

Ref: RCIIND/BSE/2021-22

05.07.2022

To
BSE Limited
Listing & Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

SCRIP CODE: 537254

Sub: Audited Financial Result (Standalone & Consolidated) for the 4th Quarter and year ended March 31, 2022.

Dear Sir/Ma'am,

Pursuant to the provision of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, if any, we would like to inform you that the Standalone & Consolidated Audited Financial Result for the 4th Quarter and year ended March 31, 2022 shall considered and disseminated on July 05, 2022. Consequent to same, we enclosed, interim of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the followings:

1. The Audited Financial Result (Standalone and Consolidated) of the Company for the 4th Quarter and year ended March 31, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with Audit Report thereon.
2. Statement of Modified Opinion on the Audit Report of the Company for the 4th Quarter and year ended March 31, 2022 pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

In terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the results are also being published in the newspaper.

You are requested to take the above information on record.

Yours faithfully,

For **RCI INDUSTRIES AND TECHNOLOGIES LIMITED**

Sd/ 
PRIYA RASTOGI
COMPANY SECRETARY
M. No. 18636
Encl: a/a



(4)



K R A & C O.

Chartered Accountants

☎ 011 - 47082855
Fax: 011 - 47082855

H -1/208, Garg Tower, Netaji Subhash Place, Pitampura, New Delhi -110034

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED

Qualified Opinion

We have audited the accompanying standalone quarterly and annual financial results of **RCI INDUSTRIES & TECHNOLOGIES LIMITED** ("the company") for the quarter and year ended March 31, 2022 ("Standalone annual financial results") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 quarterly and annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and other comprehensive loss and other financial information for the quarter and year ended March 31, 2022.

Basis for Qualified Opinion

- Company borrowings were declared as nonperforming asset (NPA) during the year ended March 31, 2020. Due to this, we have not been provided with any document confirming balances, as at March 31, 2022, for loans granted by financial institutions and banks, 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 documents 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, 2022 is Rs. 215.76 crores, Rs. 23.30 Lacs and Rs. 73.65 Lacs respectively.*
- The Company has not recognized interest expenses in its financial statement on all of its outstanding borrowings. The total amount of such interest expenses is Rs. 27.29 crores (approx.) for the year ended March 31, 2022, and Rs. 63.83 crores for the period April 01, 2019 to March 31, 2022. (This is an approximate amount without considering the penal interest provisions and the amount cannot be confirmed with the bank levy of interest as banks have not provided any confirmation for the interest amount). Accordingly, loss after tax and total comprehensive loss for the current year ended March 31, 2022 is lower by Rs. 27.29 crores and retained losses as at March 31, 2022 are lower by Rs. 63.83 crores.*
- Company faces a material uncertainty related to Going Concern because of heavy losses incurred during the current and previous years. 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. In our opinion, 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 Statement have been prepared by the management assuming that the Company will continue as a going concern.*
- Company holds equity investment in certain group companies. In accordance with Ind AS 109 "Financial Instruments" these investments are held at fair value through profit and loss account. Accordingly, these investments need to be fair valued by the management as at balance sheet date and the resulting gain/loss should be recognized in the financial statements. However, no such fair valuation has been carried out by the management.*



Visit us at : www.kra.co.in

- e) *The company net worth has been fully eroded and it is in severe financial stress, according to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of Board of Director and management plan and based on our examination of the evidence supporting the assumption, there exists a material uncertainty on the date of audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results 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 results 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.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements. The Company's Management and Board of Directors are responsible for the preparation of these standalone annual financial results that give a true and fair view of the net loss and other comprehensive losses and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 standalone annual financial results.

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 standalone annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 results 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 standalone annual financial results, including the disclosures, and whether the financial results 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.

Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figure up to the nine months ended December 31, 2021, of the current financial year which was subject to limited review by us.

For KRA & Co.

Chartered Accountants

(Firm Registration No.020266N)



Rajat Goyal

Partner

Membership No.: 503150

UDIN: 22503150AMHEZL9002

Place: New Delhi

Date: July 05, 2022


RCI INDUSTRIES & TECHNOLOGIES LTD.
Regd. Office : Unit No. 421, 4th Floor, Pearl Omaxe Tower,
Netaji Subhash Place, Pitampura, New Delhi - 110034

CIN: L74900DL1992PLC047055

Website: www.rciind.com

Email: compliance@rciind.com

Tel: 91-11-27372194

Fax: 91-11-27371334

**STATEMENT OF STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

(Amount in
Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income					
	a. Revenue from Operations	924.41	1,335.76	2,019.06	5,968.13	6,880.22
	b. Other Income	17.57	1.03	2.41	22.67	63.68
	Total Income	941.98	1,336.79	2,021.47	5,990.80	6,943.90
2	Expenses					
	a. Cost of Material Consumed	806.47	867.85	1,753.27	4,565.75	6,171.87
	b. Purchase of stock-in-trade	-	-	150.84	-	189.74
	c. Change in inventories of finished goods, work-in-progress an stock-in-trade	557.41	541.51	428.56	2,580.07	1,202.81
	d. Employee Benefits Expenses	65.60	123.94	126.32	438.06	578.40
	e. Finance Costs	18.43	0.79	0.84	20.76	1.46
	f. Depreciation and Amortisation Expenses	287.37	289.48	271.77	1,127.57	1,246.65
	g. Other Expenses	2,588.23	778.88	5,900.00	4,491.48	6,777.94
	Total Expenses	4,323.51	2,602.45	8,631.60	13,223.70	16,168.87
3	Profit/(Loss) before tax, exceptional item and prior period items	(3,381.52)	(1,265.66)	(6,610.14)	(7,232.89)	(9,224.97)
4	Exceptional item	-	-	-	-	-
5	Prior period items	-	-	-	-	-
6	Profit/(Loss) before tax	(3,381.52)	(1,265.66)	(6,610.14)	(7,232.89)	(9,224.97)
7	Tax expense					
	a. Current Tax	-	-	-	-	-
	b. Deferred Tax	(14.34)	(21.49)	(110.31)	(23.10)	(170.37)
	Total tax expense	(14.34)	(21.49)	(110.31)	(23.10)	(170.37)

8	Profit/(Loss) after tax	(3,367.18)	(1,244.17)	(6,499.83)	(7,209.79)	(9,054.60)
9	Other Comprehensive Income	11.51	2.79	5.61	19.90	11.19
10	Total Comprehensive Income / (Loss)	(3,355.67)	(1,241.38)	(6,494.22)	(7,189.89)	(9,043.41)
11	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,567.64	1,567.64	1,567.64	1,567.64	1,567.64
12	Earnings Per Share (Face value of Rs. 10/- each)					
	Basic (in Rs.) (not annualised)	(21.48)	(7.94)	(41.46)	(45.99)	(57.76)
	Diluted (in Rs.) (not annualised)	(21.48)	(7.94)	(41.46)	(45.99)	(57.76)

STATEMENT OF ASSETS AND LIABILITIES

		As at	
		31.03.22 (Audited)	31.03.21 (Audited)
ASSETS			
1	Non-current assets		
a	Property, plant and equipment	6,169.81	7,125.13
b	Capital work-in-progress	627.42	842.44
c	Intangible Assets	-	-
d	Intangible Assets under Development	-	-
e	Financial Assets	-	-
	i Investments	1,246.58	1,652.38
	ii Loans	-	-
f	Other non-current assets	415.83	727.67
g	Deferred tax assets(net)	116.06	92.96
	Total Non - Current Assets	8,575.69	10,440.58
2	Current assets		
a	Inventories	793.19	3,202.55
b	Financial Assets	-	-
	i Investments	-	-
	ii Trade receivables	1,081.29	4,378.61
	iii Cash and cash equivalents	54.20	96.08
	iv Other bank balances	123.92	123.92
	v Loans	38.95	39.50
	vi Other financial assets	198.32	193.42
c	Other current assets	880.62	1,033.57
d	Current tax assets (net)	97.66	84.38
	Total Current Assets	3,268.15	9,152.03
	Total Assets	11,843.84	19,592.61
EQUITY AND LIABILITIES			
1	Equity		
a	Equity share capital	1,567.64	1,567.64
b	Instruments entirely equity in nature (Compulsorily Convertible Debentures)	-	-
c	Other equity	(13,721.74)	(6,531.85)
	Total equity	(12,154.10)	(4,964.21)
LIABILITIES			
2	Non-current liabilities		

	a	Financial Liabilities			
		i	Borrowings	1,721.55	1,710.18
	b	Provisions		65.59	89.27
	c	Deferred tax liabilities (net)		-	-
		Total Non - Current Liabilities		1,787.14	1,799.45
3		Current liabilities			
	a	Financial Liabilities			
		i	Borrowings	21,632.37	21,606.26
		ii	Trade payables	357.94	911.78
		iii	Other financial liabilities	165.57	105.30
	b	Other current liabilities		54.01	132.87
	c	Provisions		0.91	1.16
	d	Current Tax Liabilities (net)		-	-
		Total Current Liabilities		22,210.80	22,757.37
		Total Equity and Liabilities		11,843.84	19,592.61

STATEMENT OF CASH FLOWS

	For the year ended	
	31.03.2022 (Audited)	31.03.2021 (Audited)
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	(7,232.89)	(9,224.97)
Adjustments for:		
Depreciation	1,127.57	1,246.65
Finance Cost	20.76	1.46
Interest income	(20.01)	(61.27)
Loss on sale of Assets	-	171.00
Actuarial Gain / (loss) on defined benefit plan	19.90	11.19
Net settlement & old balances written off/written back	-	46.23
Investment written off	405.80	-
Expected credit losses Provision / Debtor written off	3,294.08	5,555.46
Operating profit before working capital changes	(2,384.79)	(2,254.25)
Movements in working capital :		
(Increase)/ Decrease in Inventories	2,409.36	1,738.33
(Increase)/Decrease in Trade Receivables	3.24	3,319.12
(Increase)/Decrease in Loans	0.55	78.96
(Increase)/Decrease in Other Financial asset	0.00	(100.95)
(Increase)/Decrease in Other asset	464.79	588.32
Increase/(Decrease) in Trade Payables	(553.83)	(2,355.25)
Increase/(Decrease) in Other Financial Liabilities	60.28	(224.20)
Increase/(Decrease) in Other current Liabilities	(78.86)	(348.72)
Increase/(Decrease) in Provisions	(23.93)	(7.21)

Direct and Indirect

Cash generated from operations	(103.19)	434.15
Income tax Refund/ (paid) during the year	(13.28)	(25.79)
Net cash from operating activities (A)	(116.47)	408.36
B. Cash flow from Investing activities		
Purchase of Fixed assets	42.75	92.50
(Increase)/Decrease in investment in fixed deposit	-	(50.00)
Interest received	15.12	-
Net cash from investing activities (B)	57.87	42.50
C. Cash flow from Financing activities		
Increase / (Decrease) in borrowings	37.48	(491.17)
Finance cost paid	(20.76)	(1.46)
Net cash from financing activities (C)	16.72	(492.63)
Net increase in cash and cash equivalents (A+B+C)	(41.88)	(41.77)
Cash and cash equivalents at the beginning of the period	96.08	137.85
Cash and cash equivalents at the end of the Period	54.20	96.08

Notes:-

- 1 The above financial results for the quarter and year ended March 31, 2022 have been reviewed by Audit committee and approved by the Board of Directors in their respective meetings held on July 05, 2022.
- 2 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"
- 3 During the year ended March 31, 2020, All the lenders to the Company has declared the account as non performing asset (NPA) due to non payment of interest due and borrowed amount. The company restructuring plan is under consideration of the consortium lenders and as proposed by the company, partial infusion of fund amounting to Rs 16.5 Crore has been made in financial year ended March 31, 2021.
- 4 The Company is in discussion with lenders for restructuring of debt and no provision for interest expense has been made in books of accounts. The total amount of interest not provided in books of accounts till 31.03.2022 is Rs. 63.83 crores approx. (Including interest for the year ended March 31, 2022 for Rs. 27.29 crores).
- 5 The net worth of the Company has been fully eroded. Although this 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 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. Further, the Company has already submitted a debt restructuring plan with lenders along with bringing in additional funds amounting to Rs. 16.5 crores during the previous year.

- 6 The financial result has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- 7 Figures for the previous periods have been re-grouped/ rearranged/ restated wherever necessary to make them comparable with those of the current period.

Place: New Delhi
Date: July 05, 2022

For RCI INDUSTRIES & TECHNOLOGIES LTD.




Rajeev Gupta
Managing Director
DIN - 00503196

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lakhs
	1.	Turnover / Total income	5968.13	5968.13
	2.	Total Expenditure	13180.22	15909.18
	3.	Total Comprehensive Income/(Loss)	(7137.53)	(9866.49)
	4.	Earnings Per Share	(45.71)	(62.94)
	5.	Total Assets	11843.87	11843.87
	6.	Total Liabilities	23997.95	30381.53
	7.	Net Worth	(12154.08)	(18537.65)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
1	<p>a. Details of Audit Qualification:</p> <p>Parent Company borrowings were declared as nonperforming asset (NPA) during the year ended March 31, 2020. Due to this, we have not been provided with any document confirming balances, as at March 31, 2022, for loans granted by financial institutions and banks, 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 documents 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, 2022 is Rs. 215.76 crores, Rs. 23.30 Lacs and Rs. 73.65 Lacs respectively.</p>			
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>			
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>Repetitive (Since FY 2019-20)</p>			
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>N.A</p>			
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>			
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>The audit qualification is related to non-availability of bank balance confirmation for certain loan, current account and Fixed deposit balances. As per management the amount as appearing in the financial statement is true and fair. Although Company has requested all lenders to provide the balance confirmation. However, due to account being declared as NPA, account balances cannot be confirmed by auditor and therefore they are unable to verify the accuracy and completeness for same. There is no financial impact on financial statement</p>			

	for the same.
	(ii) If management is unable to estimate the impact, reasons for the same:
	(ii) Auditors' Comments on (i) or (ii) above: No further comments by auditor
2	<p>a. Details of Audit Qualification:</p> <p>The Parent Company has not recognized interest expenses in its financial statement on all of its outstanding borrowings. The total amount of such interest expenses is Rs. 27.29 crores (approx.) for the year ended March 31, 2022, and Rs. 63.83 crores for the period April 01, 2019 to March 31, 2022. (This is an approximate amount without considering the penal interest provisions and the amount cannot be confirmed with the bank levy of interest as banks have not provided any confirmation for the interest amount). Accordingly, loss after tax and total comprehensive loss for the current year ended March 31, 2022 is lower by Rs. 27.29 crores and retained losses as at March 31, 2022 are lower by Rs. 63.83 crores.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>Repetitive (Since FY 2019-20)</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>As the Company is in financial stress the Management is in communication with the respective lender for restructuring of its borrowings. Due to this reason interest has not been provided in books of accounts and the impact of relevant interest will be considered in books of accounts after the restructuring plan is approved by the lenders.</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NA</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>NA</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>NA</p>
3	<p>a. Details of Audit Qualification:</p> <p>Group faces a material uncertainty related to Going Concern because of heavy losses incurred during the current and previous years. Further, the net worth of the Group has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In our opinion, the financial statement should therefore be drawn on liquidation basis. However, the management is confident of</p>

	<p>reviving the Group and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial Statement have been prepared by the management assuming that the Group will continue as a going concern.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>Repetitive (Since FY 2020-21)</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NA</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>The Company is in discussion with lenders for restructuring of its debts and management is confident of reviving the Company. The financial statement are therefore prepared by the management on going concern basis.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>No further comments by auditor</p>
4	<p>a. Details of Audit Qualification:</p> <p>Parent Company holds equity investment in certain group companies. In accordance with Ind AS 109 "Financial Instruments" these investments are held at fair value through profit and loss account. Accordingly, these investments need to be fair valued by the management as at balance sheet date and the resulting gain/loss should be recognized in the financial statements. However, no such fair valuation has been carried out by the management.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>NA</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NA</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>These investments are in group companies and some of these Companies has given</p>

	guarantees to the lenders. Its not feasible to determine the fair value till the restructuring proposal is finalized by the lenders.
	(iii) Auditors' Comments on (i) or (ii) above: No further comments by auditor
5	<p>a. Details of Audit Qualification:</p> <p>The Group's net worth has been fully eroded and it is in severe financial stress, according to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of Board of Director and management plan and based on our examination of the evidence supporting the assumption, there exists a material uncertainty on the date of audit report that the Group is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>NA</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NA</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>As the company borrowings have been declared as NPA by lenders. Companies' ability to meet its existing liabilities depends on existing discussion with lenders for restructuring of loan.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>NA</p>
III	<p>Signatories:</p> <p><input type="checkbox"/> CEO/Managing Director</p> <p><input type="checkbox"/> CFO</p> <p><input type="checkbox"/> Audit Committee Chairman</p> <p><input type="checkbox"/> Statutory Auditor</p> <p>Place: New Delhi</p> <p>Date: July 05, 2022</p>





K R A & C O .

Chartered Accountants

☎ 011 - 47082855
Fax: 011 - 47082855

H -1/208, Garg Tower, Netaji Subhash Place, Pitampura, New Delhi -110034

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED ANNUAL FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED

Qualified Opinion

We have audited the accompanying consolidated quarterly and annual financial results of RCI INDUSTRIES & TECHNOLOGIES LIMITED ("the Parent Company") and its subsidiaries (Parent Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2022 ("Consolidated annual financial results") attached herewith, being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 quarterly and annual financial results:

- a. Includes the annual financial results of the following entities;
 - i. RCI World Trade Link DMCC, Dubai
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net loss and other financial information of the Group for the year ended March 31, 2022.

Basis for Qualified Opinion

- a) Parent Company borrowings were declared as nonperforming asset (NPA) during the year ended March 31, 2020. Due to this, we have not been provided with any document confirming balances, as at March 31, 2022, for loans granted by financial institutions and banks, 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 documents 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, 2022 is Rs. 215.76 crores, Rs. 23.30 Lacs and Rs. 73.65 Lacs respectively.
- b) The Parent Company has not recognized interest expenses in its financial statement on all of its outstanding borrowings. The total amount of such interest expenses is Rs. 27.29 crores (approx.) for the year ended March 31, 2022, and Rs. 63.83 crores for the period April 01, 2019 to March 31, 2022. (This is an approximate amount without considering the penal interest provisions and the amount cannot be confirmed with the bank levy of interest as banks have not provided any confirmation for the interest amount). Accordingly, loss after tax and total comprehensive loss for the current year ended March 31, 2022 is lower by Rs. 27.29 crores and retained losses as at March 31, 2022 are lower by Rs. 63.83 crores.
- c) Group faces a material uncertainty related to Going Concern because of heavy losses incurred during the current and previous years. Further, the net worth of the Group has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In our opinion, the financial



Visit us at : www.kra.co.in

statement should therefore be drawn on liquidation basis. However, the management is confident of reviving the Group and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial Statement have been prepared by the management assuming that the Group will continue as a going concern.

- d) Parent Company holds equity investment in certain group companies. In accordance with Ind AS 109 "Financial Instruments" these investments are held at fair value through profit and loss account. Accordingly, these investments need to be fair valued by the management as at balance sheet date and the resulting gain/loss should be recognized in the financial statements. However, no such fair valuation has been carried out by the management.
- e) The Group's net worth has been fully eroded and it is in severe financial stress, according to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of Board of Director and management plan and based on our examination of the evidence supporting the assumption, there exists a material uncertainty on the date of audit report that the Group is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group 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 results 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Parent Company's Management and Board of Directors are responsible for the preparation of these consolidated annual financial results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 consolidated annual financial results 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 annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective 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 of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 results 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 consolidated annual financial results, including the disclosures, and whether the financial results 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 para (a) of the section titled 'Other Matters' in this audit report.



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.

We also performed procedures in accordance with the circular no. CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a. The consolidated annual financial results include the unaudited financial results/financial information of one subsidiary, whose financial results/financial information reflects total assets of Rs. 60.43 Lacs as at March 31, 2022, total revenue of Rs. Nil, total net loss after tax of Rs. (362.33) Lacs and net cash inflow of Rs. 0.26 Lacs for the year ended on that date, as considered in the consolidated annual financial results, which have not been audited by its auditor. The subsidiary financial statements have been consolidated based on its management certified accounts.

Our conclusion on the Statement is not modified in respect of the above matter.

- b. The consolidated annual financial results include the consolidated results for the quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figure up to nine months ended December 31, 2021, of the current financial year which was subject to limited review by us.

For KRA & Co.

Chartered Accountants

(Firm Registration No.020266N)



Rajat Goyal

Partner

Membership No.: 503150

UDIN: 22503150AMHF1721

Place: New Delhi

Date: July 05, 2022



RCI INDUSTRIES & TECHNOLOGIES LTD.
Regd. Office : Unit No. 421, 4th Floor, Pearl Omaxe Tower,
Netaji Subhash Place, Pitampura, New Delhi - 110034
CIN: L74900DL1992PLC047055

Website: www.rciind.com Email: compliance@rciind.com Tel: 91-11-27372194 Fax: 91-11-27371334

**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

(Amount in
Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2021 (Unaudited)	31.03.2022 (Audited)	31.03.2021 (Audited)
1	Income					
	a. Revenue from Operations	924.41	1,335.76	2,019.24	5,968.13	7,079.95
	b. Other Income	17.07	1.53	2.69	22.67	75.70
	Total Income	941.48	1,337.29	2,021.93	5,990.80	7,155.65
2	Expenses					
	a. Cost of Material Consumed	806.47	867.85	1,753.27	4,565.75	6,171.87
	b. Purchase of stock-in-trade	-	-	151.05	-	397.16
	c. Change in inventories of finished goods, work-in-progress and stock-in-trade	557.41	541.51	428.56	2,580.07	1,202.81
	d. Employee Benefits Expenses	65.60	123.93	126.33	438.06	583.51
	e. Finance Costs	18.43	0.79	0.94	20.76	3.29
	f. Depreciation and Amortisation Expenses	287.37	289.48	273.37	1,127.57	1,258.91
	g. Other Expenses	2,542.00	781.01	8,458.26	4,448.01	13,403.79
	Total Expenses	4,277.28	2,604.57	11,191.78	13,180.22	23,021.34
3	Profit/(Loss) before tax, exceptional item and prior period items	(3,335.80)	(1,267.28)	(9,169.85)	(7,189.42)	(15,865.69)
4	Exceptional item	-	-	-	-	-
5	Prior period items	-	-	-	-	-
6	Profit/(Loss) before tax	(3,335.80)	(1,267.28)	(9,169.85)	(7,189.42)	(15,865.69)
7	Tax expense					
	a. Current Tax	-	-	-	-	-
	b. Deferred Tax	(14.34)	(21.49)	(110.31)	(23.10)	(170.37)
	Total tax expense	(14.34)	(21.49)	(110.31)	(23.10)	(170.37)

8	Profit/(Loss) after tax	(3,321.45)	(1,245.79)	(9,059.54)	(7,166.31)	(15,695.32)
9	Other Comprehensive Income	12.73	4.65	21.55	28.79	-183.26
10	Total Comprehensive Income / (Loss)	(3,308.73)	(1,241.14)	(9,037.99)	(7,137.53)	(15,878.58)
11	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,567.64	1,567.64	1,567.64	1,567.64	1,567.64
12	Earnings Per Share (Face value of Rs. 10/- each)					
	Basic (in Rs.) (not annualised)	(21.19)	(7.95)	(57.79)	(45.71)	(100.12)
	Diluted (in Rs.) (not annualised)	(21.19)	(7.95)	(57.79)	(45.71)	(100.12)

STATEMENT OF ASSETS AND LIABILITIES

		As at	
		31.03.22 (Audited)	31.03.21 (Audited)
ASSETS			
1	Non-current assets		
	Property, plant and equipment	6,169.81	7,125.13
a	Capital work-in-progress	627.42	842.44
b	Intangible Assets	-	-
c	Intangible Assets under Development	-	-
d	Financial Assets		
e	i Investments	1,186.16	1,186.16
	ii Loans	-	-
f	Other non-current assets	415.83	751.81
g	Deferred tax assets(net)	116.06	92.96
	Total Non - Current Assets	8,515.30	9,998.50
2	Current assets		
	Inventories	793.19	3,202.55
a	Financial Assets		
b	i Investments	-	-
	ii Trade receivables	1,081.29	4,737.83
	iii Cash and cash equivalents	90.19	131.81
	iv Other bank balances	123.92	123.92
	v Loans	38.95	39.50
	vi Other financial assets	198.32	193.42
c	Other current assets	905.07	1,033.57
d	Current tax assets (net)	97.66	84.38
	Total Current Assets	3,328.58	9,546.99
	Total Assets	11,843.87	19,545.49
EQUITY AND LIABILITIES			
1	Equity		
a	Equity share capital	1,567.64	1,567.64
b	Instruments entirely equity in nature (Compulsorily Convertible Debentures)	-	-
c	Other equity	(13,721.72)	(6,584.19)
	Total equity	(12,154.08)	(5,016.55)
LIABILITIES			
2	Non-current liabilities		
a	Financial Liabilities		
	i Borrowings	1,721.55	1,710.18
b	Provisions	65.59	89.27
c	Deferred tax liabilities (net)	-	-
	Total Non - Current Liabilities	1,787.14	1,799.45
3	Current liabilities		
a	Financial Liabilities		

	i	Borrowings	21,632.37	21,606.26
	ii	Trade payables	357.94	911.77
	iii	Other financial liabilities	165.58	110.53
b		Other current liabilities	54.01	132.87
c		Provisions	0.91	1.16
d		Current Tax Liabilities (net)	-	-
		Total Current Liabilities	22,210.81	22,762.59
		Total Equity and Liabilities	11,843.87	19,545.49

STATEMENT OF CASH FLOWS

	For the year ended	
	31.03.2022 (Audited)	31.03.2021 (Audited)
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	(7,189.42)	(15,865.70)
Adjustments for:		
Depreciation	1,127.57	1,258.91
Finance Cost	20.76	3.29
Interest income	(20.01)	(61.27)
Loss on sale of Assets	-	343.28
Actuarial Gain / (loss) on defined benefit plan	19.90	11.19
Net settlement & old balances written off/written back		6,066.76
Foreign currency translation difference	8.89	(194.45)
Expected credit losses Provision / Debtor written off	3,667.36	5,555.46
Operating profit before working capital changes	(2,364.95)	(2,882.53)
Movements in working capital :		
(Increase)/ Decrease in Inventories	2,409.36	1,738.33
(Increase)/Decrease in Trade Receivables	(10.82)	4,141.45
(Increase)/Decrease in Loans	0.55	79.07
(Increase)/Decrease in Other Financial asset	0.00	(100.95)
(Increase)/Decrease in Other asset	464.48	588.85
Increase/(Decrease) in Trade Payables	(553.83)	(2,850.20)
Increase/(Decrease) in Other Financial Liabilities	55.05	(226.17)
Increase/(Decrease) in Other current Liabilities	(78.86)	(348.72)
Increase/(Decrease) in Provisions	(23.93)	(7.21)
Cash generated from operations	(102.94)	131.92
Income tax Refund/ (paid) during the year	(13.28)	(25.79)
Net cash from operating activities (A)	(116.22)	106.13
B. Cash flow from Investing activities		
Purchase of Fixed assets	42.75	390.09
(Increase)/Decrease in investment in fixed deposit	-	(50.00)
Interest received	15.12	-
Net cash from investing activities (B)	57.87	340.09
C. Cash flow from Financing activities		
Increase / (Decrease) in borrowings	37.48	(491.17)
Finance cost paid	(20.76)	(3.29)
Net cash from financing activities (C)	16.72	(494.46)

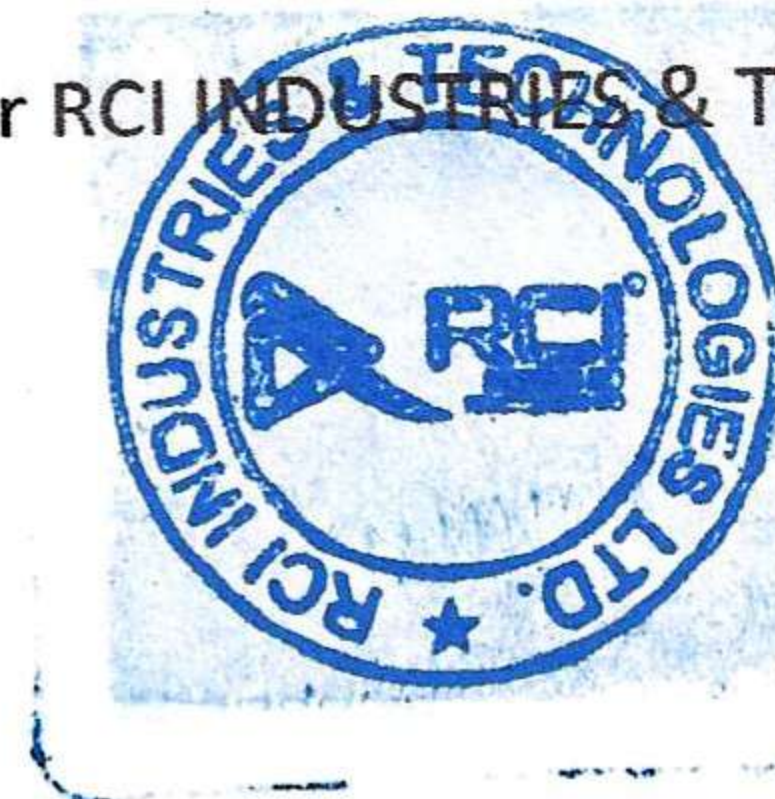
Net increase in cash and cash equivalents (A+B+C)	(41.62)	(48.24)
Cash and cash equivalents at the beginning of the period	131.81	180.05
Cash and cash equivalents at the end of the Period	90.19	131.81

Notes:-

- 1 The above financial results for the quarter and year ended March 31, 2022 have been reviewed by Audit committee and approved by the Board of Directors in their respective meetings held on July 05, 2022.
- 2 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"
- 3 During the year ended March 31, 2020, All the lenders to the Parent Company has declared the account as non performing asset (NPA) due to non payment of interest due and borrowed amount. The Parent Company restructuring plan is under consideration of the consortium lenders and as proposed by the Parent Company, partial infusion of fund amounting to Rs 16.5 Crore has been made in financial year ended March 31, 2021.
- 4 The Parent Company is in discussion with lenders for restructuring of debt and no provision for interest expense has been made in books of accounts. The total amount of interest not provided in books of accounts till 31.03.2022 is Rs. 63.83 crores approx. (Including interest for the year ended March 31, 2022 for Rs. 27.29 crores).
- 5 The net worth of the Group has been fully eroded. Although this 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 management is confident of reviving the Group and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared by the management assuming that the Group will continue as a going concern. Further, the Parent Company has already submitted a debt restructuring plan with landers along with bringing in additional funds amounting to Rs. 16.5 crores during the previous year.
- 6 The financial result has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- 7 Figures for the previous periods have been re-grouped/ rearranged/ restated wherever necessary to make them comparable with those of the current period.

Place: New Delhi
Date: July 05, 2022

For RCI INDUSTRIES & TECHNOLOGIES LTD.



Rajeev Gupta
Rajeev Gupta
Managing Director
DIN - 00503196

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lakhs
	1.	Turnover / Total income	5968.13	5968.13
	2.	Total Expenditure	13223.70	15952.65
	3.	Total Comprehensive Income/(Loss)	(7189.89)	(9918.85)
	4.	Earnings Per Share	(45.99)	(63.27)
	5.	Total Assets	11843.84	11843.84
	6.	Total Liabilities	23997.94	30381.52
	7.	Net Worth	(12154.10)	(18537.67)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
1	<p>a. Details of Audit Qualification:</p> <p>Company borrowings were declared as nonperforming asset (NPA) during the year ended March 31, 2020. Due to this, we have not been provided with any document confirming balances, as at March 31, 2022, for loans granted by financial institutions and banks, 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 documents 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, 2022 is Rs. 215.76 crores, Rs. 23.30 Lacs and Rs. 73.65 Lacs respectively.</p>			
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>			
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>Repetitive (Since FY 2019-20)</p>			
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>N.A</p>			
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>			
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>The audit qualification is related to non-availability of bank balance confirmation for certain loan, current account and Fixed deposit balances. As per management the amount as appearing in the financial statement is true and fair. Although Company has requested all lenders to provide the balance confirmation. However, due to account being declared as NPA, account balances cannot be confirmed by auditor and therefore they are unable to verify the accuracy and completeness for same. There is no financial impact on financial statement</p>			

	for the same.
	(ii) If management is unable to estimate the impact, reasons for the same:
	(ii) Auditors' Comments on (i) or (ii) above: No further comments by auditor
2	<p>a. Details of Audit Qualification:</p> <p>The Company has not recognized interest expenses in its financial statement on all of its outstanding borrowings. The total amount of such interest expenses is Rs. 27.29 crores (approx.) for the year ended March 31, 2022, and Rs. 63.83 crores for the period April 01, 2019 to March 31, 2022. (This is an approximate amount without considering the penal interest provisions and the amount cannot be confirmed with the bank levy of interest as banks have not provided any confirmation for the interest amount). Accordingly, loss after tax and total comprehensive loss for the current year ended March 31, 2022 is lower by Rs. 27.29 crores and retained losses as at March 31, 2022 are lower by Rs. 63.83 crores.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>Repetitive (Since FY 2019-'20)</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>As the Company is in financial stress the Management is in communication with the respective lender for restructuring of its borrowings. Due to this reason interest has not been provided in books of accounts and the impact of relevant interest will be considered in books of accounts after the restructuring plan is approved by the lenders.</p>
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: NA
3	<p>a. Details of Audit Qualification:</p> <p>Company faces a material uncertainty related to Going Concern because of heavy losses incurred during the current and previous years. 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. In our opinion, the financial statement should therefore be drawn on liquidation basis. However, the management is confident</p>

	of reviving the company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial Statement have been prepared by the management assuming that the Company will continue as a going concern.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion Qualified Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Repetitive (Since FY 2020-21)
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: The Company is in discussion with lenders for restructuring of its debts and management is confident of reviving the Company. The financial statement are therefore prepared by the management on going concern basis.
	(iii) Auditors' Comments on (i) or (ii) above: No further comments by auditor
4	a. Details of Audit Qualification: Company holds equity investment in certain group companies. In accordance with Ind AS 109 "Financial Instruments" these investments are held at fair value through profit and loss account. Accordingly, these investments need to be fair valued by the management as at balance sheet date and the resulting gain/loss should be recognized in the financial statements. However, no such fair valuation has been carried out by the management.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion Qualified Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: These investments are in group companies and some of these Companies has given

	guarantees to the lenders. Its not feasible to determine the fair value till the restructuring proposal is finalized by the lenders.
	(iii) Auditors' Comments on (i) or (ii) above: No further comments by auditor
5	<p>a. Details of Audit Qualification:</p> <p>The company net worth has been fully eroded and it is in severe financial stress, according to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of Board of Director and management plan and based on our examination of the evidence supporting the assumption, there exists a material uncertainty on the date of audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.</p>
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion Qualified Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: As the company borrowings have been declared as NPA by lenders. Companies' ability to meet its existing liabilities depends on existing discussion with lenders for restructuring of loan.
	(iii) Auditors' Comments on (i) or (ii) above: NA
III	<p>Signatories:</p> <p><input type="checkbox"/> CEO/Managing Director</p> <p><input type="checkbox"/> CFO</p> <p><input type="checkbox"/> Audit Committee Chairman</p> <p><input type="checkbox"/> Statutory Auditor</p> <p>Place: New Delhi</p> <p>Date: July 05, 2022</p>

