

Ref: RCIIND/BSE/AnnualReport/2021-22

02<sup>nd</sup> September, 2021

To  
The Department of Corporate Services – Listing  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

**SCRIP CODE: 537254**

**Subject: Submission of Annual Report of the Company for the Financial Year 2020-21 alongwith the Notice of 30<sup>th</sup> Annual General Meeting (“AGM”)**

**Dear Sir/Ma’am,**

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended, please find enclosed herewith the Annual Report for the financial year 2020-21 alongwith the Notice of 30<sup>th</sup> Annual General Meeting (“AGM”) of the Company to be held on **Thursday, the 30<sup>th</sup> day of September, 2021 at 10.30 a.m. (IST)** through Video Conferencing (“VC”)/other Audio Visual means (“OAVM”).

The Notice of the AGM and Annual Report inter alia, containing the Financial Statements and other Statutory Reports for the year ended March 31, 2021 has been sent electronically to all the members whose e-mail IDs are registered with Registrar and Share Transfer Agent of the Company and the Depository Participant(s). The Notice of the AGM and the Annual Report for the financial year 2020-21 will also be available on the Company’s website at [www.rciind.com](http://www.rciind.com).

The Notice of 30<sup>th</sup> AGM and the Annual Report has also been uploaded on the website of the Company at [www.rciind.com](http://www.rciind.com).

This is for your information and record.

Thanking You,

Yours faithfully

For **RCI Industries and Technologies Limited**

For **RCI Industries & Technologies Ltd.**

  
**Company Secretary**

**Jyoti Sharma**  
**Company Secretary**  
**M. No.: A55135**

Encl.: A/a



**RCI INDUSTRIES & TECHNOLOGIES  
LIMITED**

**ANNUAL REPORT**

**2020-21**

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## CORPORATE INFORMATION

### **Board of Directors**

*Mr. Rajeev Gupta - Chairman & Managing  
Director*

*Mrs. Mamta Gupta - Non-Executive Director*

*Mr. Ritesh Kumar- Independent Director*

*Mr. Mukesh Kumar Tyagi- Independent Director*

### **Nomination & Remuneration Committee**

*Mr. Mukesh Kumar Tyagi- Chairman*

*Mr. Ritesh Kumar- Member*

*Mrs. Mamta Gupta – Member*

### **Key Managerial Personnel**

*Mr. Rajeev Gupta - Chairman & Managing Director*

*Ms. Jyoti Sharma - Company Secretary &  
Compliance Officer*

### **Independent Auditors**

*KRA & Co.*

*Chartered Accountants*

*H-1/208, Garg Tower,*

*Netaji Subhash Palace, Pitampura,*

*New Delhi-110034*

**Audit Committee**

*Mr. Mukesh Kumar Tyagi - Chairman*

*Mr. Ritesh Kumar - Member*

*Mr. Rajeev Gupta - Member*

**Shareholder Grievance Committee**

*Mr. Mukesh Kumar Tyagi- Chairman*

*Mr. Ritesh Kumar- Member*

*Mr. Rajeev Gupta- Member*

**CSR Committee**

*Mr. Mukesh Kumar Tyagi- Chairman*

*Mr. Ritesh Kumar- Member*

*Mr. Rajeev Gupta- Member*

**Share Transfer Agents**

*Bigshare Services Private Limited*

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

*New Delhi-110055*

**Registered Office**

*Unit No. 421, 4<sup>th</sup> Floor, Pearl Omaxe,*

*Netaji Subhash Place, Pitampura, Delhi-110034*

*Email: [compliance@rciind.com](mailto:compliance@rciind.com)*

*Website: [www.rciind.com](http://www.rciind.com)*

**Listed in Stock Exchanges**

*Bombay Stock Exchange*

**FROM THE CHAIRMAN DESK,**

I trust you are all well and safe.

As I ink this statement, the Continuation of COVID-19 pandemic and world goes through second/third waves, each country is trying hard to keep their industry running. The second wave of the Covid-19 pandemic has left behind a trail of pain and suffering. My heart goes out to all the families who have been impacted by this health emergency.

The Financial year ended 31st March, 2021, due to the continuation of COVID-19 pandemic, the Company has faced challenges for business growth with the economic, slows down consumption and impact the global economy shrunk by 3.3% in 2020-21. Your Company has incurred heavy losses during the current year as well as previous year. However, the year that was FY21 started on a dismal note as India stepped into Second lockdown. But we are able to continue our production at baddi, Himachal Pradesh. This year as well as previous year is challenging for the industries but we still manage to keep our production at Baddi Unit going.

As you already aware that Company borrowings were declared as Non-Performing Assets (NPA) by the Bankers due to non-payment of borrowed and interest amount during the previous year. However, the management is giving their all efforts and confident about the revival of the Company and already submitted the restructuring plan to the lenders for the revival.

I wish to inform you that, we have concentrated our efforts to keep the Company going concern and also took the necessary steps to rebuild the Company. And Company has submitted tenders to the Government sector and has received orders for job work from Ordinance factory, katni & Ammunition factory, Khadki Pune etc. And also, trying to keep our efforts to get the orders in future as well.

Before I end, I would like to thank the entire RCI team who, once again, have braved through the raging pandemic to meet customer commitments. My thanks to our other stakeholders, who continue to be our partners in growth. I also place on record my sincere appreciation to all our shareholders for their continued confidence and support.

Warm regards

**Rajeev Gupta**

*Chairman & Managing Director*



**RCI INDUSTRIES & TECHNOLOGIES LIMITED**

Regd. Office: UNIT NO. 421, PEARL OMAXE TOWER, NETAJI SUBHASH PLACE, PITAMPURA, NEW DELHI-110034

Tel: +91 11 41681828, +91 11 27371334

Web: www.rciind.com, Email: compliance@rciind.com

CIN: L74900DL1992PLC047055

**NOTICE**

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

**NOTICE IS HEREBY GIVEN THAT THE 30<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY “RCI INDUSTRIES & TECHNOLOGIES LIMITED” WILL BE HELD ON THURSDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2021 AT 10:30 A.M. THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESSES. THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY AT UNIT NO. 421, 4<sup>TH</sup> FLOOR, PEARL OMAXE, NETAJI SUBHASH PLACE, PITAMPURA, DELHI-110034**

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**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company- on Standalone & Consolidated basis, for the Financial Year ended March 31, 2021 including Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the Financial Year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mamta Gupta (DIN: 00503302), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

**3. APPROVAL OF REMUNERATION PAYABLE TO COST AUDITORS OF THE COMPANY**

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

**“RESOLED THAT** pursuant to section 148(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit & Auditor) Rules, 2014, M/s Cheena & Associates appointed by the Board of Directors of the Company as the cost Auditors to conduct audit of cost accounting records maintained by the Company for Product(s)/Services Covered under MCA Cost Audit Order(s) for the year ending on 31-03-2021 at a remuneration of Rs. 1,25,000/- (Rupee One Lakh Twenty-Five Thousand Only) plus GST and out-of-pocket expenses as recommended by the Audit Committee of Directors of the Company, subject to ratification of the remuneration of the said Cost Auditors by the Shareholders of the Company at the ensuing Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto.”

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

Sd/-  
**Ms. Jyoti Sharma**  
Company Secretary & Compliance Officer  
M. No. A55135

Date: 13<sup>th</sup> August, 2021  
Place: New Delhi

Registered Office  
Unit No. 421, 4<sup>th</sup> Floor Pearl Omaxe Tower,  
Netaji Subhash Place, Pitampura, New Delhi-110034  
CIN L74900DL1992PLC047055  
E-mail: [compliance@rciind.com](mailto:compliance@rciind.com)  
Website: [www.rciind.com](http://www.rciind.com)

## IMPORTANT NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April 2020 and 5th May, 2020, respectively and by General Circular No. 02/2021 dated 13th January, 2021, allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 ("MCA Circulars"). The Securities and Exchange Board of India ('SEBI') also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 the validity of which has been extended till 31st December, 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 ("SEBI Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 30<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The Members can attend and participate in the AGM through VC/OAVM only. Further, the Company will be availing remote e-voting/ e-voting system for casting vote during AGM from National Securities Depository Limited (NSDL).
2. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 30<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 30<sup>th</sup> AGM through VC/OAVM Facility only. Therefore, attendance slip and route map are not annexed to this notice.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of company Secretaries of India in respect of Director seeking appointment/re-appointment at this AGM are also annexed.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Institutional /Corporate member are encouraged to attend the 30<sup>th</sup> AGM through VC/OA VM mode and vote electronically. Corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OA VM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [pcsgauravshah@gmail.com](mailto:pcsgauravshah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) & [compliance@rciind.com](mailto:compliance@rciind.com).

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from **Friday, 24<sup>th</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021** (both days inclusive).
9. The Company has fixed the record date of **Friday, 27<sup>th</sup> August, 2021** for determining the entitlement of shareholders to receive Annual Report of the Financial Year 2020-21.
10. The Company's Registrar and Transfer Agent (RTA) for its Share Registry Work (Physical and Electronic) is Bigshares Services Private Limited, having its office at having its office at E4/8, Block E 4, Jhandewalan Extension, Jhandewalan, New Delhi, Delhi 110055, E-mail Id: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com). Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to Bigshares Services Private Limited, Registrar & Share Transfer Agent of the company quoting their Folio number.
11. Members are requested to notify immediately about any change in their postal address/ e-mail address/ bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent viz. M/s Bigshare Services Private Ltd having its office at E4/8, Block E 4, Jhandewalan Extension, Jhandewalan, New Delhi, Delhi 110055. Shareholders holding Equity Shares of the Company in physical form may register their E-Mail address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by E-Mail, by sending appropriate communication on [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com) with Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address.
12. Members who have not registered / updated their email addresses with Bigshares Services Private Limited, are requested to do so for receiving all future communications from company including Annual Reports, Notices, Circulars etc. electronically.
13. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar & Share Transfer Agents as mentioned above, or the Company Secretary, at the Company's registered office. Members are requested to note that are not claimed within seven years from the date of

transfer to the Company's unpaid Dividend Account, will, as Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF, as per Section 124 of the Act, and applicable rules.

14. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/Demat form, the nomination form may be filed with the respective Depository Participant.
16. 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, accordingly, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
17. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No(s). Members who hold shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.
18. Details pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The director has furnished the requisite declaration for his re-appointment, confirming that he meets the criteria for re-appointment.
19. In terms of Section 152 of the Act, Mrs. Mamta Gupta, Directors of the Company, are liable to retire by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.
20. Members desirous of obtaining any information/ clarification concerning the Financial Statements for the Financial Year ended March 31, 2021, of the Company, may send their queries in writing atleast seven days before the Annual General Meeting to the Company Secretary at the registered office of the Company or at e-mail id: [compliance@rciind.com](mailto:compliance@rciind.com).
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

22. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participant in case the shares are held by them in electronic form and with Company's RTA in case the shares are held by them in physical form. This may be considered as an advance opportunity to the members to register their e-mail address and changes therein as required under Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended from time to time.

**23. PROCEDURE FOR INSPECTION OF DOCUMENTS:**

- (i) All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on [compliance@rciind.com](mailto:compliance@rciind.com).
- (ii) The Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.

**24. AN ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ELECTRONIC ANNUAL REPORT:**

- (i) In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 02/2021 dated 13th January, 2021 issued by MCA and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- (ii) Members who do not have registered their E-mail ID and/or bank details are required to register their email addresses and/or bank details, in respect of electronic holdings with their concerned Depository Participants and in respect of physical holdings, with the Company's Share Transfer Agent i.e. M/s Bigshare Services Private Ltd having its office at E4/8, Block E 4, Jhandewalan Extension, Jhandewalan, New Delhi, Delhi 110055 E-mail: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com) by following due procedure, which is as under:

In case, Physical Holding	Send a duly signed request letter to the RTA of the Company i.e. Bigshare Services Private Ltd (Unit: RCI Industries and Technologies Limited), E4/8, Block E 4, Jhandewalan Extension, Jhandewalan, New Delhi, Delhi 110055 or scanned copy on e-mail at <a href="mailto:bssdelhi@bigshareonline.com">bssdelhi@bigshareonline.com</a> and provide the following details/documents for registering email address: a) Folio No., b) Name of shareholder, c) Email ID, d) Copy of PAN card (self attested),
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	e) Copy of Aadhar (self attested) f) Copy of share certificate (front and back) Following additional details/documents need to be provided in case of updating Bank Account detail: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number, d) MICR Code Number, and e) IFSC Code f) Copy of the cancelled cheque bearing the name of the first shareholder
In case, Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at [www.rciind.com](http://www.rciind.com). on the website of Stock Exchanges where shares of the Company are listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**25. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER: -**

- (i) In compliance with Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014 as may be amended from time to time, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and the Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India, the Company is pleased to provide E-Voting facility to the Members of the Company to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic means (remote e-voting) in respect of the resolutions contained in this notice and the business may be transacted through e-voting services provided by NSDL.

The facility for voting, through electronic voting system on the resolution(s) shall also be made available at the AGM and members attending the meeting through VC/OAVM who have not already cast their vote on the resolution(s) by remote e-voting shall be able to exercise their right to vote on such resolution(s) at the meeting.

- I. The Members who have already cast their vote by remote e-voting prior to the AGM would be entitled to attend the AGM through VC / OAVM but shall not be entitled to vote on such resolution(s) at the meeting.
- II. The Remote e-voting period begins on **Monday, 27<sup>th</sup> September, 2021 at 09.00 A.M. and ends on Wednesday, 29<sup>th</sup> September, 2021 5.00 P.M.**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of

Members / Beneficial Owners as on the record date (cut-off date) i.e. **Thursday, 23<sup>rd</sup> September, 2021** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 23<sup>rd</sup> September, 2021.

- III. The cut-off date for determining the eligibility of shareholders to exercise remote E-Voting rights and attendance at 30<sup>th</sup> Annual General Meeting (AGM) is **Thursday 23<sup>rd</sup> September, 2021**. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date, shall be entitled to avail the facility of E-Voting or voting at the meeting through ballot paper. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

The remote e-voting period begins on **Monday, 27<sup>th</sup> September, 2021 at 09:00 A.M.** and ends on **Wednesday, 29<sup>th</sup> September, 2021 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

E-voting Particulars:

<b>EVEN (Remote e-voting event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
<b>117226</b>		

Members are requested to carefully read the instruction for E-voting before casting their vote.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li data-bbox="575 402 1969 748">1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li data-bbox="575 784 1969 857">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirect Reg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirect Reg.jsp</a></li><li data-bbox="575 902 1969 1252">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder/Member’</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ol>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below:

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

	IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [pcsgauravshah@gmail.com](mailto:pcsgauravshah@gmail.com) and to the company by e-mail to [compliance@rciind.com](mailto:compliance@rciind.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Abhishek Mishra, Manager NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance@rciind.com](mailto:compliance@rciind.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance@rciind.com](mailto:compliance@rciind.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
5. Members, who are present in the meeting through video conferencing facility and have not cast their vote on the resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
6. Members who have cast their votes by remote e-voting prior to the AGM may also attend and participate in the AGM but they shall not be entitled to cast their vote again at the AGM.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@rciind.com](mailto:compliance@rciind.com). The same will be replied by the company suitably.

## **25. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at [compliance@rciind.com](mailto:compliance@rciind.com) on or before 23<sup>rd</sup> September, 2021 to enable the management to keep information ready at the AGM. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio no., mobile number at [compliance@rciind.com](mailto:compliance@rciind.com) on or before 23<sup>rd</sup> September, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The other members desiring to seek information/clarification during the AGM may ask through the chat box facility provided by NSDL. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

## **26. DECLARATION OF RESULTS**

- I. Mr. Gaurav Shah, a Practicing Company Secretary (Certificate of Practice No. 21952, Membership No. FCS 46647), Proprietor, M/s. Gaurav Shah & Associates has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
- II. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- III. The results shall be declared not later than forty-eight hours from conclusion of the meeting by posting the same on the website of the Company at [www.rciind.com](http://www.rciind.com) and Stock Exchange website at [www.bseindia.com](http://www.bseindia.com).
- IV. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e. 30<sup>th</sup> September, 2021.

27. Members who need assistance before or during the AGM with use of technology, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800-222-990 or Contact Mr. Abhishek Mishra, Manager, NSDL at the designated email ID: [abhishekm@nsdl.co.in](mailto:abhishekm@nsdl.co.in) or at telephone number +91-8510810068; or Contact Mr. Aman Goyal, Assistant Manager, NSDL at the designated email ID: [amang@nsdl.co.in](mailto:amang@nsdl.co.in) or Mr. Narender Dev, Assistant Manager at the designated email ID: [narendrad@nsdl.co.in](mailto:narendrad@nsdl.co.in) or at telephone number +91-8376913413;

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

Sd/-

**Ms. Jyoti Sharma**  
Company Secretary & Compliance Officer  
M. No. A55135

Date: 13<sup>th</sup> August, 2021

Place: New Delhi

Registered Office

Unit No. 421, 4<sup>th</sup> Floor Pearl Omaxe Tower,

Netaji Subhash Place, Pitampura, New Delhi-110034

CIN L74900DL1992PLC047055

E-mail: [compliance@rciind.com](mailto:compliance@rciind.com)

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

**ITEM NO. 3: APPROVAL OF REMUNERATION PAYABLE TO COST AUDITORS OF THE COMPANY**

The Board of Directors of the company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s Cheena & Associates, Cost Accountants, to conduct the audit of the cost records of the company for the financial year ended 31 March 2021. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the company and their relatives, are in any way concerned or interested in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

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

Sd/-

**Ms. Jyoti Sharma**  
Company Secretary & Compliance Officer  
M. No. A55135

Date: 13<sup>th</sup> August, 2021

Place: New Delhi

Registered Office

Unit No. 421, 4<sup>th</sup> Floor Pearl Omaxe Tower,

Netaji Subhash Place, Pitampura, New Delhi-110034

CIN L74900DL1992PLC047055

E-mail: [compliance@rciind.com](mailto:compliance@rciind.com)

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

**REQUISITE INFORMATION IN RESPECT OF DIRECTOR SEEKING APPOINTMENT OR RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:**

<b>Name of the Director</b>	<b>Mrs. Mamta Gupta</b>
<b>DIN</b>	00503302
<b>Date of Birth</b>	02.03.1968
<b>Type of appointment</b>	Liabile to retire by rotation
<b>Date of Appointment/ Re-appointment</b>	24.01.2009
<b>Areas of Specialization</b>	Leadership, legal, regulatory, information security and compliance requirement of the industries
<b>Qualifications</b>	Graduate
<b>No. of Shares Held in the Company</b>	1164930 (7.43%)
<b>Justification for appointment</b>	Promoter Director
<b>Chairman/member of the Committee of the Board of Directors of this Company</b>	Member: 1. Nomination & Remuneration Committee
<b>Chairman/member of the Committee of the Board of Directors of other listed Companies or holding Directorship in any other listed company</b>	Nil
<b>Relation with Key Managerial Personnel and Directors</b>	Wife of Mr. Rajeev Gupta

## DIRECTORS' REPORT

**TO,  
THE MEMBERS,**

Your Directors have pleasure in presenting the 30<sup>th</sup> (Thirtieth) Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2021.

### **1. FINANCIAL RESULTS**

The financial performance of your Company for the financial year ended March 31, 2021 is summarized below: -

**(Amount in Rs. Lacs)**

<i>Particulars</i>	<i>Standalone – Year Ended*</i>		<i>Consolidated – Year Ended*</i>	
	<i>Year ended on 31<sup>st</sup> March, 2021</i>	<i>Year ended on 31<sup>st</sup> March, 2020</i>	<i>Year ended on 31<sup>st</sup> March, 2021</i>	<i>Year ended on 31<sup>st</sup> March, 2020</i>
Revenue from Operations'	6880.22	38,882.65	7079.95	45,683.10
Other Income	63.67	1707.53	75.70	1,726.63
<b>Total Income</b>	<b>6943.89</b>	<b>40,590.18</b>	<b>7155.65</b>	<b>47,409.73</b>
Total Expenses	16168.86	51,198.18	23021.35	60,404.90
Profit/(Loss) before extraordinary items and tax	(9224.96)	(10,608.00)	(15865.70)	(12,995.17)
Less: Tax Expenses:				
Current Tax	-	-	-	-

Deferred Tax	(170.37)	(74.75)	(170.37)	(74.53)
Minimum Alternate Tax	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>(9054.60)</b>	<b>(14,247.67)</b>	<b>(15695.33)</b>	<b>(16,635.05)</b>

## 2. FINANCIAL PERFORMANCE

### Standalone

During the financial year ended 31<sup>st</sup> March, 2021, based on standalone financial statements, the Company earned Total revenue amounting to Rs. 6943.89/- Lakhs as Compared to Rs. 40,590.18/- Lakhs in the previous year. Loss after tax stood at Rs. 9054.60/- Lakhs as against Loss after tax of Rs. 14,247.67/- in the previous year.

### Consolidated

During the financial year ended 31<sup>st</sup> March, 2021, the Company's Consolidated revenue for the year ended 31<sup>st</sup> March, 2021 was Rs. 7,155.65/- Lakhs compared to Rs. 47,409.73/- Lakhs for the period ended 31<sup>st</sup> March, 2020. The Consolidated Net Loss for the year ended 31<sup>st</sup> March, 2021 Rs. 15,695.33/- Lakhs compared to Net loss of Rs. 16,635.05/- Lakhs for the period 31<sup>st</sup> March, 2020. The Consolidated total Comprehensive loss for the year ended 31<sup>st</sup> March, 2021 was Rs. 15878.58/- Lakhs compared to total comprehensive loss of Rs. 15,843.17/- Lakhs for the year ended 31<sup>st</sup> March, 2020.

Your Company has incurred heavy losses amounting to Rs. 158.78/- Crores during the year 31<sup>st</sup> March, 2021. Further, the Company borrowings are being declared as Non-Performing assets (NPA) by the lenders due to non-payment of interest and borrowed on dues dates on.

## 3. SUMMARY OF FINANCIAL HIGHLIGHT

During the Financial year ended 31<sup>st</sup> March, 2021, due to the continuation of COVID-19 pandemic, the Company has faced challenges for business growth with the economic and slows down consumption. As a result of COVID-19 which impact the global economy shrunk by 3.3% in 2020-21. As the world goes through second/third waves, each country is trying hard to keep their industry running. Your Company has incurred heavy losses amounting to Rs. 90.54/- Crores during the financial year ended 31<sup>st</sup> March, 2021. Further, the net worth of the Company has been fully eroded.

Further, Company borrowings were declared as Non-Performing Assets (NPA) by the Bankers due to non-payment of borrowed and interest amount during the previous year. However, the management is confident of reviving the Company and is in discussion with bank restructuring of loan.

Further your company has faced severe liquidity crunch for a variety of reasons during the previous year which also affect the current financial year 2020-21. Further, company has received some notices from the GST department for attaching the financial accounts of the Company which has also an impact on the liquidity position from the previous year.

We all are aware that economic crisis consequent to the spread of the novel Coronavirus-19 and the world goes through the second wave/ third waves, which impacted in the businesses and the Society at large. Your Company is also taking several measures and steps to cop up from such situation with the help of its bankers by restructuring and revival plan with our lenders.

#### **4. RESERVES & SURPLUS**

The Company's reserve & surplus for the financial year ended March 31, 2021 is (Rs. 65,31,84,790/-) as compared to the previous year it was Rs. 25,11,56,186/-.

#### **5. DIVIDEND**

In view of losses incurred during the period under review, the Board of Directors does not recommend any dividend on the equity shares for the financial year ended March 31, 2021.

#### **6. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

As per Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all the shares in respect to which dividend has remained unclaimed/unpaid for a period of seven Consecutive year or more are required to transfer in the name of IEPF, but the company is not required to transfer the said amount to the IEPF established by the Central Government for during the year under the review.

#### **7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

The Company has following Subsidiary Companies and Associate Companies as on March 31, 2021:

<b>Sl. No.</b>	<b>Name &amp; Address of the Company</b>	<b>Holding/ Associate</b>	<b>Subsidiary/</b>	<b>% of Shares held</b>	<b>Applicable Section</b>
1.	RCI World Trade Link DMCC, Dubai (U.A.E.)	Subsidiary		100	2(87)
2.	Ace Matrix Solutions Limited	Associate		22	2(6)
3.	Metalrod Private Limited	Associate		34.27	2(6)

During the Financial year ended on March 31, 2021 the Company has two Associate Company i.e Ace Matrix Solutions Limited & Metalrod Private Limited.

In accordance with proviso to sub-section (3) of Section 129 of the Companies Act 2013, a statement containing salient features of the financial statements of the Company's Subsidiaries/Joint Ventures/associates and the report on their performance and financial position in Form AOC-1 is annexed to the financial statements and forms part of the Annual Report, which covers the financial position of the associate Company.

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its audited standalone and the consolidated financial statements has been placed on the website of the Company.

#### **8. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

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

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

#### **9. SHARE CAPITAL**

During the Financial Year 2020-21, there was no change in the share capital of the Company.

#### **10. LISTING**

Your Company's fully paid-up equity shares continue to be listed and traded on BSE Limited ('BSE'). The said Stock Exchange has nation-wide trading terminals and hence facilitates the Shareholders/Investors of the Company in trading the Shares. The Company has paid the annual listing fee for the Financial Year 2021-22 to the said Stock Exchange.

**11. DEMATERIALIZATION OF SHARES**

The Company has admitted its Equity Shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares.

As on 31st March, 2021, 15676415 Equity Shares representing 99.98% of the Equity Share Capital of the Company are in dematerialized form.

The Equity Shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI). The International Securities Identification Number (ISIN) allotted to the Company with respect to its Equity Shares is INE140B01014.

**12. DEPOSITORIES**

Your Company has arrangements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), the Depositories, for facilitating the members to trade in the fully paid-up equity shares of the Company in Dematerialized form. The Annual Custody fees for the Financial Year 2021-22 has been paid to both the Depositories.

**13. COMPLIANCE WITH SECRETARIAL STANDARD**

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

**14. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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

**15. CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business during the financial year 2020-21.

**16. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of Annual Report.

**17. EXTRACT OF ANNUAL RETURN**

In terms of the Section 92 (3) of Companies Act, 2013 as amended, the Annual Return of the Company is placed on the website of the Company [www.rciind.com](http://www.rciind.com) on the following link:

<https://www.rciind.com/investors/reports-and-presentations/>

**18. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**i. Directors**

During the financial year ended 31<sup>st</sup> March, 2021, Mr. Mukesh Kumar Tyagi (DIN: 08698810) and Mr. Ritesh Kumar (DIN: 08698796) has been appointed as Non- Executive Independent Director of the Company with effect from 08<sup>th</sup> May, 2020 and both of them regularize in the 29<sup>th</sup> Annual General Meeting of the Company. Further Mr. Anil Kumar Jain has been resigned from the post of Independent Director with effect from 08<sup>th</sup> May, 2020.

Mrs. Mamta Gupta (DIN: 00503302) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board hereby recommends their re-appointment for approval of shareholders in the ensuing Annual General Meeting.

During the period under the review, your Board comprises of 4 Directors including 2 Independent Directors and 1 Woman Director. The Company recognizes and embraces the importance of a diverse Board in its success. The Board has also adopted the Board Diversity Policy.

The brief profile, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, of the Directors eligible for appointment/ re-appointment forms part of the Notice of Annual General Meeting and Corporate Governance Report.

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

**ii. Key Managerial Personnel**

During the financial year ended 31<sup>st</sup> March, 2021, Mr. Atul Kumar Kulshrestha was appointed as Chief Financial Officer of the Company with effect from 01<sup>st</sup> September, 2020 in place of Mr. Inder Prakash Saboo who has been resigned from the post of chief Financial Officer with effect from 01<sup>st</sup> August, 2020.

Further Mr. Atul Kumar Kulshrestha has also resigned due to their health issue from the post of Chief Financial Officer of the Company with effect from 05<sup>th</sup> October, 2020 and whose position is still vacated and need to fill by the Board of Directors, as the management is in the position to fill the vacancy but due to COVID-19 Pandemic we are unable to fill the vacancy on time.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Rajeev Gupta, Managing Director and Chairman and Ms. Jyoti Sharma Company Secretary of the Company are the Key Managerial Personnel of the Company.

#### **19. NOMINATION & REMUNERATION POLICY**

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP and other employees is attached as 'ANNEXURE-1' to this Report.

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

#### **20. PARTICULARS OF EMPLOYEES**

As on March 31, 2021, the total numbers of employees on the records of the Company were 175. The information required under Section 197 of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, along with statement showing names and other particulars of the top 10 employees in terms of remuneration drawn is annexed to this report as 'ANNEXURE-2'.

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

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

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

Similarly, for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/ her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. Board members had submitted their response on a scale of 5 (excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board

members, including Chairman of the Board. The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

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

The Directors expressed their satisfaction with the evaluation process.

## **22. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

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

The Policy on Familiarization Program for Independent Directors is also available on the Company's website [www.rciind.com](http://www.rciind.com) under the weblink <https://www.rciind.com/about-us/management-team/familiarisation-programme-for-independent-directors/>

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

## **23. MEETING OF THE BOARD**

The Board met 8 times during the Financial Year 2020-21, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Regulations.

## **24. COMMITTEES OF THE BOARD**

The Company's Board has the following Committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders' Relationship Committee
- (iv) Corporate Social Responsibility Committee

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

**(i) Audit Committee**

The Board has constituted an Audit Committee, which comprises Mr. Mukesh Kumar Tyagi, Chairman (Independent Director), Mr. Rajeev Gupta, Managing Director and Mr. Ritesh Kumar, Independent Director as the Members during the period under the review. The Board of Directors has accepted all the recommendations of the Audit Committee.

**25. SECRETARIAL AUDITOR**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had appointed M/s Kiran & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed as ‘ANNEXURE-3’.

No fraud has been reported by the Secretarial Auditors under Section 143 (12) of the Companies Act, 2013 and the rules made thereunder.

The Board has re-appointed M/s. Kiran & Associates, Company Secretaries in practice as Secretarial Auditor of the Company for the financial year 2021-22.

**26. SECRETARIAL COMPLIANCE REPORT**

Pursuant to the provision of Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements), 2015 M/s Kiran & Associates, Company Secretaries in practice has undertaken the Secretarial Compliance Report of the Company for the Financial Year 2020-21. The Report of the Secretarial Compliance Report in prescribed format for the period ended 31<sup>st</sup> March, 2021 is annexed as ‘ANNEXURE-4’ to the Report.

**27. CORPORATE SOCIAL RESPONSIBILITY**

A brief outline of the Corporate Social Responsibility Policy of the Company and the related details for the period 2020-21 are set out in “ANNEXURE 5” of this report as per the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Composition of CSR committee and other related details are provided in the Corporate Governance section, forming part of this Report. The policy is available on the website of the Company (www.rciind.com).

**28. RELATED PARTY TRANSACTIONS**

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. All transactions with related parties entered during the year were in the Ordinary Course of Business and on Arm's Length and duly approved by Audit Committee of the company. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

However, as required under Companies Act, 2013 the details of related party transactions are disclosed in prescribed Form No. AOC – 2 which is attached as **ANNEXURE-6**.

Also, you may refer to Related Party transactions in Note No 34 of the Standalone Financial Statements.

**29. CORPORATE GOVERNANCE**

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

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

A certificate from Practicing Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is annexed as '**ANNEXURE-7**' and forms part of this Report.

**30. AUDITORS**

At 27<sup>th</sup> Annual General Meeting held on Friday, 20<sup>th</sup> July, 2018, M/s. KRA & Co., Chartered Accountants (Firm Registration No: 020266N) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2023.

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

The Audit Report given by M/s. KRA & Co. (erstwhile Statutory Auditors) for the financial year 2020-21, forming part of this Annual Report.

The report of Statutory Auditor forming part of this Annual report with qualified opinion with their remarks during the period under the review.

Board Comment on Qualified opinion, during the previous year, our company were declared as non performing assets (NPA) due to non payment. However the management is confident of reviving the Company and is in discussion with Bank for restructuring of loan. Company having Government orders and in strong prediction to get new Government orders. Still your company is going concern and confident about the smooth functioning of the business of the Company.

**31. INTERNAL AUDITORS**

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

**32. COST AUDITOR**

M/s Cheena & Associates (Membership No. 29419) Practicing Cost Accountant have been re-appointed to audit the cost records of the Company for the Financial Year 2021-22 for conducting the audit of the cost records of the Company.

**33. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As per the directive of Securities and Exchange Board of India, M/s Gaurav Shah & Associates, Company Secretaries, Rajasthan undertook the Reconciliation of Share Capital Audit on a quarterly basis. The purpose of the audit is to reconcile the total number of shares held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form with the respect to admitted, issued and paid up capital of the Company.

**34. CHANGE OF REGISTERED OFFICE**

During the financial year ended 31<sup>st</sup> March, 2021, the Company has changed their registered office from B-97, All Heavens Building, Wazirpur Ring Road, New Delhi – 110052 to Unit No. 421, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034 with effect from 01<sup>st</sup> September, 2020.

**35. WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The Board has adopted a Whistle Blower Policy (Vigil Mechanism) to provide opportunity to Directors/Employees/Stakeholders of the Company to report concerns about unethical behavior, actual or suspected fraud of any Director and/or Employee of the Company or any violation of the Code of Conduct.

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

**36. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies act, 2013 form part of the notes to the financial statements provided in the Annual Report.

**37. BORROWINGS AND DEBT SERVICING**

The Company borrowings are being declared as Non-Performing Assets (NPA) by the lenders due to non-payments of interest and borrowed amount as Company has incurred heavy losses during the year ended on 31<sup>st</sup> March, 2021.

**38. PUBLIC DEPOSITS**

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

**39. SEXUAL HARASSMENT**

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

**40. SIGNIFICANT AND MATERIAL ORDER**

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future. *However, Company has received Show Cause Notice from GST Intelligence, Gurugram Zonal Unit during the previous year.*

**41. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

**Conservation of Energy**

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

### **Technology Absorption**

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

### **Foreign Exchange Earning & Outgo**

Particulars of Foreign Exchange Earnings and Outgo during the financial year is mentioned in the financial accounts forming part of the Annual Report.

## **42. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **43. RISK MANAGEMENT SYSTEM & INTERNAL CONTROL SYSTEMS**

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with standard operating procedures (SOPs) and which ensures that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. The Company has laid down procedures to inform audit committee and board about the risk assessment and mitigation procedures,

to ensure that the management controls risk through means of a properly defined framework. The internal control systems of your Company ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

Your Company has in place adequate internal financial controls with reference to financial statements. Based on internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21. During the year, no reportable material weakness in the design or operation was observed.

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

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

#### **44. INSIDER TRADING CODE**

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

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

#### **45. INDUSTRIAL OPERATIONS**

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

#### **46. INVESTOR RELATIONS**

Your Company always endeavours to promptly respond to shareholders' requests/grievances. Each and every issue raised by the shareholders is taken up with utmost priority and every effort is made to resolve the same at the earliest. The Stakeholders Relationship Committee of the Board periodically reviews the status of the redressal of investors' grievances.

**47. CAUTIONARY STATEMENT**

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

**48. ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**  
**Sd/-**  
**Mr. Rajeev Gupta**  
Chairman & Managing Director  
DIN 00503196

Place: New Delhi  
Dated: 13.08.2021

**ANNEXURE-1** to the Board's Report

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

**Preliminary**

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

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

**Term / Tenure**

***Executive Director:***

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

***Non-Executive Directors:***

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

**Committees**

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

**(I) AUDIT COMMITTEE**

**(II) NOMINATION AND REMUNERATION COMMITTEE**

**(III) SHAREHOLDERS GRIEVANCE COMMITTEE**

**(IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Code of Conduct**

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

**Performance Evaluation**

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

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

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

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

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

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

### **Removal**

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

### **Retirement**

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

### **Remuneration policy for Executive Directors (Whole-time/ Managing Director) and KMP**

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

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

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

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

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

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

**Remuneration to Non- Executive Directors (excluding Independent Director)**

**a) Remuneration / Commission:**

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

**b) Sitting Fees:**

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

**c) Commission:**

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

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

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

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

### **Preliminary**

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

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

### **Term**

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

### **Committees**

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

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

### **Code of Conduct and Duties and Responsibilities**

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

### **Performance Evaluation**

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

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

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

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

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

#### **Remuneration**

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

#### **Changes of personal details**

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

#### **Miscellaneous**

1. They will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business-related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).

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

**ANNEXURE-2** to the Board's Report

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

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

<i>Sl. No.</i>	<i>Name of Director &amp; Designation</i>	<i>Ratio of remuneration of each Director to median remuneration of employees</i>
1.	Mr. Rajeev Gupta Managing Director	0.436:1.00

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

<i>Sl. No.</i>	<i>Name of Director &amp; KMP</i>	<i>Designation</i>	<i>% Increase in remuneration of Director &amp; KMP</i>
1.	Mr. Rajeev Gupta	Managing Director	Nil
2.	Mrs. Jyoti Sharma	Company Secretary	Nil

(iii) The percentage increase in the median remuneration of employees in the financial year –2.84%

(iv) The number of permanent employees on the rolls of company - 175

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

The average annual increase in the salaries of employees during the year was 2.84% whereas there was a reduction in the managerial remuneration (Managing Director's remuneration) due to financial crisis in the Company during the financial year 2020-21.

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

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

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

<i>Sl. No.</i>	<i>Name</i>	<i>Age (Yrs)</i>	<i>Designation/ Nature of Duties</i>	<i>Total Remuneration (in Rs.)</i>	<i>Educational Qualification</i>	<i>Experience (in years)</i>	<i>Date of Joining</i>	<i>Previous Employment</i>
1	RAJ MANI VARMA	51	Plant Head	13,49,997	BE (Mechanical)	21	01.11.2018	Vitro Industries Pvt Ltd
2	SHEFALI CHOPRA	37	Senior Manager	10,80,000	B. Com	10	15.01.2018	RCI Industries and Technologies Limited
3	RAM DAYAL GHATIYA	46	Sr. Manager Accounts	9,00,000	B. Tech	21	20.06.2019	Mittal Appliance Ltd
4	MUKESH SONI	31	Manager	7,86,000	BA	12	19.03.2018	Olympian Telecom Infra Pvt Ltd
5	SAMIR MANNA	54	Manager	6,93,000	ITI Fitter	27	18.11.2016	Arcotech Ltd.
6	ANSHUMAN UPPAL	34	Manager	7,20,000	B. Com	9	01.03.2017	Stesalit Ltd.
7	JYOTI SHARMA	30	COMPANY SECRETARY	6,38,000	COMPANY SECRETARY	3	04.05.2020	Castex Technologies Ltd. (Amtek Group)

8	RAGHAV ACHARYA	44	General Manager	6,48,396	B. Com	11	01.04.2010	RCI Copper
9	SHRIMAN NISHAD	45	Assistant Manager	6,06,000	ITI Fitter	26	18.07.2017	Rimjhim stinlees Ltd.
10	RAKESH KUMAR	34	Sr. Engineer	6,03,000	B. Tech Mechanical Engg.	9	17.07.2019	Agrawal Metal works Pvt. Ltd.

**Notes:**

1. None of the Employees named above is relative of any Director of the Company

Place: New Delhi  
Date: 13.08.2021

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

**ANNEXURE-3** to the Board's Report

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

**To,**  
**The Members,**  
**RCI Industries & Technologies Limited**  
**Unit No. 421, 4<sup>th</sup> Floor, Pearl Omaxe Tower,**  
**Netaji Subhash Place, Pitampura, New Delhi – 110034**

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

Based on our verification of the RCI Industries & Technologies Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RCI Industries & Technologies Limited (“the company”) for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- ***Not Applicable during this Audit Period***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009- ***Not Applicable during this Audit Period***

(h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998- ***Not Applicable during this Audit Period***

(vi) As per information provided by the management, the following laws as applicable specifically to the company:

(a) Income Tax Act, 1961;

(b) Custom Law, 1962;

(c) Central Excise Act,

(d) Applicable Sales Tax Act,

(e) Goods & Service Tax Act, 2017

(e) Environmental Protection Act, 1986

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the company with Bombay Stock Exchange.

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

**We further report that**

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

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

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

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

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

For **Kiran & Associates**  
Company Secretaries

**Place: Delhi**

**Date: 30.06.2021**

**Sd/-**  
**Kiran (Proprietor)**  
Membership No. 37306  
Certificate of Practice No. 14168  
UDIN: A037306C000545781

**ANNEXURE-4** to the Board's Report

**SECRETARIAL COMPLIANCE REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

**Secretarial Compliance Report of RCI Industries & Technologies Limited for the year ended 31.03.2021**

We, *Kiran & Associates*, have examined:

- (a) all the documents and records made available to us and explanation provided by **RCI Industries & Technologies Limited** (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2021 (“Review Period”) in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The Specific regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination,

I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

<b>Sr. No.</b>	<b>Action taken by</b>	<b>Details of violation</b>	<b>Details of action taken E.g. fines, warning letter, debarment, etc. Observations/ remarks of the Practicing Company Secretary, if any.</b>	<b>Comments of the Practicing Company Secretary on the actions taken by the listed entity</b>
NA				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

<b>Sr. No.</b>	<b>Observations of the Practicing Company Secretary in the previous reports</b>	<b>Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)</b>	<b>Actions taken by the listed entity, if any</b>	<b>Comments of the Practicing Company Secretary on the actions taken by the listed entity</b>
NA				

Place: Delhi  
Date: 28.06.2021

Kiran & Associates  
Kiran Sharma  
(Prop.)  
ACS No.: A37306  
C P No.:14168  
UDIN A037306C000529930

**ANNEXURE-5** to the Board's Report

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

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

The CSR Committee of the Board of Directors comprises of 3 Directors. Mr. Mukesh Kumar Tyagi, Independent Director is the Chairman of the Committee while Mr. Ritesh Kumar, Independent Director and Mr. Rajeev Gupta, Chairman & Managing Director are its members.

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

<b>Financial Years</b>	<b>Net Profit (In Lakhs)</b>
2017-18	22,66,64,368
2018-19	26,51,62,010
2019-20	(143,22,41,556)
<b>Total</b>	<b>(94,04,15,178)</b>
<b>Average Net Profit/loss</b>	<b>(31,34,71,726)</b>

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above) for FY 2020-21:**

NA

5. **Details of CSR spent during Financial Year 2020-21**

<b>Particulars</b>	<b>Amount (In Rs.)</b>
Total amount to be spent for the financial year 2020-21	Nil
Amount unspent, if any	Nil

Manner in which the amount spent during the financial year 2020-21	Nil
--	-----

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

The Company has failed to spend the above specified amount towards the CSR as your company has incurred heavy losses amounting to Rs. 90.54 Crores during the year ended on 31<sup>st</sup> March, 2021.

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

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

Place: New Delhi  
Dated: 13.08.2021

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

Sd/-  
**Mukesh Kumar Tyagi**  
Chairman, CSR Committee  
DIN: 08698810

**ANNEXURE-6** to the Board's Report

**FORM AOC-2**

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

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

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

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

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

<b>1</b>	Name(s) of the related party and nature of relationship	As per Notes no. 34 of Notes to accounts forming part of Annual Report
<b>2</b>	Nature of contracts/ arrangements/ transactions	As per Notes no.34 of Notes to accounts forming part of Annual Report
<b>3</b>	Duration of the contracts / arrangements/ transactions	As per Notes no.34 of Notes to accounts forming part of Annual Report
<b>4</b>	Salient terms of the contracts or arrangements or transactions including the value, if any	As per Notes no.34 of Notes to accounts forming part of Annual Report
<b>5</b>	Date(s) of approval by the Board, if any	As per Notes no.34 of Notes to accounts forming part of Annual Report
<b>6</b>	Amount paid as advances, if any	As per Notes no.34 of Notes to accounts forming part of Annual Report

**By Order of the Board of Directors**

**For RCI Industries & Technologies Limited**

Sd/-

**Rajeev Gupta**

**Chairman & Managing Director**

**DIN 00503196**

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance.

## 2. BOARD OF DIRECTORS

### (i) Composition of the Board

The Board has an appropriate composition of Executive, Non-Executive and Independent Directors. The composition of the Board satisfies the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Section 149 of the Companies Act, 2013, (hereinafter referred to as "the Act").

The Independent Directors on the Board are experienced, competent and reputed names in their respective fields. The Independent Directors take active part at the Board and Committee Meetings which adds value in the decision-making process of the Board of Directors. The Independent Directors constitute half of the total strength of Board as on 31st March, 2021, the details are as under:

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

### (ii) Directors' Attendance Record and their other Directorships/ Committee Memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in

which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2021 are given below:

Name of the Directors/DIN	Category of Directorship	No. of Board Meeting attended	Attendance at the last AGM held on 30.09.2020	No. of other Directorship held in listed entities including this listed entity*	No. of Committee Positions in Audit/Stakeholder Committee held in listed entities including this listed entity**	
					Membership	Chairmanship
Mr. Rajeev Gupta (DIN: 00503196)	Chairman, Managing Director, Promoter Executive	8	Yes	1	2	-
Mrs. Mamta Gupta (DIN: 00503302)	Promoter Non-Executive	8	Yes	1	-	-
Mr. Mukesh Kumar Tyagi (DIN:08698810) ***	Independent Director	7	NA	1	2	2
Mr. Ritesh Kumar (DIN:08698796)***	Independent Director	7	NA	1	2	-
Mr. Anil Kumar Jain (DIN: 06944997)***	Independent Director	0	NA	2	2	-

\*This excludes directorship held in Public Companies, Private Companies, Foreign Companies and Companies formed under Section 8 of the Companies Act, 2013

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

\*\*\* Mr. Mukesh Kumar Tyagi and Mr. Ritesh Kumar has been appointed as Non-Executive Independent Director with effect from 08<sup>th</sup> May, 2020. Further Mr. Anil Kumar Jain has been resigned from the post of Independent director with effect from 08<sup>th</sup> May, 2020.

All Directors are in compliance with the limit on Directorships as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**(iii) Profile of Board of Directors**

**1. Mr. Rajeev Gupta, Managing Director (DIN: 00503196)**

Mr. Rajeev Gupta, aged 54 years is an Executive and Managing Director of the Company. He is Graduate in Commerce from Hindu College, Delhi University by qualification. He is rich experience of 30 years in the Industry.

**2. Mrs. Mamta Gupta (DIN: 00503302)**

Mrs. Mamta Gupta, aged 53 years is Non-Executive-Non-Independent Director of the Company. She is Graduate from Delhi University by qualification she is having an experience in the field of human relations and planned & directed strategies, development of advertising campaign, creative development in the industry.

**3. Mr. Mukesh Kumar Tyagi (DIN: 08698810)**

Mr. Mukesh Kumar Tyagi, aged 40 years is Non-Executive-Independent Director of the Company. He is Graduate from Chaudhary Charan Singh University and MBA Pursuing from Rajasthan University. He is looking into day-to-day affairs of the Company and is part of the core management of the Company.

**4. Mr. Ritesh Kumar (DIN: 08698796)**

Mr. Ritesh Kumar, aged 32 years is Non-Executive- Independent Director of the Company. He is Graduate B. Com (Hons) from Lalit Narayan Mithla University, Darbhanga, Bihar. He is looking into day-to-day affairs of the Company and having an experience in the field of Administration & Advisor to the Industries.

**(iv) Independent Directors**

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

- a. Are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;
- b. Are not a Promoter of the Company or its holding, subsidiary or associate Company;
- c. Are not related to Promoters or Directors in the Company, its holding, subsidiary or associate company;
- d. Apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

e. Have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or Fifty Lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

f. Neither themselves nor any of their relatives —

A. hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed;

B. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed, of -

(1). a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate company; or

(2). any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with their relatives two per cent or more of the total voting power of the Company; or

(iv). is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty five per cent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;

(v). is a material supplier, service provider or customer or a lessor or lessee of the Company;

g. are not less than 21 years of age.

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

#### **Maximum Tenure of Independent Directors**

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

#### **Number of Independent Directorships**

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

### **Terms and conditions of appointment of Independent Directors**

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company viz. [www.rciind.com](http://www.rciind.com).

### **Separate Meeting of Independent Director**

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

During the year under review, the Independent Directors had 1 (one) meeting i.e 12<sup>th</sup> February, 2021 without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

### **Familiarisation Program for Independent Directors**

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

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

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board and its Committees a structured questionnaire, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc is in place. Similarly, for evaluation of Individual Director's

performance, the questionnaire covers various aspects like his/ her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2020-21.

The Independent Directors had met separately on February 12, 2021 and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

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

The Directors expressed their satisfaction with the evaluation process.

#### **Disclosure of relationships between Directors inter-se**

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

#### **Remuneration Policy**

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

#### **Remuneration paid to Executive Directors**

Your Board currently comprises of one Executive Director viz. Mr. Rajeev Gupta, Managing Director. The remuneration paid to the Managing Director was Rs. 36,00,000/- (Rupees Thirty-Six Lacs) during the financial year ended 31<sup>st</sup> March, 2021 as a salary and perquisites duly recommended by the nomination and remuneration committee and approved by the Board in their meeting held on November 30, 2019, in accordance with Section 197 and Schedule V of the Companies Act, 2013. Further, the Company has decided the reduction in the current salary from Rs. 36,00,000/- to Rs. 18,00,000/- due to financial stress in the Company during the period under the review.

#### **Remuneration paid to Non-Executive Directors**

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

### **Shareholding of Non-Executive Directors**

Mrs. Mamta Gupta, Non-Executive Promoter Director as on March 31, 2021, holding 11,64,930 equity shares of Rs.10/- each, in the Company. None of the other Non-Executive Directors hold shares in the Company. Since the Company has not issued any convertible instruments, disclosure in this respect is not applicable.

In accordance with the relevant provisions of the Companies Act, 2013 and the Listing Regulations, the Appointment of Board Members and Remuneration Policy have been attached as 'ANNEXURE-1' of the Board Report.

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

### **(v) Board Procedure and Number of Board Meetings**

The Board of Directors of your Company plays a pivotal role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility, and accountability are well defined. The Board reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any.

The Board meets at regular intervals and during the year, 8 (Eight) meetings of the Board of Directors were held on 08/05/2020, 18/05/2020, 01/07/2020, 31/08/2020, 15/09/2020, 12/11/2020, 22/01/2021 and 12/02/2021. The maximum gap between no two board meetings exceeded one hundred and twenty days. All the members of the Board were provided requisite information as required as per Listing Agreement well before the Board Meeting. The Directors of the Company are not related inter-se.

<b>Sl. No.</b>	<b>Date</b>	<b>Board Strength</b>	<b>No. of Director Present</b>
1	08/05/2020	4	4
2	18/05/2020	4	4
3	01/07/2020	4	2
4	31/08/2020	4	4
5	15/09/2020	4	4
6	12/11/2020	4	4
7	22/01/2021	4	4
8	12/02/2021	4	4

### **3. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

The Company has obtained certificate from Practicing Company Secretaries, M/s Gaurav Shah & Associates, confirming that none of the Directors on Board is debarred or disqualified from being appointed or continuing as Director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority is annexed as an Annexure-1 to this Report.

### **4. COMMITTEES OF THE BOARD**

Your Company has 4 Board Level Committees:

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

The composition of various Committees of the Board of Directors is available on the website of the Company at [www.rciind.com](http://www.rciind.com) and web link for the same is [http://www.rciind.com/yahoo\\_site\\_admin/assets/docs/CompositionOfBoardCommittees.pdf](http://www.rciind.com/yahoo_site_admin/assets/docs/CompositionOfBoardCommittees.pdf).

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

#### **A). AUDIT COMMITTEE**

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

##### **(i) The Role of Audit Committee includes the following:**

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

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

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

**(ii) The Audit Committee also reviews the following information:**

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

**(iii) Composition of the Committee**

The Composition of Audit Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Mr. Mukesh Tyagi	Chairman	Independent Director
2	Mr. Ritesh Kumar	Member	Independent Director
3	Mr. Rajeev Gupta	Member	Executive Director

**(iv) Audit Committee Meetings**

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

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

The Audit Committee met 6 times during the year under review i.e. on 08.05.2020, 18.05.2020, 31.08.2020, 15.09.2020, 12.11.2020 and 12.02.2021. The necessary quorum was present for all the meeting held during the year. The attendance at the above meeting as under:

<b>Sl. No.</b>	<b>Name of Director</b>	<b>No. of meetings attended</b>
1.	Mr. Mukesh Kumar Tyagi	6
2.	Mr. Ritesh Kumar	6
3.	Mr. Rajeev Gupta	6

## **B). NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### **(i) Terms of Reference**

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

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

### **(ii) Composition of the Committee**

The Composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of Director	Designation	Category
1.	Mr. Mukesh Kumar Tyagi	Chairman	Independent Director
2.	Mr. Ritesh Kumar	Member	Independent Director
3.	Mrs. Mamta Gupta	Member	Non-Executive Non-Independent Director

The Company Secretary acts as Secretary of the Committee.

### (iii) Meeting and Attendance

During the Financial ended 31<sup>st</sup> March, 2021, Six meetings were held on 08/05/2020, 18/05/2020, 31/08/2020, 15/09/2020, 12/11/2020 and 12/02/2021.

The attendance at the above meetings was as under:

Sl. No.	Name of Director	No. of meeting attended
1.	Mr. Mukesh Kumar Tyagi	6
2.	Mr. Ritesh Kumar	6
3.	Mrs. Mamta Gupta	6

### C). STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirement of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

#### (i) Terms of Reference

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

- a) To approve transfer of shares.
- b) To specifically look into the redressal of grievances of shareholders, investors, debenture holders and other security holders.
- c) To provide adequate and timely information to shareholders.

d) To consider and resolve the grievances of security holders of the company, including complaints related to transfer of shares, issue of Duplicate Share certificates, non-receipt of balance sheet, non-receipt of declared dividends and other shares related matters.

**(ii) Composition of the Committee**

The Composition of the Committee is as under:

Sl. No.	Name of Director	Designation	Category
1.	Mr. Mukesh Kumar Tyagi	Chairman	Independent Director
2.	Mr. Ritesh Kumar	Member	Independent Director
3.	Mr. Rajeev Gupta	Member	Executive Director

**(iii) Meetings and Attendance**

During the financial year ended 31<sup>st</sup> March, 2021, four meetings were held on 31/08/2020, 15/09/2020, 12/11/2020 and 12/02/2021.

The attendance at the above meetings was as under: -

Sl. No.	Name of Director	No. of meetings attended
1.	Mr. Mukesh Kumar Tyagi	4
2.	Mr. Ritesh Kumar	4
3.	Mr. Rajeev Gupta	4

Details of number of Complaints received (inclusive of SCORES) from Members during the year ended March 31, 2021 is as under:

<b>Complaints received</b>	<b>Pending as on 31<sup>st</sup> March, 2021</b>
0	Nil

**D). CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

**(i) Terms of Reference**

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a),
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- d) Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amended from time to time.

**(ii) Composition of the Committee**

The Composition of the Corporate Social Responsibility Committee is as under:

Sl. No.	Name of Director	Designation	Category
1.	Mr. Mukesh Kumar Tyagi	Chairman	Independent Director
2.	Mr. Ritesh Kumar	Member	Independent Director
3.	Mr. Rajeev Gupta	Member	Executive Director

**(iii) Meetings and Attendance**

During the financial year ended 31<sup>st</sup> March, 2021, four meetings were held on 31/08/2020, 15/09/2020, 12/11/2020 and 12/02/2021.

**The attendance at the above meeting is as under:**

Sl. No.	Name of Director	No. of meetings attended
1.	Mr. Mukesh Kumar Tyagi	4
2.	Mr. Ritesh Kumar	4
3.	Mr. Rajeev Gupta	4

**SUBSIDIARY COMPANIES - MONITORING FRAMEWORK**

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

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

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company viz. [www.rciind.com](http://www.rciind.com). Your Company does not have any unlisted material subsidiary, incorporated in India. [Under the Listing Regulations, a "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year].

Company also does not have a listed subsidiary.

## **DICLOSURES**

### **Related Party Transactions**

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

During the Financial year 2020-21 there were no materially significant related party transactions i.e. transactions material in nature, between the Company and its Promoters, Directors or Key Managerial Personnel or their relatives etc. having any potential conflict with interests of the Company at large or any transaction which was not on arm's length and / or in ordinary course of business. The Company places all the relevant details before the Audit Committee and the Board on Quarterly and Annual Basis.

### **Details of non-compliance by the Company**

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

### **Whistle Blower Policy / Vigil Mechanism**

As per Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, Whistle Blower Policy / Vigil Mechanism has been approved and implemented within the organization. The policy enables the Employees and Directors to raise and report concerns about unethical behavior, actual or suspected fraud of any Director and/ or Employee of the Company or any violation of the Code of Conduct. This Policy is also available on the Company's website and is

accessible at [http://www.rciind.com/yahoo\\_site\\_admin/assets/docs/WhistleBlowerPolicy.pdf](http://www.rciind.com/yahoo_site_admin/assets/docs/WhistleBlowerPolicy.pdf). Further during the year under review, no case was reported under the Vigil Mechanism. No person was denied access to Audit Committee.

### **Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations**

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

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

### **Policy for determining Material Subsidiaries**

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

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

### **Code for prevention of Insider-Trading Practices**

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

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

### **Commodity Price Risk/Foreign Exchange Risk and Hedging Activities**

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

The Company's payables and receivables are in foreign currency and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a risk management framework for identification and monitoring and mitigation of foreign exchange risks. The company has entered into foreign exchange forward, option and futures contracts to manage its exposure to exchange rate fluctuations, in accordance with its risk management policies. The

risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management policy. Moreover, the foreign exchange exposure is also reviewed by the Audit of the Board of Directors of the Company for optimization and risk mitigation.

#### **CEO/ CFO Certification**

In terms of Regulation 17(8) of the Listing Regulations, the certification on the financial statements of the Company, as certified by the Chief Executive Officer/Managing Director and Chief Financial Officer of your Company is annexed as an Annexure-2 to this Report.

#### **Certificate on Corporate Governance**

The Certificate confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of Listing Regulations is annexed as Annexure 3 to the Corporate Governance Report.

#### **Disclosure Regarding Appointment / Re-Appointment of Directors**

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

#### **Code of Conduct**

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

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

#### **Declaration**

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2021.

**Rajeev Gupta**  
**Managing Director**  
New Delhi, 13.08.2021

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### GENERAL BODY MEETINGS

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

<i>Financial Ended</i>	<i>Year</i>	<i>Day, Date &amp; Time</i>	<i>Venue</i>	<i>Special Resolution Passed</i>
<b>March 31, 2020</b>		Wednesday, September 30, 10.30 AM	Through VC Unit No. 421, 4 <sup>th</sup> Floor, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034	Re-Appointment of Mr. Rajeev Gupta (DIN: 00503196) AS Managing Director
<b>March 31, 2019</b>		Saturday, September 28, 2019, 09.00 AM	Regalia Banquet, C-111, Mayapuri, Phase-II, New Delhi-110064	None
<b>March 31, 2018</b>		Friday, July 20, 2018, 09:30 AM	B-97, All Heavens Building, Wazirpur Industrial Area, Delhi – 110052	None

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

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

### POSTAL BALLOT

#### Resolutions passed by Postal Ballot:

During the year under review, there was no requirement to held Postal ballot.

### COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

## **MEANS OF COMMUNICATION**

### **Quarterly and Annual Financial Results:**

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

### **News Releases/Presentations:**

Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's website [www.rciind.com](http://www.rciind.com).

### **Website:**

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

### **Annual Report:**

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

### **BSE Corporate Compliance & Listing Centre:**

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

## **GENERAL SHAREHOLDER INFORMATION**

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

### **A. Annual General Meeting:**

Day & Date: Thursday, September 30, 2021

Venue: AGM held through VC/OAVM, Venue of the meeting shall be deemed to be the Registered office of the Company at Unit No. 421, 4th Floor, Pearl Omaze, Netaji Subhash Place, Pitampura, New Delhi-110034

Time: 10:30 AM

Last date of receipt of proxy form: NA

Book Closure: Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive)

**B. Financial year:** 2020-21

**C. Financial Calendar:**

*For the Financial year 2020-21*

*Results were announced on:*

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<b>First quarter ended 30<sup>th</sup> June, 2020</b>	Tuesday, September 15, 2020
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<b>Second quarter and half year ended 30<sup>th</sup> September, 2020</b>	Thursday, November 12, 2020
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<b>Third quarter and nine months ended 31<sup>st</sup> December, 2020</b>	Friday, February 12, 2021
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<b>Fourth quarter and year ended 31<sup>st</sup> March, 2021</b>	Wednesday, June 30, 2021
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**D. Registered Office & Address for Correspondence:**

Unit No. 421, 4<sup>th</sup> Floor, Pearl Omaxe, Netaji Subhash Place, New Delhi-110034  
Tel: +91 11 41681828, +91 11 27371334 Email: [compliance@rciind.com](mailto:compliance@rciind.com)  
Website: [www.rciind.com](http://www.rciind.com), CIN: L74900DL1992PLC047055

**Email ID for Investors Relation:** [investors@rciind.com](mailto:investors@rciind.com), [Compliance@rciind.com](mailto:Compliance@rciind.com)

**Investor Grievance Officer:** Ms. Jyoti Sharma, Company Secretary & Compliance Officer, Email ID: [jyotisharma@rciind.com](mailto:jyotisharma@rciind.com)

**E. Plant Locations:** Plot No. 84 & 85, HPSIDC Baddi, Distt. Solan, H.P

**F. Listing details of Equity Shares:**

The Equity Shares of the Company are at present listed at the BSE Limited and the Company has paid the annual listing fee for the Financial Year 2020-21 to the said Stock Exchange.

**Stock Code:** 537254

**ISIN at NSDL / CDSL:** INE140B01014

**G. Corporate Identity Number (CIN):** L74900DL1992PLC047055

**I. Registrar & Share Transfer Agent:**

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

**Bigshare Services Private Limited**

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

Tel: 011 2352 2373, Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Email: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com)

**J. Custodial Fees to Depositories:**

The Company has paid custodial fees for the year 2020-21 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories of the Company.

**K. Service of Documents through E-mail**

Your Company will be sending the Notice and Annual Report for the Financial Year 2020-21 in electronic form to the members whose e-mail address have been made available to the Company/Depository Participant(s).

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

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

## L. E-Voting Facility

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

## M. Share Transfer System

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

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

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

## RCI Industries & Technologies Limited – Distribution of Shareholding as on 31<sup>st</sup> March 2021

Category of Shareholders	No. of Shares held	% to Paid Up Capital
Promoter & Promoter Group	10704615	68.28
Trust	588	0.00
Resident Individuals & HUF	4281956	27.32
Non Resident Indians	94797	0.60
Bodies Corporates (including Clearing Members)	594459	3.80
<b>Total</b>	<b>15676415</b>	<b>100</b>

## Dematerialization of Equity Shares & Liquidity

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

**Status on Dematerialised shares as on 31<sup>st</sup> March, 2021 (Equity ISIN No. INE140B01014):**

<b>Shares held through</b>	<b>% of Holding</b>
NSDL	83,91,528
CDSL	72,82,086
Physical	2801
<b>Total</b>	<b>1,56,76,415</b>

As on March 31, 2021, 99.98% of the equity shares of the Company are in the dematerialized form. Entire Shareholding of the Promoter's in the Company are held in dematerialized form. The equity shares of the Company are frequently traded at BSE Limited (BSE).

**Market Price Data Relating to Shares Listed**

The monthly high and low prices of Company's shares traded on BSE Limited (BSE) for the period April 2020 to March 2021 are as under:

<i>Month</i>	<i>High (Rs.)</i>	<i>Low (Rs.)</i>
<b>April, 2020</b>	9.90	4.5
<b>May, 2020</b>	10.12	7.48
<b>June, 2020</b>	13.56	7.2
<b>July, 2020</b>	15.68	8.91
<b>August, 2020</b>	13.56	8.3
<b>September, 2020</b>	13.04	8.49
<b>October, 2020</b>	10.26	8.48
<b>November, 2020</b>	9.86	7.79
<b>December, 2020</b>	10.32	7.51
<b>January, 2021</b>	9.6	7.75
<b>February, 2021</b>	9.25	7.94
<b>March, 2021</b>	9.05	6.82

ANNEXURE-1 to the Corporate Governance Report

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of  
**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
Unit No. 421, 4th Pearl Omaxe,  
Netaji Subhash Place, Pitampura,  
Delhi North West, Delhi-110034, India

On the basis of examination of relevant documents, records, forms, returns, and disclosure received from the Directors of **RCI Industries & Technologies Limited** having CIN L74900DL1992PLC047055 and having registered office at Unit No. 421, 4th Pearl Omaxe, Netaji Subhash Place, Pitampura Delhi North West, Delhi-110034, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1	Rajeev Gupta	00503196	17/01/1992
2	Mamta Gupta	00503302	24/01/2009
3	Mukesh Kumar Tyagi	08698810	08/05/2020
4	Ritesh Kumar	08698810	08/05/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Gaurav Shah and Associates  
Company Secretaries**

**Place of Signing:** Jaipur, Rajasthan

**Date:** 26<sup>th</sup> August, 2021

**GAURAV SHAH  
Practising Company Secretary  
M. No.: A46647; C.P. No. 21952  
UDIN: A046647C000838977**

**ANNEXURE-2** to the Corporate Governance Report

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

We Rajeev Gupta, Managing Director and Mukesh Kumar Tyagi, Chairman of Audit Committee of RCI Industries & Technologies Limited (“the Company”) do hereby certify to the Board that:

A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended March 31, 2021 and that to the best of their knowledge and belief:

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

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal or violative of the Company’s code of conduct.

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

D. During the year:

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

**Rajeev Gupta**  
Managing Director

**Mukesh Kumar Tyagi**  
Chairman of Audit Committee

Place: New Delhi  
Date: 13.08.2021

ANNEXURE-3 to the Corporate Governance Report

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

To,  
The Member of  
**RCI Industries & Technologies Limited**  
(CIN: L74900DL1992PLC047055)

We have examined the relevant records of **RCI Industries & Technologies Limited** (“Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Corporation.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021, *except with the Compliance related to Appointment of Chief Financial Officer of the Company.*

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**Place of Signing:** Jaipur, Rajasthan  
**Date:** 26th August, 2021

**For Gaurav Shah and Associates**  
**Company Secretaries**

**GAURAV SHAH**  
**Practising Company Secretary**  
**M. No.: A46647; C.P. No. 21952**  
**UDIN: A046647C000838977**

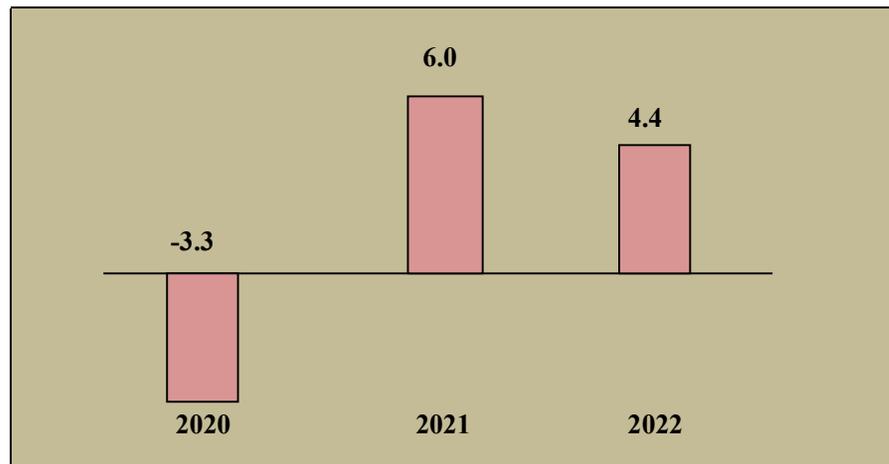
# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMIC OVERVIEW

An already battered economy from 2019 was disrupted down to the ground in 2020 with the Covid-19 pandemic taking us all by surprise. Fortunately, Governments across the globe intervened and curbed its spread while also stimulating financial resources. Towards the start of 2020, not many would have guessed that the pandemic would be fatal to life and economy alike. The prolonged restrictions, including social distancing, lockdowns, and quarantines, were necessary but worsened the economic situation globally.

Economic activities in several industries came to a temporary halt. The year under review witnessed a sharp deceleration in global growth with sluggish trade and poor investments affecting in varying degrees. As a result, the global economy contracted by 3.3% in 2020, more than over-throwing the expansion of 2.9% in 2019. Even as advanced economies shrunk by 4.9%, emerging markets and developing economies remained relatively resilient, reporting a de-growth of only 2.4%. Despite the financial tremors, economies regained strength in the second half of the year on account of lesser restrictions, dip in Covid-19 cases, and stimuli announced by several Governments worldwide. The world Gross Domestic Product (GDP) growth is forecasted at 6% in 2021, and to moderate subsequently to 4.4% in 2022. This projection depends on trade viability as well as the hopes of additional fiscal support, expected from some Governments, coupled with the efficacy of the multiple vaccines being rolled out. However, further waves of the virus provide us a reason to maintain a cautious optimism.

## Global GDP Growth

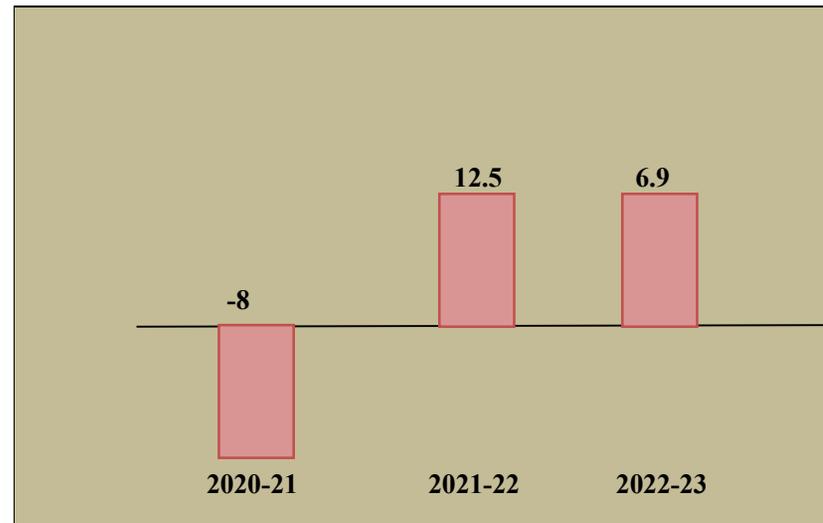


(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>)

## INDIAN ECONOMY OVERVIEW

Having entered into a pandemic-induced recession, India's GDP fell by 8% points in 2020, as compared to rising by 4.2% in 2019. This was on account of strict restrictions and the consequent decline in economic activity. The Indian economy is showing early signs of a broad V-shaped recovery, owing to larger public stimulus spends, the revival of consumer confidence, robust financial markets and an uptick in manufacturing activity. Key factors that are expected to drive this rebound include normal monsoons, success in averting a full-fledged second wave of COVID, and discretionary spending staying unaffected by cost pressures. In its latest edition of World Economic Outlook published in April 2021, IMF said it expects India's GDP to grow 12.5% in FY 2021-22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9%. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>)

### Indian GDP Growth



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>)

## **GLOBAL COPPER INDUSTRY OUTLOOK**

Global copper mining production is forecast to increase by 7.8 per cent this year due to a slew of new projects coming online and low base effects due to Covid pandemic lockdowns resulting in lower output last year, according to Fitch Solutions Country Risk and Industry Research (FSCRIR). In a commentary on “Global Copper Mining Outlook”, FSCRIR said the new projects that go on stream this year would keep production strong the next few years, supported by rising copper prices and demand. Copper prices have gained over 21 per cent this year, though they are off from the record highs seen in May. On the London Metal Exchange, copper's three-month contract ended at \$9,405 a tonne on Wednesday, with the metal’s cash price being \$9,385. On May 6, copper three-month contracts surged to a record \$10,724.5 a tonne before paring gains on slowing profit growth in Chinese industrial firms. Costlier raw materials have squeezed profits for these companies.

FSCRIR said that Australia and Canada would see most new projects being launched, followed by the US, Peru and Chile. In addition, Chile will see most of the expansion in the copper projects. Regarding the rise in production, Peru’s mine output is forecast to increase by 20 per cent this year due to the new projects and last year’s low base effect. Last year, its production declined 12.5 per cent compared with the 2.5 million tonnes (mt) output in 2019. The Fitch Solutions research body said that multinational miners will continue investing in Peru, which has 10 per cent of the known reserves, due to ample mine reserves, lower costs, and a favourable regulatory environment. “We believe there is still room for growth through further exploration... Based on Peru’s geography, we believe that there is further upside left in Peru for years to come,” FSCRIR said.

China will continue to play “an increasingly important role” in the Peru copper sector. Chinese firms will make up 17.2 per cent of the total investment in that country over the next decade. However, copper mines ran the risk of “elevated levels of unrest” resulting from the political risk that might have an indirect impact on mining, it said.

Congo will be another country that will attract significant Chinese investment, particularly after joining Beijing’s belt and road initiative in December last year. China would also look at investing in Zambian mines, the research body said. FSCRIR said that Chile has attracted a considerable amount of investments in copper mining in recent years and will begin to pay off in the next few years.

However, the South American nation faces a long-term risk of decline in average ore grades, which would necessitate mining a higher amount of ores. Though Chile faced unrest due to protests, it added that stability was expected to return to the nation in the long-term.

(Source:[https://www.thehindubusinessline.com/markets/commodities/global-copper-mining-output-likely-to-increase-by-78/article35072526.ece#:~:text=Global%20copper%20mining%20production%20is,and%20Industry%20Research%20\(FSCRIR\).](https://www.thehindubusinessline.com/markets/commodities/global-copper-mining-output-likely-to-increase-by-78/article35072526.ece#:~:text=Global%20copper%20mining%20production%20is,and%20Industry%20Research%20(FSCRIR).))

## **INDIAN COPPER INDUSTRY OUTLOOK**

Indian Industrial Production was restricted by one of the world’s strictest COVID-19 lockdowns in Q1 FY 2020-21 and improved gradually thereafter. On a yearly basis, domestic demand reduced by 24% to 566 KT in FY 2020-21 from 750KT in FY 2019-20.

On the raw material side, copper mines production was almost flat, with only 01.% growth in copper concentrate production globally in CY 2020 compared to the previous year. This was on account of multiple issue faced by the mining industry including COVID-19 disruptions, local community issues in some South American countries, drop -in copper grade in some large global mines.

Copper finds widespread use in a wide range of application in all major sectors namely, construction, electric & electronic products, industrial machinery & equipment, transportation equipment & consumer and general products.

At present, the demand for copper minerals in the country for primary copper production is met through two sources i.e. copper ore mined from indigenous mines and imported concentrates. The indigenous mining activity among the primary copper producers is limited to only Hindustan Copper Limited (HCL). The other primary copper producers in the private sector import the required mineral in the form of concentrate.

Currently, three major players dominate the Indian Copper Industry. Hindustan Copper Limited (HCL) in Public Sector, M/s Hindalco Industries and M/s Sterlite Industries in Private Sector. HCL is the only vertically integrated copper producer in the country, while M/s Hindalco Industries at Dahej in Gujarat and M/s Sterlite Industries in Tuticorin in Tamil Nadu (closure order issued to Vedanta Smelter/ refinery plant by Tamil Nadu government in May'2018) have set up port-based smelting and refining plants.

Current year production of copper are as under:

<b>Cathode Production</b>	<b>Number of Factories</b>	<b>Installed Capacity (tonnes per annum)</b>	<b>Production during FY 2019-20</b>	<b>Production during the period (Jan'20 to Nov'20)</b>
a) HCL	3	68,500	5,340	-
b) Sterlite Industries Ltd.	1	4,50,000	77,490	87,582*
c) Hindalco Ind. Ltd. (Unit: Birla Copper)	1	5,00,000	3,25,568	2,23,858*
<b>Total</b>	<b>5</b>	<b>10,18,500</b>	<b>4,08,398</b>	<b>3,11,440</b>

\* From Monthly Summary Reports on Non-Ferrous Minerals & Metals from Ministry of Mines website

## **GLOBAL ALUMINIUM INDUSTRY OUTLOOK**

After the year 2020, a year of mayhem for the aluminium industry with usage declined 4.1 per cent to 84.5 million tonnes amid production surge to over 65 million tonnes and increased inventories leading to supply-demand gap due to the unprecedented COVID-19 outbreak, the industry leaders and enthusiasts are eagerly looking forward to the projection for 2021. Hence, AICircle team has come up with a new comprehensive report on “Global Aluminium Industry Outlook 2021”.

AlCircle forecasts the demand for aluminium to rise briskly at around 7.5% during 2021 riding on the back of a high growth rate in China and a rebound in other major markets across the world. The demand for the metal is expected to move past the 90 million mark with improvements in global mobility and the release of pent-up demand as the year progresses.

While the industry has started working towards sustainable alternatives such as low carbon aluminium/green aluminium and innovating new technologies and alloys to bolster its position as the most sustainable metal in the world, aluminium produced through renewable energy sources is expected to gain much more importance this year and beyond.

On the end-user front, usage of aluminium is expected to resume to normal levels during 2021 as operations resume across various end-user sectors. The packaging sector is estimated to continue growing and buoy the aluminium demand, while the automobile industry is expected to reach pre-Covid levels during the third quarter of 2021.

This report has more in-depth analyses of how the policy changes and developments of 2020 have built a foundation for 2021 and how the year is likely to trend ahead.

In a nutshell, the following points are covered by our “Global Aluminium Industry Outlook 2021”:

- Global alumina market to face price pressures in 2021
- World alumina production
- Top alumina supplying countries and companies
- Alumina demand-supply scenario and price analysis
- Alumina trade overview
- Red mud (Bauxite residue)
- Alumina projects to look forward to in 2021
- Short-term outlook

<https://www.alcircle.com/specialreport/323/global-aluminium-industry-outlook-2021>

## **INDIAN ALUMINIUM INDUSTRY OUTLOOK**

Needless to say that the Covid-19 pandemic and the ensuing lockdowns resulted in a major setback for the aluminium industry across the world in the last fiscal year. India was no exception but to witness slow business and industry activities, both in Q1 and Q2 of FY2020-21. According to the market data, domestic aluminium consumption declined by about 15%, with downstream products import shrank by almost 19 per cent throughout the year. Amid this impeding market condition, it is of an utmost importance to analyse the future trend of the industry in order to plan for growth, expansion and investment accordingly.

With such an objective, AlCircle has brought to you a new report on “**Outlook for the Indian Aluminium Industry - In-depth industry analysis & forecast to 2026-27**”. AlCircle research has estimated that aluminium usage in India is likely to grow at a CAGR of 6.7% over the next five years to reach 4.84 million tonnes by 2026-27. Electrical and electronics is expected to dominate the market by consuming around 1.69 million tonnes of the metal by the said year. The usage of aluminium by the transportation sector is set to grow at about 7.2% per annum to reach 1.37 million tonnes by 2026-27.

This new report of AlCircle has not only cumulated the broad overview of the potential market trend in the next five years but has also evaluated the in-depth course of the industry vertical wise. The reported has offered strategic information to planners and decision makers enabling them to explore investment opportunities in the country.

<https://www.alcircle.com/specialreport/325/outlook-for-the-indian-aluminium-industry>

#### **ABOUT RCI Industries & Technologies**

Head quartered in Delhi, it is among the leading manufacturers of copper products in India. The Company is into the trade and manufacturing of flat and round products in copper, brass, stainless steel and special alloys. With one plant in Himachal Pradesh at Baddi, RCI offers a wide range of customized products. The Company has a global customer network with a strong presence in Middle East and African countries. It caters to a diverse customer portfolio of traders and manufacturers.

#### **CONSOLIDATED FINANCIAL AND BUSINESS OVERVIEW**

The Company is in the business of manufacturing, trading and exporting Ferrous and Non-Ferrous Metal products. The Company achieved a turnover of Rs. 7,155.65 lakhs in FY 2021.

The consolidated performance of the Company for the financial year ended March 31, 2021, is as follows:

Total revenue from operations at Rs. 7,079.95/-lakhs for the year ended March 31, 2021, as against Rs. 45,683.09/- Lakhs for the corresponding previous period, on account of decrease revenues from operational due to COVID pandemic.

The Profit/(loss) after tax were Rs. (15695.32) /- lakhs for the year ended March 31, 2021, as against loss after tax Rs. (16635.04)/- Lakhs for the corresponding previous period.

The EPS (Earning Per Share) for the financial year ended March 31, 2021 was Rs. (100.12) for a face value of Rs 10 per share, as against Rs. (106.12) for the corresponding previous period.

#### **RISKS AND CONCERNS**

The Company faces the following Risks and Concerns:

**Economic Risk**

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

**Competition Risk**

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

**Trade Risk**

Our business can be affected by the rise and fall in the levels of price and import of copper in the country. As per a Bloomberg report, in 2017 alone, 62,000 fewer tones of copper will come to market than previously expected. Global copper demand may continue to grow at a moderate pace as China, which accounted for 45% of global demand in 2015, transitions toward an economy driven by domestic consumer spending rather than government infrastructure investment. Given the projected growth in the Indian economy and expected recovery in global trade, rising spending in the infrastructure and manufacturing space and increasing per capita and disposable income, it is estimated that demand for goods will continue to rise steadily. The Company is further reducing its dependence on global EXIM trade by shifting focus from trading to manufacturing. Thus, we believe we have adequate mitigation in place for trade risk.

**Regulatory Risk**

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

### Liability Risk

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

### Execution Risk

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

### OPPORTUNITIES & THREATS

#### COPPER

Strength	Weakness	Opportunities	Threat
<ul style="list-style-type: none"><li>• A balanced portfolio of revenue streams to tide through volatile market</li><li>• Secured concentrate supply via long term contracts with miners</li><li>• Increased focused on VAP</li></ul>	<ul style="list-style-type: none"><li>• Import dependence for Copper concentrate supplies</li></ul>	<ul style="list-style-type: none"><li>• Immense headroom for growth due to lower consumption vs global average</li></ul>	<ul style="list-style-type: none"><li>• Mine disruptions</li></ul> Duties & FTAs – trade policies

#### INDIA ALUMINIUM

Strength	Weakness	Opportunities	Threat
<ul style="list-style-type: none"><li>• Integrated business model generating healthy cash flows</li><li>• The dominant player in India across upstream and</li></ul>	<ul style="list-style-type: none"><li>• Import dependence for Copper concentrate supplies</li></ul>	<ul style="list-style-type: none"><li>• Immense headroom for growth due to lower consumption vs global average</li></ul>	<ul style="list-style-type: none"><li>• Mine disruptions</li></ul> Duties & FTAs – trade policies

<p>downstream</p> <ul style="list-style-type: none"> <li>• Utkal - among the world's most economical and efficient Alumina producers; capacity expansion of 500 Kt in progress and Utkal capacity to reach 2.0 Mt</li> <li>• Increased focused on Value Added Products (VAP) to be further de-linked to the global aluminium prices.</li> </ul>			
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#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

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

- The Company has a comprehensive risk management framework
- RCI Industries & Technologies Limited has in place a well-defined Whistle Blower Policy/ Vigil Mechanism
- RCI Industries and Technologies Limited has a system of Internal Business Reviews

All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements in quarterly review meetings. Specialized issues like investments, property, FOREX are discussed in their respective Internal Committee meetings. The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in house trained personnel.

The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

## **HUMAN RESOURCES**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel.

As on March 31, 2021, the Company had a workforce of 175 people on rolls.

## **OUTLOOK**

The Company constantly endeavors to improve the quality of its products to secure an increased number of orders at competitive rates. On account of bulk orders and bargain power, the Company is able to quote better rates and maintain high quality of products. However, copper industry needs great support from the government as it is going through a difficult phase due to slow down in global market and increasing competition from imports.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. Please refer Directors' Report in this respect.

By Order of the Board of Directors

For **RCI Industries & Technologies Limited**

Sd/-

**Mr. Rajeev Gupta**

**Chairman & Managing Director**

DIN 00503196

Date: 13.08.2021

**FORM AOC-1**

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

**Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures as on March 31, 2021****Part “A”: Subsidiaries**

<b>Name of Subsidiary</b>	<b>RCI World Trade Link DMCC</b>
Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	Jan’2020 to Dec’ 2020
Reporting currency and Exchange rate as on March 31, 2021, in case of Foreign Subsidiaries	United Arab Emirates Dirham (AED) 1AED = 19.947 INR
Share capital	4,98,67,500
Reserves & surplus	25,41,90,545.25
Total assets	30,40,58,045.25
Total Liabilities	-
Investments	-
Turnover	7,80,23,488.38
Profit before taxation	(66,49,55,047.07)
Provision for taxation	0
Profit after taxation	(66,49,55,047.07)
Proposed Dividend	NIL
% of shareholding	100%

**Notes:**

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

**Part “B”: Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies**

<b>Name of Associates</b>	<b>Ace Matrix Solutions Limited</b>	<b>Metalrod Private Limited</b>
Latest Audited Balance Sheet Date	31-Mar-2020*	31-Mar-2020*

Shares of Associate/Joint Ventures held by the company on the year end		
• Number	30110	316380
• Amount of Investment in Associates	6,016,304	3,994,528
• Extend of Holding %	22%	34.27%
Description of how there is significant influence	Due to the percentage of Share Capital	
Reason why the associate is not consolidated	Investment in shares of associates was made as stock in trade and the intention of such investment was to dispose of the same in near future. Accordingly Applicable Indian Accounting Standards exempts the consolidation of such associates.	
Net worth attributable to Shareholding as per latest audited Balance Sheet	3,37,06,730	20,52,03,244
Profit / Loss for the year	4,51,855	12,25,162
i. Considered in Consolidation	NA	NA
ii. Not Considered in Consolidation	NA	NA

**Notes:**

*\*Financials as on March 31, 2021 of Associate Companies have not been finalised yet, hence figures of March 31, 2020 of Associate Companies have been taken.*

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

**For & on behalf of Board of Directors**

For **KRA & Co.**  
**Chartered Accountants**  
Firm Registration No. 020266N

Sd/-  
**Rajat Goyal**  
Partner  
M. No. 503150  
Place: New Delhi  
Date: 30.06.2021

Sd/-  
**Rajeev Gupta**  
Managing Director  
DIN: 00503196

Sd/-  
**Mukesh Tyagi**  
Director  
DIN: 08698810

Sd/-  
**Jyoti Sharma**  
Company Secretary  
M. No.: A55135

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### *Qualified Opinion*

We have audited the standalone financial statements of **RCI INDUSTRIES & TECHNOLOGIES LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

- a) *Company borrowings were declared as non performing asset (NPA) during the previous year. Due to this, we have not been provided with any document confirming balances, as at March 31, 2021, for certain loans granted by financial institutions, BG Invocation liability towards banks, bill discounting liability towards banks, certain current accounts and fixed deposits held by the Company. In the absence of such balance confirmations, we cannot comment on the accuracy and completeness of these balances. The amount of these borrowings, current account balances and fixed deposits as per financial statement as at March 31, 2021 is Rs. 121.12 crores, Rs. 22.85 Lacs and Rs. 73.65 Lacs respectively.*
- b) *The Company has not recognized interest expenses in its financial statement on its outstanding borrowings. The total amount of such interest expenses is Rs. 26.08 crores (approx.) for the current year and Rs. 36.54 crores (approx.) for the period April 01, 2019 to March 31, 2021. (This is an approximate amount without considering the penal interest provisions and the amount cannot be confirmed with bank levy of interest as many banks have stopped charging interest in their statement and for certain borrowings confirmation of interest amount is not available). Accordingly, loss after tax and total comprehensive loss for the year ended March 31, 2021, is lower by Rs. 26.08 crores and retained earnings as at March 31, 2021 are lower by Rs. 36.54 crores.*
- c) *Company faces a material uncertainty related to Going Concern because of heavy losses incurred during the current and previous year. Further, the net worth of the Company has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statement should therefore be drawn on liquidation basis. However, the management is confident of reviving the Company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared by the management assuming that the Company will continue as a going concern.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, management discussion and analysis and report on corporate governance, but does not include the financial statements and our auditor's report thereon. The director's report, management discussion and analysis and report on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate.

### **Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. Except for the effect of the matter described in the *Basis for Qualified Opinion* Para of our report, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the effect of the matter described in the *Basis for Qualified Opinion* Para of our report, 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, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. Except for the effect of the matter described in the *Basis for Qualified Opinion* Para of our report, in our opinion, the aforesaid standalone financial statements comply

with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- 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”.
- 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 – Refer Note No. 37 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 21503150AAAAUU2371**  
**Place: Delhi**  
**Date: June 30, 2021**

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED**

**(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties are held in the name of the company.
- (ii) Stocks of inventories have been physically verified during the year by the management. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable. The discrepancy noticed on verification between the physical stock and the books stock were not material in relation to the operations of the company and have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clause (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Consequently, clause (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of certain products manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and on the basis of our examination of the books of account, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and any other dues, during the year, with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales-tax, Excise Duty, GST and Service Tax which have not been deposited as on March 31, 2021, on account of disputes with the related authorities.

Statute	Nature of Dues	Forum where pending	Period to which amount relates	Amount unpaid
Goods and Service Tax Act	Show Cause Notice for GST credit	Director General of GST Intelligence	01.07.2017 to 31.03.2019	Rs. 214,34,49,040

- (viii) The Company has defaulted in the repayment of dues to financial institutions and banks. The Company account has been classified as Non-Performing Asset (NPA) by all the lenders. The detail of such default is presented in the table below:

Lender Name	Type of facility	Loan Amount	Interest Charged by the bank in statement but not booked by the Company	Interest Provision on outstanding Amount	Total
Indian Bank	Cash Credit	19,35,95,136	19,46,128	2,68,38,463	22,23,79,727
J&K Bank	Cash Credit	10,67,21,389	2,20,11,928	-	12,87,33,317
Punjab National Bank	Cash Credit	25,90,41,412	3,62,33,010	1,54,46,682	31,07,21,104
State Bank of India	Cash Credit	22,70,78,214	-	4,19,12,274	26,89,90,488
South Indian Bank	Cash Credit	14,56,07,747	2,70,49,858	-	17,26,57,605
Karur Vysya Bank	Cash Credit	13,12,18,579	1,44,13,878	73,80,628	15,30,13,085
Union Bank of India	Cash Credit	37,13,06,297	-	5,64,53,202	42,77,59,499

Lender Name	Type of facility	Loan Amount	Interest Charged by the bank in statement but not booked by the Company	Interest Provision on outstanding Amount	Total
CLIX Finance India Pvt Ltd	Equipment Financing	3,45,37,755	-	62,39,618	4,07,77,373
Hero Fincorp Limited	Equipment Financing	2,94,57,770	-	52,59,564	3,47,17,334
Cana Bank Factors Limited	Bill Discounting	3,97,32,433	-	66,22,702	4,63,55,135
UGRO Capital Limited	Supply Chain Finance	12,29,00,000	-	24,76,377	12,53,76,377
Lakshmi Vilas Bank Limited	Bill Discounting	1,99,92,205	-	33,42,818	2,33,35,023
Punjab National Bank	Bill Discounting	2,87,39,078	-	43,44,599	3,30,83,677
SBI Global Factors Limited	Bill Discounting	2,98,30,951	-	44,14,731	3,42,45,682
South Indian Bank Limited	Bill Discounting	12,99,00,771	-	1,93,10,662	14,92,11,433
Corporation Bank	Bill Discounting	7,83,85,060	1,23,62,657	1,34,52,626	10,42,00,343
Union Bank of India	Bill Discounting	13,89,37,250	14,203	2,51,95,873	16,41,47,326
Union Bank of India	BG Invocation	7,06,37,456	-	1,27,38,947	8,33,76,403
		<b>2,15,76,19,503</b>	<b>11,40,31,662</b>	<b>25,14,29,766</b>	<b>2,52,30,80,931</b>

Note 1: The default is continuing till balance sheet date.

Note 2: Company has not recognized interest expenses in its financial statements for the period after the following dates:

- Cash Credit Accounts - Date of declaration of NPA by the Bank
- Equipment Financing - Since Dec'19 onwards
- Bill Discounting - Due date of payment
- BG Invocation - Date of invocation of BG

Note 3: The interest expenses specified in the above table is from the period starting the date of interest default and upto 31.03.2021.

Note 4: In addition to the details specified above. in the previous financial year one operational creditor named Sizer Metals Pte Ltd. and one financial creditor named SBI Global Factors Limited have approached Insolvency and Bankruptcy court for initiating bankruptcy proceeding against the

Company as per provision of Insolvency and Bankruptcy Code. The application is still pending before the authority and no order has been initiated on same.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not availed any long term loans during the year. The Company has not made an initial public offer during the year. Consequently, clause (ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the financial statements, as required by the applicable Indian Accounting Standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares during the year. Accordingly, requirement under clause (xiv) is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, requirement under clause (xv) is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 21503150AAAAUU2371**  
**Place: Delhi**  
**Date: June 30, 2021**

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED**

**(Referred to in Paragraph 2 point (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **RCI INDUSTRIES & TECHNOLOGIES LIMITED** (“the Company”) as at March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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”) issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 21503150AAAAUU2371**  
**Place: Delhi**  
**Date: June 30, 2021**

**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

Particular	Note	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	71,25,12,912	85,13,88,476
Capital work-in-progress	2	8,42,43,607	9,46,77,287
Intangible Assets	3	-	17,06,608
<b>Financial Assets</b>			
Investments	4	16,52,38,395	16,52,38,395
Loans	5	1,58,24,206	1,46,95,964
Other non-current assets	6	5,53,07,119	11,01,67,107
Deferred tax assets (net)	29	92,95,712	-
<b>Total Non - Current Assets</b>		<b>1,04,24,21,950</b>	<b>1,23,78,73,836</b>
<b>Current assets</b>			
Inventories	7	32,02,54,991	49,40,87,973
<b>Financial Assets</b>			
Trade receivables	8	43,94,95,901	1,68,70,66,073
Cash and cash equivalents	9	96,08,140	1,37,84,840
Other Bank Balances	10	1,23,92,278	73,92,278
Loans	5	84,53,422	1,74,77,197
Other financial assets	11	1,93,42,460	92,47,572
Other current assets	6	9,88,53,373	22,40,97,951
Current Tax Assets (net)		84,38,353	-
<b>Total Current Assets</b>		<b>91,68,38,918</b>	<b>2,45,31,53,885</b>
Assets held for Sale		-	-
<b>Total Assets</b>		<b>1,95,92,60,869</b>	<b>3,69,10,27,721</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	15,67,64,150	15,67,64,150
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	13	-	-
<b>Other equity</b>			
Reserves and surplus	13	(1,81,90,26,185)	(91,46,85,209)
Other reserves	13	1,16,58,41,395	1,16,58,41,395
<b>Total equity</b>		<b>(49,64,20,640)</b>	<b>40,79,20,336</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	17,10,17,609	6,95,20,610
Provisions	18	89,27,328	96,15,669
Deferred tax liabilities (net)	29	-	77,40,936
<b>Total Non - Current Liabilities</b>		<b>17,99,44,937</b>	<b>8,68,77,214</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	2,16,06,26,166	2,31,12,39,945
Trade payables	15	9,11,76,800	62,95,14,995
Other financial liabilities	16	1,05,30,365	3,37,32,605
Other current liabilities	17	1,32,87,330	5,59,40,175
Provisions	18	1,15,911	1,48,187
Current Tax Liabilities (net)		-	16,56,54,265
<b>Total Current Liabilities</b>		<b>2,27,57,36,572</b>	<b>3,19,62,30,171</b>
<b>Total Equity and Liabilities</b>		<b>1,95,92,60,869</b>	<b>3,69,10,27,721</b>

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

**For KRA & Co.**

**Chartered Accountants**

Firm's Registration Number: 020266N

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

(Mukesh Tyagi)  
Director  
DIN: 08698810

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

Jyoti Sharma  
Company Secretary  
M. No. 55135

**RCI INDUSTRIES & TECHNOLOGIES LTD****Standalone Statement of Profit & Loss for the Year ended March 31, 2021**

Particular	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from operations	19	68,80,21,810	3,88,82,65,337
Other Income	20	63,67,681	17,07,52,666
<b>Total Income [A]</b>		<b>69,43,89,492</b>	<b>4,05,90,18,003</b>
<b>Expenses</b>			
Cost of Material Consumed	21	61,71,86,665	3,43,54,45,889
Purchase of stock-in-trade		1,89,73,205	46,89,92,986
Change in Inventories of Finished Goods/ Stock in Trade/ Work in Progress	22	12,02,81,197	50,47,23,697
Employee benefit expenses	23	5,78,39,912	9,83,86,339
Finance Costs	24	1,46,229	15,87,04,940
Depreciation and amortisation expense	25	12,46,65,208	13,23,08,623
Other expenses	26	67,77,93,699	32,12,55,826
<b>Total Expenses [B]</b>		<b>1,61,68,86,116</b>	<b>5,11,98,18,300</b>
<b>Profit / (loss) before tax, exceptional items and prior period items</b>		<b>(92,24,96,625)</b>	<b>(1,06,08,00,297)</b>
Less: Exceptional Items	27	-	20,78,08,981
Less: Prior period items	28	-	16,36,32,279
<b>Profit / (loss) before tax</b>		<b>(92,24,96,625)</b>	<b>(1,43,22,41,556)</b>
<b>Tax Expense:</b>			
Current tax	29	-	-
Deferred tax	29	(1,70,36,647)	(74,74,524)
		-	-
<b>Profit / (loss) after tax</b>		<b>(90,54,59,977)</b>	<b>(1,42,47,67,032)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the net defined benefit liability		11,19,001	7,44,639
<b>Total other comprehensive income</b>		<b>11,19,001</b>	<b>7,44,639</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>(90,43,40,976)</b>	<b>(1,42,40,22,393)</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic	31	(57.76)	(90.89)
Diluted		(57.76)	(90.89)

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

**For KRA & Co.**

**Chartered Accountants**

Firm's Registration Number: 020266N

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

(Mukesh Tyagi)  
Director  
DIN: 08698810

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

Jyoti Sharma  
Company Secretary  
M. No. 55135

**RCI INDUSTRIES & TECHNOLOGIES LIMITED****Standalone Cash Flow Statement for the year ended 31st March, 2021**

Particulars	For The Year Ended March 31,2021	For The Year Ended March 31,2020
<b>A. Cash flow from Operating activities</b>		
Profit/ (Loss) before tax	(92,24,96,625)	(1,43,22,41,556)
<i>Adjustments for:</i>		
Depreciation	12,46,65,208	13,23,08,623
Finance Cost	1,46,229	15,87,04,940
Dividend income	-	-
Interest income	(61,27,339)	(3,65,26,107)
Loss on sale of asset	1,71,00,176	-
Expected credit losses Provision	55,55,45,627	17,17,40,787
Net Settlement & old balance written off/written back	46,23,196	-
(Gain)/ Loss due to change in fair value of Investment	-	(10,77,46,092)
Actuarial Gain / (loss) on defined benefit plan	11,19,001	7,44,639
<b>Operating profit before working capital changes</b>	<b>(22,54,24,526)</b>	<b>(1,11,30,14,766)</b>
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	17,38,32,982	67,90,28,366
(Increase)/Decrease in Trade Receivables	33,19,11,660	28,03,09,930
(Increase)/Decrease in Loans	78,95,534	48,74,913
(Increase)/Decrease in Other Financial asset	(1,00,94,888)	540
(Increase)/Decrease in Other asset	5,88,32,809	17,57,03,939
Increase/(Decrease) in Trade Payables	(23,55,25,312)	24,28,83,997
Increase/(Decrease) in Other Financial Liabilities	(2,24,20,247)	(1,70,95,963)
Increase/(Decrease) in Other current Liabilities	(3,48,72,339)	20,83,266
Increase/(Decrease) in Provisions	(7,20,617)	8,04,344
<i>Cash generated from operations</i>	<b>4,34,15,057</b>	<b>25,55,78,565</b>
Income tax Refund/ (paid) during the year	(25,79,216)	(47,767)
<b>Net cash from operating activities (A)</b>	<b>4,08,35,841</b>	<b>25,55,30,798</b>
<b>B. Cash flow from Investing activities</b>		
(Purchase)/Sale of Fixed assets	92,50,467	(5,19,05,557)
(Purchase)/Sale Of Current Investment	(0)	2,62,90,838
(Increase)/Decrease in investment in fixed deposit	(50,00,000)	10,58,62,933
Interest received	-	63,56,740
Dividend Received	-	-
<b>Net cash from investing activities (B)</b>	<b>42,50,467</b>	<b>8,66,04,955</b>
<b>C. Cash flow from Financing activities</b>		
Increase / (Decrease) in borrowings	(4,91,16,778)	(18,28,69,173)
Finance cost paid	(1,46,229)	(15,87,04,940)
Dividend Paid including corporate dividend tax	-	-
<b>Net cash from financing activities (C)</b>	<b>(4,92,63,008)</b>	<b>(34,15,74,113)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(41,76,699)</b>	<b>5,61,640</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,37,84,840</b>	<b>1,32,23,201</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>96,08,141</b>	<b>1,37,84,840</b>

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

**For KRA & Co.**  
**Chartered Accountants**

Firm's Registration Number: 020266N

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

(Mukesh Tyagi)  
Director  
DIN: 08698810

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 1: CORPORATE INFORMATION**

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

**Note 1.1: SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") and the rules issued thereunder.

Company has adopted Ind AS 115 "Revenue from Contract with Customers" starting April 01, 2018, Company has elected to apply the cumulative catch up approach for application of Ind AS 115.

**B. Use of Estimates**

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

**C. Cash Flow Statement**

Cash flow statement is prepared in accordance with IndAS-7 using the indirect method

**D. Property, Plant and Equipment**

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

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

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

**E. Employee Benefits**

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

Defined contribution plans:

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

Defined benefit plans:

Defined benefit costs are categorized as follows:

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

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in reserve and surplus and is not reclassified to profit or loss.

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

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

#### **F. Leases**

##### **Accounting policy before April 01, 2019**

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

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

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

##### **Accounting policy from April 01, 2019**

The Company has applied Ind AS 116 starting April 01, 2019. The company has adopted modified transition approach for transition from previous Ind AS 17 to Ind AS 116 and accordingly the comparative information has not been restated and the same has been prepared using Ind AS 17.

Under Ind AS 116, a Company assess at inception whether a contract is, or contains a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a) The contract involves the use of an identified asset
- b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- c) The Company has the right to direct the use of the asset

##### **Company as a lessee**

##### **Right of use asset**

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

##### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

##### **Short-term leases**

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **G. Insurance Claims**

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

#### **H. Inventories**

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

## **I. Earnings Per Share**

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

## **J. Depreciation**

Pursuant to Companies Act, 2013, the company depreciates its assets by the estimated useful life of the fixed assets on written down value as prescribed under Schedule II of the Companies Act, 2013.

## **K Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### **1) Financial assets**

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

#### Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

#### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

### **2) Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### **3) Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce market risks

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

#### **L. Revenue recognition**

- a) Sale of goods is recognised at its transaction price when the company has satisfies its performance obligation under the contract. Sales include amounts recovered towards excise duty and exclude sales tax/value added tax/ GST.
- b) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered.
- c) Export benefits are accounted for on accrual basis.

#### **M. Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or the rate that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

#### **N. Provision for Current and Deferred Tax**

Tax expense comprising current tax and deferred tax are recognized in statement of profit and loss account for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities due to change in such assets/liabilities as at the end of accounting period as compared to that at the beginning of the period due to a change in tax rates are recognized in the income statement for the period.

#### **O. Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes on financial statement.

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

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note:2 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Leasehold Equipments	Container	Buildings	Plant and machinery	Motor Vehicles	Furniture & Fittings	Electronic Installation	Office Equipment	Computer & Printers	Capital Work-in-progress	Total
Gross carrying value as of April 1 2019	16,71,58,389	1,86,545	4,05,000	26,22,68,615	63,02,26,989	3,92,09,754	44,12,981	3,80,36,188	84,76,098	39,03,572	10,33,95,739	1,25,76,79,868
Additions	-	-	-	7,44,29,476	1,24,40,088	55,39,309	68,600	-	-	23,731	1,27,70,960	10,52,72,164
Deletions	2,29,00,000	-	-	8,68,700	9,79,400	2,45,59,598	-	-	-	-	2,14,89,412	7,07,97,110
Gross Carrying value as on 1 April 2020	14,42,58,389	1,86,545	4,05,000	33,58,29,391	64,16,87,677	2,01,89,465	44,81,581	3,80,36,188	84,76,098	39,27,303	9,46,77,287	1,29,21,54,922
Addition	-	-	-	10,09,195	7,19,79,909	-	-	-	-	32,772	6,41,27,484	13,71,49,360
Deletions	4,70,96,330	-	98,247	1,94,07,194	6,41,43,533	72,83,259	24,98,443	14,48,304	39,15,993	-	7,45,61,163	22,04,52,465
Gross Carrying value as on 31st March 2021	9,71,62,059	1,86,545	3,06,753	31,74,31,392	64,95,24,054	1,29,06,206	19,83,138	3,65,87,884	45,60,105	39,60,074	8,42,43,607	1,20,88,51,817
Accumulated depreciation as of April 1, 2019	-	1,57,128	2,49,505	3,52,58,360	14,35,20,007	2,82,89,614	14,82,435	1,42,86,617	63,66,407	30,01,529	-	23,26,11,603
Depreciation	-	6,042	21,354	2,67,08,492	9,41,40,559	42,18,252	6,02,967	35,57,202	8,86,305	7,66,888	-	13,09,08,060
Deduction / Adjustments during the year	-	-	-	-	-	1,74,30,503	-	-	-	-	-	1,74,30,503
Accumulated depreciation as of 31st March, 2020	-	1,63,170	2,70,859	6,19,66,852	23,76,60,566	1,50,77,363	20,85,402	1,78,43,820	72,52,712	37,68,418	-	34,60,89,160
Addition	-	6,363	20,335	2,62,87,681	8,58,78,293	16,97,381	8,45,167	71,15,344	9,16,379	1,91,657	-	12,29,58,600
Deletion	-	-	62,395	1,45,94,247	3,20,83,430	40,65,000	15,94,568	9,43,835	36,08,986	-	-	5,69,52,461
Accumulated depreciation as of 31st March, 2021	-	1,69,533	2,28,799	7,36,60,286	29,14,55,429	1,27,09,744	13,36,001	2,40,15,329	45,60,105	39,60,075	-	41,20,95,299
Net Block as on 31st March 2021	9,71,62,059	17,012	77,954	24,37,71,106	35,80,68,625	1,96,462	6,47,138	1,25,72,555	-	-	8,42,43,607	79,67,56,519
Net Block as on 31st March 2020	14,42,58,389	23,375	1,34,141	27,38,62,539	40,40,27,111	51,12,102	23,96,179	2,01,92,368	12,23,386	1,58,885	9,46,77,287	94,60,65,762

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note:3 - INTANGIBLE ASSETS

Particulars	Software	Total
Gross carrying value as of April 1, 2019	56,47,450	56,47,450
Additions	-	-
Deletions	-	-
Gross carrying value as of March 31, 2020	56,47,450	56,47,450
Additions	-	-
Deletions	-	-
Gross carrying value as of March 31, 2021	56,47,450	56,47,450
Accumulated depreciation as of April 1, 2019	25,40,279	25,40,279
Additions	14,00,563	14,00,563
Deletions	-	-
Accumulated depreciation as of March 31, 2020	39,40,842	39,40,842
Additions	17,06,608	17,06,608
Deletions	-	-
Accumulated depreciation as of March 31, 2021	56,47,450	56,47,450
Net Block as on 31st March 2021	-	-
Net Block as on 31st March 2020	17,06,608	17,06,608

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2021**

**Note:4 INVESTMENTS**

Particulars		
	31.03.2021	31.03.2020
<b>Non-current investments</b>		
<b>Unquoted Investments</b>		
<b>Investment in Wholly Owned Subsidiaries at cost</b>		
Investment in Equity share of RCI World Trade Link DMCC, Dubai (2500/- equity share of AED 1000 each, fully paid)	4,66,22,000	4,66,22,000
<b>Other investments at FVTPL</b>		
Investment in Equity share of Ace Matrix Solutions Limited (30,110/- equity share of Rs 10 each, fully paid)	1,77,95,010	1,77,95,010
Investment in Equity share of Kay Kay Exim Pvt Limited (1,21,025/- equity share of Rs 10 each, fully paid)	3,69,12,625	3,69,12,625
Investment in Equity share of MetalRod Private Limited (3,16,380/- equity share of Rs 10 each, fully paid)	6,39,08,760	6,39,08,760
	<b>16,52,38,395</b>	<b>16,52,38,395</b>
<b>Total investments</b>	<b>16,52,38,395</b>	<b>16,52,38,395</b>

Aggregated amount of Quoted investments and value thereof

-

-

Aggregated amount of Unquoted investments

16,52,38,395

16,52,38,395

**Note:5 LOANS**

Particulars		
	31.03.2021	31.03.2020
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	1,58,24,206	1,46,95,964
	<b>1,58,24,206</b>	<b>1,46,95,964</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	45,03,748	45,53,749
Other loans and advances	39,49,674	1,29,23,448
	<b>84,53,422</b>	<b>1,74,77,197</b>
<b>Total Loans</b>	<b>2,42,77,628</b>	<b>3,21,73,161</b>

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note:6 OTHER ASSETS**

Particulars	31.03.2021	31.03.2020
	<b>Non-current</b>	
Capital Advances	5,53,07,119	16,32,22,107
Less: Expected credit loss allowance on doubtful advances	-	(5,30,55,000)
	<b>5,53,07,119</b>	<b>11,01,67,107</b>
<b>Current</b>		
Advance to vendors for supply of goods/services	3,27,78,585	3,17,08,778
Balances with Govt. Authorities	6,42,82,620	19,02,80,226
Prepaid Expenses	17,92,167	21,08,947
	<b>9,88,53,373</b>	<b>22,40,97,951</b>
<b>Total Other Assets</b>	<b>15,41,60,491</b>	<b>33,42,65,057</b>

**Note:7 INVENTORIES**

Particulars	31.03.2021	31.03.2020
	Raw Materials	2,51,94,539
Work in Progress	23,39,34,880	27,64,19,028
Finished Goods	3,33,40,828	4,82,83,133
Stores & Spares	2,77,02,641	3,76,26,267
Stock in trade	82,102	5,30,13,220
	<b>32,02,54,991</b>	<b>49,40,87,973</b>

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

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

**Note:8 TRADE RECEIVABLES**

Particulars	31.03.2021	31.03.2020
	Unsecured trade receivables	99,50,41,528
<b>Total gross value</b>	<b>99,50,41,528</b>	<b>1,80,57,51,860</b>
Less: Expected credit losses allowance	55,55,45,627	11,86,85,787
<b>Total carrying value</b>	<b>43,94,95,901</b>	<b>1,68,70,66,073</b>

<b>Ageing of trade receivables</b>		
Due for more than six months	29,20,99,893	1,06,81,72,087
Other	14,73,96,008	61,88,93,986
<b>Total</b>	<b>43,94,95,901</b>	<b>1,68,70,66,073</b>

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:9 CASH AND CASH EQUIVALENTS**

Particulars		
	31.03.2021	31.03.2020
Balances with banks		
In current accounts	22,67,436	32,78,678
Cash on hand	73,40,704	1,05,06,163
	<b>96,08,140</b>	<b>1,37,84,840</b>

**Note:10 OTHER BANK BALANCES**

Particulars		
	31.03.2021	31.03.2020
Unpaid Dividend accounts	27,458	27,458
Balances with banks held as margin money deposits	1,23,64,821	73,64,821
	<b>1,23,92,278</b>	<b>73,92,278</b>
Balances with banks held as margin money deposits against guarantees	1,23,64,821	73,64,821

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

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

**Note:11 OTHER FINANCIAL ASSETS**

Particulars		
	31.03.2021	31.03.2020
<b>Current</b>		
Interest accrued on deposit	-	-
Insurance & other Claims	1,93,42,460	92,47,572
<b>Total</b>	<b>1,93,42,460</b>	<b>92,47,572</b>
Financial assets carried at amortized cost	1,93,42,460	92,47,572
Financial assets carried at fair value through Profit or Loss		-

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note - 12 EQUITY SHARE CAPITAL**

<b>Particulars</b>		
	<b>31.03.2021</b>	<b>31.03.2020</b>
Authorized Equity shares, Rs. 10/- par value 2,50,00,000 (PY: 2,50,00,000) equity shares	25,00,00,000	25,00,00,000
Issued, Subscribed and Paid-Up Equity shares, Rs. 10/- par value 1,56,76,415 (PY: 1,56,76,415) equity shares fully paid-up	15,67,64,150	15,67,64,150
	<b>15,67,64,150</b>	<b>15,67,64,150</b>

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

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

<b>Name of the shareholder</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>Number and Shareholding %</b>	<b>Number and Shareholding %</b>
Rajeev Gupta	62,96,880 (40.17%)	62,96,880 (40.17%)
Ace Matrix Solutions Ltd.	17,51,900 (11.18%)	17,51,900 (11.18%)
Metalrod Pvt Ltd.	812,500 (5.18%)	812,500 (5.18%)
Mamta Gupta	11,64,930 (7.43%)	11,64,930 (7.43%)

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 13: OTHER EQUITY**

Particulars	Instruments entirely equity in nature	Other reserve	Reserves and surplus		Total
	Compulsorily Convertible Debentures	Securities premium reserve	Retained earnings	Other comprehensive income	
<b>Balance as of Mar 31, 2019</b>	<b>50,40,00,000</b>	<b>68,42,41,395</b>	<b>50,85,03,496</b>	<b>8,33,688</b>	<b>1,69,75,78,579</b>
<b>Changes in equity for the year ended Mar 31, 2020</b>					
Add: Loss for the year	-	-	(1,42,47,67,032)	-	(1,42,47,67,032)
Add: Remeasurement of the net defined benefit liability	-	-	-	7,44,639	7,44,639.00
Add: Equity shares issued by conversion of outstanding Compulsorily Convertible Debentures	(50,40,00,000)	48,16,00,000	-	-	(2,24,00,000)
<b>Balance as of Mar 31, 2020</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>(91,62,63,536)</b>	<b>15,78,327</b>	<b>25,11,56,186</b>
<b>Changes in equity for the year ended Mar 31, 2021</b>					
Add: Loss for the year			(90,54,59,977)		(90,54,59,977)
Add: Remeasurement of the net defined benefit liability				11,19,001	11,19,001
<b>Balance as of Mar 31, 2021</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>(1,82,17,23,513)</b>	<b>26,97,328</b>	<b>(65,31,84,790)</b>

**RCI INDUSTRIES & TECHNOLOGIES LTD**

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2021

**STATEMENTS OF CHANGE IN EQUITY**

Particulars	Equity Share Capital		Instruments entirely equity in nature	Other reserve	Reserves and surplus		Total equity attributable to equity holders of the Company
	No of Shares	Amount			Compulsorily Convertible Debentures	Securities premium reserve	
<b>Balance as of April 1, 2019</b>	<b>1,34,36,415</b>	<b>13,43,64,150</b>	<b>50,40,00,000</b>	<b>68,42,41,395</b>	<b>50,85,03,496</b>	<b>8,33,688</b>	<b>1,83,19,42,729</b>
Add: Loss for the Period					(1,42,47,67,032)		(1,42,47,67,032)
Remeasurement of the net defined benefit liability						7,44,639	7,44,639
Add: Equity shares issued by conversion of outstanding Compulsorily Convertible Debentures	22,40,000	2,24,00,000	(50,40,00,000)	48,16,00,000			-
<b>Balance as of April 1, 2020</b>	<b>1,56,76,415</b>	<b>15,67,64,150</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>(91,62,63,536)</b>	<b>15,78,327</b>	<b>40,79,20,336</b>
Add: Loss for the Period					(90,54,59,977)		(90,54,59,977)
Remeasurement of the net defined benefit liability						11,19,001	11,19,001
<b>Balance as of March 31, 2021</b>	<b>1,56,76,415</b>	<b>15,67,64,150</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>(1,82,17,23,513)</b>	<b>26,97,328</b>	<b>(49,64,20,640)</b>

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

As per our report of even date attached

**For KRA & Co.  
Chartered Accountants**

Firm's Registration Number: 020266N

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

Jyoti Sharma  
Company Secretary  
M. No. 55135

(Mukesh Tyagi)  
Director  
DIN: 08698810

**RCI INDUSTRIES & TECHNOLOGIES LTD**

**CIN : L74900DL1992PLC047055**

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:14 BORROWINGS**

Particulars		
	31.03.2021	31.03.2020
<b>Non-current</b>		
Unsecured at amortized cost		
-From Related Parties	17,10,17,609	6,95,20,610
	<b>17,10,17,609</b>	<b>6,95,20,610</b>
<b>Current</b>		
<b>Secured at amortized cost</b>		
-From Banks	1,97,37,30,641	1,96,90,02,356
-From Financials Institution	18,68,95,525	26,72,37,589
<b>Unsecured at amortized cost</b>		
-Others	-	7,50,00,000
	<b>2,16,06,26,166</b>	<b>2,31,12,39,945</b>
<b>Total Borrowings</b>	<b>2,33,16,43,775</b>	<b>2,38,07,60,554</b>
Financial liability carried at amortized cost	2,33,16,43,775	2,38,07,60,554

14.1 Secured loan comprises cash credit balances and non fund limits secured by a charge on various fixed assets and current assets.

14.2 The Company borrowings were declared as Non performing asset during the previous year. Refer Note No.- 35 of financial statement for details.

**Note:15 TRADE PAYABLES**

Particulars		
	31.03.2021	31.03.2020
Trade Payables	9,11,76,800	62,95,14,995
Acceptances	-	-
<b>Total Trade Payables</b>	<b>9,11,76,800</b>	<b>62,95,14,995</b>
Financial liability carried at amortized cost	9,11,76,800	62,95,14,995
Financial liability carried at fair value through profit or loss	-	-

15.1 As Company borrowings have been declared as NPA, all acceptance balances for LC / bill discounting etc. have been transferred from Trade Payable to Short Term Borrowings.

**Note:16 OTHER FINANCIAL LIABILITIES**

Particulars		
	31.03.2021	31.03.2020
<b>Current</b>		
Creditors for capital Goods	9,64,038	1,47,46,523
Expenses Payable	95,58,165	1,89,77,919
Other liabilities	8,162	8,162
<b>Total</b>	<b>1,05,30,365</b>	<b>3,37,32,605</b>
Financial liability carried at amortized cost	1,05,30,365	3,37,32,605
Financial liability carried at fair value through profit or loss		

RCI INDUSTRIES & TECHNOLOGIES LTD

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note:17 OTHER LIABILITIES

Particulars		
	31.03.2021	31.03.2020
<b>Current</b>		
Statutory Dues	14,26,681	69,46,234
Advance from customer	1,18,60,649	4,89,93,941
<b>Total other liabilities</b>	<b>1,32,87,330</b>	<b>5,59,40,175</b>

Note:18 PROVISIONS

Particulars		
	31.03.2021	31.03.2020
<b>Non-current</b>		
Provision for Employees Benefits		
-Gratuity	70,93,305	71,70,188
-Leave Encashment	18,34,023	24,45,481
	<b>89,27,328</b>	<b>96,15,669</b>
<b>Current</b>		
Provision for Employees Benefits		
-Gratuity	82,866	84,675
-Leave Encashment	33,045	63,512
	<b>1,15,911</b>	<b>1,48,187</b>
<b>Total Provision for Employee Benefits</b>	<b>90,43,239</b>	<b>44,414</b>

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note:19 REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Sale of Products		
Domestic Sales	64,23,48,882	3,60,38,69,518
Export Sales	-	23,49,26,272
Sale of Services	4,53,42,334	3,51,25,178
Other Operating Revenues #	3,30,595	1,43,44,369
	<b>68,80,21,810</b>	<b>3,88,82,65,337</b>

# Other operating revenue comprises export incentives of Rs Nil . (PY: INR 128.35 Lakhs)

**Note:20 OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Interest income		
-Fixed Deposits	-	7,00,698
-Others	61,27,339	3,58,25,409
Profit on sale of asset	-	56,09,982
Exchange gains fluctuations	-	13,09,501
Dividend Income	-	-
Fair valuation of investments	-	10,77,46,092
Rebate, claim and discount income (net)	2,40,343	1,43,78,287
Miscellaneous income	-	51,82,697
	<b>63,67,681</b>	<b>17,07,52,666</b>

**Note:21 COST OF MATERIALS CONSUMED**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Opening stock	7,87,46,324	26,39,21,296
Add: Purchases	56,36,34,880	3,25,02,70,917
Less: Closing Stock	2,51,94,539	7,87,46,324
	<b>61,71,86,665</b>	<b>3,43,54,45,889</b>

RCI INDUSTRIES & TECHNOLOGIES LTD

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2021

**Note:22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
<b>Opening Stock</b>		
Finished goods	4,82,83,133	15,81,60,692
Work-in-progress	27,64,19,028	65,87,08,017
Stock-in-trade	5,30,13,220	6,09,64,466
Stores & Spares	3,76,26,267	4,22,32,171
	<b>41,53,41,649</b>	<b>92,00,65,346</b>
<b>Closing Stock</b>		
Finished goods	3,33,40,828	4,82,83,133
Work-in-progress	23,39,34,880	27,64,19,028
Stock-in-trade	82,102	5,30,13,220
Stores & Spares	2,77,02,641	3,76,26,267
	<b>29,50,60,452</b>	<b>41,53,41,649</b>
	<b>12,02,81,197</b>	<b>50,47,23,697</b>

**Note:23 EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Employee benefit expenses		
Salary & Wages	4,90,89,761	8,58,54,698
Contribution to provident & other funds	25,83,970	36,70,320
Director's remuneration	36,00,000	36,00,000
Provision for Gratuity & Leave Encashment	15,00,292	30,85,115
Contribution to ESIC/ Insurance Linked Expenses	6,09,468	10,07,638
Staff welfare expenses	4,56,422	11,68,568
	<b>5,78,39,912</b>	<b>9,83,86,339</b>

**Note:24 FINANCE COSTS**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Interest Expense on borrowings	-	13,14,69,309
Interest Expense on others	-	1,12,95,540
Other borrowing costs	1,46,229	1,59,40,091
	<b>1,46,229</b>	<b>15,87,04,940</b>

RCI INDUSTRIES & TECHNOLOGIES LTD

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note:25 Depreciation and amortisation expense**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on property, plant & equipment	12,29,58,600	13,09,08,060
Amortization of intangible assets	17,06,608	14,00,563
	<b>12,46,65,208</b>	<b>13,23,08,623</b>

**Note:26 OTHER EXPENSES**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Audit Fees*	7,50,000	7,50,000
Business Promotion Expenses	2,53,066	9,26,668
Clearing & Forwarding Charges	7,41,281	78,94,970
Commission on Sales	1,27,011	30,15,125
Consultancy Expenses	48,85,250	-
Consumable Expenses	22,63,593	1,50,41,706
Conveyance & Travelling Expenses	7,59,404	22,32,925
Donation & Charity	-	1,55,320
Freight & Cartage	72,76,553	1,37,75,623
General Expenses	14,88,528	84,64,576
Insurances	46,15,453	21,51,635
Interest & Penalty	16,58,923	-
Assets written off	65,61,651	-
Loss on sale of assets	1,71,00,176	-
Legal and Professional Charges	1,49,03,401	1,22,26,013
Loss on re-measurement of Financial Asset	-	3,43,495
Other government charges and taxes	6,14,900	3,50,168
Pollution Expenses	-	4,20,000
Power & Fuel	4,31,88,739	5,40,01,672
Expected credit losses Provision	55,55,45,627	17,17,40,787
Net Settlement & old balance written off/written back (Note 39)	46,23,196	-
Printing & Stationary Expenses	1,65,952	2,73,895
Prior Period Expenses	-	40,750
Rent, rate and Taxes	18,32,500	83,92,636
Repair & Maintenance	21,02,810	59,75,536
Security Services	36,79,792	81,40,474
Sitting Fee	6,60,000	-
Shipment Expenses	-	18,98,450
Telephone & Postage Expenses	4,26,135	8,52,902
Vehicle Running & maintenance expenses	15,69,759	21,90,498
	<b>67,77,93,699</b>	<b>32,12,55,826</b>

\* Audit Fee represents statutory audit fees (Rs. 6 Lacs) & tax audit fees (Rs. 1.5 Lacs) for the Financial year

**Note:27 Exceptional Items**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Bad debt written off *	-	20,78,08,981
	-	<b>20,78,08,981</b>

\* During the previous year Company has written off trade receivables amounting to Rs 20.78 crores due to non-recoverability of amount from the customers. As that was the first time that Company has written off trade receivable for the substantial amount. The event has been classified as an exceptional items in financial statements

**Note:28 Prior period items**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Melting loss for prior period recognized in previous year #	-	16,36,32,279
		<b>16,36,32,279</b>

# The company's production process is such that there is an melting and processing loss which is recognized in raw material consumption. During the quarter ended June 30, 2019, Company has recognized melting losses amounting to RS. 24.41 crores. The amount includes losses for prior period amounting to Rs. 16.36 crores. This error arises because in earlier years the melting loss is booked based on approximate loss percentage due to continuous production process in plant. However, in the previous year Company has identified the actual melting loss pertaining to earlier years and the same has been recognized as a prior period expense.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note 29 INCOME TAXES**

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current taxes	-	-
Deferred taxes	(1,70,36,647)	(74,74,524)
<b>Income tax expense</b>	<b>(1,70,36,647)</b>	<b>(74,74,524)</b>

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

Particulars	For the year ended 31st March 2021
Profit before income taxes	(92,24,96,625)
Tax Expense at Statutory tax rates of @31.2%	-
<b>Adjustments:</b>	
Effect of income taxable at lower rates (Dividend income taxable @ 16.692%)	-
Effect of expenses that are not deductible in determining taxable profit	-
Others	-
<b>Income tax expense</b>	<b>-</b>
<b>Current Tax expense reported in the Statement of Profit and Loss</b>	<b>-</b>

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

Particulars	As at	
	31.03.2021	31.03.2020
<b>Deferred tax assets</b>		
Temporary Disallowance under Income tax Act (Section 43B disallowances)	22,38,965	22,63,517
Property Plant & Equipment and Intangible Assets	70,56,746	-
<b>Total deferred tax assets (B)</b>	<b>92,95,712</b>	<b>22,63,517</b>
<b>Deferred tax liabilities</b>		
Property Plant & Equipment and Intangible Assets	-	1,00,04,453
<b>Total deferred tax liabilities (A)</b>	<b>-</b>	<b>1,00,04,453</b>
<b>Net Deferred tax liabilities / (Asset) (A-B)</b>	<b>(92,95,712)</b>	<b>77,40,936</b>

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

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

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**Note 30: Employee benefit Plan**

**(A) Defined benefit Plan**

**The defined benefit plan operated by the Company is as below:**

**Retiring gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company does not make any contributions to gratuity funds and the plan is unfunded. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**The defined benefit plans expose the Company to a number of actuarial risks as below:**

**(a) Interest risk:** A decrease in the bond interest rate will increase the plan liability.

**(b) Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(c) Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

**The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:**

**(i) Change in Defined Benefit Obligation (DBO) during the year**

Particulars	31.03.2021	31.03.2020
Present value of DBO at the beginning of the year	72,54,863	66,48,875
Current service cost	14,42,147	17,98,981
Interest cost	4,99,135	5,16,618
Actuarial loss arising from changes in financial assumptions	73,545	8,80,113
Actuarial loss arising from changes in experience adjustments	(11,92,546)	(16,24,752)
Benefits paid	(9,00,973)	(9,64,972)
<b>Present value of DBO at the end of the year</b>	<b>71,76,171</b>	<b>72,54,863</b>

**(ii) Change in fair value of plant assets during the year**

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer contributions	9,00,973	9,64,972
Benefits paid	(9,00,973)	(9,64,972)
Fair value of plan assets at the end of the year	-	-

**(iii) Amounts recognised in the Balance Sheet**

Particulars	31.03.2021	31.03.2020
Present value of DBO at the end of the year	71,76,171	72,54,863
Fair value of plan assets at the end of the year	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>71,76,171</b>	<b>72,54,863</b>

**(iv) Components of employer expense**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current service cost	14,42,147	17,98,981
Interest cost	4,99,135	5,16,618
<b>Expense recognised in Statement of Profit and Loss</b>	<b>19,41,282</b>	<b>23,15,599</b>

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**Note: 31 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE**

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

<b>Particulars</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Basic earnings per equity share - weighted average number of equity shares outstanding (Nos)	<b>1,56,76,415</b>	<b>1,56,76,415</b>
Effect of dilutive shares (Nos)	-	-
Diluted earnings per equity share - weighted average number of equity shares outstanding (Nos)	<b>1,56,76,415</b>	<b>1,56,76,415</b>

**(B) Computation of basic and diluted earning per share**

<b>Particulars</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Basic earning per share</b>		
Profit after tax	<b>(90,54,59,977)</b>	<b>(1,42,47,67,032)</b>
Weighted average number of shares (For Basic EPS)	1,56,76,415	1,56,76,415
<b>Basic EPS</b>	<b>(57.76)</b>	<b>(90.89)</b>
<b>Diluted earning per share</b>		
Profit after tax	<b>(90,54,59,977)</b>	<b>(1,42,47,67,032)</b>
Add/(less): Effect of dilution on profit	-	-
<b>Revised profit after tax</b>	<b>(90,54,59,977)</b>	<b>(1,42,47,67,032)</b>
Weighted average number of shares (For Diluted EPS)	1,56,76,415	1,56,76,415
<b>Diluted EPS</b>	<b>(57.76)</b>	<b>(90.89)</b>

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 32 Capital management**

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

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

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

The following table summarises the capital of the Company:

	As at 31st March 2021	As at 31st March 2020
<b>Equity (A)</b>	(49,64,20,640)	40,79,20,336
<b>Debt</b>		
Short-term borrowings and current portion of long-term debt (i)	2,16,06,26,166	2,31,12,39,945
Long-term debt (ii)	17,10,17,609	6,95,20,610
Less: deposits with financial institutions (iii)	1,23,64,821	73,64,821
Less: Cash and cash equivalents (iv)	96,08,140	1,37,84,840
<b>Net debt (i+ii-iii-iv)</b>	2,30,96,70,814	2,35,96,10,893
<b>Total capital (equity + net debt)</b>	1,81,32,50,173	2,76,75,31,229
Net debt to capital ratio	1.27	0.85
Interest coverage ratio (EBITDA/Finance cost)	NA	NA

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

**As at March 31, 2021**

Particular	Amortized cost	Fair value through statement of profit	Total
<b>Financial Assets</b>			
Investments	4,66,22,000	11,86,16,395	16,52,38,395
Trade receivables	43,94,95,901	-	43,94,95,901
Cash and cash equivalents	96,08,140	-	96,08,140
Other Bank Balances	1,23,92,278	-	1,23,92,278
Loans	2,42,77,628	-	2,42,77,628
Other financial assets	1,93,42,460	-	1,93,42,460
	<b>55,17,38,407</b>	<b>11,86,16,395.09</b>	<b>67,03,54,802</b>
<b>Financial Liabilities</b>			
Borrowings	2,33,16,43,775	-	2,33,16,43,775
Trade payables	9,11,76,800	-	9,11,76,800
Other financial liabilities	1,05,30,365	-	1,05,30,365
	<b>2,43,33,50,940</b>	<b>-</b>	<b>2,43,33,50,940</b>

**As at March 31, 2020**

Particular	Amortized cost	Fair value through statement of profit and loss	Total
<b>Financial Assets</b>			
Investments	4,66,22,000	11,86,16,395	16,52,38,395
Trade receivables	1,68,70,66,073	-	1,68,70,66,073
Cash and cash equivalents	1,37,84,840	-	1,37,84,840
Other Bank Balances	73,92,278	-	73,92,278
Loans	3,21,73,161	-	3,21,73,161
Other financial assets	92,47,572	-	92,47,572
	<b>1,79,62,85,925</b>	<b>11,86,16,395.00</b>	<b>1,91,49,02,320</b>
<b>Financial Liabilities</b>			
Borrowings	2,38,07,60,554	-	2,38,07,60,554
Trade payables	62,95,14,995	-	62,95,14,995
Other financial liabilities	3,37,32,605	-	3,37,32,605
	<b>3,04,40,08,153</b>	<b>-</b>	<b>3,04,40,08,153</b>

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note 33: DISCLOSURES ON FINANCIAL INSTRUMENTS.....Contd.****(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments etc.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category consists of investment in unquoted equity shares.

<b>Particular</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	<b>Level 1</b>	
<b>Financial Assets</b>		
Investment in mutual funds	-	-
	-	-
	<b>Level 3</b>	
<b>Financial Assets</b>		
Investment in equity shares	11,86,16,395	11,86,16,395
	<b>11,86,16,395</b>	<b>11,86,16,395</b>

There are no other financial asset or financial liability that are carried at fair value through profit or loss or other comprehensive income

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 33: DISCLOSURES ON FINANCIAL INSTRUMENTS.....Contd.**

**(c) Financial risk management**

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts and appropriate risk management policies as detailed below.

<b>Risk</b>	<b>Nature of risk and instrument effected</b>	<b>Risk management policies</b>
Market risk - currency risk	The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity. Balances that are subject to currency risk includes trade receivables, trade payables, buyer's credit, exports receipt, short-term and long-term borrowings etc.	Mitigating foreign currency risk using foreign currency forward contracts and through natural hedge from opposite transactions.
Market risk - interest rate risk	Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. Company does not have any long term borrowings at variable interest rates. It only have short term cash credit borrowings. However, interest rate for these are not changed very frequently.	Risk mitigation involved maintaining a combination of fixed and floating rate debt, cash management policies
Market risk - other price risk	Decline in value of equity instruments. Company has invested in mutual funds and is effected by changes in NAV of these funds.	Diversification of portfolio
Credit risk	Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The instrument that are subject to credit risk involves trade receivables, investments, deposits and loans, cash and cash equivalents etc	The Company has a policy of dealing only with credit worthy counter parties. Other risk management policies involves credit approval and monitoring practices, counterparty credit policies and limits and arrangements with financial institutions
Liquidity risk	Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.	The Company has obtained fund and non-fund based working capital lines from various banks. Other risk management policies involves preparing and monitoring forecasts of cash flows, cash management policies, multiple-year credit and banking facilities. As Company borrowings have been declared as NPA, Company is facing liquidity challenges and has submitted restructuring proposal to Banks.

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED  
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**Note 34: Related party transactions**

Details of related party

Description of relationship	Name of related party
Key Management Personnel (KMP)	Mr. Rajiv Gupta (Managing Director) Mrs. Mamta Gupta (Director)
Relatives of KMP	Mrs. Ritka Gupta - Daughter Mr. Yash Gupta - Son Mrs. Hembala Gupta - Sister Mr. Pradeep Gupta - Brother
Subsidiaries	RCI World Trade Link DMCC (Dubai)
Enterprise in which KMP / Relatives of KMP exercise significant influence	Mamta Global Pvt. Ltd. Metalroad Pvt. Ltd.

**(a) Details of transaction with related parties**

Particulars	Subsidiaries	KMP	Relatives of KMP	Enterprise in which KMP / Relatives of KMP exercise significant influence	Total
Purchase of goods	-	-	-	-	-
Receiving of services	-	36,00,000 (36,00,000)	-	1,35,000 (37,60,470)	37,35,000 (73,60,470)
Sale of goods	-	-	-	-	-
Advance received back	-	-	-	-	-
Loans	-	-	-	-	-
Dividend paid	-	(-)	(-)	(-)	(-)
Dividend received	-	-	-	-	-
Borrowing paid back	-	4,49,27,080 (31,78,52,001)	-	3,69,07,200 -	8,18,34,280 (31,78,52,001)
Borrowings Received	-	-	-	18,33,31,280 (1,65,66,945)	18,33,31,280 (1,65,66,945)

**(b) Closing balances**

Particulars	Subsidiaries	KMP	Relatives of KMP	Enterprise in which KMP / Relatives of KMP exercise significant influence	Total
Expenses payable	-	-	-	-	-
Investments	4,67,22,000 (4,67,22,000)	-	-	11,86,16,395 11,86,16,395	16,52,38,395 (16,52,38,395)
Borrowings	-	80,26,584 (5,29,53,664)	-	16,29,91,025 (1,65,66,945)	17,10,17,609 (6,95,20,609)
Loans	-	-	-	-	-

\* Figures in bracket represents amount for previous years

## Related party relationship has only been disclosed for parties with whom there are transactions in current or previous year

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**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note 35: Default by the Company on repayment of dues to Banks and Financial Institutions**

During the Previous year ended March 31, 2020, the Company defaulted in payment of its dues to Banks and Financial Institutions. As a results Company account was declared as Non Performing Asset by various banks. The details of such NPA along with amount due to each lender as at March 31, 2021, as per financial statement is as follows:

**35.1 Date of declaration of NPA by the respective Lender**

Lender Name	Date of NPA
Indian Bank	28-02-2020
J&K Bank	31-12-2019
Punjab National Bank	13-11-2019
State Bank of India	29-08-2019
South Indian Bank	15-11-2019
Karur Vysya Bank	31-03-2020
Union Bank of India	31-10-2019

**35.2 Amount due to lenders as at March 31, 2021.**

Lender Name	Type of facility	Outstanding Balance as per Financial Statement
Indian Bank	Cash Credit	19,35,95,136
J&K Bank	Cash Credit	10,67,21,389
Punjab National Bank	Cash Credit	25,90,41,412
State Bank of India	Cash Credit	22,70,78,214
South Indian Bank	Cash Credit	14,56,07,747
Karur Vysya Bank	Cash Credit	13,12,18,579
Union Bank of India	Cash Credit	37,13,06,297
CLIX Finance India Pvt Ltd	Equipment Finance	3,45,37,755
Hero Fincorp Limited	Equipment Finance	2,94,57,770
UGRO CAPITAL LTD.	Supply Chain Finance	12,29,00,000
Cana Bank Factors Limited	Bill Discounting	3,97,32,433
Lakshmi Vilas Bank Limited	Bill Discounting	1,99,92,205
Punjab National Bank	Bill Discounting	2,87,39,078
SBI Global Factors Limited	Bill Discounting	2,98,30,951
South Indian Bank Limited	Bill Discounting	12,99,00,771
Corporation Bank	Bill Discounting	7,83,85,060
Union Bank of India	Bill Discounting	13,89,37,250
Union Bank of India	BG Invocation	7,06,37,456
		<b>2,15,76,19,503</b>

Note 1 - Company has not recognized interest expenses in its financial statements for the period after the following dates:

Cash Credit Accounts - Date of declaration of NPA by the Bank

Equipment Financing - Since Dec'19 onwards

Bill Discounting - Due date of payment

BG Invocation - Date of invocation of BG

Note 2 - Company has already submitted its debt restructuring plan to lenders and is hopeful of getting a revival in FY 2021-22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note 36: Segment Reporting**

The Company's activity during the year revolves around manufacturing and trading of all kind of metals and metal products. Considering the nature of Company's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirement of Ind AS 108 - "Operating Segments"

**Note 37: Contingent Liabilities and Commitments**

Particulars	As at 31.03.2021	As at 31.03.2020
Demand for VAT & CST assessment for the year 2009-10 to 2012-13 (Note 1)	-	55,87,61,967
Show cause notice received from Director General of GST Intelligence (Note 2)	2,14,34,49,040	2,14,34,49,040

Note 1 - The VAT authorities raised the demand on completion of assessment for the FY 2009-10 to 2012-13. The Company has filled an application on 20.03.2021 for settlement of this demand under Himachal Pradesh (Legacy Cases Resolution)Scheme, 2019 and the amount already deposited with the VAT authorities in earlier years have been accepted by the Company and the amount of deposit so made has been written off during the years. The application is pending acceptance from the VAT department and as per the application and provision of the scheme there is no outstanding liability on the Company

Note 2 - Show cause notice has been received on 17.07.2020 from Director General of GST Intelligence wherein the Company has been show caused for why the demand along with penalty and interest should not be levied on the Company for GST credit amounting to Rs. 214.34 crores.

**Note 38: Application for starting IBC Proceedings against the Company**

In the previous financial year one operational creditor named Sizer Metals Pte Ltd. and one financial creditor named SBI Global Factors Limited have approached Insolvency and Bankruptcy court for initiating bankruptcy proceeding against the Company as per provision of Insolvency and Bankruptcy Code. The application is still pending before the authority and no order has been initiated on same.

**Note 39: Net settlement and write off/write back**

The Company is in the phase of restructuring of its debts and the proposal for the same has already been submitted with the consortium lenders which was last considered in the consortium meeting held on 15.03.2021. Further, the promoters brought in additional funds amounting to Rs. 16.5 crores during the year.

The Company has carried out the exercise to settle/recognize old balances in the financial statements. Accordingly company has both written back and written off various amount pertaining to current tax Liability, trade receivable, advances and payables. The net effect off all this has been recognised as the settlement expense in profit and loss account. The current tax liability has been written back basis the difference between the provision of taxation and the accepted liability as per the Income Tax return filled by the Company

**Note 40: Assessment of going concern basis for preparation of accounts**

Company has incurred heavy losses amounting to Rs. 90.43 crores during the current year ended March 31, 2021. Further, the net worth of the Company has been fully eroded. Although these conditions indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the current financial statements are prepared on going concern basis as management is confident of reviving the Company and has already submitted a debt restructuring plan with lenders along with bringing in additional funds amounting to Rs. 16.5 crores during the year.

**Note 41: Other Notes**

- (i) Previous year figures are regrouped and reclassified wherever necessary to conform to current year's presentation.
- (ii) The total amount outstanding to Small, Medium and Micro Undertakings to the extent that such parties have been identified from available information by the management is Rs.5.02 Lakhs (PY: 63.27 Lakhs). The Company has not created provision for interest due to MSME as Company is in financial stress and no claim of interest has been received from any of the MSME vendor.
- (iii) Company has recognized rental expenses amounting to Rs. 18.32 Lakhs for the year ended March 31, 2021 (PY: 83.92 Lakhs) for leases classified as short term leases under Ind AS 116 "Leases".
- (iv) In the opinion of the management, current assets, financial assets and loans have a value not less than what is stated in the accounts if realised in the ordinary course of business.

**For KRA & Co.**

**Chartered Accountants**

Firm's Registration Number: 020266N

(Rajeev Gupta) (Mukesh Tyagi)  
Managing Director Director  
DIN- 00503196 DIN: 08698810

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

(Jyoti Sharma)  
Company Secretary  
M No. A55135

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of **RCI INDUSTRIES & TECHNOLOGIES LIMITED** ("hereinafter referred to as the 'Parent Company'") and its subsidiaries (Parent Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group at March 31, 2021, and its consolidated Loss, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### *Basis for Qualified Opinion*

- a) *Parent Company borrowings were declared as non performing asset (NPA) during the previous year. Due to this, we have not been provided with any document confirming balances, as at March 31, 2021, for certain loans granted by financial institutions, BG Invocation liability towards banks, bill discounting liability towards banks, certain current accounts and fixed deposits held by the Parent Company. In the absence of such balance confirmations, we cannot comment on the accuracy and completeness of these balances. The amount of these borrowings, current account balances and fixed deposits as per financial statement as at March 31, 2021 is Rs. 121.12 crores, Rs. 22.85 Lacs and Rs. 73.65 Lacs respectively.*
- b) *The Parent Company has not recognized interest expenses in its financial statement on its outstanding borrowings. The total amount of such interest expenses is Rs. 26.08 crores (approx.) for the current year and Rs. 36.54 crores (approx.) for the period April 01, 2019 to March 31, 2021. (This is an approximate amount without considering the penal interest provisions and the amount cannot be confirmed with bank levy of interest as many banks have stopped charging interest in their statement and for certain borrowings confirmation of interest amount is not available). Accordingly, loss after tax and Total comprehensive loss for the year ended March 31, 2021, is lower by Rs. 26.08 crores and retained earnings as at March 31, 2021 are lower by Rs. 36.54 crores.*
- c) *Parent Company faces a material uncertainty related to Going Concern because of heavy losses incurred during the current and previous year. Further, the net worth of the Company has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's*

*ability to continue as a going concern. The financial statement should therefore be drawn on liquidation basis. However, the management is confident of reviving the Company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared by the management assuming that the Company will continue as a going concern.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, management discussion and analysis and report on corporate governance, but does not include the financial statements and our auditor's report thereon. The director's report, management discussion and analysis and report on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Parent Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under

section 133 of the Act. The respective Management and Board of Directors of the Companies Included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of management certified accounts as referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current

period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The consolidated financial statement include the unaudited financial results/financial information of one subsidiary, whose financial results/financial information reflects total assets of Rs. 419.10 Lacs as at March 31, 2021, total revenue of Rs. 211.76 Lacs, total net loss after tax of Rs. (6640.73) Lacs and net cash outflow of Rs. 6.46 Lacs for the year ended on that date, as considered in the consolidated annual financial statements, which have not been audited by its auditor. The subsidiary financial statements have been consolidated based on its management certified accounts. According to the information and explanation given to us by the Management, the subsidiary has a accounting year-end which is different from March 31, 2021 and the accounts of the subsidiary were last audited for year ended December 31, 2020 and the transactions between December 31, 2020 and March 31, 2021 are not material to the group.

Our conclusion on the Statement is not modified in respect of the above matter

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

1. As required by Section 143(3) of the Act, we report that:
  - a. Except for the effect of the matter described in the *Basis for Qualified Opinion* Para of our report, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the effect of the matter described in the *Basis for Qualified Opinion* Para of our report, 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. Except for the effect of the matter described in the *Basis for Qualified Opinion* Para of our report, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Parent Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - 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 A".

- 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 – Refer Note 38 to the financial statements
  - ii.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 21503150AAAAUV4476**  
**Place: Delhi**  
**Date: June 30, 2021**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED**

**(Referred to in Paragraph 1 point (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of **RCI INDUSTRIES & TECHNOLOGIES LIMITED** (the ‘Parent Company’) and its subsidiaries (the Parent Company and its subsidiaries together referred to as the ‘Group’) as at and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting (‘IFCoFR’) of the Parent Company, which is the company covered under the Act, as at that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Parent Company, which is the company covered under the Act, as at that date, 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 (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (the ‘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 the company’s business, including adherence to the 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 Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the IFCoFR of the Parent Company, which is the company covered under the Act, as at that date, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Parent Company.

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

A company's IFCoFR 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 IFCoFR include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

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

Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 Parent Company, which is the company covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Parent 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 KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 21503150AAAAUV4476**  
**Place: Delhi**  
**Date: June 30, 2021**

**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**Consolidated Balance Sheet As At 31 March 2021**

Particular	Note	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	71,25,12,911	89,95,99,917
Capital work-in-progress	2	8,42,43,607	9,46,77,287
Intangible Assets	3	-	17,06,608
Financial Assets		-	-
Investments	4	11,86,16,395	11,86,16,395
Loans	5	1,82,38,549	1,46,95,964
Other non-current assets	6	5,53,07,119	11,01,67,107
Deferred tax assets (net)	29	92,95,712	-
<b>Total Non - Current Assets</b>		<b>99,82,14,293</b>	<b>1,23,94,63,277</b>
<b>Current assets</b>			
Inventories	7	32,02,54,991	49,40,87,973
Financial Assets			
Investments	4	-	-
Trade receivables	8	47,54,18,479	2,40,72,74,854
Cash and cash equivalents	9	1,31,81,273	1,80,04,581
Other Bank Balances	10	1,23,92,278	73,92,278
Loans	5	84,53,423	1,99,02,950
Other financial assets	11	1,93,42,460	92,47,572
Other current assets	6	9,88,53,373	22,41,50,792
Current Tax Assets (net)		84,38,353	-
<b>Total Current Assets</b>		<b>95,63,34,630</b>	<b>3,18,00,61,000</b>
Assets held for Sale		-	-
<b>Total Assets</b>		<b>1,95,45,48,923</b>	<b>4,41,95,24,277</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	15,67,64,150	15,67,64,150
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	13	-	-
<b>Other equity</b>			
Reserves and surplus	13	(1,82,42,60,895)	(23,64,02,412)
Other reserves	13	1,16,58,41,395	1,16,58,41,395
<b>Total equity</b>		<b>(50,16,55,350)</b>	<b>1,08,62,03,133</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	14	17,10,17,609	6,95,20,610
Provisions	18	89,27,328	96,15,669
Deferred tax liabilities (net)	29	-	77,40,936
<b>Total Non - Current Liabilities</b>		<b>17,99,44,937</b>	<b>8,68,77,214</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	14	2,16,06,26,166	2,31,12,39,945
Trade payables	15	9,11,76,800	67,90,09,204
Other financial liabilities	16	1,10,53,129	3,44,52,154
Other current liabilities	17	1,32,87,330	5,59,40,175
Provisions	18	1,15,911	1,48,187
Current Tax Liabilities (net)		-	16,56,54,265
<b>Total Current Liabilities</b>		<b>2,27,62,59,336</b>	<b>3,24,64,43,930</b>
<b>Total Equity and Liabilities</b>		<b>1,95,45,48,923</b>	<b>4,41,95,24,277</b>

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

For KRA & Co.

Chartered Accountants

Firm's Registration Number: 020266N

(Rajeev Gupta)

Managing Director

DIN- 00503196

(Mukesh Tyagi)

Director

DIN: 08698810

Rajat Goyal

Partner

Membership No. 503150

Place: Delhi

Date: June 30, 2021

(Jyoti Sharma)

Company Secretary

M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LTD****Consolidated Statement of Profit & Loss for the year ended March 31, 2021**

Particular	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from operations	19	70,79,95,416	4,56,83,09,580
Other Income	20	75,70,132	17,26,63,286
<b>Total Income [A]</b>		<b>71,55,65,548</b>	<b>4,74,09,72,866</b>
<b>Expenses</b>			
Cost of Material Consumed	21	61,71,86,665	3,43,54,45,889
Purchase of stock-in-trade		3,97,16,129	1,12,14,68,390
Change in Inventories of Finished Goods/ Stock in Trade/ Work in Progress	22	12,02,81,197	50,47,23,697
Employee benefit expenses	23	5,83,50,989	10,17,38,003
Finance Costs	24	3,29,061	15,90,37,547
Depreciation and amortisation expense	25	12,58,90,625	13,37,16,177
Other expenses	26	1,34,03,80,433	58,43,59,819
<b>Total Expenses [B]</b>		<b>2,30,21,35,099</b>	<b>6,04,04,89,522</b>
<b>Profit / (loss) before tax, exceptional items and prior period items</b>		<b>(1,58,65,69,552)</b>	<b>(1,29,95,16,657)</b>
Less: Exceptional Items	27	-	20,78,08,981
Less: Prior period items	28	-	16,36,32,279
<b>Profit / (loss) before tax</b>		<b>(1,58,65,69,552)</b>	<b>(1,67,09,57,916)</b>
<b>Tax Expense:</b>			
Current tax	29	-	-
Deferred tax	29	(1,70,36,648)	(74,53,175)
<b>Profit after tax</b>		<b>(1,56,95,32,904)</b>	<b>(1,66,35,04,741)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the net defined benefit liability		11,19,001	7,44,639
<b>Items that will be reclassified to profit or loss</b>			
Translation differences arising on foreign subsidiary		(1,94,44,580)	7,84,43,281
<b>Total other comprehensive income</b>		<b>(1,83,25,579)</b>	<b>7,91,87,920</b>
<b>Total comprehensive income for the year attributable to owner of the Company</b>		<b>(1,58,78,58,483)</b>	<b>(1,58,43,16,820)</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic	31	(100.12)	(106.12)
Diluted	31	(100.12)	(106.12)

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

As per our report of even date attached

**For KRA & Co.**

**Chartered Accountants**

Firm's Registration Number: 020266N

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

(Mukesh Tyagi)  
Director  
DIN: 08698810

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LIMITED****Consolidated Cash Flow Statement for the year ended 31st March, 2021**

Particulars	For The Year Ended March 31,2021	For The Year Ended March 31,2020
<b>A. Cash flow from Operating activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(1,58,65,69,552)</b>	<b>(1,67,09,57,916)</b>
<i>Adjustments for:</i>		
Depreciation	12,58,90,625	13,37,16,177
Finance Cost	3,29,061	15,90,37,547
Interest income	(61,27,339)	(3,65,65,845)
Loss on sale of asset	3,43,27,984	-
Expected credit losses Provision	55,55,45,627	41,18,10,381
Net Settlement & old balance written off/written back	60,66,76,499	-
(Gain)/ Loss due to change in fair value of Investment	-	(10,77,46,092)
Actuarial Gain / (loss) on defined benefit plan	11,19,001	7,44,639
Other adjustment	-	(1,65,84,658)
Foreign currency translation differences	(1,94,44,580)	7,84,43,281
<b>Operating profit before working capital changes</b>	<b>(28,82,52,674)</b>	<b>(1,04,81,02,485)</b>
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	17,38,32,982	67,90,28,366
(Increase)/Decrease in Trade Receivables	41,41,44,560	(11,18,70,279)
(Increase)/Decrease in Loans	79,06,942	2,55,00,369
(Increase)/Decrease in Other Financial asset	(1,00,94,888)	540
(Increase)/Decrease in Other asset	5,88,85,650	43,45,64,626
Increase/(Decrease) in Trade Payables	(28,50,19,521)	29,20,01,170
Increase/(Decrease) in Other Financial Liabilities	(2,26,17,033)	(1,88,39,574)
Increase/(Decrease) in Other current Liabilities	(3,48,72,339)	20,62,612
Increase/(Decrease) in Provisions	(7,20,617)	8,04,344
<i>Cash generated from operations</i>	<b>1,31,93,063</b>	<b>25,51,49,688</b>
Income tax Refund/ (paid) during the year	(25,79,216)	7,60,130
<b>Net cash from operating activities (A)</b>	<b>1,06,13,847</b>	<b>25,59,09,818</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed assets	3,90,08,684	(5,49,06,351)
(Purchase)/Sale Of Current Investment	-	2,61,90,839
(Increase)/Decrease in investment in fixed deposit	(50,00,000)	10,58,62,933
Interest received	-	63,96,479
<b>Net cash from investing activities (B)</b>	<b>3,40,08,684</b>	<b>8,35,43,900</b>
<b>C. Cash flow from Financing activities</b>		
Increase / (Decrease) in borrowings	(4,91,16,779)	(18,28,69,173)
Finance cost paid	(3,29,061)	(15,90,37,547)
<b>Net cash from financing activities (C)</b>	<b>(4,94,45,841)</b>	<b>(34,19,06,721)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(48,23,309)</b>	<b>(24,53,002)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,80,04,581</b>	<b>2,04,57,583</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,31,81,272</b>	<b>1,80,04,581</b>

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

As per our report of even date attached

For KRA & Co.

Chartered Accountants

Firm's Registration Number: 020266N

(Rajeev Gupta)

Managing Director

DIN- 00503196

(Mukesh Tyagi)

Director

DIN: 08698810

Rajat Goyal

Partner

Membership No. 503150

Place: Delhi

Date: June 30, 2021

(Jyoti Sharma)

Company Secretary

M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LTD**

CIN : L74900DL1992PLC047055

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note 1: CORPORATE INFORMATION**

The Company was incorporated on January 7, 1992 and is a public limited company, equity shares of which are listed on the Bombay Stock Exchange. The Company and its subsidiaries (collectively referred to as “the Group”) are primarily involved in manufacture, import, export, trade and otherwise deal in all types of metal and metal products thereof.

The list of Subsidiaries which are included in the consolidation and the Company’s holding therein are as under:

Particulars	Ownership in %		Country of Incorporation
	As at March 31, 2021	As at March 31, 2020	
RCI World Trade Link DMCC	100%	100%	Dubai
RCI Skills and Development Private Limited (Upto March 31, 2020)	0%	100%	India

**Note 1.1: SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation of consolidated financial Statements**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”) and the rules issued thereunder.

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - “Consolidated Financial Statements”.

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

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

**B. Use of Estimates**

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

**C. Cash Flow Statement**

Cash flow statement is prepared in accordance with IndAS-7 using the indirect method

**D. Property, Plant and Equipment**

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

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

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

## **E. Employee Benefits**

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

Defined contribution plans:

Fixed contribution to provident and other funds which are defined contribution schemes are absorbed in the accounts at actual cost to the Group.

Defined benefit plans:

Defined benefit costs are categorized as follows:

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

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in reserve and surplus and is not reclassified to profit or loss.

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

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

## **F. Leases**

### **Accounting policy before April 01, 2019**

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

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

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

### **Accounting policy from April 01, 2019**

The Company has applied Ind AS 116 starting April 01, 2019. The company has adopted modified transition approach for transition from previous Ind AS 17 to Ind AS 116 and accordingly the comparative information has not been restated and the same has been prepared using Ind AS 17.

Under Ind AS 116, a Company assess at inception whether a contract is, or contains a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a) The contract involves the use of an identified asset
- b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- c) The Company has the right to direct the use of the asset

### **Company as a lessee**

#### **Right of use asset**

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

#### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

#### **Short-term leases**

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **G. Insurance Claims**

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

#### **H. Inventories**

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

#### **I. Earnings Per Share**

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

#### **J. Depreciation**

Pursuant to Companies Act, 2013, the company depreciates its assets by the estimated useful life of the fixed assets on written down value as prescribed under Schedule II of the Companies Act, 2013.

#### **K Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### **1) Financial assets**

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

##### Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

#### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

### **2) Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### **3) Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce market risks

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### **L. Revenue recognition**

- a) Sale of goods is recognised at its transaction price when the company has satisfied its performance obligation under the contract. Sales include amounts recovered towards excise duty and exclude sales tax/value added tax/ GST.
- b) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered.
- c) Export benefits are accounted for on accrual basis.

### **M. Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or the rate that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

### **N. Provision for Current and Deferred Tax**

Tax expense comprising current tax and deferred tax are recognized in statement of profit and loss account for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities due to change in such assets/ liabilities as at the end of accounting period as compared to that at the beginning of the period due to a change in tax rates are recognized in the income statement for the period.

### **O. Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes on financial statement.

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

RCI INDUSTRIES & TECHNOLOGIES LTD  
CIN : L74900DL1992PLC047055  
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note:2 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Leasehold Equipments	Container	Buildings	Plant and machinery	Motor Vehicles	Furniture & Fittings	Electronic Installation	Office Equipment	Computer & Printers	Capital Work-in-progress	Total
<b>Gross carrying value as of April 1, 2019</b>	<b>16,71,58,389</b>	<b>1,86,545</b>	<b>4,05,000</b>	<b>31,61,40,770</b>	<b>63,02,26,989</b>	<b>3,92,09,754</b>	<b>44,12,981</b>	<b>3,80,36,188</b>	<b>84,76,098</b>	<b>39,22,571</b>	<b>10,43,44,908</b>	<b>1,31,25,20,191</b>
Additions				7,44,29,476	1,24,40,088	55,39,309	68,600			23,731	1,27,70,960	10,52,72,164
Deletions	2,29,00,000			8,68,700	9,79,400	2,45,59,598					2,14,89,412	7,07,97,110
Foreign exchange differences / Other Adjustments				(39,46,084)							9,49,169	(29,96,915)
<b>Gross carrying value as of March 31, 2020</b>	<b>14,42,58,389</b>	<b>1,86,545</b>	<b>4,05,000</b>	<b>39,36,47,630</b>	<b>64,16,87,677</b>	<b>2,01,89,465</b>	<b>44,81,581</b>	<b>3,80,36,188</b>	<b>84,76,098</b>	<b>39,46,302</b>	<b>9,46,77,287</b>	<b>1,34,99,92,160</b>
Additions	-	-	-	10,09,195	7,19,79,909	-	-	-	-	32,772	6,41,27,484	13,71,49,360
Deletions	4,70,96,330	-	98,247	7,72,25,433	6,41,43,533	72,83,259	24,98,443	14,48,304	39,15,993	18,999	7,45,61,163	27,82,89,703
Foreign exchange differences / Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2021</b>	<b>9,71,62,059</b>	<b>1,86,545</b>	<b>3,06,753</b>	<b>31,74,31,392</b>	<b>64,95,24,054</b>	<b>1,29,06,206</b>	<b>19,83,138</b>	<b>3,65,87,884</b>	<b>45,60,105</b>	<b>39,60,074</b>	<b>8,42,43,607</b>	<b>1,20,88,51,817</b>
<b>Accumulated depreciation as of April 1, 2019</b>	<b>-</b>	<b>1,57,128</b>	<b>2,49,505</b>	<b>4,34,67,627</b>	<b>14,35,20,007</b>	<b>2,82,89,614</b>	<b>14,82,435</b>	<b>1,42,86,617</b>	<b>63,66,407</b>	<b>30,14,385</b>	<b>-</b>	<b>24,08,33,726</b>
For the period	-	6,042	21,354	2,81,12,166	9,41,40,559	42,18,252	6,02,967	35,57,202	8,86,305	7,70,768	-	13,23,15,614
Deduction / Adjustments during the year	-	-	-	-	-	1,74,30,503	-	-	-	-	-	1,74,30,503
Foreign exchange differences / Other Adjustments	-	-	-	-	-	-	-	-	-	(3,880)	-	(3,880)
<b>Accumulated depreciation as of March 31, 2020</b>	<b>-</b>	<b>1,63,170</b>	<b>2,70,859</b>	<b>7,15,79,793</b>	<b>23,76,60,566</b>	<b>1,50,77,363</b>	<b>20,85,402</b>	<b>1,78,43,820</b>	<b>72,52,712</b>	<b>37,81,274</b>	<b>-</b>	<b>35,57,14,957</b>
For the period	-	6,363	20,335	2,75,13,098	8,58,78,293	16,97,381	8,45,167	71,15,344	9,16,379	1,91,657	-	12,41,84,017
Deduction / Adjustments during the year	-	-	62,395	2,54,32,605	3,20,83,430	40,65,000	15,94,568	9,43,835	36,08,986	12,856	-	6,78,03,675
Foreign exchange differences / Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2021</b>	<b>-</b>	<b>1,69,533</b>	<b>2,28,799</b>	<b>7,36,60,286</b>	<b>29,14,55,429</b>	<b>1,27,09,744</b>	<b>13,36,001</b>	<b>2,40,15,329</b>	<b>45,60,105</b>	<b>39,60,075</b>	<b>-</b>	<b>41,20,95,299</b>
<b>Carrying value as of March 31, 2021</b>	<b>9,71,62,059</b>	<b>17,012</b>	<b>77,954</b>	<b>24,37,71,106</b>	<b>35,80,68,625</b>	<b>1,96,462</b>	<b>6,47,138</b>	<b>1,25,72,555</b>	<b>-</b>	<b>-</b>	<b>8,42,43,607</b>	<b>79,67,56,518</b>
<b>Carrying value as of March 31, 2020</b>	<b>14,42,58,389</b>	<b>23,375</b>	<b>1,34,141</b>	<b>32,20,67,837</b>	<b>40,40,27,111</b>	<b>51,12,102</b>	<b>23,96,179</b>	<b>2,01,92,368</b>	<b>12,23,386</b>	<b>1,65,028</b>	<b>9,46,77,287</b>	<b>99,42,77,203</b>

RCI INDUSTRIES & TECHNOLOGIES LTD

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note:3 - INTANGIBLE ASSETS

Particulars	Software	Total
Gross carrying value as of April 1, 2019	56,47,450	56,47,450
Additions	-	-
Deletions	-	-
Gross carrying value as of March 31, 2020	56,47,450	56,47,450
Additions	-	-
Deletions	-	-
Gross carrying value as of March 31, 2021	56,47,450	56,47,450
Accumulated depreciation as of April 1, 2019	25,40,279	25,40,279
Additions	14,00,563	14,00,563
Deletions	-	-
Accumulated depreciation as of March 31, 2020	39,40,842	39,40,842
Additions	17,06,608	17,06,608
Deletions	-	-
Accumulated depreciation as of March 31, 2021	56,47,450	56,47,450
Net Block as on 31st March 2021	-	-
Net Block as on 31st March 2020	17,06,608	17,06,608

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:4 INVESTMENTS**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Non-current investments</b>		
<b>Other investments at FVTPL</b>		
Investment in Equity share of Ace Matrix Solutions Limited (30,110/- equity share of Rs 10 each, fully paid)	1,77,95,010	1,77,95,010
Investment in Equity share of Kay Kay Exim Pvt Limited (1,21,025/- equity share of Rs 10 each, fully paid)	3,69,12,625	3,69,12,625
Investment in Equity share of MetalRod Private Limited (3,16,380/- equity share of Rs 10 each, fully paid)	6,39,08,760	6,39,08,760
	<b>11,86,16,395</b>	<b>11,86,16,395</b>
<b>Total Investment</b>	<b>11,86,16,395</b>	<b>11,86,16,395</b>

Aggregated amount of Quoted investments and value thereof	-	-
Aggregated amount of Unquoted investments	11,86,16,395	11,86,16,395

**Note:5 LOANS**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	1,82,38,549	1,46,95,964
Loans to related parties	-	-
	<b>1,82,38,549</b>	<b>1,46,95,964</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	45,03,749	69,79,502
Other loans and advances	39,49,674	1,29,23,448
	<b>84,53,423</b>	<b>1,99,02,950</b>
<b>Total loans</b>	<b>2,66,91,972</b>	<b>3,45,98,914</b>

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:6 OTHER ASSETS**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Non-current</b>		
Capital Advances	5,53,07,119	16,32,22,107
Less: Expected credit loss allowance on doubtful advances	-	(5,30,55,000)
	<b>5,53,07,119</b>	<b>11,01,67,107</b>
<b>Current</b>		
Advance to vendors for supply of goods/services	3,27,78,585	3,17,08,778
Balances with Govt. Authorities	6,42,82,620	19,03,23,216
Prepaid Expenses	17,92,167	21,18,798
	<b>9,88,53,373</b>	<b>22,41,50,792</b>
<b>Total Other Assets</b>	<b>15,41,60,491</b>	<b>33,43,17,898</b>

**Note:7 INVENTORIES**

Particulars	As at	As at
	31.03.2021	31.03.2020
Raw Materials	2,51,94,539	7,87,46,324
Work in Progress	23,39,34,880	27,64,19,028
Finished Goods	3,33,40,828	4,82,83,133
Stores & Spares	2,77,02,641	3,76,26,267
Stock in trade	82,102	5,30,13,220
	<b>32,02,54,991</b>	<b>49,40,87,973</b>

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

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

**Note:8 TRADE RECEIVABLES**

Particulars	As at	As at
	31.03.2021	31.03.2020
Unsecured trade receivables	1,03,09,64,106	2,76,60,30,235
<b>Total gross value</b>	<b>1,03,09,64,106</b>	<b>2,76,60,30,235</b>
Less: Expected credit losses allowance	55,55,45,627	35,87,55,381
<b>Total carrying value</b>	<b>47,54,18,479</b>	<b>2,40,72,74,854</b>

<b>Maturity profile of trade receivables</b>		
Due for more than six months	32,80,22,471	1,78,83,80,868
Other	14,73,96,008	61,88,93,986
<b>Total</b>	<b>47,54,18,479</b>	<b>2,40,72,74,854</b>

**RCI INDUSTRIES & TECHNOLOGIES LTD**

**CIN : L74900DL1992PLC047055**

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:9 CASH AND CASH EQUIVALENTS**

Particulars	As at	As at
	31.03.2021	31.03.2020
Balances with banks		
In current accounts	57,36,234	73,40,300
Cash on hand	74,45,039	1,06,64,280
	<b>1,31,81,273</b>	<b>1,80,04,581</b>

**Note:10 OTHER BANK BALANCES**

Particulars	As at	As at
	31.03.2021	31.03.2020
Unpaid Dividend accounts	27,458	27,458
Balances with banks held as margin money deposits	1,23,64,821	73,64,821
	<b>1,23,92,278</b>	<b>73,92,278</b>
Balances with banks held as margin money deposits against guarantees	1,23,64,821	73,64,821

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

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

**Note:11 OTHER FINANCIAL ASSETS**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Current</b>		
Interest accrued on deposit	-	-
Insurance Claims	1,93,42,460	92,47,572
<b>Total</b>	<b>1,93,42,460</b>	<b>92,47,572</b>
Financial assets carried at amortized cost	1,93,42,460	92,47,572
Financial assets carried at fair value through Profit or Loss	-	-

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note - 12 EQUITY SHARE CAPITAL**

Particulars		
	31.03.2020	31.03.2020
Authorized Equity shares, Rs. 10/- par value 2,50,00,000 (PY: 2,50,00,000) equity shares	25,00,00,000	25,00,00,000
Issued, Subscribed and Paid-Up Equity shares, Rs. 10/- par value 1,56,76,415 (PY: 1,56,76,415) equity shares fully paid-up	15,67,64,150	15,67,64,150
	<b>15,67,64,150</b>	<b>15,67,64,150</b>

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

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

Name of the shareholder	31.03.2021	31.03.2020
	Number and Shareholding %	Number and Shareholding %
Rajeev Gupta	62,96,880 (40.17%)	62,96,880 (40.17%)
Ace Matrix Solutions Ltd.	17,51,900 (11.18%)	17,51,900 (11.18%)
Metalrod Pvt Ltd.	812,500 (5.18%)	812,500 (5.18%)
Mamta Gupta	11,64,930 (7.43%)	11,64,930 (7.43%)

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note 13: OTHER EQUITY

Particulars	Instruments entirely equity in nature	Other reserve	Reserves and surplus			Total
	Compulsorily Convertible Debentures	Securities premium reserve	Foreign Currency translation reserve	Retained earnings	Other comprehensive income	
<b>Balance as of Mar 31, 2019</b>	<b>50,40,00,000</b>	<b>68,42,41,395</b>	<b>4,16,97,123</b>	<b>1,32,19,69,182</b>	<b>8,33,688</b>	<b>2,55,27,41,388</b>
<b>Changes in equity for the year ended Mar 31, 2020</b>						
Add: Loss for the year	-	-	-	(1,66,35,04,741)	-	(1,66,35,04,741)
Remeasurement of the net defined benefit liability	-	-	-	-	7,44,639	7,44,639
Less: Dividend Adjustment for subsidiary	-	-	-	(1,65,06,732)	-	(1,65,06,732)
Less: Net Asset adjustment for sale of stake in one subsidiary	-	-	-	(78,853)	-	(78,853)
Add: Equity shares issued by conversion of outstanding Compulsorily Convertible Debentures	(50,40,00,000)	48,16,00,000	-	-	-	(2,24,00,000)
Add: Addition during the year	-	-	7,84,43,281	-	-	7,84,43,281
<b>Balance as of Mar 31, 2020</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>12,01,40,404</b>	<b>(35,81,21,143)</b>	<b>15,78,327</b>	<b>92,94,38,983</b>
<b>Changes in equity for the year ended Mar 31, 2021</b>						
Add: Loss for the year	-	-	-	(1,56,95,32,904)	-	(1,56,95,32,904)
Remeasurement of the net defined benefit liability	-	-	-	-	11,19,001	11,19,001
Add: Addition during the year	-	-	(1,94,44,580)	-	-	(1,94,44,580)
<b>Balance as of Mar 31, 2021</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>10,06,95,824</b>	<b>(1,92,76,54,047)</b>	<b>26,97,328</b>	<b>(65,84,19,500)</b>

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note 13: STATEMENTS OF CHANGE IN EQUITY

Particulars	Equity Share Capital		Instruments entirely equity in nature	Other reserve	Reserves and surplus			Total equity attributable to equity holders of the Company
	No of Shares	Amount	Compulsorily Convertible Debentures	Securities premium reserve	Foreign Currency translation reserve	Retained earnings	Other comprehensive income	
<b>Balance as of Mar 31, 2019</b>	<b>1,34,36,415</b>	<b>13,43,64,150</b>	<b>50,40,00,000</b>	<b>68,42,41,395</b>	<b>4,16,97,123</b>	<b>1,32,19,69,182</b>	<b>8,33,688</b>	<b>2,68,71,05,538</b>
<b>Changes in equity for the year ended Mar 31, 2020</b>								
Add: Loss for the year						(1,66,35,04,741)		(1,66,35,04,741)
Add: Remeasurement of the net defined benefit liability							7,44,639	7,44,639
Less: Dividend Adjustment for subsidiary						(1,65,06,732)		(1,65,06,732)
Less: Net Asset adjustment for sale of stake in one subsidiary						(78,853)		(78,853)
Add: Equity shares issued by conversion of outstanding Compulsorily Convertible Debentures	22,40,000	2,24,00,000	(50,40,00,000)	48,16,00,000				-
Add: Addition during the year					7,84,43,281			7,84,43,281
<b>Balance as of Mar 31, 2020</b>	<b>1,56,76,415</b>	<b>15,67,64,150</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>12,01,40,404</b>	<b>(35,81,21,144)</b>	<b>15,78,327</b>	<b>1,08,62,03,133</b>
<b>Changes in equity for the year ended Mar 31, 2021</b>								
Add: Loss for the year						(1,56,95,32,904)		(1,56,95,32,904)
Remeasurement of the net defined benefit liability							11,19,001	11,19,001
Add: Addition during the year					(1,94,44,580)			(1,94,44,580)
<b>Balance as of Mar 31, 2021</b>	<b>1,56,76,415</b>	<b>15,67,64,150</b>	<b>-</b>	<b>1,16,58,41,395</b>	<b>10,06,95,824</b>	<b>(1,92,76,54,048)</b>	<b>26,97,328</b>	<b>(50,16,55,351)</b>

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

For KRA & Co.  
Chartered Accountants  
Firm's Registration Number: 020266N

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

(Mukesh Tyagi)  
Director  
DIN: 08698810

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: June 30, 2021

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LTD**

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note:14 BORROWINGS**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b><u>Non-current</u></b>		
<b>Unsecured at amortized cost</b>		
-From Related Parties	17,10,17,609	6,95,20,610
	<b>17,10,17,609</b>	<b>6,95,20,610</b>
<b><u>Current</u></b>		
<b>Secured at amortized cost</b>		
-From Banks	1,97,37,30,641	1,96,90,02,356
-From Financials Institution	18,68,95,525	26,72,37,589
<b>Unsecured at amortized cost</b>		
-Others	-	7,50,00,000
	<b>2,16,06,26,166</b>	<b>2,31,12,39,945</b>
<b>Total Borrowings</b>	<b>2,33,16,43,775</b>	<b>2,38,07,60,554</b>
Financial liability carried at amortized cost	2,33,16,43,775	2,38,07,60,554

14.1 Secured loan comprises cash credit balances and non fund limits secured by a charge on various fixed assets and current assets.

14.2 The Company secured borrowings were declared as Non performing asset during the year. Refer Note No.- 36 of financial statement for details.

**Note:15 TRADE PAYABLES**

Particulars	As at	As at
	31.03.2021	31.03.2020
Trade Payables	9,11,76,800	67,90,09,204
Acceptances	-	-
<b>Total Trade Payables</b>	<b>9,11,76,800</b>	<b>67,90,09,204</b>
Financial liability carried at amortized cost	9,11,76,800	67,90,09,204
Financial liability carried at fair value through profit or loss	-	-

15.1 As Parent Company borrowings have been declared as NPA, all acceptance balances for LC / bill discounting etc. have been transferred from Trade Payable to Short Term Borrowings.

**Note:16 OTHER FINANCIAL LIABILITIES**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b><u>Current</u></b>		
Creditors for capital Goods	9,64,038	1,47,46,523
Expenses Payable	1,00,80,929	1,96,97,469
Other liabilities	8,162	8,162
<b>Total other financial liability</b>	<b>1,10,53,129</b>	<b>3,44,52,154</b>
Financial liability carried at amortized cost	1,05,30,365	3,44,52,154
Financial liability carried at fair value through profit or loss	-	-

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note:17 OTHER LIABILITIES**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Current</b>		
Statutory Dues	14,26,681	69,46,234
Advance from customer	1,18,60,649	4,89,93,941
<b>Total other liabilities</b>	<b>1,32,87,330</b>	<b>5,59,40,175</b>

**Note:18 PROVISIONS**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Non-current</b>		
Provision for Employees Benefits		
-Gratuity	70,93,305	71,70,188
-Leave Encashment	18,34,023	24,45,481
	<b>89,27,328</b>	<b>96,15,669</b>
<b>Current</b>		
Provision for Employees Benefits		
-Gratuity	82,866	84,675
-Leave Encashment	33,045	63,512
	<b>1,15,911</b>	<b>1,48,187</b>
<b>Total Provision for Employee Benefits</b>	<b>90,43,239</b>	<b>97,63,856</b>

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note:19 REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Sale of Products		
Domestic Sales	66,23,22,487	4,28,39,13,760
Export Sales	-	23,49,26,272
Sale of Services	4,53,42,334	3,51,25,178
Other Operating Revenues #	3,30,595	1,43,44,369
	<b>70,79,95,416</b>	<b>4,56,83,09,580</b>

# Other operating revenue comprises export incentives of Rs Nil . (PY: INR 128.35 Lakhs)

**Note:20 OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Interest income		
-Fixed Deposits	-	7,00,698
-Others	61,27,339	3,58,65,147
Profit on sale of asset	-	24,86,570
Exchange gains/(losses) Fluctuations	-	13,09,501
Fair valuation of investments	-	10,77,46,092
Rebate, claim and discount income (net)	2,40,343	1,43,78,287
Miscellaneous income	12,02,451	1,01,76,991
	<b>75,70,132</b>	<b>17,26,63,286</b>

**Note:21 COST OF MATERIALS CONSUMED**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Opening stock	7,87,46,324	26,39,21,296
Add: Purchases	56,36,34,880	3,25,02,70,917
Less: Closing Stock	2,51,94,539	7,87,46,324
	<b>61,71,86,665</b>	<b>3,43,54,45,889</b>

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
<b>Opening Stock</b>		
Finished goods	4,82,83,133	15,81,60,692
Work-in-progress	27,64,19,028	65,87,08,017
Stock-in-trade	5,30,13,220	6,09,64,466
Stores & Spares	3,76,26,267	4,22,32,171
	<b>41,53,41,649</b>	<b>92,00,65,346</b>
<b>Closing Stock</b>		
Finished goods	3,33,40,828	4,82,83,133
Work-in-progress	23,39,34,880	27,64,19,028
Stock-in-trade	82,102	5,30,13,220
Stores & Spares	2,77,02,641	3,76,26,267
	<b>29,50,60,452</b>	<b>41,53,41,649</b>
	<b>12,02,81,197</b>	<b>50,47,23,697</b>

**Note:23 EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Employee benefit expenses		
Salary & Wages	4,96,00,837	8,90,86,362
Contribution to provident & other funds	25,83,970	36,70,320
Director's remuneration	36,00,000	37,20,000
Provision for Gratuity/ Leave Encashment	15,00,292	30,85,115
Contribution to ESIC/ Insurance Linked Expenses	6,09,468	10,07,638
Staff welfare expenses	4,56,422	11,68,568
	<b>5,83,50,989</b>	<b>10,17,38,003</b>

**Note:24 FINANCE COSTS**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Interest Expense on borrowings	-	13,14,69,309
Interest Expense on others	-	1,12,95,540
Other borrowing costs	3,29,061	1,62,72,698
	<b>3,29,061</b>	<b>15,90,37,547</b>

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note:25 Depreciation and amortisation expense**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on property, plant & equipment	12,41,84,017	13,23,15,614
Amortization of intangible assets	17,06,608	14,00,563
	<b>12,58,90,625</b>	<b>13,37,16,177</b>

**Note:26 OTHER EXPENSES**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Audit Fees*	7,50,000	7,60,000
Business Promotion Expenses	2,53,066	9,26,668
Clearing & Forwarding Charges	9,99,090	78,94,970
Commission on Sales	2,22,734	30,15,125
Consultancy Expenses	48,85,250	-
Consumable Expenses	22,63,593	1,50,41,706
Conveyance & Travelling Expenses	10,00,001	1,54,42,294
Donation & Charity	-	1,55,320
Freight & Cartage	72,76,553	1,37,75,623
General Expenses	14,89,907	1,53,58,869
Insurances	46,15,453	21,51,635
Interest & Penalty	16,58,923	-
Assets written off	65,61,651	-
Loss on sale of assets	3,43,27,984	-
Legal and Professional Charges	1,56,54,750	1,28,94,489
LME	2,74,66,566	-
Loss on re-measurement of Financial Asset	-	3,43,495
loss on foreign currency transaction and translation	1,06,53,965	-
Other government charges and taxes	6,14,900	3,50,168
Pollution Expenses	-	4,20,000
Power & Fuel	4,31,88,739	5,53,12,509
Expected credit losses Provision	55,55,45,627	41,18,10,381
Net Settlement & old balance written off/written back (Note 39)	60,66,76,499	-
Printing & Stationary Expenses	1,67,244	11,97,213
Prior Period Expenses	-	40,750
Rent, rate and Taxes	26,91,598	83,92,636
Repair & Maintenance	34,89,763	59,75,536
Security Services	36,79,792	81,40,474
Sitting Fee	6,60,000	-
Shipment Expenses	-	19,16,347
Telephone & Postage Expenses	20,17,025	8,53,112
Vehicle Running & maintenance expenses	15,69,759	21,90,498
	<b>1,34,03,80,433</b>	<b>58,43,59,819</b>

\* Audit Fee represents statutory audit fees (Rs. 6 Lacs) & tax audit fees (Rs. 1.5 Lacs) for the Financial year

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note:27 Exceptional Items**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Bad debt written off *	26,00,271	20,78,08,981
	<b>26,00,271</b>	<b>20,78,08,981</b>

\* During the previous year Parent Company has written off trade receivables amounting to Rs 20.78 crores due to non-recoverability of amount from the customers. As that was the first time that Company has written off trade receivable for the substantial amount. The event has been classified as an exceptional items in financial statements

**Note:28 Prior period items**

<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Melting loss for prior period recognized in current year #	-	16,36,32,279
	-	<b>16,36,32,279</b>

# The Parent company's production process is such that there is an melting and processing loss which is recognized in raw material consumption. During the quarter ended June 30, 2019, Company has recognized melting losses amounting to RS. 24.41 crores. The amount includes losses for prior period amounting to Rs. 16.36 crores. This error arises because in earlier years the melting loss is booked based on approximate loss percentage due to continuous production process in plant. However, in the previous year Company has identified the actual melting loss pertaining to earlier years and the same has been recognized as a prior period expense.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note 29 INCOME TAXES**

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current taxes	-	-
Deferred taxes	(1,70,36,648)	(74,53,175)
<b>Income tax expense</b>	<b>(1,70,36,648)</b>	<b>(74,53,175)</b>

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

Particulars	For the year ended 31st March 2021
Profit before income taxes	(1,58,65,69,552)
Tax Expense at Statutory tax rates of @31.2%	-
<b>Adjustments:</b>	
Effect of income taxable at lower rates (Dividend income taxable @ 16.692%)	-
Effect of expenses that are not deductible in determining taxable profit	-
Others	-
<b>Income tax expense</b>	<b>-</b>
<b>Current Tax expense reported in the Statement of Profit and Loss</b>	<b>-</b>

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

Particulars	As at	
	31.03.2021	31.03.2020
<b>Deferred tax assets</b>		
Temporary Disallowance under Income tax Act (Section 43B disallowances)	22,38,965	22,63,517
Property Plant & Equipment and Intangible Assets	70,56,746	
<b>Total deferred tax assets (B)</b>	<b>92,95,712</b>	<b>22,63,517</b>
<b>Deferred tax liabilities</b>		
Property Plant & Equipment and Intangible Assets	-	1,00,04,453
<b>Total deferred tax liabilities (A)</b>	<b>-</b>	<b>1,00,04,453</b>
<b>Net Deferred tax liabilities (A-B)</b>	<b>(92,95,712)</b>	<b>77,40,936</b>

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

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

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

**Note 30: Employee benefit Plan****(A) Defined benefit Plan**

The defined benefit plan operated by the Parent Company is as below:

**Retiring gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company does not make any contributions to gratuity funds and the plan is unfunded. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans expose the Company to a number of actuarial risks as below:

(a) **Interest risk:** A decrease in the bond interest rate will increase the plan liability.

(b) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(c) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

**(i) Change in Defined Benefit Obligation (DBO) during the year**

Particulars	31.03.2021	31.03.2020
Present value of DBO at the beginning of the year	72,54,863	66,48,875
Current service cost	14,42,147	17,98,981
Interest cost	4,99,135	5,16,618
Actuarial loss arising from changes in financial assumptions	73,545	8,80,113
Actuarial loss arising from changes in experience adjustments	(11,92,546)	(16,24,752)
Benefits paid	(9,00,973)	(9,64,972)
<b>Present value of DBO at the end of the year</b>	<b>71,76,171</b>	<b>72,54,863</b>

**(ii) Change in fair value of plant assets during the year**

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the year		-
Interest income		-
Employer contributions	9,00,973	9,64,972
Benefits paid	(9,00,973)	(9,64,972)
Fair value of plan assets at the end of the year		-

**(iii) Amounts recognised in the Balance Sheet**

Particulars	31.03.2021	31.03.2020
Present value of DBO at the end of the year	71,76,171	72,54,863
Fair value of plan assets at the end of the year		-
<b>Net Liability recognised in the Balance Sheet</b>	<b>71,76,171</b>	<b>72,54,863</b>

**(iv) Components of employer expense**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current service cost	14,42,147	17,98,981
Interest cost	4,99,135	5,16,618
<b>Expense recognised in Statement of Profit t and Loss</b>	<b>19,41,282</b>	<b>23,15,599</b>

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**(v) Other comprehensive income**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Actuarial loss arising from changes in financial assumptions	73,545	8,80,113
Actuarial loss arising from changes in experience adjustments	(11,92,546)	(16,24,752)
<b>Remeasurements recognised in other comprehensive income</b>	<b>(11,19,001)</b>	<b>(7,44,639)</b>

**(vi) Nature and extent of investment details of the plan assets**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
State and Central Securities	0%	0%
Bonds	0%	0%
Special deposits	0%	0%
Insurer managed funds	0%	0%

**(vii) Assumptions**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount Rate	6.81%	6.81%
Rate of increase in Compensation levels	8.00%	8.00%
Rate of Return on Plan Assets	NA	NA

**(viii) Sensitivity Analysis**

Particulars	31.03.2021	Impact (Absolute)	Impact %
Base Liability	71,76,171		
Increase Discount Rate by 0.50%	66,72,565	(5,03,606)	-7.02%
Decrease Discount Rate by 0.50%	77,32,665	5,56,494	7.75%
Increase Salary Inflation by 1%	83,22,785	11,46,614	15.98%
Decrease Salary Inflation by 1%	62,17,486	(9,58,685)	-13.36%
Increase in Withdrawal Rate by 1%	65,35,956	(6,40,215)	-8.92%
Decrease in Withdrawal Rate by 1%	76,06,329	4,30,158	5.99%

**(B) Defined Contribution Plan****Provident fund and pension**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the employee provident fund organization (EPFO).

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounted to Rs. 25.83 Lakhs (PY: Rs. 36.70 Lakhs)

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note: 31 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE**

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

Particulars	31.03.2021	31.03.2020
Basic earnings per equity share - weighted average number of equity shares outstanding (Nos)	1,56,76,415	1,56,76,415
Effect of dilutive shares (Nos)		-
Diluted earnings per equity share - weighted average number of equity shares outstanding (Nos)	1,56,76,415	1,56,76,415

**(B) Computation of basic and diluted earning per share**

Particulars	31.03.2021	31.03.2020
<b>Basic earning per share</b>		
Profit after tax	(1,56,95,32,904)	(1,66,35,04,741)
Weighted average number of shares (For Basic EPS)	1,56,76,415	1,56,76,415
<b>Basic EPS</b>	<b>(100.12)</b>	<b>(106.12)</b>
<b>Diluted earning per share</b>		
Profit after tax	(1,56,95,32,904)	(1,66,35,04,741)
Add/(less): Effect of dilution on profit	-	-
<b>Revised profit after tax</b>	<b>(1,56,95,32,904)</b>	<b>(1,66,35,04,741)</b>
Weighted average number of shares (For Diluted EPS)	1,56,76,415	1,56,76,415
<b>Diluted EPS</b>	<b>(100.12)</b>	<b>(106.12)</b>

**Note 32: Statement Of Net Assets And Profit Or Loss Attributable To Owners And Minority Interest**

Particulars	Total comprehensive income for the year	Total equity
<b>A. Holding</b>		
<b>RCI Industries &amp; Technologies Ltd</b>		
Amount	(90,43,40,976)	(49,64,20,640)
% of consolidated net asset & Total comprehensive income	57%	99%
<b>B. Subsidiaries</b>		
<b>RCI World Trade Link DMCC</b>		
Amount	(68,35,17,507)	(52,34,709)
% of consolidated net asset & Total comprehensive income	43%	1%
<b>RCI Skills and Development Private Limited</b>		
Amount	-	-
% of consolidated net asset & Total comprehensive income	0.0%	0.0%
<b>C. Minority interest</b>		
Amount	-	-
% of consolidated net asset & Total comprehensive income	-	-
<b>Total</b>	<b>(1,58,78,58,483)</b>	<b>(50,16,55,350)</b>

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED  
MARCH 31, 2021****Note 33 Capital management**

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

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

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

The following table summarises the capital of the Group:

	As at 31st March 2021	As at 31st March 2020
<b>Equity (A)</b>	(50,16,55,350)	1,08,62,03,133
<b>Debt</b>		
Short-term borrowings and current portion of long-term debt (i)	2,16,06,26,166	2,31,12,39,945
Long-term debt (ii)	17,10,17,609	6,95,20,610
Less: deposits with financial institutions (iii)	1,23,64,821	73,64,821
Less: Cash and cash equivalents (iv)	1,31,81,273	1,80,04,581
<b>Net debt (i+ii-iii-iv)</b>	2,30,60,97,681	2,35,53,91,153
<b>Total capital (equity + net debt)</b>	1,80,44,42,331	3,44,15,94,286
Net debt to capital ratio	1.28	0.68
Interest coverage ratio (EBITDA/Finance cost)	NA	NA

**Note 34: DISCLOSURES ON FINANCIAL INSTRUMENTS**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

**As at March 31, 2021**

Particular	Amortized cost	Fair value through statement of profit and loss	Total
<b>Financial Assets</b>			
Investments	-	11,86,16,395	11,86,16,395
Trade receivables	47,54,18,479	-	47,54,18,479
Cash and cash equivalents	1,31,81,273	-	1,31,81,273
Other Bank Balances	1,23,92,278	-	1,23,92,278
Loans	2,66,91,972	-	2,66,91,972
Other financial assets	1,93,42,460	-	1,93,42,460
	<b>54,70,26,462</b>	<b>11,86,16,395.00</b>	<b>66,56,42,857</b>
<b>Financial Liabilities</b>			
Borrowings	2,33,16,43,775	-	2,33,16,43,775
Trade payables	9,11,76,800	-	9,11,76,800
Other financial liabilities	1,10,53,129	-	1,10,53,129
	<b>2,43,38,73,704</b>	<b>-</b>	<b>2,43,38,73,704</b>

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 34: DISCLOSURES ON FINANCIAL INSTRUMENTS.....Contd.**

**(a) Financial assets and liabilities**

**As at March 31, 2020**

<b>Particular</b>	<b>Amortized cost</b>	<b>Fair value through statement of profit and loss</b>	<b>Total</b>
<b>Financial Assets</b>			
Investments	-	11,86,16,395	11,86,16,395
Trade receivables	2,40,72,74,854	-	2,40,72,74,854
Cash and cash equivalents	1,80,04,581	-	1,80,04,581
Other Bank Balances	73,92,278	-	73,92,278
Loans	3,45,98,914	-	3,45,98,914
Other financial assets	92,47,572	-	92,47,572
	<b>2,47,65,18,199</b>	<b>11,86,16,395.00</b>	<b>2,59,51,34,594</b>
<b>Financial Liabilities</b>			
Borrowings	2,38,07,60,554	-	2,38,07,60,554
Trade payables	67,90,09,204	-	67,90,09,204
Other financial liabilities	3,44,52,154	-	3,44,52,154
	<b>3,09,42,21,912</b>	<b>-</b>	<b>3,09,42,21,912</b>

**(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments etc.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category consists of investment in unquoted equity shares.

<b>Particular</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	<b>Level 1</b>	
<b>Financial Assets</b>		
Investment in mutual funds	-	-
	-	-
	<b>Level 3</b>	
<b>Financial Assets</b>		
Investment in equity shares	11,86,16,395	11,86,16,395
	<b>11,86,16,395</b>	<b>11,86,16,395</b>

There are no other financial asset or financial liability that are carried at fair value through profit or loss or other comprehensive income

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

**Note 34: DISCLOSURES ON FINANCIAL INSTRUMENTS.....Contd.****(c) Financial risk management**

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts and appropriate risk management policies as detailed below.

<b>Risk</b>	<b>Nature of risk and instrument effected</b>	<b>Risk management policies</b>
Market risk - currency risk	The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity. Balances that are subject to currency risk includes trade receivables, trade payables, buyer's credit, exports receipt, short-term and long-term borrowings etc.	Mitigating foreign currency risk using foreign currency forward contracts and through natural hedge from opposite transactions.
Market risk - interest rate risk	Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. Company does not have any long term borrowings at variable interest rates. It only have short term cash credit borrowings. However, interest rate for these are not changed very frequently.	Risk mitigation involved maintaining a combination of fixed and floating rate debt, cash management policies
Market risk - other price risk	Decline in value of equity instruments. Company has invested in mutual funds and is effected by changes in NAV of these funds.	Diversification of portfolio
Credit risk	Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The instrument that are subject to credit risk involves trade receivables, investments, deposits and loans, cash and cash equivalents etc	The Group has a policy of dealing only with credit worthy counter parties. Other risk management policies involves credit approval and monitoring practices, counterparty credit policies and limits and arrangements with financial institutions
Liquidity risk	Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.	The Parent Company has obtained fund and non-fund based working capital lines from various banks. Other risk management policies involves preparing and monitoring forecasts of cash flows, cash management policies, multiple-year credit and banking facilities. As Parent Company borrowings have been declared as NPA, Parent Company is facing liquidity challenges and has submitted restructuring proposal to Banks.

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 35: Related party transactions**

Details of related party

Description of relationship	Name of related party
Key Management Personnel (KMP)	Mr. Rajiv Gupta (Managing Director) Mrs. Mamta Gupta (Director)
Relatives of KMP	Mrs. Ritka Gupta - Daughter Mr. Yash Gupta - Son Mrs. Hembala Gupta - Sister Mr. Pradeep Gupta - Brother
Enterprise in which KMP / Relatives of KMP exercise significant influence	Mamta Global Pvt. Ltd. Metalroad Pvt. Ltd.

**(a) Details of transaction with related parties**

Particulars	KMP	Relatives of KMP	Enterprise in which KMP / Relatives of KMP exercise significant influence	Total
Purchase of goods	-	-	-	-
Receiving of services	36,00,000 (36,00,000)	-	1,35,000 (37,60,470)	37,35,000 (73,60,470)
Sale of goods	-	-	-	-
Advance received back	-	-	-	-
Loans	-	-	-	-
Dividend paid	(-)	-	-	-
Dividend received	-	-	-	-
Borrowing paid back	4,49,27,080 (31,78,52,001)	-	3,69,07,200 -	8,18,34,280 (31,78,52,001)
Borrowings Received	-	-	18,33,31,280 (1,65,66,945)	18,33,31,280 (1,65,66,945)

**(b) Closing balances**

Particulars	KMP	Relatives of KMP	Enterprise in which KMP / Relatives of KMP exercise significant influence	Total
Expenses payable	-	-	-	-
Investments	-	-	11,86,16,395	11,86,16,395
Borrowings	80,26,584 (5,29,53,664)	-	16,29,91,025 (1,65,66,945)	17,10,17,609 (6,95,20,609)
Loans	-	-	-	-

\* Figures in bracket represents amount for previous years

## Related party relationship has only been disclosed for parties with whom there are transactions in current or previous year

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

**Note 36: Default by the Parent Company on repayment of dues to Banks and Financial Institutions**

During the previous year ended March 31, 2020, the Parent Company defaulted in payment of its dues to Banks and Financial Institutions. As a results Company account was declared as Non Performing Asset by various banks. The details of such NPA along with amount due to each lender as at March 31, 2021, as per financial statement is as follows:

**36.1 Date of declaration of NPA by the respective Lender**

<b>Lender Name</b>	<b>Date of NPA</b>
Indian Bank	28-02-2020
J&K Bank	31-12-2019
Punjab National Bank	13-11-2019
State Bank of India	29-08-2019
South Indian Bank	15-11-2019
Karur Vysya Bank	31-03-2020
Union Bank of India	31-10-2019

**36.2 Amount due to lenders as at March 31, 2021.**

<b>Lender Name</b>	<b>Type of facility</b>	<b>Outstanding Balance as per Financial Statement</b>
Indian Bank	Cash Credit	19,35,95,136
J&K Bank	Cash Credit	10,67,21,389
Punjab National Bank	Cash Credit	25,90,41,412
State Bank of India	Cash Credit	22,70,78,214
South Indian Bank	Cash Credit	14,56,07,747
Karur Vysya Bank	Cash Credit	13,12,18,579
Union Bank of India	Cash Credit	37,13,06,297
CLIX Finance India Pvt Ltd	Equipment Finance	3,45,37,755
Hero Fincorp Limited	Equipment Finance	2,94,57,770
UGRO CAPITAL LTD.	Supply Chain Finance	12,29,00,000
Cana Bank Factors Limited	Bill Discounting	3,97,32,433
Lakshmi Vilas Bank Limited	Bill Discounting	1,99,92,205
Punjab National Bank	Bill Discounting	2,87,39,078
SBI Global Factors Limited	Bill Discounting	2,98,30,951
South Indian Bank Limited	Bill Discounting	12,99,00,771
Corporation Bank	Bill Discounting	7,83,85,060
Union Bank of India	Bill Discounting	13,89,37,250
Union Bank of India	BG Invocation	7,06,37,456
		<b>2,15,76,19,503</b>

Note 1 - Parent Company has not recognized interest expenses in its financial statements for the period after the following dates:

Cash Credit Accounts - Date of declaration of NPA by the Bank

Equipment Financing - Since Dec'19 onwards

Bill Discounting - Due date of payment

BG Invocation - Date of invocation of BG

Note 2 - Parent Company has already submitted its debt restructuring plan to lenders and is hopeful of getting a revival in FY 2021-22

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021****Note 37: Segment Reporting**

The Group's activity during the year revolves around manufacturing and trading of all kind of metals and metal products. Considering the nature of Group's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirement of Ind AS 108 - "Operating Segments"

**Note 38: Contingent Liabilities and Commitments**

Particulars	As at 31.03.2021	As at 31.03.2020
Demand for VAT & CST assessment for the year 2009-10 to 2012-13 (Note 1)	-	55,87,61,967
Show cause notice received from Director General of GST Intelligence (Note 2)	2,14,34,49,040	2,14,34,49,040

Note 1 - The VAT authorities raised the demand on completion of assessment for the FY 2009-10 to 2012-13. The Parent Company has filled an application on 20.03.2021 for settlement of this demand under Himachal Pradesh (Legacy Cases Resolution)Scheme, 2019 and the amount already deposited with the VAT authorities in earlier years have been accepted by the Company and the amount of deposit so made has been written off during the years. The application is pending acceptance from the VAT department and as per the application and provision of the scheme there is no outstanding liability on the Company

Note 2 - Show cause notice has been received on 17.07.2020 from Director General of GST Intelligence wherein the Parent Company has been show caused for why the demand along with penalty and interest should not be levied on the Company for GST credit amounting to Rs. 214.34 crores.

**Note 39: Application for starting IBC Proceedings against the Company**

In the previous financial year one operational creditor named Sizer Metals Pte Ltd. and one financial creditor named SBI Global Factors Limited have approached Insolvency and Bankruptcy court for initiating bankruptcy proceeding against the Parent Company as per provision of Insolvency and Bankruptcy Code. The application is still pending before the authority and no order has been initiated on same.

**Note 40: Net settlement and write off/write back**

The Parent Company is in the phase of restructuring of its debts and the proposal for the same has already been submitted with the consortium lenders which was last considered in the consortium meeting held on 15.03.2021. Further, the promoters brought in additional funds amounting to Rs. 16.5 crores during the year.

The Company has carried out the exercise to settle/recognize old balances in the financial statements. Accordingly company has both written back and written off various amount pertaining to current tax Liability, trade receivable, advances and payables. The net effect off all this has been recognised as the settlement expense in profit and loss account. The current tax liability has been written back basis the difference between the provision of taxation and the accepted liability as per the Income Tax return filled by the Company

**Note 41: Assessment of going concern basis for preparation of accounts**

Group has incurred heavy losses amounting to Rs. 158.78 crores during the current year ended March 31, 2021. Further, the net worth of the Company has been fully eroded. Although these conditions indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the current financial statements are prepared on going concern basis as management is confident of reviving the Group and has already submitted a debt restructuring plan with lenders along with bringing in additional funds amounting to Rs. 16.5 crores during the year.

**Note 42: Other Notes**

- (i) Previous year figures are regrouped and reclassified wherever necessary to conform to current year's presentation.
- (ii) The total amount outstanding to Small, Medium and Micro Undertakings to the extent that such parties have been identified from available information by the management is Rs.5.02 Lakhs (PY: 63.27 Lakhs). The Company has not created provision for interest due to MSME as Company is in financial stress and no claim of interest has been received from any of the MSME vendor.
- (iii) Company has recognized rental expenses amounting to Rs. 18.32 Lakhs for the year ended March 31, 2021 (PY: 83.92 Lakhs) for leases classified as short term leases under Ind AS 116 "Leases".
- (iv) In the opinion of the management, current assets, financial assets and loans have a value not less than what is stated in the accounts if realised in the ordinary course of business.

**For KRA & Co.****Chartered Accountants**

Firm's Registration Number: 020266N

(Rajeev Gupta)  
Managing Director  
DIN- 00503196(Mukesh Tyagi)  
Director  
DIN: 08698810

Rajat Goyal

Partner

Membership No. 503150

Place: Delhi

Date: June 30, 2021

(Jyoti Sharma)  
Company Secretary  
M No. A55135