 360,758,228.38 | 260,527,554.43 |
| | TOTAL | | | 816,502,127.61 | 592,855,811.45 |
| II. | ASSETS | | | | |
| | 1) Non-Current Assets | | | | |
| | (a) | Fixed Assets | 9 | | |
| | i) | Tangible Assets | | 241,027,397.69 | 232,595,782.43 |
| | ii) | Intangible Assets | | 1,014,454.77 | 986,121.76 |
| | iii) | Capital Work in Progress | | 53,886,397.93 | 229,820.22 |
| | | | | 295,928,250.39 | 233,811,724.41 |
| | (b) | Non-Current Investments | | - | - |
| | (c) | Long Term Loans and Advances | 10 | 8,720,609.00 | 4,870,558.00 |

| | | | | | |
|--|-----------|-------------------------------|----|-----------------------|-----------------------|
| | (d) | Other Non-Current Assets | 11 | 32,434,884.80 | 5,808,172.20 |
| | | | | 41,155,493.80 | 10,678,730.20 |
| | 2) | Current Assets | | | |
| | (a) | Current Investments | - | - | - |
| | (b) | Inventories | 12 | 69,911,763.28 | 32,503,286.80 |
| | (c) | Trade Receivables | 13 | 333,691,050.19 | 235,549,990.04 |
| | (d) | Cash and Cash Equivalents | 14 | 18,844,623.68 | 31,098,915.50 |
| | (e) | Short Term Loans and Advances | 15 | 33,823,821.18 | 22,198,621.72 |
| | (f) | Other Current Assets | 16 | 23,147,125.09 | 27,014,542.78 |
| | | | | 479,418,383.42 | 348,365,356.84 |
| | | TOTAL | | 816,502,127.61 | 592,855,811.45 |

The accompanying notes are an integral part of the Financial Statements.

As per our separate report of even date
For Saraswat & Company
Chartered Accountants
FRN 004846C

For & on behalf of the Board of Directors
of RMC Switchgears Limited

CA Pravin Saraswat
Partner
Membership Number: 072679
Jaipur, Dated The 24th May, 2018

Ashok Kumar Agarwal
Chairman cum Managing Director
(DIN: 793152)

Shiv Charan Maheshwari
Chief Financial Officer

Monika Sharma
Company Secretary

| RMC SWITCHGEARS LIMITED | | | | |
|---|--|-----------------|---|---|
| <i>(CIN:L25111RJ1994PLC008698)</i> | | | | |
| STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2018 | | | | |
| <i>(Amount in Rs.)</i> | | | | |
| | Particulars | Note No. | For the Year Ended 31st March 2018 | For the Year Ended 31st March 2017 |
| I. | Revenue from Operations(Gross) | 17 | 845,580,947.22 | 558,967,743.17 |
| | Less: Excise Duty | | 14,396,758.94 | 51,775,130.56 |
| | Revenue from Operations(Net) | | 831,184,188.28 | 507,192,612.61 |
| II. | Other Income | 18 | 10,073,510.63 | 16,524,884.03 |
| III. | Total Revenue (I + II) | | 841,257,698.91 | 523,717,496.64 |
| IV. | Expenses | | | |
| | a) Cost of Materials consumed | 19 | 410,381,756.23 | 161,475,594.56 |
| | b) Changes in inventories of Finished Goods & Work-in-Progress | | (3,226,526.60) | 18,506,502.58 |
| | c) Purchases of Stock-in-Trade | 20 | 7,686,672.00 | 44,156,294.43 |
| | d) Employee Benefits Expenses | 21 | 28,063,899.70 | 20,914,979.92 |
| | e) Finance Costs | 22 | 50,939,446.49 | 42,659,814.99 |
| | f) Depreciation and Amortization Expenses | 23 | 17,371,505.41 | 15,259,364.73 |
| | g) Other expenses | 24 | 299,932,267.41 | 205,975,740.04 |
| | Total Expenses (a to g) | | 811,149,020.65 | 50,89,48,291.25 |
| V. | Profit Before Tax (III - IV) | | 30,108,678.27 | 14,769,205.39 |
| VI. | Tax Expenses | | | |
| | a) Current Tax | | 6,138,810.00 | 3,011,270.00 |
| | Income Tax Related to Previous Year | | 0.00 | 153,791.00 |
| | Less: MAT Credit Entitlement | | (6,138,810.00) | (3,165,061.00) |
| | b) Deferred Tax Liability | 31 | 4,886,233.88 | (546,487.44) |
| VII. | Profit (Loss) for the year (V-VI) | | 25,222,444.39 | 15,315,692.83 |
| VIII. | Earning per equity share: (Face Value of Rs.10 each) | 28 | | |



| | | | | |
|----|---------|--|-------------|-------------|
| a) | Basic | | 4.87 | 3.50 |
| b) | Diluted | | 4.87 | 3.50 |
| | | | | |

The accompanying notes are an integral part of the Financial Statements.

**As per our separate report of even date
For Saraswat & Company**
Chartered Accountants
FRN 004846C

**For & on behalf of the Board of Directors
of RMC Switchgears Limited**

CA Pravin Saraswat
Partner
Membership Number: 072679
Jaipur, Dated The 24th May, 2018

Ashok Kumar Agarwal
Chairman cum Managing Director
(DIN: 793152)

Shiv Charan Maheshwari
Chief Financial Officer

Monika Sharma
Company Secretary

RMC SWITCHGEARS LIMITED

(CIN:L25111RJ1994PLC008698)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2018

| Particulars | | Year ended on 31st March, 2018 | Year ended on 31st March, 2017 |
|-------------|--|-----------------------------------|-----------------------------------|
| | | Amount in (Rs.) | Amount in (Rs.) |
| I) | CASH FLOW FROM OPERATING ACTIVITIES | | |
| 1 | Net Surplus in Statement of profit & loss Before Taxes | 30,108,678.27 | 14,769,205.39 |
| 2 | Adjustments for: | | |
| i) | Depreciation and Amortisation | 16,638,314.07 | 15,259,364.73 |
| ii) | Finance Cost | 50,939,446.49 | 42,659,814.99 |
| iii) | Interest Income | (4,169,974.98) | (2,741,703.32) |
| iv) | Dividend Income | (15.00) | 0.00 |
| v) | (Profit)/Loss on Sale of Fixed Assets | (64,182.90) | 0.00 |
| vi) | Rent received | 0.00 | (50,000.00) |
| vii) | Provisions | 1,777,680.00 | 1,052,123.00 |
| | Operating Profit Before Working Capital Changes | 95,229,945.95 | 70,948,804.79 |
| 3 | Adjustments for Working Capital changes: | | |
| | <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| | Inventories | (37,408,476.48) | 17,405,835.41 |
| | Trade receivables | (98,141,060.15) | (73,791,338.84) |
| | Short-term loans and advances | (11,625,199.46) | (10,614,003.36) |
| | Other current assets | 3,867,417.69 | (12,915,732.16) |
| | <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| | Trade payables | 44,369,379.81 | 22,174,740.72 |
| | Other current liabilities | 5,961,489.38 | 31,228,211.57 |

| | | | | |
|-------------|----------|---|------------------------|------------------------|
| | 4 | Cash Generated From Operations | 2,253,496.74 | 44,436,518.13 |
| | | Less: Direct Taxes (Net of MAT effect) | 0.00 | 0.00 |
| | | NET CASH FROM OPERATING ACTIVITIES [A] | 2,253,496.74 | 44,436,518.13 |
| II) | | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | i) | Purchase of Tangible / Intangible Assets | (78,754,840.04) | (27,995,451.31) |
| | ii) | Proceeds on Disposal of Tangible Fixed Assets | 64,182.90 | 8,625,052.27 |
| | iii) | Interest Received | 4,169,974.98 | 2,741,703.32 |
| | iv) | Other Non Current Assets | (26,626,712.60) | (4,683,802.80) |
| | v) | Long Term Loans and Advances | (3,850,051.00) | (4,763,269.00) |
| | vi) | Dividend Received | 15.00 | - |
| | vii) | Issue of Equity Shares including Share Premium | 70,000,000.00 | 20,736,000.00 |
| | vii) | Rent received | 0.00 | 50,000.00 |
| | | NET CASH (USED IN) INVESTING ACTIVITIES [B] | (34,997,430.76) | (5,289,767.52) |
| III) | | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | i) | Proceeds/(Repayment) from Short Term Borrowings(Net) | 49,899,804.76 | (1,418,446.24) |
| | ii) | Proceeds/(Repayment) from Long Term borrowings (Net) | 22,673,905.07 | 14,585,396.75 |
| | iii) | Proceeds/(Repayment) from Long Term Liabilities (Net) | (1,144,621.13) | (2,236,000.00) |
| | iv) | Finance Cost Paid | (50,939,446.49) | (42,659,814.99) |
| | | NET CASH FROM FINANCING ACTIVITIES [C] | 20,489,642.21 | (31,728,864.48) |
| | | NET CASH GENERATED/(USED) [A+B+C] | (12,254,291.82) | 7,417,886.13 |
| | | Cash & cash equivalents the beginning of the year | 31,098,915.50 | 23,681,029.37 |
| | | Cash & cash equivalents the end of the year | 18,844,623.68 | 31,098,915.50 |

| | | | | |
|--|-------|---|----------------------|----------------------|
| | | | | |
| | Note: | | | |
| | 1 | Components of cash & cash Equivalents:- | | |
| | | Cash on hand | 8,198,958.63 | 830,854.63 |
| | | Balances with banks | | |
| | | In current Accounts | 10,247.05 | 6,839,957.87 |
| | | In fixed deposits | 10,635,418.00 | 23,428,103.00 |
| | | | 18,844,623.68 | 31,098,915.50 |
| | | | | |
| | 2 | The above cash flow statement has been prepared under the “Indirect Method” as set out in the Accounting Standard -3 on Cash Flow Statement | | |

**As per our separate report of even date
For Saraswat & Company**
Chartered Accountants
FRN 004846C

**For & on behalf of the Board of Directors
of RMC Switchgears Limited**

CA Pravin Saraswat
Partner
Membership Number: 072679
Jaipur, Dated The 24th May, 2018

Ashok Kumar Agarwal
Chairman cum Managing Director
(DIN: 793152)

Shiv Charan Maheshwari
Chief Financial Officer

Monika Sharma
Company Secretary

RMC SWITCHGEARS LIMITED

Note No. 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2018

i) Corporate Information

RMC Switchgears Limited is a public company domiciled in India. The company is primarily engaged in the business of 'Switchgear Engineering' and 'ECI contracts for power distribution / transmission sector'.

ii) Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply, in all material aspects, with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 (the 'Act').

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

iii) Changes in Accounting Policies

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

iv) Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost including attributable cost (net of cenvat/vat credit /GST Credit availed) of bringing the assets to its working condition for the intended use.
- b) Depreciation on the assets has been provided as under:
- 1) Depreciation has been provided on the basis of useful lives of the tangible assets as prescribed in Schedule II to the Companies Act, 2013 by using Straight-line method (SLM) of depreciation. Based on the technical advice, company has taken the useful lives of 20 years in case of some Plant & Machineries in place of 15 years as prescribed in Schedule II of the Companies Act, 2013.
 - 2) Depreciation on intangible assets is provided in accordance with AS-26 over the period of 5 years.
 - 3) Premium paid on Leasehold Land is amortized over the Lease term which is of 99 years.
 - 4) Impairment of Tangible & Intangible Assets
The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using weighted average cost of capital.

Post impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

v) Valuation of Inventory

Inventory of raw material, stores, spares, semi-finished goods and finished goods are valued at lower of cost and net realizable value. Cost is determined on the basis of FIFO/Weighted Average Method. Inventory of rejected material is valued at cost or net realizable value whichever is lower. Work in process generally includes cost of direct material, labour cost and other manufacturing overheads. Goods-in-Transit is valued at cost.

(vi) Income Tax

- a) Provision is made for the income tax liability in accordance with the provision of the Income Tax Act, 1961. Company has provided for the tax liability u/s 115JB (MAT) of the Income Tax Act, 1961 and consequent MAT Credit available has been recognized as asset.

- b) Deferred Tax has been provided on the DTL (net of DTA) at the prevailing Income Tax Rates as prescribed under Income Tax Act, 1961. However, the tax rate being used is as prescribed u/s 115JB of the Income Tax Act, 1961 (in place of regular rate i.e. 30%) in view of the availability of unabsorbed depreciation and MAT Credit balance lying for adjustment against future profits. Company was using regular rate of tax till the last financial year and had such rate been used for current FY also, the Profit after Tax (PAT) would had been lower by Rs. 11833930/- (Previous Year Rs. 4526876/-) and Deferred Tax Liability would had been higher by the same amount.

vii) Liquidated Damages:

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

viii) Foreign Currency:

- a) Transactions in Foreign Currency entered into by the Company are accounted at the Exchange Rates prevailing the date of the transaction. Foreign Currency monetary items of the company, outstanding on the Balance Sheet date are restated at the year-end rates. Non- monetary items of the company are carried at historical costs.
- b) Exchange Difference arising on settlement / restatement of short term foreign currency monetary assets & liabilities of the company are recognized as expense in the statement of Profit & Loss or capitalized if such differences pertain to creation of Fixed Assets.

ix) Revenue Recognition:

- a) Sales Revenue is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch. Revenue from operations for the period upto June 30, 2017 includes excise duty which has been discontinued with effect from July 1, 2017, post-implementation of GST in India. The company collects GST on behalf of the Central / State Government and therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

In view of the aforesaid re-structuring of the indirect taxes, revenue from operations for the year ended March, 2018 are not comparable with the corresponding previous periods.

- b) Revenue from turnkey contracts is recognized based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. Provision for foreseeable losses/ construction contingencies on turnkey contracts is made on the basis of technical assessments of costs to be incurred and revenue to be accounted for.
- c) Price Escalation and other claims or variations in the contract work are included in contract revenue only when:
 - i) Negotiations have reached to an advanced stage such that it is probable that customer will accept the claim: and
 - ii) The amount that is probable will be accepted by the customer and can be measured reliably.

x) Use of Estimates:

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

xi) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets as Pre-operative Expenses. During the year, Rs. 25 Lacs (Previous year Rs. 22.82 Lacs) has been capitalized for the Capital Assets added during the year. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

xii) Employees Benefits:

a) Defined Contribution Plans:

Employees' own and Employer's contribution to Provident Funds are contributed by company monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organization, India and are charged to Profit and Loss Account on accrual basis.

b) **Defined Benefits Plans:**

Gratuity: The Company provides for gratuity, a defined benefit retirement plan, for its employees. The plan provides for lump sum payments to the eligible employees at retirement, death, while in employment, or on termination of employment or otherwise as per the provisions the Payment of Gratuity Act, 1972. The company accounts for liability of future gratuity benefits based on an external actual valuation on projected unit credit method carried out annually for assessing liability as at the balance sheet date.

xiii) **Segment Reporting:**

a) **Primary Segment:**

Company is engaged in 'Switch Gear Engineering' and 'Construction contracts for power distribution / transmission sector' which relate to one primary segment i.e. Power.

b) **Secondary Segment:**

The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

xiv) **Deferred Revenue Expenditure:**

Company had come out with the Initial Public Offer (IPO) during the FY 2016-17 and Preferential Issue during the year under review, mainly for financing the working capital requirement of the company. Expenditure incurred for this purpose is being written off over the period of 5 years in equal installment, beginning from 01/04/2017. Amount Written Off during the year was Rs. 733191/- (Previous Year NIL) and to be written off during the subsequent four years is Rs. 2932758/-(Previous Year Rs. 3449194/-).

As the funds were raised for the purpose of using for working capital purposes, expenses incurred are being claimed as expense for the purpose of Income Tax.



- xv) Corresponding Figures of previous year have been reclassified/regrouped or rearranged to make them comparable with the current year figures.

**As per our separate report of even date
For Saraswat & Company**
Chartered Accountants
FRN 004846C

**For & on behalf of the Board of Directors
of RMC Switchgears Limited**

CA Pravin Saraswat
Partner
Membership Number: 072679
Jaipur, Dated The 24th May, 2018

Ashok Kumar Agarwal
Chairman cum Managing Director
(DIN: 793152)

Shiv Charan Maheshwari
Chief Financial Officer

Monika Sharma
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTE : 2

Share Capital

(Amount In Rs)

| Particulars | | | | As At 31.03.2018 | As At 31.03.2017 |
|--|--|--|--|-----------------------------|-------------------------|
| <u>Authorized Capital</u> | | | | | |
| 65,00,000 Equity Shares of Rs.10/- each | | | | 65,000,000.00 | 65,000,000.00 |
| <u>Issued, Subscribed and Paid Up Capital</u> | | | | | |
| 60,92,200 (Previous Year: 50,92,200) Equity shares of Rs 10/- each Fully Paid up | | | | 60,922,000.00 | 50,922,000.00 |
| TOTAL | | | | 60,922,000.00 | 50,922,000.00 |

i)

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

| Particulars | | | | As At 31.03.2018 | As At 31.03.2017 |
|---|--|--|--|-----------------------------|-------------------------|
| Outstanding at the beginning of the Year | | | | 5,092,200 | 1,081,050 |
| Add : Equity Shares issued during the year as Bonus Shares | | | | 0 | 3,243,150 |
| Add : Fresh Equity Shares issued during the year through Initial Public Offer | | | | 0 | 768,000 |
| Add : Fresh Equity Shares issued during the year through Preferential Issue | | | | 1,000,000 | 0 |
| Outstanding at the end of the Year | | | | 6,092,200 | 5,092,200 |

| | | ii)Details of Shareholders holding more than 5 % equity shares : | | | | | |
|-------------|--|--|----------------------|-------------------------|----------------------|-------------------------|--|
| | | | | As At 31.03.2018 | | As At 31.03.2017 | |
| | | Particulars | No. of Shares | % Holding | No. of Shares | % Holding | |
| | | | | | | | |
| (a) | Ashok Kumar Agarwal | 585,000 | 9.60% | 455,000 | 8.94% | | |
| (b) | Ankit Agarwal | 569,880 | 9.35% | 569,880 | 11.19% | | |
| (c) | Santosh Agarwal | 568,520 | 9.33% | 568,520 | 11.16% | | |
| (d) | Vitthal Das Agarwal (HUF) | 500,600 | 8.22% | 500,600 | 9.83% | | |
| (e) | Neha Agrawal | 420,000 | 6.89% | 110,000 | 2.16% | | |
| (f) | Argent Leasing & Finance Pvt. Ltd. | 413,120 | 6.78% | 413,120 | 8.11% | | |
| (g) | Parwati Bai | 302,920 | 4.97% | 302,920 | 5.95% | | |
| | | | | | | | |
| iii) | Terms and Rights attached to equity shares: | | | | | | |
| | <p>The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All equity shares of the Company rank pari passu in all respects including the right to dividend. The dividend is recommended by the Board of Directors and declared by the members at the ensuing Annual general Meeting.</p> | | | | | | |
| iv) | Company doesn't have any holding or ultimate holding Company. | | | | | | |
| v) | 32,43,150 Numbers of Equity Shares of Rs 10/- each fully paid-up have been allotted as Bonus Shares by capitalizing Share Premium amounting Rs. 3,24,31,500/- during the FY 2016-17. | | | | | | |
| | | | | | | | |

| NOTE : 3 | | | | | |
|-----------------------------|---|--|-----------------------------|-----------------------------|--|
| Reserves and Surplus | | | | | |
| Particulars | | | As At 31.03.2018 | As At 31.03.2017 | |
| (a) | Share Premium Account | | | | |
| | As per Last Financial Statements | | 46,811,250.00 | 66,186,750.00 | |
| | Add: Share Premium Received | | 60,000,000.00 | 13,056,000.00 | |
| | Less: Capitalized as Bonus Shares | | - | 32,431,500.00 | |
| | Closing Balance | | 106,811,250.00 | 46,811,250.00 | |
| (b) | Capital Reserve | | | | |
| | As per Last Financial Statements: | | | | |
| | Capital Investments Subsidy - State | | 1,450,060.00 | 1,450,060.00 | |
| | CLCS Subsidy-Central Government | | 1,500,000.00 | 1,500,000.00 | |
| | | | 2,950,060.00 | 2,950,060.00 | |
| (c) | Surplus in Statement of Profit and Loss | | | | |
| | As per Last Financial Statements | | 37,965,556.73 | 22,649,863.90 | |
| | Add : Transferred during the year from Statement of Profit and Loss | | 25,222,444.39 | 15,315,692.83 | |
| | Net Surplus in Statement of Profit and Loss | | 63,188,001.12 | 37,965,556.73 | |
| TOTAL | | | 172,949,311.12 | 87,726,866.73 | |
| | | | | | |
| | | | | | |

| NOTE : 4 | | | | | |
|-----------------------------|---|-------------------------|----------------|-------------------------|----------------|
| Long Term Borrowings | | | | | |
| Particulars | | As At 31.03.2018 | | As At 31.03.2017 | |
| | | Non Current | Current | Non Current | Current |
| <u>Secured</u> | | | | | |
| I. | Term Loan from banks | | | | |
| | From The Federal Bank Ltd | - | - | 1,352,160.86 | 6,209,073.00 |
| | From Punjab National Bank | 30,418,284.00 | 6,000,000.00 | - | - |
| | | | | | |
| II. | Secured Subordinate Loan | | | | |
| | From Small Industries Development Bank of India (SIDBI) | 16,875,000.00 | 7,500,000.00 | 24,375,000.00 | 5,625,000.00 |
| | | | | | |
| III. | Secured loans for vehicles | 5,308,643.31 | 2,013,863.95 | 1,404,019.66 | 1,474,638.39 |
| | | | | | |
| IV. | Secured Loans for Plant & Machinery | 5,605,428.00 | 4,492,008.00 | 1,518,071.00 | 3,387,676 .00 |
| | | | | | |
| <u>Unsecured</u> | | | | | |
| I. | Long term borrowings | | | | |
| | (a) From Directors | 46707379.34 | - | 35,271,066.00 | - |
| | (b) Inter-Corporate Deposits | 48,988,469.83 | - | 67,660,421.83 | - |

| | | | | | | |
|--------------|--|--|-------------------------|-------------------------|--|--------------------|
| | (c) | Others | 51,461,999.54 | 4,357,734.98 | 51,110,559.60 | 2,652,923.60 |
| TOTAL | | | 205,365,204.02 | 24,363,606.93 | 182,691,298.95 | 19349310.99 |
| (A) | Nature of Securities: | | | | | |
| | I. | Term Loan | | | | |
| | | Secured by way of first charge on the fixed assets of the company created out of such borrowings, both present and future, situated at Tehsil Chaksu, Jaipur and personal guarantees of Ashok Kumar Agarwal, Ankit Agarwal and Neha Agarwal, Directors of The Company. | | | | |
| | II. | Secured Subordinated Loan | | | | |
| | | SIDBI Loan is secured by way of second charge on the immovable assets of the company and further secured by the personal guarantees of Ashok Kumar Agarwal and Ankit Agarwal, Directors of Company, Smt. Santosh Agarwal and VD Agarwal, Ex-Directors of The Company. | | | | |
| (B) | Terms of repayment of term loans and other loans: | | | | | |
| | 1 | Secured Term Loans | | | | |
| | | Particulars | As At 31.03.2018 | As At 31.03.2017 | Terms of Repayment | |
| | D) | The Federal Bank Ltd | | | | |
| | | Loan of Rs 200.00 Lacs | - | 6,452,160.86 | Repayable in 72 Monthly Installments in 7 years commencing from the 2nd Year. All Installments have been paid as on 31st March, 2018. ROI is BR + 4.03%. | |

| | | | | | |
|--|-------|---|---------------|---------------|---|
| | | Loan of Rs.40.00 Lacs | - | 1,109,073.00 | Repayable in 36 monthly installments. All Installments have been paid as on 31st March, 2018. ROI is BR + 2.55% = 12.5% p.a. |
| | II) | Small Industries Development Bank of India | 24,375,000.00 | 30,000,000.00 | Repayment in 48 Monthly Installments commencing in July, 2017 @ 15% p.a. 9 Monthly installments have been paid as on 31st March, 2018. |
| | III) | Hero Fincorp Ltd | 1,519,227.00 | 1,934,522.00 | Repayable in 48 Equated Monthly Installments commencing from February, 2017 @ 13% p.a. 26 Monthly Installments have been paid as on 31st March, 2018. |
| | IV) | L&T Finance Ltd | - | 2,971,225.00 | Repayable in 36 Equated monthly installments of Rs. 396550/- each at the interest rate of 13% p.a. All 36 installments are to be paid as on 31st March, 2018. |
| | VI) | Punjab National Bank | 36,418,284.00 | - | Repayable in 66 Unequal Installments commencing from 30th April, 2018 @ MCLR + Spread of 3.5%, repayable Rs. 500000/- per month. |
| | VI I) | Dewan Housing Finance Corporation Ltd | 8,578,209.00 | - | Repayable in 24 Equated monthly Installments of Rs. 406864/- each @ 12.75% p.a. commencing on 1st April, 2018. |

| 2 | | Unsecured Term Loans | | | |
|-------------|--|----------------------|------------------|--|--|
| Particulars | | As At 31.03.2018 | As At 31.03.2017 | Terms of Repayment | |
| (a) | From Directors / Ex-Directors | 46,707,379.34 | 35,271,066.00 | Repayable not earlier than 12 months on demand. | |
| (b) | Inter-Corporate Deposits | 48,988,469.83 | 67,660,421.83 | Repayable not earlier than 12 months on demand. | |
| (c) | Others | | | | |
| | Standard Chartered Bank | 51,105,003.20 | 51,110,559.60 | Repayable in 48 Equated Monthly Installments of Rs. 652536/- each commencing in Dec. 2016 @ 9.85% p.a. 16 Monthly Installments have been paid as on 31st March, 2018 | |
| | Standard Chartered Bank | 4,714,731.32 | - | Repayable in 36 Equated Monthly Installments of Rs. 163416/- each @ 13% p.a. commencing in March, 2018. 1 Installment has been paid as on 31st March, 2018. | |
| 3 | | Vehicle Loans | | | |
| Particulars | | As At 31.03.2018 | As At 31.03.2017 | Terms of Repayment | |
| I) | Kotak Mahindra Prime Ltd | - | 36,418.00 | Repayable in Equated Monthly Installment of Rs. 18470/- each. All monthly installments have been paid as on 31st March, 2018 | |
| II) | ICICI Bank Ltd | | | | |
| | ICICI Innova (6336) Loan A/c No. LAJAI0002988 6690 | - | 263,740.10 | Repayable in 36 Equated Monthly Installment of Rs. 39009/- each @10.51%. All 36 Installments have been paid as on 31st March, 2018 | |

| | | | | | |
|--|------------------------|---|------------|--------------|--|
| | | ICICI (Indica) Loan(LAJAI000 34168043) | 127,886.20 | 255,822.10 | Repayable in 36 monthly installments of Rs.12315/- @ 10.01% p.a. 25 installments have been paid as on 31st March, 2018. |
| | | ICICI (Indigo) Loan (LAJAI0003399 1087) | 144,141.70 | 302,983.30 | Repayable in 36 Equated monthly installments of Rs.15168/- @ 10.01% p.a. 26 installments have been paid as on 31st March, 2018. |
| | III) | Axis Bank Ltd | 841,584.00 | 1,240,184.00 | Repayable in 60 Equated Monthly Installments of Rs. 42500/- each @ 10.50% p.a. 38 installments have been paid as on 31st March, 2018. |
| | IV) | Reliance Capital Ltd | | | |
| | | Reliance Capital Ltd. Account No. RLUMJAI0002 73232 | - | 33,758.21 | Repayable in 36 Equated monthly installments of Rs. 21183/- @ 17.02% p.a. All 36 installments have been paid as on 31st March, 2018. |
| | | Reliance Capital Ltd. Account No. RLUMJAI0002 73235 | - | 109,790.20 | Repayable in 36 Equated monthly installments of Rs. 28030/- @ 17.02% p.a. All 36 installments have been paid as on 31st March, 2018. |
| | V) | HDFC Bank Ltd | 120,393.76 | 310,964.14 | Repayable in 36 Equated monthly installments of Rs.17786/- each @ 10.15% p.a. 29 installments have been paid as on 31st March, 2018. |
| | VI) | Sundaram Finance Ltd | 170,014.00 | 324,998.00 | Repayable in 36 Equated monthly installments of Rs. 15385/- each @ 12.04% p.a. 24 installments have been paid as on 31st March, 2018. |
| | VI D) | The Federal Bank Ltd | 936,387.60 | - | Repayable in 60 Equated Monthly Installments of Rs. 20502/- each@ 8.90% p.a. 4 Installments have been paid as on 31st March, 2018. |

| | | | | | | |
|------------------------------------|-----------|---------------|--------------|---|---|-----------------------------|
| | VII D) | HDFC Bank Ltd | 4,982,100.00 | - | Repayable in 60 Equated Monthly Installments of Rs. 101640/- each @ 8.26% p.a. commencing from May, 2018. | |
| | | | | | | |
| NOTE : 5 | | | | | | |
| Other Long Term Liabilities | | | | | | |
| | | | | | As At 31.03.2018 | As At 31.03.2017 |
| Particulars | | | | | | |
| Trade Payables | | | | | - | 1,144,621.13 |
| | | | | | | |
| TOTAL | | | | | - | 1,144,621.13 |
| | | | | | | |
| NOTE : 6 | | | | | | |
| Long Term Provisions | | | | | | |
| | | | | | As At 31.03.2018 | As At 31.03.2017 |
| Particulars | | | | | | |
| Provisions for Employee benefits | | | | | 2,829,803.00 | 1,052,123.00 |
| | | | | | | |
| TOTAL | | | | | 2,829,803.00 | 1,052,123.00 |
| | | | | | | |

| NOTE : 7 | | | | | |
|-----------------------------------|--|--|--|-----------------------------|-----------------------------|
| Short Term Borrowings | | | | | |
| Particulars | | | | As At 31.03.2018 | As At 31.03.2017 |
| Loans repayable on demand: | | | | | |
| Secured | | | | | |
| | Cash credit from banks | | | 138,169,439.55 | 89,101,941.79 |
| | Loan Against Fixed Deposits of bank | | | 832,307.00 | - |
| Unsecured | | | | | |
| | Security Deposits and Refundable/Adjustable Advances | | | - | - |
| TOTAL | | | | 139,001,746.55 | 89,101,941.79 |
| Nature of Securities: | | | | | |
| 1 | Cash Credit | | | | |
| | <p>Cash Credit under the consortium arrangements with Punjab National Bank and The Federal Bank Ltd. are Secured by way of first pari-passu charge on entire current assets, both present and future, of the company. Also collaterally secured by way of first charge ranking pari passu on all unencumbered immovable assets of the company, both present and future and equitable mortgage of Factory Land and Building on pari-passu basis located at Malviya Industrial Area, Jaipur and at Kotkhawda Road, Tehsil Chaksu, Jaipur and personal guarantees of Ashok Kumar Agarwal, Neha Agarwal and Ankit Agarwal, Directors of the Company.</p> | | | | |

| | | | | | |
|---|-----|--|-----------------------------|-----------------------------|--|
| | | | | | |
| <u>NOTE : 8</u> | | | | | |
| <u>Other Current Liabilities</u> | | | | | |
| Particulars | | | As At 31.03.2018 | As At 31.03.2017 | |
| | (a) | Current maturities of Long Term Borrowings: | | | |
| | | Term Loans (Secured) | 13,500,000.00 | 11,834,073.00 | |
| | | Vehicle Loans (Secured) | 2,013,863.95 | 1,474,638.39 | |
| | | Plant and Machinery Loans | 4,492,008.00 | 3,387,676.00 | |
| | | Other Loans | 4,357,734.98 | 2,652,923.60 | |
| | (b) | Advance from Customers | 8,580,063.72 | 15,050,469.89 | |
| | (c) | Creditors For Expenses | 16,919,305.09 | 15,575,497.57 | |
| | (d) | Statutory & Other Liabilities | 10,745,213.64 | 2,330,688.54 | |
| | (e) | Interest accrued but not due on borrowings | 329,000.00 | 271,233.00 | |
| | (f) | Provision for Expenses - Other than employees benefits | 5,569,000.00 | 7,967,500.00 | |
| TOTAL | | | 66,506,189.37 | 60,544,699.99 | |
| | | | | | |

NOTE : 9
FIXED ASSETS

| DESCRIPTI ON OF ASSETS | GROSS BLOCK | | | DEPRECIATION AND AMORTISATION | | | | NET BLOCK | | |
|---|------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|--|-----------------------|------------------------|------------------------|
| | AS AT | ADDIT IONS | DEDU CTION S | AS AT | AS AT | DELE TIONS | DEPRE CIATIO N / AMOR TISATI ON | AS AT | AS AT | AS AT |
| | 1st April 2017 | | | 31st March 2018 | 1st April 2017 | SALES | 31st March 2018 | 31st March 2018 | 1st April 2017 | |
| | RS. | RS. | RS. | RS. | RS. | RS. | RS. | RS. | RS. | RS. |
| 1.TANGIBLE ASSETS | | | | | | | | | | |
| Freehold Land | 18,50,100.00 | - | - | 18,50,100.00 | - | - | - | - | 18,50,100.00 | 18,50,100.00 |
| Leasehold Land | 5,98,238.00 | - | - | 5,98,238.00 | 1,26,521.20 | - | 5,665.00 | 1,32,186.20 | 4,66,051.80 | 4,71,716.80 |
| Building | 8,43,20,580.12 | 12,90,621.45 | - | 8,56,11,201.57 | 1,53,46,903.19 | - | 24,16,766.45 | 1,77,63,669.64 | 6,78,47,531.93 | 6,89,73,676.93 |
| Plant, Property & Equipment | 16,00,06,692.30 | 86,15,918.10 | - | 16,86,22,610.40 | 4,00,65,787.33 | - | 89,07,009.55 | 4,89,72,796.88 | 11,96,49,813.52 | 11,99,40,904.97 |
| Miscellaneous Fixed Assts | 4,80,43,971.67 | 60,04,695.06 | - | 5,40,48,666.73 | 1,67,78,914.28 | - | 32,15,744.13 | 1,99,94,658.41 | 3,40,54,008.32 | 3,12,65,057.39 |
| Furniture | 39,59,723.51 | 6,36,033.72 | - | 45,95,757.23 | 11,13,301.76 | - | 3,78,429.48 | 14,91,731.24 | 31,04,025.99 | 28,46,421.75 |
| Vehicles | 1,34,45,354.86 | 83,13,244.00 | - | 2,17,58,598.86 | 61,97,450.27 | - | 15,05,282.47 | 77,02,732.74 | 1,40,55,866.12 | 72,47,904.59 |
| | | | | | | | | | | |
| TOTAL | 31,22,24,660.46 | 2,48,60,512.33 | - | 33,70,85,172.80 | 7,96,28,878.03 | - | 1,64,28,897.08 | 9,60,57,775.11 | 24,10,27,397.69 | 23,25,95,782.43 |
| <i>Previous Year</i> | <i>31,17,00,765.92</i> | <i>2,67,99,747.52</i> | <i>2,62,75,852.98</i> | <i>31,22,24,660.46</i> | <i>8,20,89,229.96</i> | <i>1,76,50,800.71</i> | <i>1,51,90,448.78</i> | <i>7,96,28,878.03</i> | <i>23,25,95,782.43</i> | <i>22,96,11,535.96</i> |
| | | | | | | | | | | |
| 2. INTANGIBL E ASSETS | | | | | | | | | | |
| Software | 20,56,593.04 | 2,37,750.00 | - | 22,94,343.04 | 10,70,471.28 | - | 2,09,416.99 | 12,79,888.27 | 10,14,454.77 | 9,86,121.76 |
| | | | | | | | | | | |
| TOTAL | 20,56,593.04 | 2,37,750.00 | - | 22,94,343.04 | 10,70,471.28 | - | 2,09,416.99 | 12,79,888.27 | 10,14,454.77 | 9,86,121.76 |
| <i>Previous Year</i> | <i>10,90,709.49</i> | <i>9,65,883.55</i> | <i>-</i> | <i>20,56,593.04</i> | <i>10,01,555.33</i> | <i>-</i> | <i>68,915.95</i> | <i>10,70,471.28</i> | <i>9,86,121.76</i> | <i>89,154.16</i> |
| | | | | | | | | | | |
| 3. CAPITAL WORK-IN- PROGRESS | | | | | | | | | | |
| Project Work | 2,29,820.22 | 5,36,56,577.71 | | 5,38,86,397.93 | - | - | - | - | 5,38,86,397.93 | 2,29,820.22 |
| | | | | | | | | | | |
| TOTAL | 2,29,820.22 | 5,36,56,577.71 | | 5,38,86,397.93 | | | | | 5,38,86,397.93 | 2,29,820.22 |
| | | | | | | | | | | |
| GRAND TOTAL | 31,45,11,073.72 | 7,87,54,840.04 | - | 39,32,65,913.77 | 8,06,99,349.31 | - | 1,66,38,314.41 | 9,73,37,663.38 | 29,59,28,250.39 | 23,38,11,724.41 |
| <i>Previous Year</i> | <i>31,27,91,475.41</i> | <i>2,79,95,451.29</i> | <i>2,62,75,852.98</i> | <i>31,45,11,073.72</i> | <i>8,30,90,785.29</i> | <i>1,76,50,800.71</i> | <i>1,52,59,364.73</i> | <i>8,06,99,349.31</i> | <i>23,38,11,724.41</i> | <i>22,97,00,690.12</i> |

| NOTE : 10 | | | | |
|--|--|--|-------------------------|-------------------------|
| <u>Long Term Loans and Advances</u> | | | | |
| Particulars | | | As At 31.03.2018 | As At 31.03.2017 |
| <i>(Unsecured, considered good)</i> | | | | |
| (a) | Capital Advances | | 8,720,609.00 | 4,870,558.00 |
| TOTAL | | | 8,720,609.00 | 4,870,558.00 |
| NOTE : 11 | | | | |
| <u>Other Non - Current Assets</u> | | | | |
| Particulars | | | As At 31.03.2018 | As At 31.03.2017 |
| <i>(Unsecured, considered good)</i> | | | | |
| (a) | Security Deposits | | 820,300.00 | 1,172,369.40 |
| (b) | Deferred Revenue Expenditure | | 2,932,757.80 | 3,449,193.80 |
| (c) | Fixed Deposits with Banks (with Maturity of more than Twelve Months) | | 28,681,827.00 | 1,186,609.00 |
| | (Pledged with Bank as Cash Margin Money for Bank Guarantees/Letter of Credits) | | | |
| TOTAL | | | 32,434,884.80 | 5,808,172.20 |

| NOTE : 12 | | | | | |
|-------------------------------------|--|--|-------------------------|-------------------------|--|
| Inventories | | | | | |
| Particulars | | | As At 31.03.2018 | As At 31.03.2017 | |
| (a) | Raw Materials (Including Goods in Transit of Rs - NIL Previous year Rs NIL) | | 54,958,449.30 | 7,916,432.14 | |
| (b) | Work in Progress | | 5,454,314.25 | 7,178,531.59 | |
| (c) | Finished Goods(including Scrap) | | 7,324,317.75 | 2,373,573.80 | |
| (d) | Stores & spares (Including Goods in Transit of Rs - NIL Previous year Rs NIL) | | 2,174,681.98 | 15,034,749.26 | |
| TOTAL | | | 69,911,763.28 | 32,503,286.80 | |
| NOTE : 13 | | | | | |
| Trade Receivables | | | | | |
| Particulars | | | As At 31.03.2018 | As At 31.03.2017 | |
| <i>(Unsecured, considered good)</i> | | | | | |
| (a) | Outstanding for a period exceeding six months from the due date | | 16,095,560.75 | 25,889,521.39 | |
| (b) | Others | | 317,595,489.44 | 209,660,468.65 | |
| TOTAL | | | 333,691,050.19 | 235,549,990.04 | |
| | | | | | |

| NOTE : 14 | | | | |
|--------------------------------------|---|-------------------------|-------------------------|--|
| Cash and Cash Equivalents | | | | |
| Particulars | | As At 31.03.2018 | As At 31.03.2017 | |
| (a) | Cash on Hand | 8,198,958.63 | 830,854.63 | |
| (b) | Balances with Banks: | | | |
| | i) In Current Accounts | 10,247.05 | 6,839,957.87 | |
| | Fixed Deposits with maturity of less than 1 year (including Accrued Interest)* | 10,635,418.00 | 23,428,103.00 | |
| TOTAL | | 18,844,623.68 | 31,098,915.50 | |
| | <i>* Pledged with Bank as Cash Margin Money for Bank Guarantees/Letters of Credit/ OD Ag. FDR</i> | 10,490,682.00 | | |
| | Fixed Deposits with Maturity of more than Twelve Months included in Note 11 | 28,681,827.00 | | |
| NOTE : 15 | | | | |
| Short Term Loans and Advances | | | | |
| Particulars | | As At 31.03.2018 | As At 31.03.2017 | |
| <i>(Unsecured, considered good)</i> | | | | |
| | Advances Recoverable in Cash/Kind or value to be received | 19,831,049.17 | 19,298,691.57 | |
| | Prepaid Expenses | 5,492,772.02 | 2,899,930.15 | |
| | Short Term Loans and Advances | 8,500,000.00 | | |
| TOTAL | | 33,823,821.18 | 22,198,621.72 | |
| | | | | |

| NOTE : 16 | | | | | | |
|-------------------------------------|----|---|--|--|-------------------------|-------------------------|
| <u>Other Current Assets</u> | | | | | | |
| Particulars | | | | | As At 31.03.2018 | As At 31.03.2017 |
| <i>(Unsecured, considered good)</i> | | | | | | |
| CENVAT Credit of :- | | | | | | |
| | a) | <i>Excise Duty on Inputs (Including Cess)</i> | | | - | 3,489,197.50 |
| | b) | <i>Service Tax on Input Services (Including Cess)</i> | | | - | 188,299.79 |
| | | GST Advance to be adjusted against future tax liabilities | | | 137,463.00 | |
| | | Security Deposits | | | 9,318,734.00 | 13,785,516.00 |
| | | MAT Credit Entitlement | | | 13,690,928.09 | 7,552,118.09 |
| | | Plant & Machinery retired from active use and held for disposal | | | - | 1,999,411.40 |
| TOTAL | | | | | 23,147,125.09 | 27,014,542.78 |

| NOTE : 17 | | | | | | |
|--------------------------------|---|-------------------------|--|--|--------------------------------------|--------------------------------------|
| Revenue From Operations | | | | | | |
| Particulars | | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| (| a | Sale of Products | | | | |
|) | | Product Sales | | | 785,181,244.36 | 518,153,986.78 |

| | | | | | |
|-------------|---|--|--|--|--|
| | Sale of Scrap | | | 8,562,811.06 | 1,933,227.35 |
| (b) | Sale of Services | | | | |
| | Erection & Commissioning Services | | | 3,570,116.38 | 23,965,251.10 |
| | Works Contract Services | | | 43,696,816.70 | - |
| | | | | 841,010,988.50 | 544,052,465.23 |
| (c) | Other Operating Revenues | | | | |
| | Transport Charges Recovered | | | 4,489,958.72 | 14,915,277.94 |
| | Packing Charges | | | 80,000.00 | - |
| | Revenue From Operations (Gross) | | | 845,580,947.22 | 558,967,743.17 |
| | | | | | |
| | <u>NOTE : 18</u> | | | | |
| | Other Income | | | | |
| | Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | Interest on Bank Deposits including Interest Accrued but not due | | | 2,828,966.58 | 1,450,611.00 |
| | Interest Income (Others) | | | 1,341,008.40 | 1,291,092.32 |
| | Dividend Income | | | 15.00 | - |

| | | | | | |
|--------------------------------------|--|--|--|--------------------------------------|--------------------------------------|
| | Discount Received | | | - | 212,742.00 |
| | Profit (Loss) on Sale of Fixed Assets | | | 64,182.90 | - |
| | Liabilities no longer payable Written Off | | | 489,305.62 | 13,479,938.71 |
| | Rent Received | | | - | 50,000.00 |
| | Insurance Claim Received | | | 5,350,032.13 | 40,500.00 |
| | | | | | |
| TOTAL | | | | 10,073,510.63 | 16,524,884.03 |
| | | | | | |
| <u>NOTE : 19</u> | | | | | |
| Cost of Materials Consumed | | | | | |
| Particulars | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | Opening Stock | | | 7,916,432.14 | 3,347,044.63 |
| | Add : Purchases(Net of Returns) | | | 457,423,773.39 | 166,044,982.06 |
| | | | | 465,340,205.53 | 169,392,026.69 |
| | Less: Closing Stock | | | 54,958,449.30 | 7,916,432.14 |
| TOTAL | | | | 410,381,756.23 | 161,475,594.56 |
| | | | | | |
| <u>NOTE : 19.1</u> | | | | | |
| Materials consumed comprises: | | | | | |
| Particulars | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| a) | Plastic Dana | | | 9,924,930.24 | 18,553,319.25 |
| b) | Ferrous and Non-ferrous Metals | | | 199,728,620.36 | 70,613,101.68 |
| c) | Sheet Molding Compound, Resins & other fibers etc. | | | 121,891,483.63 | 72,309,173.63 |
| d) | Electricals and Electronic Parts for Switchgears | | | 59216963.10 | |
| | | | | 390,761,997.33 | 161,475,594.56 |
| | | | | | |
| | | | | | |

| NOTE : 19.2 | | | | | |
|---|---|------------------|-----|--|--|
| Value of Imported and indigenous Raw material Consumed and their percentage to consumption : | | | | | |
| Particulars | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| a) | Value of Imported and Indigenous Raw Materials Consumed during the year : | | | | |
| | Imported | Value | Rs. | 6,856,313.00 | 2,411,565.36 |
| | | Percentage | | 1.67% | 1.49% |
| | Indigenous | Value | Rs. | 403,525,443.23 | 159,064,029.20 |
| | | Percentage | | 98.33% | 98.51% |
| | | | | 410,381,756.23 | 161,475,594.56 |
| | | | | | |
| NOTE : 20 | | | | | |
| Changes in Inventory of Finished Goods & Work in Progress | | | | | |
| Particulars | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | Opening Inventory | Work In Progress | | 7,178,531.59 | 4,028,099.10 |
| | | Finished Goods | | 2,,373,573.80 | 24,030,508.88 |
| | | | | 9,552,105.40 | 28,058,607.98 |
| | Closing Inventory | Work In Progress | | 5,454,314.25 | 7,178,531.59 |
| | | Finished Goods | | 7,324,317.75 | 2,373,573.80 |
| | | | | 12,778,632.00 | 9,552,105.40 |
| | TOTAL | | | (3,226,526.60) | 18,506,502.58 |
| NOTE : 21 | | | | | |
| Employee Benefits Expenses | | | | | |
| Particulars | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| a) | Salary, Wages & Allowances | | | 25,730,657.00 | 19,494,850.00 |
| b) | Contribution to Provident Fund | | | 153,772.00 | 64,946.00 |
| c) | Labour & Staff Welfare Expenses | | | 2,179,470.70 | 1,355,183.92 |
| | | | | | |
| | TOTAL | | | 28,063,899.70 | 20,914,979.92 |
| | | | | | |
| | | | | | |

| NOTE : 22 | | | | |
|---|---|--|--|--|
| Finance Costs | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| a) Interest Expense on | | | | |
| | Borrowings from Bank | | 28,582,064.342 | 22,835,814.49 |
| | Others | | 17,941,243.63 | 15,170,134.11 |
| b) Other Borrowing Costs | | | 6,915,753.59 | 6,936,267.39 |
| Less: Interest Capitalized during the Year | | | (2,499,615.07) | (2,282,401.00) |
| TOTAL | | | 50,939,446.49 | 42,659,814.99 |
| NOTE : 23 | | | | |
| Depreciation and Amortization Expenses | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | Depreciation on Tangible Assets | | 16,632,649.410 | 15,253,699.73 |
| | Amortization of Tangible Assets | | 5,665.00 | 5,665.00 |
| | Amortization of Intangible Assets- Deferred Revenue Expenditure | | 733,191.00 | 0 |
| TOTAL | | | 17,371,505.41 | 15,259,364.73 |
| NOTE : 24 | | | | |
| Other Expenses | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| Auditors' Remuneration | | | 325,000.00 | 275,000.00 |
| Brokerage | | | 184,034.94 | 130,150.48 |
| Conveyance Expenses | | | 2,210.00 | 95,952.00 |
| Directors' Remuneration | | | 3,300,000.00 | 2,550,000.00 |
| Discount/ Rate Difference | | | 471,229.87 | 757,705.52 |
| Excise, Service Tax and VAT Expenses | | | 615,032.94 | 1,069,584.49 |
| Freight & Carriage Inward | | | 4,996,062.16 | 3,180,472.46 |
| Insurance Expenses | | | 809,006.00 | 773,565.35 |
| Job Work Charges | | | 17,273,403.38 | 11,880,779.84 |
| Loading, Unloading & Labour Charges | | | 50,000.00 | 227,286.00 |
| Liquidated Damages | | | 114,994.10 | 318,634.00 |
| Miscellaneous Expenses | | | 989,170.02 | 1,274,631.56 |
| Packing Material Consumed | | | 8,022,935.37 | 7,528,295.51 |
| Postage & Courier Expenses | | | 203,321.76 | 62,999.69 |
| Power & Fuel | | | 16,859,908.54 | 11,908,545.00 |

| | | | | |
|--|--|------------|--|--|
| Printing & Stationery | | | 21,615.50 | 177,109.62 |
| Professional & Legal Charges | | | 829,083.32 | 775,548.30 |
| Rent | | | 300,000.00 | 400,500.00 |
| Repairs & Maintenance Expenses | | | | |
| a) Plant & Machinery | | | 943,695.25 | 903,293.26 |
| b) Building | | | 10,000.00 | 9,878.00 |
| c) Others | | | 856,689.26 | 907,331.34 |
| Stores, Spares & Accessories Consumed | | | 202,860,067.28 | 138,320,501.84 |
| Selling and Distribution expenses | | | 31,175,416.69 | 17,091,514.28 |
| Telephone & Internet Expenses | | | 530,175.14 | 523,875.21 |
| Travelling Expenses | | | 5,542,161.30 | 3,867,545.49 |
| Type-Testing Expenses | | | 1,345,931.60 | 771,040.80 |
| Vehicle Upkeep Expenses | | | 1,301,123.00 | 194,000.00 |
| TOTAL | | | 299,932,267.41 | 205,975,740.04 |
| | | | | |
| | | | | |
| (A) | Auditors' Remuneration (Net of GST Input Credit) | | | |
| | i) As Auditor | | 325,000.00 | 275,000.00 |
| | ii) Reimbursement of Expenses | | - | - |
| | TOTAL | | 325,000.00 | 275,000.00 |
| <u>NOTE : 24.1</u> | | | | |
| Value of Imported and Indigenous Stores & Spares Consumed and their percentage to consumption : | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| a) | Value of Imported and indigenous Stores & Spares Consumed and their percentage to consumption : | | | |
| | Imported | Value | Rs. | - |
| | | Percentage | | 0.00% |
| | Indigenous | Value | Rs. | 202,860,067.28 |
| | | Percentage | | 100.00% |
| | | | | |
| | | | 202,860,067.28 | 138,320,501.84 |
| | | | | |

| | | | | |
|---|---|--|---|--------------------------------------|
| NOTE : 25 | | | | |
| Related Party Transactions | | | | |
| Related Party Disclosures as required by AS-18 are given below: | | | | |
| Name of the related parties and nature of relationships : | | | | |
| a) | Companies with which transactions have taken place during the year : | | | Nature of Relationship |
| | i) Synergy Solar System | | Owned by Neha Agarwal, Director of the Company | |
| | ii) Acme Metawires Private Limited | | Daughter of the Managing Director is a Director | |
| | iii) Rajasthan Aluminium House Private Limited | | Brother of the Managing Director is a Director | |
| | iv) Apex Aluminium Extrusion Private Limited | | Brother of the Managing Director is a Director | |
| b) | Key Management Personnel | | | |
| | i) Mr. Ashok Kumar Agarwal, Managing Director | | | |
| | ii) Mr. Ankit Agarwal, Whole Time Director | | Son of the Managing Director | |
| | iii) Mrs. Neha Agarwal, Whole Time Director | | Daughter -in- Law of the Managing Director | |
| | iv) Mr. Shiv Charan Maheshwari, Chief Finance Officer | | | |
| | v) Ms. Priyanka Gattani, Company Secretary cum Compliance Officer (Upto 31.10.2017) | | | |
| | vi) Mrs. Monika Sharma, Company Secretary cum Compliance Officer (From 31.10.2017) | | | |
| | vii) Mr. Atul Dixit, Chief Executive Officer (From 04.09.2017) | | | |
| c) | Relatives of Key Management Personnel | | | Relation |
| | i) Mrs. Santosh Agarwal | | Spouse of the Managing Director | |
| | ii) Mr. Vitthal Das Agarwal | | Father of the Managing Director | |
| | iii) Mrs. Parvati Bai Agarwal | | Mother of the Managing Director | |
| | iv) Mr. Amit Agarwal | | Son -in- Law of the Managing Director | |
| | v) Mr. Rajendra Agarwal | | Brother of the Managing Director | |
| The following transactions were carried out / outstanding with related parties in the ordinary course of business with parties referred above: | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| Payments | | | | |
| <i>Details of transactions with relative parties of Key Management Personnel as mentioned in (a) above are as under:</i> | | | | |
| Job charges Paid | | | - | 32,52,734.07 |

| | | | | |
|--|---|--|---|---|
| | Material Purchased (including GST) | | 46,135,887.69 | 1,866,003.00 |
| | Receipts | | | |
| | Rent | | - | 50,000.00 |
| | Sales(including Excise) | | 7,909,291.91 | - |
| | <i>Details of transactions with Key Management Personnel as mentioned in (b)</i> | | | |
| | <i>above are as under:</i> | | | |
| | Remuneration to Directors | | 3,339,600.00 | 2,550,000.00 |
| | Remuneration to Key Management Persons | | 3,160,686.00 | 474,569.00 |
| | Rent for factory land | | 300,000.00 | 300,000.00 |
| | Interest payment | | 8,559,345.99 | 1,206,897.00 |
| | <i>Details of transactions with Relatives of Key Management Personnel as mentioned in (c) above are as under:</i> | | | |
| | Interest payment | | - | 301,185.00 |
| | <u>Balance outstanding at the end of period/year :</u> | | | |
| | Payable as at the yearend (Net) | | 47,443,905.51 | 36,486,217.00 |
| | <u>NOTE : 26</u> | | | |
| | Disclosure Under Accounting Standard - 7 (Revised) "Construction Contracts" | | | |
| | Particulars | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | (a) (i) Contract Revenue recognized during the year | | 47,266,933.08 | 66,185,593.39 |
| | (ii) Method used to determine the contract revenue recognized and the stage of completion | | {Refer Note 1((ix)(b))} | {Refer Note 1((ix)(b))} |
| | (b) Disclosure in respect of contracts in progress as at the yearend:- | | | |
| | (i) Aggregate amount of costs incurred and recognized profits (less recognized losses) | | Included under various cost and expenses head of accounts | Included under various cost and expenses head of accounts |
| | (ii) Advances received, outstanding | | - | - |
| | (iii) Retentions receivable | | 28,188,476.96 | 22,827,167.00 |
| | (iv) Amount due from customers (included under Note 12 – Trade Receivables) | | 14,894,129.30 | 47,944,658.83 |
| | (v) Amount due to customers | | - | - |

| NOTE : 27 | | | | | |
|---|---|--|--|--|--|
| Contingent Liabilities and Commitments | | | | | |
| Particulars | | | | As At 31.03.2018 | As At 31.03.2017 |
| a) | Bank Guarantee issued to third parties (Net of Margin) | | | 251,055,630.20 | 159,192,914.00 |
| b) | Letter of Credit Issued to suppliers by banks | | | 17,959,619.00 | 10,981,299.00 |
| c) | Disputed Excise Demand Liability (Net of Deposits) | | | 126,629.00 | 4,246,457.00 |
| d) | Claims lodged but not accepted by the company | | | 2,900,984.00 | 1,005,317.00 |
| e) | TDS Interest Demand | | | - | 46,076.00 |
| f) | Capital Commitments (Net of Advances) | | | 1,800,000.00 | 19,042,833.20 |
| NOTE : 28 | | | | | |
| Earnings Per Share | | | | | |
| Particulars | | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| Basic & Diluted Earnings Per Share (EPS) are computed in accordance with Accounting Standard (AS) 20 “Earnings Per Share” | | | | | |
| a) | Weighted Average Equity Shares outstanding at year end | | | 5,179,871.23 | 4,374,698.63 |
| b) | Profit for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss | | | 25,222,444.39 | 15,315,692.83 |
| c) | Earnings Per Share (Basic) | | | 4.87 | 3.50 |
| d) | Earnings Per Share (Diluted) | | | 4.87 | 3.50 |
| e) | Face Value per Share | | | 10.00 | 10.00 |
| NOTE : 29 | | | | | |
| Disclosures specified by MSMED Act, 2006 | | | | | |
| The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosure relating to amounts unpaid as at the yearend together with interest paid/payable to Micro Enterprises and Small Enterprises and others, under this Act could not be given. As per “The Micro, Small and Medium Enterprises Development Act, 2006, the company is required to identify the Micro, Small and Medium Suppliers and pay interest on overdue beyond the specified period. The Management believes that there is no overdue principal amount/interest payable amount for delayed payment to such vendors at the Balance Sheet Date. Accordingly, there is no liability for interest in respect of payments made during the year or on balances brought forward from previous year. | | | | | |

| NOTE : 30 | | | | |
|--|--|--|--|--|
| CIF Value of Imports, Expenditures and Earnings in Foreign Currency | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| (a) | Raw Materials | | 6,856,313.00 | 2,411,565.36 |
| (b) | Capital Goods | | 34,581,098.12 | 6,672,620.00 |
| (c) | Expenditure in Foreign Currency | | - | 461,383.73 |
| (d) | Earnings in Foreign Currency | | - | - |
| | | | 41,437,411.12 | 9,545,569.09 |
| NOTE : 31 | | | | |
| Deferred Taxation {See Note 1(vi)(b)} | | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | Deferred Tax Liabilities | | | |
| a) | Accumulated Depreciation | | 78,852,313.14 | 70,030,116.36 |
| b) | Expenses claimed as deducted but deferred in accounts | | 2,932,757.80 | 3,449,193.80 |
| | | | 81,785,070.94 | 73,479,310.16 |
| | Deferred Tax Assets | | | |
| a) | Expenses allowable for tax purposes on Payment Basis | | 2,829,803.00 | - |
| b) | DTA on account of disallowance u/s 40(a)(ia) | | 270,438.50 | - |
| c) | Unabsorbed Depreciation brought forward for adjustment in future | | 4,751,958.67 | 30,360,163.53 |
| | | | 7,852,200.17 | 30,360,163.53 |
| | Net Deferred Tax Liability | | 73,932,870.77 | 43,119,146.63 |
| | Tax Liability on Net DTL | | 13,677,581.09 | 8,791,347.21 |
| NOTE : 32 | | | | |
| Employee Benefits | | | | |
| A. | Defined Contribution Plans | | | |
| | The amount recognized as an expense for defined contribution plans are as under: | | | |
| Particulars | | | For the Year Ended 31.03.2018 | For the Year Ended 31.03.2017 |
| | Provident Fund | | 144,523.00 | 54,512.00 |
| | Employee State Insurance | | 133,956.00 | 26,585.00 |

| B. | Defined Benefits Plan (Gratuity) | | | |
|--|---|--|--------------|--------------|
| | Valuation in respect of Gratuity has been carried out by independent actuary as at the Balance Sheet date. The details of the same are given as under: | | | |
| (i) | Assumptions: | | | |
| (a) | Discount Rate (Per Annum) | | 7.25% | 7.50% |
| (b) | Rate of increase in compensation level | | 10.00% | 5.00% |
| (c) | Rate of return on Plan Assets | | - | - |
| (d) | Expected Average remaining working lives of employees in no. of years | | 24.40 | 24.80 |
| (ii) | Changes in the present Value of Obligation: | | | |
| (a) | Present value of the obligation at the beginning of the year | | 1,052,123.00 | 1,282,454.00 |
| (b) | Interest Cost | | 76,279.00 | 48,092.00 |
| (c) | Current Service Cost | | 676,146.00 | 103,378.00 |
| (d) | Actuarial (Gain)/Loss | | 1,025,255.00 | (381,801.00) |
| (e) | Benefits Paid | | - | |
| (f) | Present value of the obligation at the end of the year | | 2,829,803.00 | 1,052,123.00 |
| (iii) | Amount recognized as on 31/03/2018 | | | |
| (a) | Present Value of Obligation as at year end | | 2,829,803.00 | 1,052,123.00 |
| (b) | Fair value of Plan Assets as at year end | | - | - |
| (c) | Net (Asset)/Liability recognized | | 2,829,803.00 | 1,052,123.00 |
| (iv) | Expenses recognized as on 31/03/2018 | | | |
| (a) | Current Service Cost | | 676,146.00 | 1,385,832.00 |
| (b) | Interest Cost | | 76,279.00 | 48,092.00 |
| (c) | Net actuarial (Gain)/Loss | | 1,025,255.00 | (381,801.00) |
| (d) | Gain for the year which has been accounted by the company in Profit & Loss Account | | 1,777,680.00 | 1,052,123.00 |
| <i>Note: Current Service Cost for FY 2016-17 included the obligations for past years</i> | | | | |

As per our separate Report of even date
For Saraswat & Company
Chartered Accountants
FRN 004846C

CA Pravin Saraswat
Partner
Membership Number: 072679
Jaipur, Dated The 24th May, 2018

For & on behalf of the Board of Directors
of RMC Switchgears Limited

Ashok Kumar Agarwal
Chairman cum Managing Director
(DIN: 793152)

Shiv Charan Maheshwari
Chief Financial Officer

Monika Sharma
Company Secretary

CORRIGENDUM TO THE ANNUAL REPORT OF RMC SWITCHGEARS LIMITED FOR THE FINANCIAL YEAR 2017-18 FOR THE ATTENTION OF THE SHAREHOLDERS OF THE COMPANY

The Shareholders of the Company are requested to note the corrections as appearing hereunder with respect to and in connection with the Annual Report of the Company for the Financial Year 2017-18 which has been dispatched to its Members.

On Page No.29 of the Annual Report for 2017-18, in Point No. -18 sub point (F) “Industrial Safety, Employee Health and Safety Risk” following be included:

“All the insurable interests of your Company including Properties, Equipments and Stocks etc. are adequately insured.”

On Page No. 29 of the Annual Report for 2017-18, Point-22 Sub Point 22 (i) be included and read as follows:

Loan from Directors:

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the respective directors have given declaration in writing to the Company to the effect that the amount is not being given out of funds acquired by them by borrowing or accepting loans or deposits from others. Accordingly the following amounts are excluded from the definition of Deposit as per Rule 2(1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014:-

| Name of Director giving Loan | Amount borrowed during 2017-18 (in Rs.) |
|------------------------------|---|
| Mr. Ashok Kumar Agarwal | 38,565,000.00 |
| Mr. Ankit Agrawal | 35,308,566.60 |
| Mrs. Neha Agrawal | 15,823,000.00 |

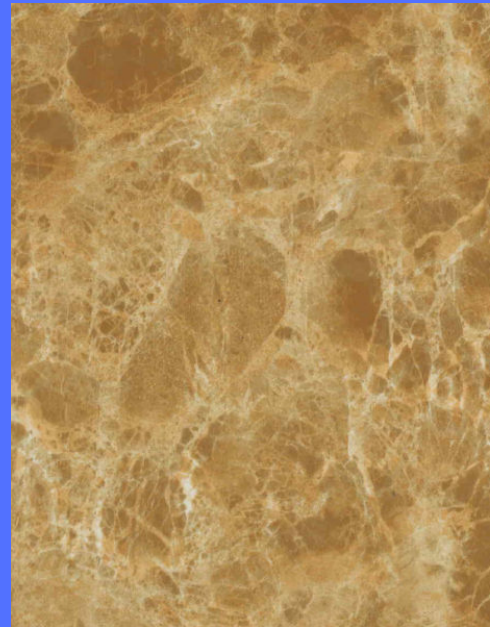
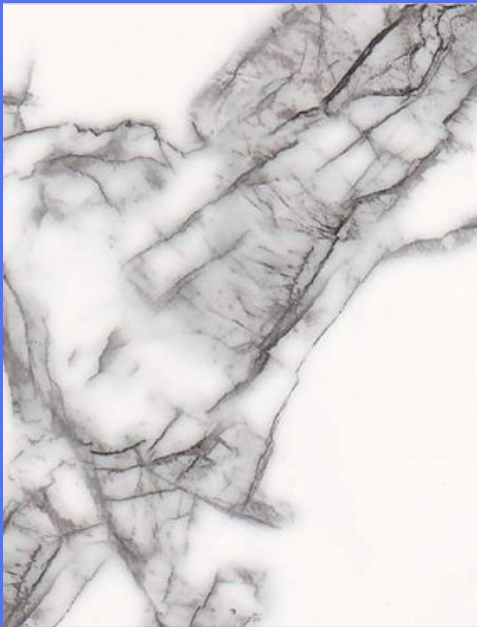
All other information in the Annual Report 2017-18 remains unchanged. Inconvenience caused is regretted. The Corrigendum and updated version of said Annual Report are available on the website of the Company viz. www.rmcindia.in

On behalf of Board of Directors
For RMC Switchgears Limited

Ashok Kumar Agarwal
Chairman & Managing Director
Date: 26.07.2018
Place: Jaipur

LAMINA

BY RMC SWITCHGEARS LIMITED



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