



**Registered Office:** - Unit No 421, 4<sup>th</sup> Floor, Pearl Omaxe  
Netaji Subhash Place, Pitampura Delhi-110034,  
**W:** [www.rciind.com](http://www.rciind.com) **E:** [compliance@rciind.com](mailto:compliance@rciind.com)  
**T:** 011-27372194/97 **F:** 011-273713334  
**CIN:** L74900DL1992PLC047055

**Ref: RCIIND/BSE/2020-21**

**05<sup>th</sup> September, 2020**

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

**SCRIP CODE: 537254**

**Subject: Annual Report for Financial Year 2019-20**

**Dear Sir/Madam,**

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, Please find enclosed herewith Revised Annual Report of the Company for the financial year ended 2019-20.

Please take the above on record and inform the members accordingly.

Thanking You,

Yours faithfully  
For **RCI Industries and Technologies Limited**

Sd/-  
**Jyoti Sharma**  
**Company Secretary**

**Encl.: A/a**



Plot No 84-85 , HPSIDC Industrial Area, Baddi,  
District Solan, Himachal Pradesh-173205 (INDIA)

Works: Khasra No. 37//175 & 378/175, Village Rakh Ram Singh,  
Tehsil - Nalagarh, District Solan, Himachal Pradesh-174101 (INDIA)

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





**RCI INDUSTRIES & TECHNOLOGIES  
LIMITED**

**ANNUAL REPORT  
2019-20**

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**RCI INDUSTRIES & TECHNOLOGIES LIMITED**

Regd. Office: B-97, All Heavens Building, Wazirpur, Ring Road, Delhi-110052,  
Tel: +91 11 27372194, 27372197, Fax: +91 11 27371334  
Web: www.rciind.com, Email: [compliance@rciind.com](mailto:compliance@rciind.com)  
CIN: L74900DL1992PLC047055

**NOTICE**

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

**NOTICE IS HEREBY GIVEN THAT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF RCI INDUSTRIES & TECHNOLOGIES LIMITED WILL BE HELD ON WEDNESDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2020 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, 2020 including Balance Sheet as at March 31, 2020, 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 Mr. Rajeev Gupta (DIN 00503196), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

- 3. TO REGULARISATION OF MR. MUKESH KUMAR TYAGI (DIN: 08698810) AS NON EXECUTIVE -INDEPENDENT DIRECTOR:**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mukesh Kumar Tyagi. (DIN: 08698810) was appointed as an Additional Director w.e.f 08<sup>th</sup> May, 2020 who holds office till the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of

Director, and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years up to 07<sup>th</sup> May, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect this resolution.

#### **4. TO REGULARISATION OF MR. RITESH KUMAR (DIN: 08698796) AS NON EXECUTIVE - INDEPENDENT DIRECTOR:**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ritesh Kumar (DIN: 08698796) was appointed as an Additional Director w.e.f 08<sup>th</sup> May, 2020 who holds office till the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and is eligible for appointment be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years up to 07<sup>th</sup> May, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect this resolution.

#### **5. 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:

**RESOLVED 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.”

**6. RE-APPOINTMENT OF MR. RAJEEV GUPTA (DIN: 00503196) AS MANAGING DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the ‘Act’) read with schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded for re-appointment of Mr. Rajeev Gupta (DIN: 00503196) as Managing Director (‘MD’) of the Company for a five year term commencing from 1 April 2021 till 31 March 2026, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, as it may deem fit and in such manner as may be agreed to between the Board and MD.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

Date: 31<sup>st</sup> August, 2020  
Place: New Delhi

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

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

## IMPORTANT NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means ('OA VM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI') vide its Circular dated May 12, 2020 ('SEBI Circular') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 29th AGM of the Company is being held through VC/OA VM on Wednesday, September 30, 2020 at 10.30 a.m. (IST). The deemed venue for the 29th AGM will be Unit No. 421, 4th Floor, Pearl Omaxe, Netaji Subhash Place, Pitampura, New Delhi-110034.
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE 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 to 6 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 Investors, who are Members of the Company, are encouraged to attend the 29<sup>th</sup> AGM through VC/OA VM mode and vote electronically. Corporate Members intending to appoint their authorised 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).

7. The attendance of the Members attending the AGM through VC/OAVM will be counted or the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. 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.
9. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 29<sup>th</sup> AGM has been uploaded on the website of the Company at [www.rciind.com](http://www.rciind.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. The Company has fixed the record date of **Monday, 24<sup>th</sup> August, 2020** for determining the entitlement of shareholders to receive Annual Report of the Financial Year 2019-20.
11. 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 **Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020** (both days inclusive).
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 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.
14. 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.
15. 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.

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. Additional information, details pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The director has furnished the requisite declaration for his re-appointment, confirming that he meets the criteria for re-appointment.
19. Members desirous of obtaining any information/ clarification concerning the Financial Statements for the Financial Year ended March 31, 2020, 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).
20. 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.
21. Inspection:
  - 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).
  - 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.
22. 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.

The Ministry of Corporate Affairs has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the company’s website [www.rciind.com](http://www.rciind.com) /Investors/Financials Results websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)

**Members are requested to support this Green Initiative by registering/updating their email addresses for receiving electronic communications with their depository participants.**

1. 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 29<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 commences from **9.00 a.m. on Sunday, 27<sup>th</sup> September, 2020 and ends at 5.00 p.m. on Tuesday, 29<sup>th</sup> September, 2020**. During this period, the members of the company, holding shares either in physical form or in demat form, as on the **cut-off date of Wednesday, 23<sup>rd</sup> September, 2020** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast vote again.
- III. The cut-off date for determining the eligibility of shareholders to exercise remote E-Voting rights and attendance at 29<sup>th</sup> Annual General Meeting (AGM) is **Wednesday 23<sup>rd</sup> September, 2020**. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date, shall be entitled to avail the facility of E-Voting or voting at the meeting through ballot paper. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

- IV. The Board of Directors of your Company have appointed Mr. Gaurav Shah, Practicing Company Secretary (COP No.: 21952) as the Scrutinizer for conducting the voting through electronic voting system or through polling paper at the AGM, in fair and transparent manner.
- V. The Scrutinizer shall, immediately after the conclusion of voting at the AGM will first count the votes cast at the meeting and thereafter unblock the votes cast through remote E-Voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than 48 (forty eight) hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at [www.rciind.com](http://www.rciind.com).

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

The remote e-voting period begins on **Sunday, 27<sup>th</sup> September, 2020 at 09:00 A.M.** and ends on **Tuesday, 29<sup>th</sup> September, 2020 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>114201</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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a

Verification Code as shown on the screen.

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

4. Your User ID details are given below :

<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 114201 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to 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.
  - 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.

**A detail on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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) 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.: 1800-222-990 or send a request to (Name of NSDL Official) 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).

### **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.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGHVC/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. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
6. Queries on accounts and operations of the company, if any, may please be sent to the company [oncompliance@rciind.com](mailto:oncompliance@rciind.com), seven days in advance of the Meeting so that the reply can be made available at the Meeting.
7. 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.
8. 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;

Date: 31.08.2020  
Place: New Delhi

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

Sd/-

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

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

### **ITEM NO. 3: TO REGULARISATION OF MR. MUKESH KUMAR TYAGI (DIN: 08698810) AS NON EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY**

Based on the recommendation of Nomination and remuneration committee, The Board of Directors appointed Mr. Mukesh Kumar Tyagi (DIN: 08698810) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation for a period of five years i.e. 08<sup>th</sup> May, 2020 to 07<sup>th</sup> May, 2025, subject to the approval of the members.

Mr. Mukesh Kumar Tyagi (DIN: 08698810) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given his consent to act as a Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Mukesh Kumar Tyagi (DIN: 08698810) as an Independent Director. The Company has also received declaration from Mr. Mukesh Kumar Tyagi (DIN: 08698810) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, the above mentioned Director fulfils the conditions specified in the Act and the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as an Independent Director and is independent of the management. In compliance with the provisions of Section 149 of the Act read with Schedule IV to the Act, the appointment of the above mentioned Director as Independent Director is now being placed before the Members for their approval. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

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

### **ITEM NO. 4: TO REGULARISATION OF MR. RITESH KUMAR (DIN: 08698796) AS NON EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY**

Based on the recommendation of Nomination and remuneration committee, The Board of Directors appointed Mr. Ritesh Kumar (DIN: 08698796) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation for a period of five years i.e. 08<sup>th</sup> May, 2020 to 07<sup>th</sup> May, 2025, subject to the approval of the members.

Mr. Ritesh Kumar (DIN: 08698796) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given his consent to act as a Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ritesh Kumar (DIN: 08698796) as an Independent Director. The Company has also received declaration from Mr. Ritesh Kumar (DIN: 08698796) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



In the opinion of the Board, the above mentioned Director fulfils the conditions specified in the Act and the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as an Independent Director and is independent of the management. In compliance with the provisions of Section 149 of the Act read with Schedule IV to the Act, the appointment of the above mentioned Director as Independent Director is now being placed before the Members for their approval. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**ITEM NO. 5: 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. 5 of the Notice for approval by the Members.

**ITEM NO. 5: RE-APPOINTMENT OF MR. RAJEEV GUPTA (DIN: 00503196) AS MANAGING DIRECTOR**

The Company had appointed Mr. Rajeev Gupta as Managing Director of the Company for a period of five years from 01<sup>st</sup> April, 2016. The Members had subsequently approved the said appointment and term of his remuneration.

Mr. Rajeev Gupta, aged 54 years is as a Managing Director of the Company having over 30 year of industry experience in various fields. He has completed his Graduation in Commerce from Hindu college, Delhi University.

His current term of appointment as the Managing Director of the Company expires on 31.03.2021. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of the Director is of the opinion that for smooth and efficient running of the business, the service of Mr. Rajeev Gupta should be available to the Company for a further period of 5 (five) years with effect from 01.04.2021. The Board of Directors of the Company subject to the recommendation of Nomination and Remuneration Committee and the Article of Association of the

Company reappointed him as Managing Director of the Company for a further period of 5 (five) years with effect from 01.04.2021.

The terms and conditions for the re-appointment of Mr. Rajeev Gupta as Managing Director (Managing Director) are as follows:

Period: 01.04.2021 to 31.03.2026

Remuneration: Current Salary of Rs. 36,00,00/- per annum; However, there is no increments in the remuneration of Managing Director decided by the Board based on the recommendation of the Nomination & Remuneration Committee (hereinafter called the "NRC").

Nature of Duties:

The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

The Board recommends the Resolution at Item No. 6 for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolution except Mrs. Mamta Gupta (Wife of Mr. Rajeev Gupta).

Date: 31.08.2020  
Place: New Delhi

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

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

**REQUISITE INFORMATION IN RESPECT OF DIRECTOR SEEKING APPOINTMENT OR RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 26(4) AND 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

Name of the Director	Mr. Rajeev Gupta	Mr. Mukesh Kumar Tyagi	Mr. Ritesh Kumar
<b>DIN</b>	00503196	08698810	08698796
<b>Date of Birth</b>	10-10-1967	14-08-1981	15-06-1988
<b>Type of appointment</b>	Liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation
<b>Date of Appointment/ Re-appointment</b>	17.01.1992	08.05.2020	08.05.2020
<b>Areas of Specialization</b>	Leadership, legal, regulatory, information security and compliance requirement of the industries	Marketing	Experience in the field of Administration & Advisor to the industries
<b>Qualifications</b>	Graduate	Graduate	Graduate
<b>No. of Shares Held in the Company</b>	6296880 (40.17%)	Nil	Nil
<b>Justification for appointment</b>	Promoter Director	Independent Director	Independent Director
<b>Chairman/member of the Committee of the Board of Directors of this Company</b>	Member: 1. Audit Committee 2. Stakeholder Relationship Committee 3. Corporate Social Responsibility	Chairperson: 1. Nomination & Remuneration Committee 2. Audit Committee 3. Stakeholder Relationship Committee 4. Corporate Social Responsibility	Member: 1. Nomination & Remuneration Committee 2. Audit Committee 3. Stakeholder Relationship Committee 4. Corporate Social Responsibility
<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	Nil	Nil
<b>Relation with Key Managerial Personnel and Directors</b>	Husband of Mrs. Mamta Gupta	NA	NA

## DIRECTORS' REPORT

**TO,  
THE MEMBERS,**

Your Directors have pleasure in presenting the 29<sup>th</sup> (Twenty Ninth) Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2020.

### FINANCIAL RESULTS

The financial performance of your Company for the financial year ended March 31, 2020 is summarized below:-

<i>Particulars</i>	<b>(Amount in Rs. Lacs)</b>			
	<i>Standalone – Year Ended*</i>		<i>Consolidated – Year Ended*</i>	
	<i>Year ended on 31<sup>st</sup> March, 2020</i>	<i>Year ended on 31<sup>st</sup> March, 2019</i>	<i>Year ended on 31<sup>st</sup> March, 2020</i>	<i>Year ended on 31<sup>st</sup> March, 2019</i>
Revenue from Operations'	38882.65	1,63,693.87	45,683.10	1,99,780.49
Other Income	1707.53	541.97	1,726.63	559.40
<b>Total Income</b>	<b>40,590.18</b>	<b>1,64,235.84</b>	<b>47,409.73</b>	<b>2,00,339.89</b>
Total Expenses	51,198.18	1,61,584.22	60,404.90	1,95,774.76
Profit/(Loss) before extraordinary items and tax	(10,608.00)	2,651.62	(12,995.17)	4,565.13
Less: Tax Expenses:				
Current Tax		878.44		878.46
Deferred Tax	(74.75)	20.11	(74.53)	20.10
Minimum Alternate Tax	-	-		
<b>Profit/(Loss) for the period</b>	<b>(14,247.67)</b>	<b>1,753.07</b>	<b>(16,635.05)</b>	<b>3,666.57</b>

### FINANCIAL PERFORMANCE

#### **Standalone**

During the period under review, based on standalone financial statements, the Company earned Total revenue amounting to Rs. 40,590.18/- Lakhs as Compared to Rs. 1,64,235.84/- Lakhs in the previous year. Loss after tax stood at Rs. 14,247.67/- Lakhs as against Profit after tax of Rs. 1753.07/- in the previous year.

## **Consolidated**

During the period under review, the Company's Consolidated revenue for the year ended 31<sup>st</sup> March, 2020 was Rs. 47,409.73/- Lakhs compared to Rs. 2,00,339.89/- Lakhs for the period ended 31<sup>st</sup> March, 2019. The Consolidated Net Loss for the year ended 31<sup>st</sup> March, 2020 Rs. 16,635.05/- Lakhs compared to profit of Rs. 3,667.57/- Lakhs for the period 31<sup>st</sup> March, 2019. The Consolidated total Comprehensive loss for the year ended 31<sup>st</sup> March, 2020 was Rs. 15843.17/- Lakhs compared to total comprehensive profit of Rs. 4,076.44/- for the year ended 31<sup>st</sup> March, 2019.

Your Company has incurred heavy losses amounting to Rs. 158.43 Crores during the year 31<sup>st</sup> March, 2020. 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.

## **SUMMARY OF FINANCIAL HIGHLIGHT**

During the Financial year ended on 31st March, 2020, Company has faced a challenge for the business environment with economic and slows down consumption. Your Company has incurred heavy losses amounting to Rs. 142.20/- Crores during the year under review. Further your Company borrowing were declared as Non Performing Assets (NPA) by the Bankers due to non-payment of borrowed and interest amount on due dates during the Current year. Due to this reason company has bear a lot of challenges in the field of business growth. Although your company are in the process of revival & restructuring with their lenders for come out from this worst situation.

Further the industries faced severe liquidity crunch for a variety of reasons. Your Company has also faced a liquidity crunch during the current year. And also company has received Notices dated from the GST department for attaching the financial accounts of the Company which has also an impact on the liquidity position during the current year.

We all are aware that economic crisis consequent to the spread of the novel Coronavirus-19 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.

## **RESERVES & SURPLUS**

The Company's reserve & surplus for the financial year ended March 31, 2020 is Rs. 25,11,56,186/-as compared to the previous year it was Rs. 1,193,578,579/-.

## **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, 2020.

## **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.

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

The Company has following Subsidiary Companies and Associate Companies as on March 31, 2020:

<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, 2020 the Company has two Associate Company i.e Ace Matrix Solutions Limited & Metalrod Private Limited and the Company has sold its equity stake in RCI skills & Social Development Private Limited to others and thus becoming a non-subsidiary company.

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.

### **Consolidated Financial Statements**

In compliance with the applicable provisions of the Companies Act, 2013 and Indian Accounting Standard (IND AS)-110 on consolidated financial statements, the Audited consolidated financial statement for the financial year ended March 31, 2020, is provided in this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013 and Indian Accounting Standard- 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiaries.

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

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

The Company will make available physical copies of these documents upon request by any shareholder of the Company/ subsidiary interested in obtaining the same.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

### **SHARE CAPITAL**

During the year under review, the Authorised Share Capital of the Company is Rs. 250,000,000 (Rupees Twenty Five Crore) divided into 25,000,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/- each.

During the Financial year ended on March 31, 2020, Company has converted of 5,60,000 Unsecured Zero Coupon Compulsory Convertible Debenture (“CCD’s”) of Face Value of Rs. 900 each which aggregating to Rs. 50.40 crores into 22,40,000 equity shares of Rs. 10/- to the person(s) belonging to Promoter and Non-promoter category. After the conversion, the Paid up Share Capital of the Company is Rs. 15,67,64,150/- (Rupees Fifteen Crores Sixty Seven Lacs Sixty Four Thousand One Hundred and Fifty Only) divided into 15676415 (One Crore Fifty Six Lakh Seventy Six Thousand Four Hundred and Fifteen) Equity Shares of Rs. 10/- each.

The Company has complied all compliances related to conversion of CCD’s into Equity Shares in accordance with the Companies Act, 2013 read with rules made thereunder, if any, and other applicable provision of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, SEBI (Issue of Capital and Disclosure Requirement) Regulation 2018, except trading approval of 22,40,000 Equity Shares. Further the company is in the process of getting trading approval from the BSE Limited.

### **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 2020-21 to the said Stock Exchange.

### **DEMATERIALISATION 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, 2020, 15676415 Equity Shares representing 85.71% of the Equity Share Capital of the Company are in dematerialized form.

Note: There is a differences in the Equity shares of 22,40,000, reason being company had issued 22,40,000 equity shares out of conversion of 5, 60,000 Unsecured Zero Coupon Compulsory Convertible Debenture (CCD’s) dated 02<sup>nd</sup> August, 2019 and the application for listing of Equity Shares was approved by the BSE Limited, but trading approval of such equity shares was pending due to some circumstances

and spread of COVID-19. Further company is in the process of getting trading approval from the BSE Limited at the earliest.

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.

### **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 2020-21 has been paid to both the Depositories.

### **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.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **EXTRACT OF ANNUAL RETURN**

In terms of Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014, the extract of Annual Return of the Company in Form MGT-9 is attached as 'ANNEXURE-1' to this Report.

Whereas, in pursuant to the Companies (Amendment) Act, 2017, the act has made substitution under Section 134(3) (a) of the Companies Act, 2013 to place the extract of Annual Return on the website of the Company. As to comply with the said provision the Company has placed the extract of Annual Return in Form MGT-09 on the website of the company i.e www.rciind.com.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Directors**

During the Financial Year ended 31<sup>st</sup> March, 2020, Mr. Raj Singh Jamwal has resigned from the office of the Independent Director of the Company w.e.f 30<sup>th</sup> November, 2019. Further Mr. Anil Kumar Jain has also resigned from the post of Independent Director w.e.f 08<sup>th</sup> May, 2020.

However, Company has appointed Mr. Mukesh Kumar Tyagi (DIN: 08698810) and Mr. Ritesh Kumar (DIN: 08698796) as an Independent Director of the Company with effect from 08<sup>th</sup> May, 2020.

The Board is comprises with four directors including two Independent Director of the Company.

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer



themselves for re-appointment at every AGM. Consequently, Mr. Rajeev Gupta (DIN 00503196), Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with provisions of the Companies Act, 2013.

A brief resume of the Director proposed to be re-appointed, the nature of his expertise in specific functional areas, names of companies in which he holds Directorships, committee memberships/ chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM. The Directors recommend her re-appointment at the ensuing AGM.

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

### **Board Diversity**

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.

### **Board Meetings**

The Board met 15 times during the Financial Year 2019-20, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Regulations.

### **Key Managerial Personnel**

During the period under review, Mr. Anand Kumar Pandey was appointed as Company Secretary of the Company in place of Mr. Raman Singh with effect from 01<sup>st</sup> July, 2019. Further Mr. Anand Kumar Pandey has resigned from the post of Company Secretary of the Company with effect from 22<sup>nd</sup> October, 2019. Therefore, Ms. Jyoti Sharma was appointed as Company Secretary of the Company with effect from 08<sup>th</sup> May, 2020.

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

### **Policy on Directors' appointment and Policy on remuneration**

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP and other employees is attached as 'ANNEXURE- 2' to this Report.

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

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

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI (LODR), 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing,

inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

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

Similarly, for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/ her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. Board members had submitted their response on a scale of 5 (excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board. The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

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

The Directors expressed their satisfaction with the evaluation process.

### **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.

### **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](http://www.rciind.com). A detailed note on the Board and its Committees is provided under the Report on Corporate Governance section.

### **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.

### **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.

### **CORPORATE SOCIAL RESPONSIBILITY**

A brief outline of the Corporate Social Responsibility Policy of the Company and the related details for the period 2019-20 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.

During the period under review, your company is required to spend a specified amount of its profit towards Corporate Social Responsibility (CSR). The company was required to spent Rs. 39.83 lacs in the financial year 2019-20 towards its CSR. However due to ongoing financial difficulties by the Company the same was not spent by the Company by the end of March 31, 2020. Further the Company has also not transferred the unspent CSR amount to specified fund/bank account as stipulated under Section 135 of the Companies Act, 2013. The Annual Report on CSR Activities is annexed as ‘ANNEXURE-5’ to this report.

### **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-10' and forms part of this Report.

## **AUDITORS**

### **Statutory 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 subject to ratification of their appointment at every Annual General Meeting.

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

The Audit Report given by M/s. KRA & Co. (erstwhile Statutory Auditors) for the financial year 2018-19, 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.

### **Secretarial Auditor**

During the year under review, the Board re-appointed Ms. Kiran, Practicing Company Secretary, proprietor of M/s. Kiran & Associates, Company Secretaries, as the Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit was carried out in compliance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Report thereon in the prescribed form MR-3 is attached as 'ANNEXURE-3'.

The reports of Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks during the period under the review.

### **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 2019-20. The Report of the Secretarial Compliance Report in prescribed format for the period ended 31<sup>st</sup> March, 2020 is annexed as 'ANNEXURE-4' to the Report.

### **Reconciliation of Share Capital Audit Report**

As per the directive of Securities and Exchange Board of India, M/s Vijay Jain & Company, Company Secretaries, New Delhi, 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.

### **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.

### **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 2020-21 for conducting the audit of the cost records of the Company.

### **DISCLOSURES**

**Particulars of loans, guarantees or investments:** Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies act, 2013 are provided in the accompanying Financial Statement forming the part of annual report.

**Borrowings and Debt Servicing:** During the year under review, Company borrowings are being declared as Non Performing Assets (NPA) by the lenders due to non-payments of interest and borrowed amount as Company incurred losses during the year ended on 31<sup>st</sup> March, 2020.

**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.

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

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

**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.*

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

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

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

#### **Conservation of Energy**

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

#### **Technology Absorption**

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

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

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

### **PARTICULARS OF EMPLOYEES**

As on March 31, 2020, the total numbers of employees on the records of the Company were 251. 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-7'.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

f. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Your Company has in place adequate internal financial controls with reference to financial statements. Based on internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20. During the year, no reportable material weakness in the design or operation was observed.

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

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

### **INSIDER TRADING CODE**

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

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

### **INDUSTRIAL OPERATIONS**

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

## **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.

## **CAUTIONARY STATEMENT**

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

## **ACKNOWLEDGEMENT**

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

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

Place: New Delhi  
Dated: 31.08.2020



# ANNEXURES TO DIRECTOR'S REPORT

## Annexure-1

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

**as on the financial year ended March 31, 2020**

*[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L74900DL1992PLC047055
Registration Date	7 <sup>th</sup> January, 1992
Name of the Company	RCI INDUSTRIES & TECHNOLOGIES LIMITED
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered Office and contact details	Unit No. 421, 4 <sup>th</sup> Floor, Pearl Omaxe, Netaji Subhash Place, New Delhi-110034; Tel: +91 11 2737 2194
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Big Share Services Private Limited 4E/8, 1 <sup>st</sup> Floor, Jhandewalan Extension, New Delhi-110055; Tel: +91 11 2352 2373; Website: www.bigshareonline.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacturing of Copper & Brass Products	27201	95.79%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	RCI World Trade Link DMCC, Dubai(U.A.E.)	N/A	Subsidiary	100	2(87)
2.	Ace Matrix Solutions Limited B-97, All Heavens Building, Wazirpur Ring Road, Delhi-110052	U74899DL2000PLC103256	Associate	22	2(6)
3.	Metalrod Private Limited B-97, All Heavens Building, Wazirpur Ring Road, Delhi-110052	U27106DL1974PLC007235	Associate	34.27	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1). Indians</b>									
a) Individual/HUF	5336465	0	5336465	39.72	5336465	2128000	7464465	47.62	7.9
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	3240150	0	3240150	24.11	3240150	0	3240150	20.67	(3.44)
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total: (A)(1)	8576615	0	8576615	63.83	10704615	0	10704615	68.29	4.46
<b>(2). Foreign</b>									
a) NRI-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total:(A) (2)	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>8576615</b>	<b>0</b>	<b>8576615</b>	<b>63.83</b>	<b>10704615</b>	<b>0</b>	<b>10704615</b>	<b>68.29</b>	<b>4.46</b>
<b>B. Public Shareholding</b>									
<b>(1). Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	200	0	200	0.0	570	0	570	0.0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub Total:(B)(1)	200	0	200	0.00	570	0	570	0.00	0
<b>(2). Non Institutions</b>									
<b>a) Bodies Corporates</b>									

i) Indian	1140417	0	1140417	8.49	690573	0	690573	(4.08)	0.24
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.2 Lac	2230111	2801	2232912	16.62	2199124	2801	2201925	14.05	(2.57)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 Lac	1294182	0	1294182	9.63	1669619	112000	1781619	11.36	(1.73)
c)Others (HUF)	588	0	588	0.004	166915	0	166915	1.06	1.056
Clearing Members	82170	0	82170	0.61	35885	0	35885	0.23	(0.38)
Non Resident Indians	109331	0	109331	0.82	93725	0	93725	0.60	(0.22)
Overseas Corporate Bodies	0	0	0	0	0	0	0	-	0
Trusts	0	0	0	0	588	0	588	-	0
<b>Sub Total:(B)(2)</b>	<b>4856799</b>	<b>2801</b>	<b>4859600</b>	<b>36.17</b>	<b>4856429</b>	<b>114801</b>	<b>4971230</b>	<b>31.71</b>	<b>(4.46)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4856999</b>	<b>2801</b>	<b>4859800</b>	<b>36.17</b>	<b>4856999</b>	<b>114801</b>	<b>4971800</b>	<b>31.71</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	-	0
<b>Grand Total (A+B+C)</b>	<b>13433614</b>	<b>2801</b>	<b>13436415</b>	<b>100</b>	<b>15561614</b>	<b>114801</b>	<b>15676415</b>	<b>100</b>	<b>0.00</b>

**(ii). Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mamta Gupta	569090	4.24	-	1164930	7.43	-	3.19
2	Rajeev Gupta	4764720	35.46	-	6296880	40.17	-	4.71
3	Hembala Gupta	30	0.00	-	30	0.00	-	-
4	Ritika Gupta	2625	0.01	-	2625	0.01	-	-
5	Blossom Impex Private Limited	30000	0.22	-	30000	0.19	-	(0.03)

6	Ace Matrix Solutions Limited	1751900	13.04	-	1751900	11.18	-	(1.86)
7	Kay Kay Exim Private Limited	50000	0.37	-	50000	0.32	-	(0.05)
8	Metalrod Private Limited	812500	6.05	-	812500	5.18	-	(0.87)
9	Ace Trade Solutions Private Limited	595750	4.43	-	595750	3.80	-	(0.63)

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	8576615	63.83	857665	63.83
2	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus / sweat equity etc):	2128000	4.45	2128000	+4.45
3	At the end of the year	<b>10704615</b>	<b>68.28</b>	<b>10704615</b>	<b>68.28</b>

\*There is change in Promoters Shareholding due to conversion of Compulsorily Convertible Debenture into equity were allotted during the period under review.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	15,7,628	11.29	15,7,628	11.29
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	1. Increase through online trade on BSE by public shareholder	471623	1.75	471623	1.75
3	At the end of the year	<b>17,51,623</b>	<b>13.04</b>	<b>17,51,623</b>	<b>13.04</b>

(v). Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Rajeev Gupta (Managing Director)</b>				
	At the beginning of the year:	4764720	35.46	4764720	35.46
	Date wise Increase in Shareholding during the year	1532160	4.71	1532160	4.71
	At the end of the year:	<b>6296880</b>	<b>40.71</b>	<b>6296880</b>	<b>40.71</b>
<b>2.</b>	<b>Mrs. Mamta Gupta (Director)</b>				
	At the beginning of the year:	569090	4.24	569090	4.24
	Date wise Increase in Shareholding during the year	595840	3.19	595840	3.19
	At the end of the year:	<b>1164930</b>	<b>7.43</b>	<b>1164930</b>	<b>7.43</b>
<b>3.</b>	<b>Mr. Mukesh Kumar Tyagi (Director)</b>				
	At the beginning of the year:	<b>NIL</b>			
	Date wise Increase /Decrease in Shareholding during the year				
	At the end of the year:				
<b>4.</b>	<b>Mr. Ritesh Kumar (Director)</b>				
	At the beginning of the year:	<b>NIL</b>			
	Date wise Increase /Decrease in Shareholding during the year				
	At the end of the year:				

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
<b>Short Term:</b>				
i) Principal Amount	1,109,427,282	-	-	1,109,427,282
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Long Term</b>				
i) Principal Amount	-	370,805,665	-	370,805,665
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total</b>	1,109,427,282	370,805,665	-	1,480,232,947
<b>Change in Indebtedness during the financial year</b>				

<b>Short Term</b>				
Addition	1,20,18,12,663	-	-	-
Reduction	-	-	-	55,770,518
<b>Long Term</b>				
Addition	-	-	-	-
Reduction	-	30,12,85,055	-	247,626,703
<b>Net Change</b>	1,20,18,12,663	(30,12,85,055)		(303,397,221)
<b>Indebtedness at the end of the financial year</b>				
<b>Short Term</b>				
i) Principal Amount	2,31,12,39,945	-	-	2,31,12,39,945
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Long Term</b>				
i) Principal Amount	-	69,520,610	-	69,520,610
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total</b>	<b>2,31,12,39,945</b>	<b>69,520,610</b>	-	<b>2,38,07,60,554</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Rajeev Gupta Managing Director	
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	3,600,000	3,600,000
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of Profit	-	-
	- others (specify)	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>3,600,000</b>	<b>3,600,000</b>
	Ceiling as per the Act	5% of the Net Profits as per Section 198 of the Companies Act, 2013	

**A. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Raj Singh Jamwal	Anil Kumar Jain	
1	<b>Independent Directors</b>			
	a) Fee for attending board / committee meetings		None	
	b) Commission		None	
	c) Others, please specify		None	
	<b>Total (1)</b>		None	
2	<b>Other Non-Executive Directors</b>	<b>Mamta Gupta</b>		
	a) Fee for attending board / committee meetings		None	
	b) Commission		None	
	c) Others, please specify		None	
	<b>Total (2)</b>		None	
	Total (B)=(1+2)		None	
	<b>Total Managerial Remuneration</b>			<b>3,600,000</b>
	Overall Ceiling as per the Act	11% of the Net Profits as per Section 198 of the Companies Act, 2013		

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Company Secretary	CFO	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	7,26,000	1,200,000	19,26,000
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of Profit			
	- others (specify)			
5	Others, please specify	-	-	-
	<b>Total</b>	<b>7,26,000</b>	<b>1,200,000</b>	<b>19,26,000</b>

## **VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties/ punishment/ compounding of offences for breach of any Section of the Companies Act, 1956/ 2013 against the Company or its Directors or other officers in default, if any, during the year.

However, the Securities and Exchange Board of India (SEBI) has imposed various penalties for delay in compliances under SEBI (LODR) Regulation, 2015, Securities Contracts (Regulation) Act, 1956 and any other, if applicable during the year under review.

**For and on behalf of the Board**

**Sd/-**

**Mr. Rajeev Gupta**

Chairman & Managing Director

DIN 00503196

Place: New Delhi

Date: 31.08.2020



## ANNEXURE-2

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

#### **Preliminary**

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

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

#### **Term / Tenure**

##### ***Executive Director:***

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

##### ***Non-Executive Directors:***

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

#### **Committees**

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

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

#### **Code of Conduct**

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

#### **Performance Evaluation**

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

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

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

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

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

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

### **Removal**

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

### **Retirement**

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

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

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

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

**b) Minimum Remuneration:**

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

**c) Provisions for excess remuneration:**

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

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

**a) Remuneration / Commission:**

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

**b) Sitting Fees:**

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

**c) Commission:**

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

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

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

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

### **Preliminary**

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

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

### **Term**

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

### **Committees**

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

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

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

1. They will abide by the Code of Conduct and Ethics applicable to Directors as available on the website of the company.
2. They will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013.
3. They will not hold office as a Director or any other office in a competing firm/entity.
4. They are expected to stay updated on how best to discharge their roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of

current changes and trends in economic, political, social, financial, legal and corporate governance practices.

5. They are expected to:

- (i) Take decisions objectively and solely in the interests of the Company;
- (i) Facilitate Company's adherence to high standards of ethics and corporate behavior;
- (ii) Guide the Board in monitoring the effectiveness of the Company's governance Practices and to recommend changes, required if any;
- (iii) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate asset and abuse in related party transactions
- (iv) Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards

### **Performance Evaluation**

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

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

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

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

### **Remuneration**

1. Their annual remuneration will be as under:

- (a) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and

(b) profit related commission, if any, determined by the Board and if approved by members will be payable at the end of each financial year based upon the performance of the Company and upon the performance of Independent Directors which will be evaluated by the Board of Directors.

2. They will be entitled to reimbursement of expenses incurred by them in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of pocket expenses.
3. Pursuant to applicable law, they will not be entitled to any stock options.

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

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

#### **Miscellaneous**

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

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

**ANNEXURE-3**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

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

Based on our verification of the RCI Industries & Technologies Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on March 31, 2020 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, 2020 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.

**Place: Ghaziabad**

**Date: 29.06.2020**

**For Kiran & Associates**

Company Secretaries

Sd/-

**Kiran (Proprietor)**

Membership No. 37306

Certificate of Practice No. 14168

UDIN: A037306B000396830

**ANNEXURE-4**  
**SECRETARIAL COMPLIANCE REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

**Secretarial Compliance Report of RCI Industries & Technologies Limited for the year ended  
31.03.2020**

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 31.03.2020 (“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: 29.06.2020

Kiran& Associates  
Kiran Sharma  
(Prop.)  
ACS No.: A37306  
C P No.:14168  
UDIN A037306B000397105

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

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

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Vocational skills etc. The CSR policy is available on the website of the Company [www.rciind.com](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:** Rs.19,91,65,778/-

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above) for FY 2019-20:**

Rs. 39,83,315.56/-

5. **Details of CSR spent during Financial Year 2019-20**

<b>Particulars</b>	<b>Amount (In Rs.)</b>
Total amount to be spent for the financial year 2019-20	Nil
Amount unspent, if any	39,83,315.56/-
Manner in which the amount spent during the financial year 2019-20	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. 142.42 Crores during the year ended on 31<sup>st</sup> March, 2020.

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: 31.08.2020

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

Sd/-  
**Mukesh Kumar Tyagi**  
Chairman, CSR Committee  
DIN: 06698519

**ANNEXURE-6  
FORM AOC-2**

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

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

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

<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**

## ANNEXURE-7

### 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	7.65:1.00

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

<i>Sl. No.</i>	<i>Name of Director &amp; KMP</i>	<i>Designation</i>	<i>% increase in remuneration of Director &amp; KMP</i>
1.	Mr. Rajeev Gupta	Managing Director	Nil
2.	Mr. I.P. Saboo	Chief Financial Officer	Nil
3.	Mr. Anand Kumar Pandey	Company Secretary	Nil

(iii) The percentage increase in the median remuneration of employees in the financial year –11%\*

(iv) The number of permanent employees on the rolls of company - 251

(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 11% whereas there was no significant change in the managerial remuneration (Managing Director's remuneration) during the financial year 2019-20

(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	ATUL KULSHRESHTHA	54	COO	30,00,000	LLB	25	17.02.2020	Kamuna Group
2	RAJ MANI VARMA	50	Plant Head	13,00,000	BE (Mechanical)	20	01.11.2018	Vitro Industries Pvt Ltd
3	IP SABOO	58	CFO	12,00,000	CA	28	04.01.2017	SOI Hospitality Pvt. Ltd
4	SHEFALI CHOPRA	36	Senior Manager	10,80,000	B.COM	10	15.01.2018	RCI Industries and Technologies Limited
5	SUBHASH CHANDRA MISHRA	49	General Manager (Accounts & Finance)	10,99,992	M.Com	15	14.08.2018	Vimoni (India) Pvt Ltd
6	GAJENDRA RAMKRUSHNA RAUT	37	Manager	9,00,000	B.E. Mechanical	11	07.09.2018	Bright Metals Pvt Ltd
7	RAM DAYAL GHATIYA	43	Sr. Manager Accounts	9,00,000	B.Tech	20	20.06.2019	Mittal Appliance Ltd
8	POOJA CHAUDHARY	54	Manager-Finance	8,64,000	CA	10	06.04.2015	Path Infotech Ltd
9	MUKESH SONI	52	Manager-Administration	7,86,000	Diploma (Mechanical)	10	18.03.2018	Bayer Crop Science Ltd
10	BHANU DAS DASHRATH THITE	47	Manager-Electrical	BSc	Diploma in Electrical	19	16.08.2019	New Sysm Industries

**Notes:**

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

Place: New Delhi  
Date: 31.08.2020

**For and on behalf of the Board of Directors**

Sd/-

**Rajeev Gupta**  
**Chairman and Managing Director**  
**DIN: 00503196**



## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

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

## BOARD OF DIRECTORS

### Composition of the Board

Your Company has a balanced and optimal Board with combination of Executive and Non-Executive Directors. The Composition of the Board as on March 31, 2020 is in conformity with Regulation 17(1) of the Listing Regulations which lays down an optimal combination of Executive and Non-Executive Directors, with at least one woman director and not less than 50 per cent of the Board comprising of Independent Directors, for a Board not chaired by Non-Executive Director.

Composition of the Board as on March 31, 2020:

#### ***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>

### 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, 15 (fifteen) meetings of the Board of Directors were held on 19/04/2019, 18/05/2019, 24/05/2019, 19/06/2019, 29/06/2019, 01/07/2019, 09/07/2019, 29/07/2019, 02/08/2019, 14/08/2019, 06/09/2019, 06/11/2019, 16/11/2019, 30/11/2019, and 05/03/2020. 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.

S. No.	Date	Board Strength	No. of Director Present
1	19/04/2019	4	2
2	18/05/2019	4	2
3	24/05/2019	4	4
4	19/06/2019	4	2
5	29/06/2019	4	2
6	01/07/2019	4	4
7	09/07/2019	4	2
8	29/07/2019	4	2
9	02/08/2019	4	4
10	14/08/2019	4	4
11	06/09/2019	4	2
12	06/11/2019	4	2
13	16/11/2019	4	2
14	30/11/2019	4	4
15	05/03/2020	4	3

### 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, 2020 are given below:

S. No.	Name of the Directors/DIN	Designation	Category	No. of Board Meeting attended	Attendance at the last AGM held on 28.09.2019	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**	
							Members hip	Chairman ship
1.	Mr. Rajeev Gupta (DIN: 00503196)	Managing Director	Chairman/Promoter Director /Executive Director	15	Yes	1	2	-
2.	Mrs. Mamta Gupta (DIN: 00503302)	Director	Promoter Director /Non Executive Director	15	Yes	1	-	-
3.	Mr. Anil Kumar Jain*** (DIN: 06944997)	Independent Director	Non-Executive Director	6	-	2	2	-
4.	***Raj Singh Jamwal (DIN: 06698519)	Independent Director	Non-Executive Director	5	Yes	1	2	2
5.	Mr. Mukesh Kumar Tyagi*** (DIN: 08698810)	Independent Director	Non-Executive Director	0	NA	1	2	2
6.	Mr. Ritesh Kumar*** (DIN: 08698796)	Independent Director	Non-Executive Director	0	NA	1	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. Raj Singh Jamwal has resigned from the post of director of the Company w.e.f 30<sup>th</sup> November, 2020. Mr. Anil Kumar Jain has resigned from the post of director of the Company with effect from 08<sup>th</sup> May, 2020.

\*\*\* Mr. Mukesh Kumar Tyagi and Mr. Ritesh Kumar have been appointed as an Independent Director of the Company with effect from 08<sup>th</sup> May, 2020.

## **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, Delhi. He is looking into day to day affairs of the Company and having an experience in the field of Administration & Advisor to the Industries.

## **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-8 to this Report.

## **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 05<sup>th</sup> March, 2020 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 2019-20.

The Independent Directors had met separately on March 05, 2020 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-

Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

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

The Directors expressed their satisfaction with the evaluation process.

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

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

#### **Remuneration Policy**

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

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

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

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

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

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

Mrs. Mamta Gupta, Non-Executive Promoter Director as on March 31, 2020, 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-2' of this Report.

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

## COMMITTEES OF THE BOARD

Your Company has 4 Board Level Committees:

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

The composition of various Committees of the Board of Directors is available on the website of the Company at [www.rciind.com](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 Board of Directors has duly constituted an Audit Committee. As at 31st March, 2020, the Audit Committee comprises of 2 (two) members. Subsequent to this year, the Audit Committee was reconstituted in their Board Meeting held on 08<sup>th</sup> May, 2020 and the Audit Committee comprised of 3 (three) members. In compliance with Section 177 of the Companies Act, 2013 read with rules made thereto and Regulation 18 of the Listing Regulations, the 'Audit Committee' of the Board comprises of Mr. Mukesh Kumar Tyagi Non-Executive Independent Director as its Chairman, Mr. Ritesh Kumar, Non-Executive Independent Director and Mr. Rajeev Gupta, Executive Director (Managing Director) as its Members i.e. 2/3<sup>rd</sup> of the members of Audit Committee are Independent Directors.

The terms of reference of the Audit Committee include those specified under Listing Agreement and SEBI LODR Regulations 2015 as well as under Section 177 of the Companies Act, 2013 which inter-alia include:

#### **The Role of Audit Committee includes the following:**

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment, terms of appointment/ reappointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees/remuneration.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - A). Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub section (5) of Section 134 of the Companies Act, 2013.
  - B). Changes, if any, in accounting policies and practices and reasons for the same.
  - C). Major accounting entries involving estimates based on the exercise of judgment by the Management.
  - D). Significant adjustments made in the financial statements arising out of audit findings.
  - E). Compliance with listing and other legal requirements relating to financial statements.
  - F). Disclosure of any related party transactions.
  - G). Qualifications in the draft audit report.



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

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

**The Audit Committee also reviews the following information:**

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

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) (whenever applicable).

### Audit Committee Meetings

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

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

The Audit Committee met 5 times during the year under review i.e. on 24/05/2019, 02/08/2019, 14/08/2019, 30/11/2019 and 05/03/2020. The necessary quorum was present for all the meeting held during the year.

Name of Committee Members	Meeting Details			Whether attended last AGM (Y/N)
	Held during the year	Attended	% of Total	
Raj Singh Jamwal*	5	4	80	Yes
Anil Kumar Jain**	5	5	100	No
Rajeev Gupta	5	5	100	Yes

\*Mr. Raj Singh Jamwal has resigned from the directorship w.e.f 30<sup>th</sup> November, 2019.

\*\*Mr. Anil Kumar Jain has resigned from the directorship w.e.f 08<sup>th</sup> May, 2020

**The Company has re-constituted the Audit Committee with effect from 08<sup>th</sup> May, 2020. The Composition of Audit Committee was as follow:**

Name of Member	Designation	Category of directorship
Mr. Mukesh Kumar Tyagi	Chairperson	Non Executive Independent Director
Mr. Ritesh Kumar	Member	Non Executive Independent Director
Mr. Rajeev Gupta	Member	Executive Director

Mr. Ritesh Kumar & Mr. Mukesh Kumar Tyagi was appointed as an Independent Director with effect from 08<sup>th</sup> May, 2020.

### B). NOMINATION & REMUNERATION COMMITTEE

#### Composition

In terms of Section 178 of the Companies Act, 2013 and Listing Agreement and SEBI LODR Regulations 2015, the Board has constituted the Nomination and Remuneration Committee. The Committee inter alia reviews and approves the Annual salaries, commission, service agreement and other employment conditions for the Executive Directors and senior management. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. The Committee comprises of 1 (one) non executive and 2 (two) independent non-executive Directors.

## 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.

## Composition and Attendance of Members at Nomination and Remuneration Committee Meetings

During the year under review, the Nomination & Remuneration Committee met 4 times viz. 24/05/2019, 01/07/2019, 14/08/2019 & 30/11/2019.

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

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

\*Mr. Raj Singh Jamwal has resigned from the directorship w.e.f 30<sup>th</sup> November, 2019.

\*\*Mr. Anil Kumar Jain has resigned from the directorship w.e.f 08<sup>th</sup> May, 2020

The Company has re-constituted the Nomination and Remuneration Committee with effect from 08<sup>th</sup> May, 2020. The composition of Nomination and Remuneration Committee was as follows:

Name of Member	Designation	Category of Directorship
Mr. Mukesh Kumar Tyagi*	Chairperson	Non Executive Independent Director
Mr. Ritesh Kumar*	Member	Non Executive Independent Director
Mrs. Mamta Gupta	Member	Non Executive Director

\*Mr. Mukesh Kumar Tyagi & Mr. Ritesh Kumar were appointed as an Independent Director w.e.f 08<sup>th</sup> May, 2020.

### C). STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition

In compliance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 read with rules made thereto, 'Stakeholders Relationship Committee' of the Board was reconstituted in their Board Meeting held on 08<sup>th</sup> May, 2020 with comprises of Mr. Mukesh Kumar Tyagi, Non-Executive Independent Director as its Chairman, Mr. Ritesh Kumar, Non-Executive Independent Director and Mr. Rajeev Gupta, Executive Director (Managing Director) as its Members. The Company Secretary acts as the Secretary of the Committee.

#### Terms of Reference

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

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

#### Meeting and Attendance during the year

During the year under review, Stakeholders Relationship Committee met 4 times viz. 24/05/2019, 14/08/2019 and 30/11/2019. The meetings were attended by all the members of the Committee. Details of number of Complaints received (inclusive of SCORES) from Members during the year ended March 31, 2020 is as under:

<b>Complaints received</b>	<b>Pending as on 31<sup>st</sup> March, 2020</b>
0	Nil

The Company has re-constituted the Stakeholder Relationship Committee with effect from 08<sup>th</sup> May, 2020. The composition of Stakeholder Relationship Committee was as follows:

Name of Member	Designation	Category of Directorship
Mr. Mukesh Kumar Tyagi*	Chairperson	Non Executive Independent Director
Mr. Ritesh Kumar*	Member	Non Executive Independent Director
Mr. Rajeev Gupta	Member	Executive Director

\*Mr. Mukesh Kumar Tyagi & Mr. Ritesh Kumar were appointed as an Independent Director w.e.f 08<sup>th</sup> May, 2020.

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

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has re-constituted a CSR Committee in their Board Meeting held on 08<sup>th</sup> May, 2020 with comprised Mr. Mukesh

Kumar Tyagi, Independent Director as its Chairman, Mr. Rajeev Gupta, Managing Director and Mr. Ritesh Kumar, Independent Director, as its Members. The broad terms of reference of the CSR Committee are as under:

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

During the period under review, the CSR Committee met 3 times viz. 24/05/2019, 14/08/2019, and 30/11/2019. The meetings were attended by all the members of the Committee.

## **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 2019-20 there were no materially significant related party transactions i.e. transactions material in nature, between the Company and its Promoters, Directors or Key Managerial Personnel or their relatives etc. having any potential conflict with interests of the Company at large or any transaction which was not on arm's length and / or in ordinary course of business. The Company places all the relevant details before the Audit Committee and the Board on Quarterly and Annual Basis.

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

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

Further the SEBI has imposed a penalty under non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 which states that there is delay to file the application for trading approval with the Stock Exchange and delay in filing of Annually/half yearly/Quarterly Compliances.

### **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 optimisation and risk mitigation.

## **CEO/ CFO Certification**

In terms of Regulation 17(8) of the Listing Regulations, the certification on the financial statements of the Company, as certified by the Chief Executive Officer/Managing Director and Chief Financial Officer of your Company is annexed as an Annexure-9 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 10 in this Annual Report.

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

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

## **Code of Conduct**

The Company has adopted a Code of Conduct for the Members of the Board and Senior Managerial Personnel. All the Directors and senior functionaries, as defined in the Code, provide their annual confirmation of compliance with the Code. Copy of the Code is also available on the Company's website and is accessible at [http://www.rciind.com/yahoo\\_site\\_admin/assets/docs/CodeOfConduct.pdf](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, 2020.

**Rajeev Gupta**  
**Managing Director**  
New Delhi, 31.08.2020

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## GENERAL BODY MEETINGS

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

<i>Financial Year Ended</i>	<i>Day, Date &amp; Time</i>	<i>Venue</i>	<i>Special Resolution Passed</i>
<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
<b>March 31, 2017</b>	Friday, September 29, 2017, 09:30 AM	B-97, All Heavens Building, Wazirpur Industrial Area, Delhi – 110052	To Issue up to 6,67,000 (Six Lakh Sixty Seven Thousand) Equity Shares to Mr. Rajeev Gupta, Promoter of the Company on Preferential basis

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. 'Jan Satta' (Delhi Edition).

**News Releases/Presentations:**

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

**Website:**

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

**Annual Report:**

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

**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: Wednesday, September 30, 2020

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 Omaxe, Netaji Subhash Place, Pitampura, New Delhi-110034

Time: 10:30 AM

Last date of receipt of proxy form: NA

Book Closure: Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive)

**B. Financial year: 2019-20**

**C. Financial Calendar:**

***For the Financial year 2019-20***

***Results were announced on:***

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<b>First quarter ended 30<sup>th</sup> June, 2019</b>	Wednesday, August 14, 2019
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<b>Second quarter and half year ended 30<sup>th</sup> September, 2019</b>	Saturday, November 30, 2019
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<b>Third quarter and nine months ended 31<sup>st</sup></b>	Thursday, March 05, 2020
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**December, 2019**

**Fourth quarter and year ended 31<sup>st</sup> March, 2020** Monday, August 31, 2020

**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 2737 2194/ 2197, Fax: +91 11 2737 1334, 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: [jyoti@rciind.com](mailto:jyoti@rciind.com)

**E. Plant Locations:**

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

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

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

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

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

The Equity Shares of the Company are at present listed at the BSE Limited and the Company has paid the annual listing fee for the Financial Year 2019-20 to the said Stock Exchange.

**Stock Code:** 537254

**ISIN at NSDL / CDSL:** INE140B01014

**G. Details of Allotment of Compulsorily Convertible Debentures:**

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

The CCDs shall be converted into equity shares on or before the completion of 18 months from the date of allotment of CCDs. 1 (one) CCD shall be converted into 4 (four) equity shares each. The equity shares to be issued on conversion shall rank pari passu in all respects with the existing equity shares of the company. The CCD has been converted into equity shares during the current year ended March 31, 2020.

**ISIN at NSDL/CDSL:** INE140B08019

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

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

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

**Bigshare Services Private Limited**

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

Tel: 011 2352 2373, Website: [www.bigshareonline.com](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 2019-20 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 2019-20 in electronic form to the members whose e-mail address have been made available to the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report for the Financial Year 2019-20 are sent in the permitted mode.

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

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

**L. E-Voting Facility**

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

**M. Share Transfer System**

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

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

for registration of such transfer of shares. The Company and its RTA is complying with the aforesaid provisions.

As per the requirement in Regulation 7(3) of the Listing Regulations, certificate on half yearly basis confirming due compliance of share transfer formalities duly signed by both the Compliance Officer and the 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 2020**

<b>Category of Shareholders</b>	<b>No. of Shares held</b>	<b>% to Paid Up Capital</b>
Promoter & Promoter Group	10704615	68.28
Financial Institutions / Banks	570	0.00
Resident Individuals & HUF	4150459	26.47
Non Resident Indians	93725	0.60
Bodies Corporates (including Clearing Members)	727046	4.65
<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, 2020 (Equity ISIN No. INE140B01014):**

<b>Shares held through</b>	<b>% of Holding</b>
NSDL	69,47,154
CDSL	64,86,460
Physical	2801
Total	1,34 36,415

Total Equity Share Capital of the company is 1,56,76,415 during the period under review. There is a difference of 22,40,000 Equity Shares, reason being, company had issued 22,40,000 Equity shares out of Conversion of 5, 60,000 Unsecured Zero Coupon Compulsory Convertible Debenture (CCD's) dated 02<sup>nd</sup> August, 2019 and the application for listing of Equity Shares was approved by the BSE Limited, but trading approval of such equity shares was pending due to some circumstances and spread of COVID-19. However company is in the process of getting approval from BSE Limited at the earliest.

As on March 31, 2020, 85.71% 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 except above mentioned Equity Shares, as trading approval is pending. 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 2019 to March 2020 are as under:

<i>Month</i>	<i>High (Rs.)</i>	<i>Low (Rs.)</i>
<b>April, 2019</b>	107.70	86.25
<b>May, 2019</b>	85	89.90
<b>June, 2019</b>	74.55	76.25
<b>July, 2019</b>	70.50	72.70
<b>August, 2019</b>	29.15	35.55
<b>September, 2019</b>	23.30	31.70
<b>October, 2019</b>	23.15	25
<b>November, 2019</b>	2490	25.85
<b>December, 2019</b>	20.05	20.05
<b>January, 2020</b>	13.55	15.85
<b>February, 2020</b>	11.50	11.72
<b>March, 2020</b>	5.66	5.70

### Report on Corporate Governance

The Company regularly submits to the Stock Exchange, within the prescribed period, quarterly reports on Corporate Governance electronically through the online portal of the BSE. A Certificate from the Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations is attached as an 'Annexure-10' to this Report.

## ANNEXURE-8

### 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

I have examined the relevant registers, records, forms, returns and disclosures 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, 2020 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	Anil Kumar Jain	06944997	20/01/2015
4	Raj Singh Jamwal	06698519	30/09/2013*

*Note:- During the period starting from 01st April, 2019 to 31st March, 2020, Mr. Raj Singh Jamwal (DIN: 06698519) who was appointed with effect from 30th September, 2013, has resigned with effect from 30th November, 2019.*

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:** 03rd September, 2020

**GAURAV SHAH**  
**Practising Company Secretary**  
**M. No.:** A46647; **C.P. No.** 21952  
**UDIN:** A046647B000658225

## ANNEXURE-9

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

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

A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended March 31, 2020 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, 2020 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

**I.P Saboo**  
Chief Financial Officer

Place: New Delhi

Date: 31.08.2020

**ANNEXURE-10**

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

To,  
The Members of RCI Industries & Technologies Limited

I have examined the compliance of conditions of corporate governance by RCI Industries & Technologies Limited (“the Company”) for the year ended March 31, 2020, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

I state that as on March 31, 2020, no investor grievance has been filed against the Company as per the records maintained by the Stakeholder Relationship Committee.

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

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

**Kiran**

**(Proprietor)**

Membership No.: 37306  
Certificate of Practice No. 14168  
UDINA037306B000636322

Place: Delhi  
Date: 31.08.2020



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMIC OVERVIEW

The global economy is expected to grow by approximately 4.9% in 2020, 1.9% below the April, 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

A slowdown had been anticipated early in the financial year, because of the US-China trade relations, concerns over Brexit and the consequent stress on the global manufacturing and trade. Country-specific shocks such as liquidity crisis in the Indian banking sector and flooding in eastern Africa pulled down the performance of emerging market economies. Climate-related disasters, ranging from hurricanes in the Caribbean to drought and bushfires in Australia also affected global business sentiments. The biggest calamity was the outbreak of coronavirus in the beginning of CY 2020, which grew from a local problem in China to a global pandemic in a matter of weeks in early CY 2020. Lockdowns in most of the affected countries saved lives but were a huge blow to economic activities and the impact will be felt for a long time to come. To counter the losses and prevent a complete economic breakdown, governments and central banks around the world have unleashed unprecedented amounts of fiscal and monetary support. Nonetheless, warning of a recessionary effect was issued by top analysts.

(Source:<https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>)

## INDIAN ECONOMIC OVERVIEW

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. The Indian GDP has grown to 4.2% in Financial Year 2019-20. India retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups as 1,300 new start-ups got incorporated in 2019 according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 (till August 2019), taking the total tally to 24. India's foreign exchange reserves reached Rs 37.31 lakh crore (US\$ 493.48 billion) in the week up to May 29, 2020 according to the data from RBI. RBI has cut rates twice and is likely to follow with another in the upcoming policy with the liquidity scenario improving. With the Government continuing to rollout policies focusing on rural population, there could be so mere life to the ongoing distress and signs of recovery should be visible in the second half of the financial year. Going forward, there continues to be optimism on India's growth prospects, primarily owing to the pro-incumbency wave which has given a thumping majority to the political leader at the helm.

The Indian economy registered a growth of 4.5% in Financial Year ('FY') 2019-20, much lower than the 4.2%% in FY 2018-19 (Source: IMF). The IMF on June 24 projected a sharp contraction of 4.5% for the Indian economy in 2020, a "historic low," citing the unprecedented coronavirus pandemic that has nearly stalled all economic activities, but said the country is expected to bounce back in 2021 with a robust 6% growth rate. The International Monetary Fund (IMF) projected the global growth at -4.9% in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. In 2019, Indian's growth rate was 4.2%.

Following the Covid-19 outbreak, India implemented one of the strictest nationwide lockdowns in the world early on, in order to keep the infection numbers under control. This has resulted in mass unemployment in the lower income segment and staff downsizing across sectors. The restriction on free movement of goods and people disrupted supply chains and nearly wiped out the demand for non-essential goods and services. The Government of India announced more relief package to help India's marginalised population tackle the challenges caused by the Covid-19 pandemic. The Reserve Bank of India ('RBI') provided a monetary stimulus by slashing the repo rate to 5.15%, a cut of 135 basis points in FY 2019-20, to boost demand and private consumption.

[https://www.thehindu.com/business/Economy/imf-projects-sharp-contraction-of-45-in-indian-economy-in-2020/article31907715.ece#:~:text=feasible%20for%20India%3F,The%20International%20Monetary%20Fund%20\(IMF\)%20projected%20the%20global%20growth%20at,Economic%20Outlook%20\(WEO\)%20forecast.&text=%E2%80%9CIndia's%20economy%20is%20projected%20to,April%2C%E2%80%9D%20the%20IMF%20said.](https://www.thehindu.com/business/Economy/imf-projects-sharp-contraction-of-45-in-indian-economy-in-2020/article31907715.ece#:~:text=feasible%20for%20India%3F,The%20International%20Monetary%20Fund%20(IMF)%20projected%20the%20global%20growth%20at,Economic%20Outlook%20(WEO)%20forecast.&text=%E2%80%9CIndia's%20economy%20is%20projected%20to,April%2C%E2%80%9D%20the%20IMF%20said.)

## **GLOBAL COPPER INDUSTRY OUTLOOK**

Global Copper Market to Reach 26.7 Million Metric Tons by the Year 2027.

Amid the COVID-19 crisis, the global market for Copper estimated at 23.8 Million Metric Tons in the year 2020, is projected to reach a revised size of 26.7 Million Metric Tons by 2027, growing at a CAGR of 1.7% over the analysis period 2020-2027. Electrical & Electronics, one of the segments analyzed in the report, is projected to record a 2.2% CAGR and reach 11.3 Million Metric Tons by the end of the analysis period. After an early analysis of the business implications of the pandemic and its induced economic crisis, growth in the Building & Construction segment is readjusted to a revised 1.2% CAGR for the next 7-year period.

The U.S. Market is Estimated at 6.4 Million Metric Tons, While China is Forecast to Grow at 3.5% CAGR. The Copper market in the U.S. is estimated at 6.4 Million Metric Tons in the year 2020. China, the world's second largest economy, is forecast to reach a projected market size of 5.2 Million Metric Tons by the year 2027 trailing a CAGR of 3.5% over the analysis period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 0.1% and 1.3% respectively over the 2020-2027 period. Within Europe, Germany is forecast to grow at approximately 0.6% CAGR. Transportation Segment to Record 1.8% CAGR

In the global Transportation segment, USA, Canada, Japan, China and Europe will drive the 1.4% CAGR estimated for this segment. These regional markets accounting for a combined market size of 2.1 Million Metric Tons in the year 2020 will reach a projected size of 2.4 Million Metric Tons by the close of the analysis period. China will remain among the fastest growing in this cluster of regional markets. Led by countries such as Australia, India, and South Korea, the market in Asia-Pacific is forecast to reach 3.5 Million Metric Tons by the year 2027, while Latin America will expand at a 2.4% CAGR through the analysis period. We bring years of research experience to this 16th edition of our report. The 267-page report presents concise insights into how the pandemic has impacted production and the buy side for 2020 and 2021. A short-term phased recovery by key geography is also addressed.(Source: [https://www.reportlinker.com/p0459175/Global-Copper-Industry.html?utm\\_source=GNW](https://www.reportlinker.com/p0459175/Global-Copper-Industry.html?utm_source=GNW))

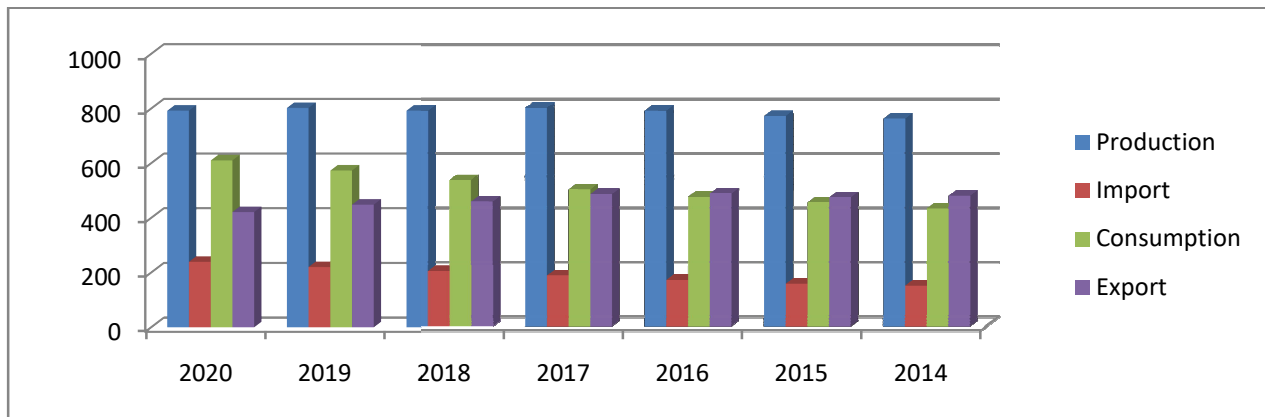
## **INDIAN COPPER INDUSTRY OUTLOOK**

Capacity expansion plans were announced in 2019 and are expected to be commissioned in 2022 and 2024 time period. Market highlights of 2019, demand, growth rates and capacity expansions for steel, aluminium, and copper have been analyzed. Various market trends and their driving factors in 2020 has been presented. The Go-To market strategy and technology trends expected to define the Indian metal/copper industry in 2020 are elaborated in this research service.

Indian metal market growth in 2019 witnessed global, macroeconomic and industrial factors, such as trade wars, an increase in industry consolidation, plant closures, and restricted imports. The industry's main objective remained cost optimization, raw material sustainability, and process efficiency. The Indian Government's flagship programs - Make in India, National Capital Goods Policy, Development of 100 Smart Cities, Power For All - are all set to improve metal consumption within the next five years. To achieve targeted domestic steel capacity of 300 MTPA by 2030, India needs to invest \$156.08 billion during the 2030-2031 time period. Industry consolidation is anticipated to support this objective.

Almost 97% of the Copper Concentrate is imported by Indian smelters. No copper reserve in India

### Copper Industry Snapshot-India



- Indian Smelters are running at ~74% of their capacities which is at same level as of world capacity utilization.
- Over 50% of the total refined copper production is being exported.
- Most of the imports are in semis due to capacity constraints.
- Indian smelters are expanding to take advantage from strong growth expected.

### GLOBAL ALUMINIUM INDUSTRY OUTLOOK

The economic downturn in many regions of the world, particularly in China, combined with trade issues raised by the US, resulted in significant slow-down in aluminium demand in 2019. Contrary to our expectations at the beginning of the year, the demand growth was barely 0.5% in 2019, owing to weak demand from the automobile, building & construction sectors around the globe.

The global alumina market in 2019 witnessed surplus supply, which in addition to the lower demand from smelters, adversely impacted the price movement in the spot markets. In the short-term, alumina prices will continue to be under pressure due to excess supply and weaker demand across the aluminium value chain. The automotive and aerospace sectors will increasingly support aluminium demand in key markets, as an environmentally preferable alternative to steel.

## **INDIAN ALUMINIUM INDUSTRY OUTLOOK**

Indian's GDP forecast failing to 2% (from 6%) will impact aluminum demand in the construction, transport, and electrical sectors. Aluminium demand will decelerate by 40-50% unless enough stimulus is given-an SOS call of the aluminium industry. India's own aluminium consumption will recover slowly post FY22, to reach ~6-7 mn tonnes by 2025. The aluminium industry has a high multiplier for job creation. Every job in primary production creates two more in the downstream and upstream industries. The industry provides livelihood to over 8 lakh people and every 1 mn tonne additions creates as additional 2 lakh livelihood opportunities. Aluminium is the most apt industry for creating livelihoods to achieve the coveted V-shaped recovery from ~2% to ~ 7% by next year.

The spread of COVID-19 across all over the world, has pushed the world towards negative growth. IMF projects the global economy to contract by 3%. This will adversely impact the entire aluminium/metal industry, especially the world's second most important metal, aluminium.

<https://www.financialexpress.com/opinion/covid-19-pandemic-reviving-the-aluminium-industry-to-challengechina/1944848/#:~:text=India's%20GDP%20forecast%20falling%20to,call%20of%20the%20aluminium%20industry.>

## **ABOUT RCI Industries & Technologies**

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

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

## **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. 47,409.73 lakhs in FY2020.

The consolidated performance of the Company for the financial year ended March 31, 2020, is as follows:

Total revenue from operations at Rs. 45,683.10/-lakhs for the year ended March 31, 2020, as against Rs. 1,99,780.49/- Lakhs for the corresponding previous period, an increase of 127%, mainly on account of increase revenues from operational efficiencies and increased volumes.

The Profit/(loss) after tax were Rs. 16635.05/- lakhs for the year ended March 31, 2020, as against profit after tax Rs. 3666.57/- crore for the corresponding previous period.

The EPS (Earning Per Share) for the financial year ended March 31, 2020 was Rs. (106.12) for a face value of Rs 10 per share, as against Rs. 27.29 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**

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

Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. A moderate recovery is expected for 2017, with receding obstacles to activity in commodity - exporting emerging markets and developing economies. However, fiscal stimulus in key major economies—in particular, the United States—could lead to stronger-than-expected activity in the near term and thus represent a substantial upside in the overall global recovery. The higher transit time owing to geographical position and adverse movement of foreign exchange rate of the Rupee are major concerns for the growth of the industry as a whole.

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

The fluctuation of Rupee against US Dollar, a trend noted during the first quarter of the calendar year may affect the company's profitability in both short and long term. United States, European Union, China along with Japan (the four largest economies in the world) will largely determine the direction of the global economy through the rest of this year and into 2020.

## **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, 2020, the Company had a workforce of 251 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.

In a conscious shift from trading to manufacturing, the Company acquired M/s Devi Metal Technologies – a manufacturing unit for flat rolled products (Strips/Foils/Coils) located in Baddi, Himachal Pradesh. The Company plans to foray into value added segments of defence and the mint in an endeavor to enhance profitability.

At a sectoral level, there exists tremendous growth potential for copper in India. This will come from sectors like power, telecom, automobile, railway, defence etc. Reports indicate that the domestic copper usage will double in India by next decade driven by Government initiatives and increased consumption.

Barring unforeseen circumstances the company is confident of achieving better results in the current year.

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: 31.08.2020

**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, 2020**

**Part "A": Subsidiaries**

<b>Name of Subsidiary</b>	<b>RCI Skills and Social Development Private Limited (Note 1)</b>	<b>RCI World Trade Link DMCC</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	Jan'19 to Dec' 19
Reporting currency and Exchange rate as on March 31, 2018, in case of Foreign Subsidiaries	NA	United Arab Emirates Dirham (AED) 1AED = 20.52 INR
Share capital	NA	44,375,000
Reserves & surplus	NA	68,05,29,797
Total assets	NA	77,51,18,556
Total Liabilities	NA	5,02,13,759
Investments	NA	-
Turnover	NA	67,98,44,082
Profit before taxation	NA	(23,86,54,430)
Provision for taxation	NA	0
Profit after taxation	NA	(23,86,54,430)
Proposed Dividend	NA	NIL
% of shareholding	NA	100%

**Notes:**

1. Investment in RCI Skills and Social Development Private Limited has been sold during the year ended March 31, 2020
2. Names of subsidiaries which are yet to commence operations - NA
2. 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		
• No.	30110	316380
• Amount of Investment in Associates	6,016,304	3,994,528
• Extend of Holding %	22%	34.27%



Description of how there is significant influence	Due to the percentage of Share Capital	
Reason why the associate is not consolidated	Investment in shares of associates was made as stock in trade and the intention of such investment was to dispose of the same in near future. Accordingly Applicable Indian Accounting Standards exempts the consolidation of such associates.	
Net worth attributable to Shareholding as per latest audited Balance Sheet	3,32,54,875	20,39,78,083
Profit / Loss for the year		
i. Considered in Consolidation	NA	NA
ii. Not Considered in Consolidation	NA	NA

**Notes:**

*\*Financials as on March 31, 2020 of Associate Companies have not been finalised yet, hence figures of March 31, 2019 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

Delhi

**Sd/-**

**Rajeev Gupta**

Managing Director

DIN: 00503196

**Sd/-**

**Mamta Gupta**

Director

DIN: 00503302

**Sd/-**

**I.P. Saboo**

Chief Financial Officer

**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, 2020, 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, 2020, 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 current year. Due to this, we have not been provided with any document confirming balances, as at March 31, 2020, 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 document 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, 2020 is Rs. 47.51 crores, Rs. 3.51 Lacs and Rs. 73.64 Lacs respectively.*
- b) *The Company has not recognized interest expenses in its financial statement on some of its outstanding borrowings. The total amount of such interest expenses is Rs. 10.46 crores approx. (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 other comprehensive loss for current year ended March 31, 2020 is lower by Rs. 10.46 crores.*
- c) *As mentioned in Note no 28 of the financial results, Company has recognized melting losses amounting to Rs. 24.41 crores in the current year (recognized in the second quarter ended September 30, 2019). 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 current year, Company has identified the actual melting loss pertaining to previous year and the same has been recognized as a prior period expense. As per Para 41 to 49 of Ind AS 8 "Accounting Policies,*

*Changes in Accounting Estimates and Errors”, prior period errors needs to be recognized in the financial statements of prior years by restating the accounts. However, Company has not restated previous year financial statements and all the losses have been recognized in the current year. Accordingly, loss after tax and other comprehensive loss for current year ended March 31, 2020 is higher by Rs. 16.36 crores.*

- d) *As per Section 135 of the Companies Act 2013, Companies are required to spend a specified amount of its profit towards Corporate Social Responsibility (CSR). If the Companies are not able to spend such amount than the amount needs to be transferred to a specific fund/Bank Account created for this purposes. In relation to financial year 2019-20 Company was required to spend a total of Rs. 39.83 lacs towards CSR. However the amount was neither spent by the Company nor transferred to a specified find/bank account. Accordingly, loss after tax and other comprehensive loss for current year ended March 31, 2020 is lower by Rs. 39.83 Lacs.*

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.

### **Emphasis of Matter**

1. As mentioned in Note no 39 of the financial Statements, Company has incurred heavy losses amounting to Rs. 142.40 crores during the year ended March 31, 2020 (Rs. 54.92 crores for quarter ended March 31, 2020). Further, the Company borrowings are being declared as Non performing asset (NPA) by the lenders due to non-payment of interest and borrowed amount on due dates. (Refer note 35 of financial statements for details of NPA). Due to these factors there is significant erosion in net worth of the Company. However, the current financial statements are being prepared on going concern basis as the net worth of the company as at March 31, 2020 is positive.
2. The Company inventory balance as at March 31, 2020, is Rs. 49.40 crores. The outbreak of COVID 19 pandemic in India led the Government of India impose a nationwide lockdown starting March 25, 2020. Due to closures of non essential offices and manufacturing units along with a severe restriction in movement of people, the physical verification of inventory balances was not carried out by us for March 31, 2020. The management was able to perform year end physical verification of inventories subsequent to the year-end only after the local movement restrictions were lifted by the State Government. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance issued by the Institute of Chartered Accountants of India.

Our opinion is not modified in respect of these matters

### **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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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**

**Place: Delhi  
Date: August 31, 2020.**

**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.

As explained to us, the management was able to perform year end physical verification of inventories subsequent to the year-end only after the local movement restrictions due to COVID 19 were lifted by the State Government. Due to closures of non essential offices and manufacturing units along with a severe restriction in movement of people, the physical verification of inventory balances was not carried out by us for March 31, 2020. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance issued by the Institute of Chartered Accountants of India.

- (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) The 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, 2020 for a period of more than six months from the date they became payable are as follows:

Statute	Nature of Dues	Period to which amount relates	Amount unpaid
Income Tax Act, 1961	Tax Liability	FY 2017-18 & 2018-19	Rs. 17,19,59,897

(c) Details of dues of Income-tax, Sales-tax, Excise Duty, GST and Service Tax which have not been deposited as on March 31, 2020, on account of disputes with the related authorities.

Statute	Nature of Dues	Forum where pending	Period to which amount relates	Amount unpaid
Value Added Tax Act	Assessment for VAT and CST	Hon'ble High Court of Himachal Pradesh	FY 2009-10 to 2012-13	Rs. 45,37,61,967
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:

<b>Lender Name</b>	<b>Type of facility</b>	<b>Loan Amount</b>	<b>Interest Charged by the bank in statement but not booked by the Company</b>	<b>Interest Provision on outstanding Amount</b>	<b>Total</b>
Indian Bank	Cash Credit	19,35,95,136	19,46,128	20,40,141	19,75,81,405
J&K Bank	Cash Credit	10,67,21,389	50,73,459	-	11,17,94,848
Punjab National Bank	Cash Credit	25,90,41,412	-	1,20,21,324	27,10,62,736
State Bank of India	Cash Credit	22,70,78,214	-	1,65,95,194	24,36,73,408
South Indian Bank	Cash Credit	14,55,86,125	76,20,427	-	15,32,06,552
Karur Vysya Bank	Cash Credit	13,12,18,579	-	14,08,165	13,26,26,744
Union Bank of India	Cash Credit	37,13,06,297	-	1,65,37,777	38,78,44,074
CLIX Finance India Pvt Ltd	Equipment Financing	3,45,37,755	-	15,23,861	3,60,61,616
Hero Fincorp Limited	Equipment Financing	2,94,57,770	-	12,82,504	3,07,40,274
UGRO CAPITAL LTD.	Bill Discounting	20,32,42,064	-	24,76,377	20,57,18,441
Can Bank Factors Limited	Bill Discounting	3,97,32,433	-	24,50,797	4,21,83,230
Lakshmi Vilas Bank Limited	Bill Discounting	1,99,92,205	-	12,43,636	2,12,35,841
Punjab National Bank	Bill Discounting	2,87,39,078	-	15,13,800	3,02,52,878
SBI Global Factors Limited	Bill Discounting	2,98,30,951	-	15,80,791	3,14,11,742
South Indian Bank Limited	Bill Discounting	12,99,00,771	-	68,40,188	13,67,40,958
Corporation Bank	Bill Discounting	7,83,85,060	1,11,39,691	-	8,95,24,751
Union Bank of India	Bill Discounting	13,89,37,250	14,203	74,79,563	14,64,31,016
Union Bank of India	BG Invocation	6,89,37,456	-	38,40,749	7,27,78,205

		2,23,62,39,945	2,57,93,908	7,88,34,868	2,34,08,68,720
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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 – In addition to the details specified above. In the current financial year (Upto the date of this financial result) 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 made preferential allotment / private placement of shares during the year. The shares have been issued by converting compulsory convertible expenditure. Consequently, no amount has been raised during the year from such issue and Company has complied with the requirements of section 42 of the Companies Act, 2013.
- (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**

**Place: Delhi**  
**Date: August 31, 2020.**

**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, 2020, 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, 2020, 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**

**Place: Delhi**  
**Date: August 31, 2020**

**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**STANDALONE BALANCE SHEET AS AT 31 MARCH 2020**

Particular	Note	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	85,13,88,476	92,16,72,527
Capital work-in-progress	2	9,46,77,287	10,33,95,739
Intangible Assets	3	17,06,608	31,07,171
<b>Financial Assets</b>			
Investments	4	16,52,38,395	4,67,22,000
Loans	5	1,46,95,964	1,34,33,404
Other non-current assets	6	11,01,67,107	11,59,72,609
<b>Total Non - Current Assets</b>		<b>1,23,78,73,836</b>	<b>1,20,43,03,449</b>
<b>Current assets</b>			
Inventories	7	49,40,87,973	1,18,39,86,642
<b>Financial Assets</b>			
Investments	4	-	2,61,90,839
Trade receivables	8	1,68,70,66,073	2,10,32,91,380
Cash and cash equivalents	9	1,37,84,840	1,32,23,201
Other Bank Balances	10	73,92,278	11,32,55,212
Loans	5	1,74,77,197	2,36,14,670
Other financial assets	11	92,47,572	1,49,04,154
Other current assets	6	22,40,97,951	39,39,96,388
<b>Total Current Assets</b>		<b>2,45,31,53,885</b>	<b>3,87,24,62,486</b>
Assets held for Sale		-	-
<b>Total Assets</b>		<b>3,69,10,27,721</b>	<b>5,07,67,65,935</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	15,67,64,150	13,43,64,150
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	13	-	50,40,00,000
<b>Other equity</b>			
Reserves and surplus	13	(91,46,85,209)	50,93,37,184
Other reserves	13	1,16,58,41,395	68,42,41,395
<b>Total equity</b>		<b>40,79,20,336</b>	<b>1,83,19,42,729</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	6,95,20,610	37,08,05,665
Provisions	18	96,15,669	86,66,957
Deferred tax liabilities (net)	29	77,40,936	1,52,15,460
<b>Total Non - Current Liabilities</b>		<b>8,68,77,214</b>	<b>39,46,88,082</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	2,31,12,39,945	1,10,94,27,282
Trade payables	15	62,95,14,995	1,47,00,27,778
Other financial liabilities	16	3,37,32,605	5,08,28,568
Other current liabilities	17	5,59,40,175	5,38,56,909
Provisions	18	1,48,187	2,92,555
Current Tax Liabilities (net)		16,56,54,265	16,57,02,032
<b>Total Current Liabilities</b>		<b>3,19,62,30,171</b>	<b>2,85,01,35,125</b>
<b>Total Equity and Liabilities</b>		<b>3,69,10,27,721</b>	<b>5,07,67,65,935</b>
		(0)	0

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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

**100**  
(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LTD****Standalone Statement of Profit & Loss for the year ended March 31, 2020**

Particular	Note	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from operations	19	3,88,82,65,337	16,36,93,87,076
Other Income	20	17,07,52,666	5,41,96,922
<b>Total Income [A]</b>		<b>4,05,90,18,003</b>	<b>16,42,35,83,998</b>
<b>Expenses</b>			
Cost of Material Consumed	21	3,43,54,45,889	9,72,64,62,256
Purchase of stock-in-trade		46,89,92,986	5,79,19,07,666
Change in Inventories of Finished Goods/ Stock in Trade/ Work in Progress	22	50,47,23,697	(7,71,13,997)
Employee benefit expenses	23	9,83,86,339	12,53,56,915
Finance Costs	24	15,87,04,940	24,00,36,339
Depreciation and amortisation expense	25	13,23,08,623	11,18,83,857
Other expenses	26	32,12,55,826	23,98,88,951
<b>Total Expenses [B]</b>		<b>5,11,98,18,300</b>	<b>16,15,84,21,988</b>
<b>Profit / (loss) before tax, exceptional items and prior period items</b>		<b>(1,06,08,00,297)</b>	<b>26,51,62,010</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>(1,43,22,41,556)</b>	<b>26,51,62,010</b>
<b>Tax Expense:</b>			
Current tax	29	-	8,78,43,647
Deferred tax	29	(74,74,524)	20,11,339
<b>Profit / (loss) after tax</b>		<b>(1,42,47,67,032)</b>	<b>17,53,07,024</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		7,44,639	4,82,100
<b>Total other comprehensive income</b>		<b>7,44,639</b>	<b>4,82,100</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>(1,42,40,22,393)</b>	<b>17,57,89,124</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic	31	(90.89)	13.05
Diluted		(90.89)	11.18

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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135



**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
**Standalone Cash Flow Statement for the year ended 31st March, 2020**

Particulars	For The Year Ended March 31,2020	For The Year Ended March 31,2019
<b>A. Cash flow from Operating activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(1,43,22,41,556)</b>	<b>26,51,62,010</b>
<i>Adjustments for:</i>		
Depreciation	13,23,08,623	11,18,83,857
Finance Cost	15,87,04,940	24,00,36,339
Dividend income	-	(1,65,87,354)
Interest income	(3,65,26,107)	(1,03,18,342)
(Gain)/ Loss due to change in fair value of Investment	(10,77,46,092)	(17,22,354)
Actuarial Gain / (loss) on defined benefit plan	7,44,639	4,82,100
<b>Operating profit before working capital changes</b>	<b>(1,28,47,55,554)</b>	<b>58,89,36,256</b>
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	67,90,28,366	(18,12,23,808)
(Increase)/Decrease in Trade Receivables	41,62,25,308	(12,91,22,044)
(Increase)/Decrease in Loans	48,74,913	2,53,28,098
(Increase)/Decrease in Other Financial asset	540	(25,66,372)
(Increase)/Decrease in Other asset	17,57,03,939	(10,34,23,373)
Increase/(Decrease) in Trade Payables	24,28,83,997	22,49,53,846
Increase/(Decrease) in Other Financial Liabilities	(1,70,95,963)	50,86,829
Increase/(Decrease) in Other current Liabilities	20,83,266	1,08,62,517
Increase/(Decrease) in Provisions	8,04,344	25,54,640
<i>Cash generated from operations</i>	<b>21,97,53,155</b>	<b>44,13,86,589</b>
Income tax Refund/ (paid) during the year	(47,767)	(62,57,865)
<b>Net cash from operating activities (A)</b>	<b>21,97,05,388</b>	<b>43,51,28,725</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed assets	(5,19,05,557)	(48,80,87,416)
(Purchase)/Sale Of Current Investment	2,62,90,838	(2,00,00,000)
(Increase)/Decrease in investment in fixed deposit	10,58,62,933	3,10,85,840
Interest received	4,21,82,150	52,77,256
Dividend Received	-	1,65,87,354
<b>Net cash from investing activities (B)</b>	<b>12,24,30,364</b>	<b>(45,51,36,966)</b>
<b>C. Cash flow from Financing activities</b>		
Increase / (Decrease) in borrowings	(18,28,69,173)	27,34,75,932
Finance cost paid	(15,87,04,940)	(24,00,36,339)
Dividend Paid including corporate dividend tax	-	(1,33,32,550)
<b>Net cash from financing activities (C)</b>	<b>(34,15,74,113)</b>	<b>2,01,07,044</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>5,61,639</b>	<b>98,802</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,32,23,201</b>	<b>1,31,24,398</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,37,84,840</b>	<b>1,32,23,201</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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo) (Jyoti Sharma)  
Chief Financial Officer Company Secretary  
M No. A55135

RCI INDUSTRIES & TECHNOLOGIES LTD

CIN : L74900DL1992PLC047055

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**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 Mar 31, 2018</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>34,65,29,021</b>	<b>3,51,588</b>	<b>1,66,94,86,154</b>
<b>Changes in equity for the year ended Mar 31, 2019</b>							
Add: profit for the year					17,53,07,024		17,53,07,024
Remeasurement of the net defined benefit liability						4,82,100	4,82,100
Less: Dividend Paid					(1,33,32,550)		(1,33,32,550)
							-
<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>50,85,03,496</b>	<b>8,33,688</b>	<b>1,83,19,42,729</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)
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 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>(91,62,63,536)</b>	<b>15,78,327</b>	<b>40,79,20,336</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

(Mamta Gupta)  
Director  
DIN-00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**CIN : L74900DL1992PLC047055**

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

**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 recognized 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 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.

#### P. New Standard adopted by the Company

Company has adopted Ind AS 116 with initial date of application as April 01, 2019. The transition from erstwhile Ind AS 17 to new Ind AS 116 has been carried using modified retrospective approach. There is no impact on retained earnings as at April 01, 2019, due to adoption of Ind AS 116.

#### Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under Ind AS 17. Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. On transition to Ind AS 116, the Company has carried out the lease assessment for all the existing contracts at the date of initial application.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right of use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

There is no impact on profit and loss due to adoption of IND AS 116.

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**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, 2018</b>	12,00,62,059	1,86,545	4,05,000	6,59,05,260	39,96,59,774	3,90,96,355	43,01,856	2,29,55,522	76,78,169	32,44,694	9,18,48,659	75,53,43,892
Additions	4,70,96,330			19,63,63,355	23,05,67,215	1,13,399	1,11,125	1,50,80,666	7,97,929	6,58,878	50,23,48,177	99,31,37,074
Deletions											49,08,01,097	49,08,01,097
<b>Gross carrying value as of March 31, 2019</b>	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
<b>Accumulated depreciation as of April 1, 2018</b>	-	1,49,530	2,24,756	2,16,75,378	6,42,58,567	2,31,98,149	6,55,040	61,62,512	47,99,065	21,45,027	-	12,32,68,025
For the period		7,598	24,749	1,35,82,982	7,92,61,440	50,91,465	8,27,395	81,24,105	15,67,342	8,56,502		10,93,43,578
Deduction / Adjustments during the year												-
<b>Accumulated depreciation as of March 31, 2019</b>	-	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
<b>Gross carrying value as of April 1 2019</b>	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
<b>Gross Carrying value as on 31st March 2020</b>	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
<b>Accumulated depreciation as of April 1, 2019</b>	-	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
<b>Depreciation</b>		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
<b>Accumulated depreciation as of 31st March, 2020</b>	-	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
<b>Net Block as on 31st March 2020</b>	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
<b>Net Block as on 31st March 2019</b>	16,71,58,389	29,417	1,55,495	22,70,10,254	48,67,06,982	1,09,20,140	29,30,546	2,37,49,570	21,09,691	9,02,042	10,33,95,739	1,02,50,68,265

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**Note:3 - INTANGIBLE ASSETS**

Particulars	Software	Total
<b>Gross carrying value as of April 1, 2018</b>	-	-
Additions	56,47,450	56,47,450
Deletions	-	-
<b>Gross carrying value as of March 31, 2019</b>	<b>56,47,450</b>	<b>56,47,450</b>
<b>Accumulated depreciation as of April 1, 2018</b>	-	-
For the period	25,40,279	25,40,279
Deduction / Adjustments during the period	-	-
<b>Accumulated depreciation as of March 31, 2019</b>	<b>25,40,279</b>	<b>25,40,279</b>
<b>Gross carrying value as of April 1, 2019</b>	<b>56,47,450</b>	<b>56,47,450</b>
Additions	-	-
Deletion	-	-
<b>Gross carrying value as of March 31, 2020</b>	<b>56,47,450</b>	<b>56,47,450</b>
<b>Accumulated depreciation as of April 1, 2019</b>	<b>25,40,279</b>	<b>25,40,279</b>
<b>Depreciation</b>	<b>14,00,563</b>	<b>14,00,563</b>
Deletions	-	-
<b>Accumulated depreciation as of March 31, 2020</b>	<b>39,40,842</b>	<b>39,40,842</b>
<b>Net Block as on 31st March 2020</b>	<b>17,06,608</b>	<b>17,06,608</b>
<b>Net Block as on 31st March 2019</b>	<b>31,07,171</b>	<b>31,07,171</b>



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**Note:4 INVESTMENTS**

Particulars	31.03.2020	31.03.2019
<b>Non-current investments</b>		
<b>Unquoted Investments</b>		
<b>Investment in Wholly Owned Subsidiaries at cost</b>		
Investment in Equity share of RCI Skills & Development Pvt Ltd (10,000/- equity share of Rs 10 each, fully paid)	-	1,00,000
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	-
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	-
Investment in Equity share of MetalRod Private Limited (3,16,380/- equity share of Rs 10 each, fully paid)	6,39,08,760	-
	<b>16,52,38,395</b>	<b>4,67,22,000</b>
<b>Current investments</b>		
<b>Other Investments at FVTPL</b>		
<b>Investments in mutual funds</b>		
50,000 unit of CP7G-Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	-	5,73,945
3,99,990 unit of PFG-Union Balanced Advantage Fund Regular Plan - Growth	-	42,27,894
20,00,000 unit of CBG-Union Corporate Bond Fund Regular Plan - Growth	-	2,13,89,000
	-	<b>2,61,90,839</b>
<b>Total investments</b>	<b>16,52,38,395</b>	<b>7,29,12,839</b>

Aggregated amount of Quoted investments and value thereof - 2,61,90,839  
Aggregated amount of Unquoted investments 16,52,38,395 4,67,22,000

**Note:5 LOANS**

Particulars	31.03.2020	31.03.2019
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	1,46,95,964	1,24,69,244
Loans to related parties	-	9,64,160
	<b>1,46,95,964</b>	<b>1,34,33,404</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	45,53,749	12,98,400
Other loans and advances	1,29,23,448	2,23,16,270
	<b>1,74,77,197</b>	<b>2,36,14,670</b>
<b>Total Loans</b>	<b>3,21,73,161</b>	<b>3,70,48,074</b>

**Note:6 OTHERASSETS**

Particulars	31.03.2020		31.03.2019	
<b>Non-current</b>				
Capital Advances	16,32,22,107		11,59,72,609	
Less: Expected credit loss allowance on doubtful advances	(5,30,55,000)		-	
	<b>11,01,67,107</b>		<b>11,59,72,609</b>	
<b>Current</b>				
Advance to vendors for supply of goods/services	3,17,08,778		1,87,44,168	
Balances with Govt. Authorities	19,02,80,226		36,40,83,629	
Prepaid Expenses				
	<b>22,40,97,951</b>		<b>39,39,96,388</b>	
<b>Total Other Assets</b>	<b>33,42,65,057</b>		<b>50,99,68,997</b>	

**Note:7 INVENTORIES**

Particulars	31.03.2020		31.03.2019	
Raw Materials	7,87,46,324		26,39,21,296	
Work in Progress	27,64,19,028		65,87,08,017	
Finished Goods	4,82,83,133		15,81,60,692	
Stores & Spares	3,76,26,267		4,22,32,171	
Stock in trade				
	<b>49,40,87,973</b>		<b>1,18,39,86,642</b>	

The inventories are valued at lower of Cost or Net Realizable Value  
 The Stores and spares having use full life greater than one year is classified under property plant & equipment as per IND AS-16

**Note:8 TRADERECEIVABLES**

Particulars	31.03.2020		31.03.2019	
Unsecured trade receivables	1,80,57,51,860		2,10,32,91,380	
<b>Total gross value</b>	<b>1,80,57,51,860</b>		<b>2,10,32,91,380</b>	
Less: Expected credit losses allowance	11,86,85,787		-	
<b>Total carrying value</b>	<b>1,68,70,66,073</b>		<b>2,10,32,91,380</b>	

(i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Ageing of trade receivables		
Due for more than six months	1,06,81,72,087	16,65,51,778
Other	61,88,93,986	1,93,67,39,602
<b>Total</b>	<b>1,68,70,66,073</b>	<b>2,10,32,91,380</b>

**Note:9 CASH AND CASHEQUIVALENTS**

Particulars		
	31.03.2020	31.03.2019
Balances with banks		
In current accounts	32,78,678	28,46,954
Cash on hand		
	<b>1,37,84,840</b>	<b>1,32,23,201</b>

**Note:10 OTHER BANKBALANCES**

Particulars		
	31.03.2020	31.03.2019
Unpaid Dividend accounts	27,458	18,292
Balances with banks held as margin money deposits		
	<b>73,92,278</b>	<b>11,32,55,212</b>
Balances with banks held as margin money deposits against guarantees	73,64,821	11,32,36,920

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.

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 FINANCIALASSETS**

Particulars		
	31.03.2020	31.03.2019
<b>Current</b>		
Interest accrued on deposit	-	56,56,043
Insurance Claims	92,47,572	92,48,112
<b>Total</b>	<b>92,47,572</b>	<b>1,49,04,154</b>
Financial assets carried at amortized cost	92,47,572	1,49,04,154
Financial assets carried at fair value through Profit or Loss	-	-

**Note - 12 EQUITY SHARE CAPITAL**

Particulars		
	31.03.2020	31.03.2019
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: 1,34,36,415) equity shares fully paid-up	15,67,64,150	13,43,64,150
	<b>15,67,64,150</b>	<b>13,43,64,150</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	31.03.2020	31.03.2019
	Number and Shareholding %	Number and Shareholding %
Rajeev Gupta	62,96,880 (40.17%)	47,64,720 (35.46%)
Ace Matrix Solutions Ltd.	17,51,900 (11.18%)	17,51,900 (13.04%)
Metalrod Pvt Ltd.	812,500 (5.18%)	812,500 (6.05%)
Mamta Gupta	11,64,930 (7.43%)	5,69,090 (4.24%)

**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, 2018</b>	<b>50,40,00,000</b>	<b>68,42,41,395</b>	<b>34,65,29,021</b>	<b>3,51,588</b>	<b>1,53,51,22,004</b>
<b>Changes in equity for the year ended Mar 31, 2019</b>					
Add: Profit for the year			17,53,07,024		17,53,07,024
Add: Remeasurement of the net defined benefit liability				4,82,100	4,82,100
Less: Dividend Paid			(1,33,32,550)		(1,33,32,550)
					-
<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>

**Note:14 BORROWINGS**

Particulars	31.03.2020		31.03.2019	
<b>Non-current</b>				
Unsecured at amortized cost				
-From Related Parties				
		<b>6,95,20,610</b>		<b>37,08,05,665</b>
<b>Current</b>				
Secured at amortized cost				
-From Banks		1,96,90,02,356		1,10,94,27,282
-From Financials Institution		26,72,37,589		-
Unsecured at amortized cost				
-Others				
		<b>2,31,12,39,945</b>		<b>1,10,94,27,282</b>
<b>Total Borrowings</b>		<b>2,38,07,60,554</b>		<b>1,48,02,32,947</b>
Financial liability carried at amortized cost		2,38,07,60,554		1,48,02,32,947

Secured loan comprises cash credit balances and non fund limits secured by a pari-passu charge on current assets and moveable fixed assets of the Company. These are further secured by the Collateral Security given by the company.

The Company secured borrowings were declared as Non performing asset during the year. Refer Note No.- 35 of financial statement for details.

**Note:15 TRADEPAYABLES**

Particulars	31.03.2020		31.03.2019	
Trade Payables		62,95,14,995		38,66,30,997
Acceptances		-		1,08,33,96,781
<b>Total Trade Payables</b>		<b>62,95,14,995</b>		<b>1,47,00,27,778</b>
Financial liability carried at amortized cost		62,95,14,995		1,47,00,27,778
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	31.03.2020		31.03.2019	
<b>Current</b>				
Creditors for capital Goods		1,47,46,523		3,76,30,933
Expenses Payable		1,89,77,919		1,31,89,473
Other liabilities		8,162		8,162
<b>Total</b>		<b>3,37,32,605</b>		<b>5,08,28,568</b>
Financial liability carried at amortized cost		3,37,32,605		5,08,28,568
Financial liability carried at fair value through profit or loss		-		-

**Note:17 OTHERLIABILITIES**

Particulars		
	31.03.2020	31.03.2019
<b>Current</b>		
Statutory Dues	69,46,234	59,94,330
Advance from customer	4,89,93,941	4,78,62,579
<b>Total other liabilities</b>	<b>5,59,40,175</b>	<b>5,38,56,909</b>

**Note:18 PROVISIONS**

Particulars		
	31.03.2020	31.03.2019
<b>Non-current</b>		
Provision for Employees Benefits		
-Gratuity	71,70,188	64,61,080
-Leave Encashment	24,45,481	22,05,877
	<b>96,15,669</b>	<b>86,66,957</b>
<b>Current</b>		
Provision for Employees Benefits		
-Gratuity	84,675	1,87,795
-Leave Encashment	63,512	1,04,760
	<b>1,48,187</b>	<b>2,92,555</b>
<b>Total Provision for Employee Benefits</b>	<b>97,63,856</b>	<b>89,59,512</b>

**Note:19 REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Sale of Products		
Domestic Sales	3,60,38,69,518	15,82,00,78,038
Export Sales	23,49,26,272	52,59,10,816
Sale of Services	3,51,25,178	69,41,931
Other Operating Revenues #	1,43,44,369	1,64,56,290
	<b>3,88,82,65,337</b>	<b>16,36,93,87,076</b>

# Other operating revenue comprises export incentives of INR 128.35 Lakhs (PY: INR 36.87 Lakhs)

**Note:20 OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Interest income		
-Fixed Deposits	7,00,698	89,63,455
-Others	3,58,25,409	13,54,887
Profit on sale of asset	56,09,982	-
Exchange gains fluctuations	13,09,501	2,54,85,906
Dividend Income	-	1,65,87,354
Fair valuation of investments	10,77,46,092	17,22,354
Rebate, claim and discount income (net)	1,43,78,287	-
Miscellaneous income	51,82,697	82,965
	<b>17,07,52,666</b>	<b>5,41,96,922</b>

**Note:21 COST OF MATERIALS CONSUMED**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Opening stock	26,39,21,296	15,98,11,485
Add: Purchases	3,25,02,70,917	9,83,05,72,067
Less: Closing Stock	7,87,46,324	26,39,21,296
	<b>3,43,54,45,889</b>	<b>9,72,64,62,256</b>



**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 2020</b>	<b>For the year ended 31st March 2019</b>
<b>Opening Stock</b>		
Finished goods	15,81,60,692	7,73,01,306
Work-in-progress	65,87,08,017	47,18,11,119
Stock-in-trade	6,09,64,466	27,51,56,179
Stores & Spares	4,22,32,171	1,86,82,745
	<b>92,00,65,346</b>	<b>84,29,51,349</b>
<b>Closing 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>50,47,23,697</b>	<b>(7,71,13,997)</b>

**Note:23 EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Employee benefit expenses		
Salary & Wages	8,58,54,698	10,85,61,186
Contribution to provident & other funds	36,70,320	41,96,317
Director's remuneration	36,00,000	48,00,000
Provision for Gratuity & Leave Encashment	30,85,115	37,15,185
Contribution to ESIC/ Insurance Linked Expenses	10,07,638	16,07,473
Staff welfare expenses	11,68,568	24,76,754
	<b>9,83,86,339</b>	<b>12,53,56,915</b>

**Note:24 FINANCE COSTS**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Interest Expense on borrowings	13,14,69,309	18,13,05,628
Interest Expense on others	1,12,95,540	3,08,68,486
Other borrowing costs	1,59,40,091	2,78,62,225
	<b>15,87,04,940</b>	<b>24,00,36,339</b>

**Note:25 Depreciation and amortisation expense**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on property, plant & equipment	13,09,08,060	10,93,43,578
Amortization of intangible assets	14,00,563	25,40,279
	<b>13,23,08,623</b>	<b>11,18,83,857</b>

**Note:26 OTHER EXPENSES**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Audit Fees*	7,50,000	5,50,000
Business Promotion Expenses	9,26,668	5,92,858
Clearing & Forwarding Charges	78,94,970	37,84,027
Commission on Sales	30,15,125	3,75,052
Consumable Expenses	1,50,41,706	74,88,118
Conveyance & Travelling Expenses	22,32,925	83,74,042
Donation & Charity	1,55,320	56,450
Freight & Cartage	1,37,75,623	2,40,52,448
General Expenses	82,21,820	68,57,980
Insurances	21,51,635	39,23,690
Indirect & Direct Taxes Paid	-	8,99,258
Legal and Professional Charges	1,22,26,013	2,28,14,677
Loss on re-measurement of Financial Asset	3,43,495	-
loss on foreign currency transaction and translation	1,90,198	4,83,16,073
Other government charges and taxes	3,50,168	27,12,518
Packing Charges	52,558	29,71,265
Pollution Expenses	4,20,000	3,00,000
Power & Fuel	5,40,01,672	6,74,92,639
Expected credit losses Provision on capital advances	5,30,55,000	-
Printing & Stationary Expenses	2,73,895	6,05,798
Prior Period Expenses	40,750	1,01,242
Rebate, Claims and Discount Expenses (Net)	-	26,71,137
Expected credit losses Provision on trade receivables	11,86,85,787	-
Rent, rate and Taxes	83,92,636	29,72,286
Repair & Maintenance	59,75,536	74,74,224
Security Services	81,40,474	52,19,556
Shipment Expenses	18,98,450	1,50,04,510
Telephone & Postage Expenses	8,52,902	9,59,259
Vehicle Running & maintenance expenses	21,90,498	33,19,844
	<b>32,12,55,826</b>	<b>23,98,88,951</b>

\* Audit Fee represents statutory audit fees for the Financial year 2019-20 and 2018-19 respectively

**Note:27 Exceptional Items**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Bad debt written off *	20,78,08,981	-
	<b>20,78,08,981</b>	-

\* During the year Company has written off trade receivables amounting to Rs. 20.78 crores due to non-recoverability of amount from the customers. As this is 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**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Melting loss for prior period recognized in current 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 year the melting loss is booked based on approximate loss percentage due to continuous production process in plant. However, in current year Company has identified the actual melting loss pertaining to previous year and the same has been recognized as a prior period expense.

**Note 29 INCOME TAXES**

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current taxes	-	8,78,43,647
Deferred taxes	(74,74,524)	20,11,339
<b>Income tax expense</b>	<b>(74,74,524)</b>	<b>8,98,54,986</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 2020
Profit before income taxes	(1,43,22,41,556)
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>Current Tax expense reported in the Statement of Profit and Loss</b>	-

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

Particulars	As at	
	31.03.2020	31.03.2019
<b>Deferred tax assets</b>		
Temporary Disallowance under Income tax Act (Section 43B disallowances)	22,63,517	22,19,660
<b>Total deferred tax assets (B)</b>	<b>22,63,517</b>	<b>22,19,660</b>
<b>Deferred tax liabilities</b>		
Property Plant & Equipment and Intangible Assets	1,00,04,453	1,74,35,120
<b>Total deferred tax liabilities (A)</b>	<b>1,00,04,453</b>	<b>1,74,35,120</b>
<b>Net Deferred tax liabilities (A-B)</b>	<b>77,40,936</b>	<b>1,52,15,460</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.

**Note 30: Employee benefitPlan****(A) Defined benefitPlan**

**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 theyear**

Particulars	31.03.2020	31.03.2019
Present value of DBO at the beginning of the year	66,48,875	51,52,499
Current service cost	17,98,981	20,53,585
Interest cost	5,16,618	4,06,532
Actuarial loss arising from changes in financial assumptions	8,80,113	1,11,411
Actuarial loss arising from changes in experience adjustments	(16,24,752)	(5,93,511)
Benefits paid	(9,64,972)	(4,81,641)
<b>Present value of DBO at the end of the year</b>	<b>72,54,863</b>	<b>66,48,875</b>

**(ii) Change in fair value of plant assets during theyear**

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer contributions	9,64,972	4,81,641
Benefits paid	(9,64,972)	(4,81,641)
Fair value of plan assets at the end of the year	-	-

**(iii) Amounts recognised in the BalanceSheet**

Particulars	31.03.2020	31.03.2019
Present value of DBO at the end of the year	72,54,863	66,48,875
Fair value of plan assets at the end of the year	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>72,54,863</b>	<b>66,48,875</b>

**(iv) Components of employerexpense**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current service cost	17,98,981	20,53,585
Interest cost	5,16,618	4,06,532
<b>Expense recognised in Statement of Profit t and Loss</b>	<b>23,15,599</b>	<b>24,60,117</b>

**(v) Other comprehensive income**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Actuarial loss arising from changes in financial assumptions	8,80,113	1,11,411
Actuarial loss arising from changes in experience adjustments	(16,24,752)	(5,93,511)
<b>Remeasurements recognised in other comprehensive income</b>	<b>(7,44,639)</b>	<b>(4,82,100)</b>

**(vi) Nature and extent of investment details of the plan assets**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
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 2020	For the year ended 31st March 2019
Discount Rate	6.88%	7.77%
Rate of increase in Compensation levels	8.00%	8.00%
Rate of Return on Plan Assets	NA	NA

**(viii) Sensitivity Analysis**

Particulars	31.03.2020	Impact (Absolute)	Impact %
Base Liability	72,54,863		
Increase Discount Rate by 0.50%	67,40,906	(5,13,957)	-7.08%
Decrease Discount Rate by 0.50%	78,24,920	5,70,057	7.86%
Increase Salary Inflation by 1%	84,32,611	11,77,748	16.23%
Decrease Salary Inflation by 1%	62,77,532	(9,77,331)	-13.47%
Increase in Withdrawal Rate by 1%	70,83,552	(1,71,311)	-2.36%
Decrease in Withdrawal Rate by 1%	74,47,805	1,92,942	2.66%

**(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. 36.70 Lakhs (PY: Rs. 41.96 Lakhs)

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**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	31.03.2020	31.03.2019
Basic earnings per equity share - weighted average number of equity shares outstanding (Nos)	1,56,76,415	1,34,36,415
Effect of dilutive shares (Nos)	-	22,40,000
Diluted earnings per equity share - weighted average number of equity shares outstanding (Nos)	1,56,76,415	1,56,76,415

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

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

The CCD has been converted into equity shares during the current year ended March 31, 2020.

**(B) Computation of basic and diluted earning per share**

Particulars	31.03.2020	31.03.2019
<b>Basic earning per share</b>		
Profit after tax	(1,42,47,67,032)	17,53,07,024
Weighted average number of shares (For Basic EPS)	1,56,76,415	1,34,36,415
<b>Basic EPS</b>	<b>(90.89)</b>	<b>13.05</b>
<b>Diluted earning per share</b>		
Profit after tax	(1,42,47,67,032)	17,53,07,024
Add/(less): Effect of dilution on profit	-	-
<b>Revised profit after tax</b>	<b>(1,42,47,67,032)</b>	<b>17,53,07,024</b>
Weighted average number of shares (For Diluted EPS)	1,56,76,415	1,56,76,415
<b>Diluted EPS</b>	<b>(90.89)</b>	<b>11.18</b>

**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 2020	As at 31st March 2019
<b>Equity(A)</b>	40,79,20,336	1,83,19,42,729
<b>Debt</b>		
Short-term borrowings and current portion of long-termdebt (i)	2,31,12,39,945	1,10,94,27,282
Long-termdebt (ii)	6,95,20,610	37,08,05,665
Less: deposits with financial institutions (iii)	73,92,278	11,32,55,212
Less: Cash and cashequivalents (iv)	1,37,84,840	1,32,23,201
<b>Netdebt (i+ii-iii-iv)</b>	2,35,95,83,435	1,35,37,54,534
<b>Total capital (equity +netdebt)</b>	2,76,75,03,771	3,18,56,97,262
Net debt to capital ratio	0.85	0.42
Interest coverage ratio(EBITDA/Finance cost)	(6.16)	2.57

**Note 33: 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, 2020 and March 31, 2019.

**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>



**Note 33: DISCLOSURES ON FINANCIAL INSTRUMENTS. ....Contd.**

**(a) Financial assets and liabilities**

**As at March 31, 2019**

<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	4,67,22,000	2,61,90,839	7,29,12,839
Trade receivables	2,10,32,91,380	-	2,10,32,91,380
Cash and cash equivalents	1,32,23,201	-	1,32,23,201
Other Bank Balances	11,32,55,212	-	11,32,55,212
Loans	3,70,48,074	-	3,70,48,074
Other financial assets	1,49,04,154	-	1,49,04,154
	<b>2,32,84,44,021</b>	<b>2,61,90,839</b>	<b>2,35,46,34,860</b>
<b>Financial Liabilities</b>			
Borrowings	1,48,02,32,947	-	1,48,02,32,947
Trade payables	1,47,00,27,778	-	1,47,00,27,778
Other financial liabilities	5,08,28,568	-	5,08,28,568
	<b>3,00,10,89,293</b>	<b>-</b>	<b>3,00,10,89,293</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, 2020</b>	<b>As at March 31, 2019</b>
	<b>Level 1</b>	
<b>Financial Assets</b>		
Investment in mutual funds	-	2,61,90,839
	-	<b>2,61,90,839</b>
	<b>Level 3</b>	
<b>Financial Assets</b>		
Investment in equity shares	11,86,16,395	-
	<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

**Note33:DISCLOSURESONFINANCIALINSTRUMENTS. ....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.

Risk	Nature of risk and instrument effected	Risk management policies
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 equivalent 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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**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) RCI Skill and Development Private Limited (Upto March 31, 2020)
Enterprise in which KMP / Relatives of KMP exercise significant influence	Mamta Global Pvt. Ltd. All Heavens Restaurant Pvt. Ltd. Metalroad Pvt. Ltd. AceTradeSolutionPvt.Ltd. Blossom Impex Pvt. Ltd. Kay Kay Exim Pvt.Ltd. AceMatrixSolutionsPvt.Ltd Modarta PrivateLimited RCI Finvest Private Limited Worldwide Excellent Trade Private Limited

**(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 (48,00,000)	-	37,60,470 (29,70,950)	73,60,470 (77,70,950)
Sale of goods	-	-	-	-	-
Advance received back	-	-	-	-	-
Loans	-	-	-	-	-
Dividend paid	-	(53,33,810)	(2,655)	(32,40,150)	(85,76,615)
Dividend received	(1,65,87,354)	-	-	-	(1,65,87,354)
Borrowing paid back	-	31,78,52,001	-	-	31,78,52,001
Borrowings Received	-	(31,84,32,368)	-	1,65,66,945	1,65,66,945 (31,84,32,368)

**(b) Closing balances**

Particulars	Subsidiaries	KMP	Relatives of KMP	Enterprise in which KMP / Relatives of KMP exercise significant influence	Total
Expenses payable	-	-	-	(26,75,004)	(26,75,004)
Investments	4,67,22,000 (4,67,22,000)	-	-	-	4,67,22,000 (4,67,22,000)
Borrowings	-	5,29,53,664 (37,08,05,665)	-	1,65,66,945	6,95,20,609 (37,08,05,665)
Loans	(9,64,160)	-	-	-	(9,64,160)

\* Figures in bracket represents amount for previous years

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**Note 35: Default by the Company on repayment of dues to Banks and Financial Institutions**

During the current year ended March 31, 2020, the Company defaulted in payment of its dues to Banks and Financial Institutions. As a result 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, 2020, as per financial statement is as follows:

**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

**Amount due to lenders as at March 31, 2020.**

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	14,55,86,125
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.	Bill Discounting	20,32,42,064
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	6,89,37,456
		<b>2,23,62,39,945</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 2020-21

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**Note 36: Corporate Social Responsibility**

The applicability of provisions of Corporate Social Responsibility, as per Companies Act 2013, on the company commenced from the Financial Year 2016-17 as the turnover of the company crossed INR 1000Crores in the Financial Year 2015-16. Accordingly, Board of Directors constituted Corporate Social Responsibility Committee.

The company was required to spend Rs. 39.83 Lakhs in the Financial Year 2019-20 towards its CSR activities. However, due to on going financial difficulties by the Company the same was not spend by the Company by the end of March 31, 2020. Further, the Company has also not transferred the unspent CSR amount to specified fund/bank account as stipulated by the amended provisions of Section 135.

**Note 37: Contingent Liabilities and Commitments**

Particulars	As at 31.03.2020	As at 31.03.2019
Demand for VAT & CST assessment for the year 2009-10 to 2012-13 (Note 1)	55,87,61,967	55,87,61,967
Show cause notice received from Director General of GST Intelligence (Note 2)	2,14,34,49,040	-

Note 1 - The demand has been raised on completion of assessment for the FY 2009-10 to 2012-13. The Company has already deposited Rs. 10.5 crores with the VAT authorities and the case is pending before Hon'ble High Court of Himachal Pradesh.

Note 2 - Show cause notice has been received on 17.07.2020 from Director General of GST Intelligence where in 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 current 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: Assessment of going concern basis for preparation of accounts**

Company has incurred heavy losses amounting to Rs. 142.40 crores during the year ended March 31, 2020 (Rs. 54.92 crores for quarter ended March 31, 2020). Further, the Company borrowings are being declared as Non performing asset (NPA) by the lenders due to non-payment of interest and borrowed amount on due dates. (Refer note 35 of financial statements for details of NPA). Due to these factors there is significant erosion in net worth of the Company. However, the current financial statements are being prepared on going concern basis as the net worth of the company as at March 31, 2020 is positive.

**Note 40: Other Notes**

(i) Previous year figures are regrouped and reclassified wherever necessary to conform to current year's presentation.

(ii) Company has applied Ind AS 115 "Revenue from Contract with Customers" starting April 01, 2018. The application of the new standard does not having any impact on revenue recognition of Company.

(iii) 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. 63.27 Lakhs (PY: 126.36 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.

(iv) Company has recognized rental expenses amounting to Rs. 83.92 Lakhs for the year ended March 31, 2020 for leases classified as short term leases under Ind AS 116 "Leases". In relation to previous year Rs. 29.72 lacs was recognized as an rental expenses for operating leases under Ind AS 17 "Leases".

(v) 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

Rajat Goyal

Partner

Membership No. 503150

Place: Delhi

Date: August 31, 2020

(Rajeev Gupta)  
Managing Director  
DIN- 00503196

(Mamta Gupta)  
Director  
DIN- 00503302

(Inder Prakash Saboo)  
Chief Financial Officer

(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 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, 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 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, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

***Basis for Qualified Opinion***

- e) *Holding Company borrowings were declared as non performing asset (NPA) during the current year. Due to this, we have not been provided with any document confirming balances, as at March 31, 2020, 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 Holding Company. In the absence of such document 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, 2020 is Rs. 47.51 crores, Rs. 3.51 Lacs and Rs. 73.64 Lacs respectively.*
- f) *The Holding Company has not recognized interest expenses in its financial statement on some of its outstanding borrowings. The total amount of such interest expenses is Rs. 10.46 crores approx. (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 other comprehensive loss for current year ended March 31, 2020 is lower by Rs. 10.46 crores.*
- g) *As mentioned in Note no 28 of the financial statements, Company has recognized melting losses amounting to Rs. 24.41 crores in the current year (recognized in the second quarter ended September 30, 2019). 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 current year, Company has identified the actual melting loss pertaining to previous year and the same has been recognized as a prior period expense. As per Para 41 to 49 of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", prior period errors needs to be recognized in the financial statements of prior years by restating the accounts. However, Company has not restated previous year financial statements and all the losses have been recognized in the current year. Accordingly, loss after tax and other comprehensive loss for current year ended March 31, 2020 is higher by Rs. 16.36 crores.*
- h) *As per Section 135 of the Companies Act 2013, Companies are required to spend a specified amount of its profit towards Corporate Social Responsibility (CSR). If the Companies are not able to spend such amount than the amount needs to be transferred to a specific fund/Bank Account created for this purposes. In relation to financial year 2019-20 Company was required to spend a total of Rs. 39.83 lacs towards CSR. However the amount was neither spent by the Company nor transferred to a specified find/bank account. Accordingly, loss after tax and other comprehensive loss for current year ended March 31, 2020 is lower by Rs. 39.83 Lacs.*

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.

### **Emphasis of Matter**

3. As mentioned in Note no 40 of the financial statements, Company has incurred heavy losses amounting to Rs. 158.43 crores during the year ended March 31, 2020 (Rs. 73.29 crores for quarter ended March 31, 2020). Further, the Company borrowings are being declared as Non performing asset (NPA) by the lenders due to non-payment of interest and borrowed amount on due dates. (Refer note 5 for details of NPA). Due to these factors there is significant erosion in net worth of the Holding Company. However, the current financial statements are being prepared on going concern basis as the net worth of the Holding Company as at March 31, 2020 is positive.
4. The Group inventory balance as at March 31, 2020, is Rs. 49.40 crores. The outbreak of COVID 19 pandemic in India led the Government of India impose a nationwide lockdown starting March 25, 2020. Due to closures of non essential offices and manufacturing units along with a severe restriction in movement of people, the physical verification of inventory balances was not carried out by us for March 31, 2020. The management of Holding Company were able to perform year end physical verification of inventories subsequent to the year-end only after the local movement restrictions were lifted by the State Government. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance issued by the Institute of Chartered Accountants of India.

Our opinion is not modified in respect of these matters

### **Other Information**

The Holding 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 Holding 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 standalone 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 Holding 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 audit reports of the other auditors and 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 Holding 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 (before consolidation adjustments) of Rs. 7751.18 Lacs as at March 31, 2020, total revenue (before consolidation adjustments) of Rs. 6817.14 Lacs, total net loss after tax (before consolidation adjustments) of Rs. (2386.54) Lacs and net cash outflow (before consolidation adjustments) of Rs. 25.70 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 have a accounting year-end which is different from March 31, 2020 and the accounts of the subsidiary were last audited for year ended December 31, 2019 and the transactions between December 31, 2019 and March 31, 2020 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**

3. 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 Holding Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

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

**Rajat Goyal  
Partner  
Membership No.: 503150**

**Place: Delhi  
Date: August 31, 2020**

## **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 ‘Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the ‘Group’) as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting (‘IFCoFR’) of the Holding Company, its one subsidiary company, which are companies covered under the Act, as at that date.

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

The respective Board of Directors of the Holding Company, its one subsidiary company, which are companies covered under the Act, as at that date, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 Holding Company, its one subsidiary company, which are companies 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 Holding Company, its one subsidiary company as aforesaid.

#### **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 Holding Company, its one subsidiary company, which are companies 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 2020, based on the internal control over financial reporting criteria established by the Holding Company, its one subsidiary company as aforesaid, 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**

**Place: Delhi**  
**Date: August 31, 2020.**

**RCI INDUSTRIES & TECHNOLOGIES LTD**  
**Consolidated Balance Sheet As At 31 March 2020**

Particular	Note	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	89,95,99,917	96,73,41,558
Capital work-in-progress	2	9,46,77,287	10,43,44,908
Intangible Assets	3	17,06,608	31,07,171
Financial Assets			
Investments	4	11,86,16,395	-
Loans	5	1,46,95,964	1,24,69,244
Other non-current assets	6	11,01,67,107	11,59,72,609
<b>Total Non - Current Assets</b>		<b>1,23,94,63,277</b>	<b>1,20,32,35,490</b>
<b>Current assets</b>			
Inventories	7	49,40,87,973	1,18,39,86,642
Financial Assets			
Investments	4	-	2,61,90,839
Trade receivables	8	2,40,72,74,854	2,67,13,89,547
Cash and cash equivalents	9	1,80,04,581	2,04,57,583
Other Bank Balances	10	73,92,278	11,32,55,212
Loans	5	1,99,02,950	4,76,30,039
Other financial assets	11	92,47,572	1,49,04,154
Other current assets	6	22,41,50,792	65,29,09,916
<b>Total Current Assets</b>		<b>3,18,00,61,000</b>	<b>4,73,07,23,933</b>
Assets held for Sale		-	-
<b>Total Assets</b>		<b>4,41,95,24,277</b>	<b>5,93,39,59,422</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	15,67,64,150	13,43,64,150
Instruments entirely equity in nature (Compulsorily Convertible Debentures)	13	-	50,40,00,000
<b>Other equity</b>			
Reserves and surplus	13	(23,64,02,412)	1,36,44,99,993
Other reserves	13	1,16,58,41,395	68,42,41,395
<b>Total equity</b>		<b>1,08,62,03,133</b>	<b>2,68,71,05,538</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	14	6,95,20,610	37,08,05,665
Provisions	18	96,15,669	86,66,957
Deferred tax liabilities (net)	29	77,40,936	1,51,93,184
<b>Total Non - Current Liabilities</b>		<b>8,68,77,214</b>	<b>39,46,65,805</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	14	2,31,12,39,945	1,10,94,27,282
Trade payables	15	67,90,09,204	1,47,04,04,814
Other financial liabilities	16	3,44,52,154	5,32,91,728
Other current liabilities	17	5,59,40,175	5,38,77,563
Provisions	18	1,48,187	2,92,555
Current Tax Liabilities (net)		16,56,54,265	16,48,94,135
<b>Total Current Liabilities</b>		<b>3,24,64,43,930</b>	<b>2,85,21,88,078</b>
<b>Total Equity and Liabilities</b>		<b>4,41,95,24,277</b>	<b>5,93,39,59,422</b>
		0	(1)

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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LTD**

**Consolidated Statement of Profit & Loss for the year ended March 31, 2020**

Particular	Note	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from operations	19	4,56,83,09,580	19,97,80,49,308
Other Income	20	17,26,63,286	5,59,39,911
<b>Total Income [A]</b>		<b>4,74,09,72,866</b>	<b>20,03,39,89,219</b>
<b>Expenses</b>			
Cost of Material Consumed	21	3,43,54,45,889	9,72,64,62,256
Purchase of stock-in-trade		1,12,14,68,390	9,19,68,12,217
Change in Inventories of Finished Goods/ Stock in Trade/ Work in Progress	22	50,47,23,697	(7,71,13,997)
Employee benefit expenses	23	10,17,38,003	12,79,67,858
Finance Costs	24	15,90,37,547	24,04,82,933
Depreciation and amortisation expense	25	13,37,16,177	12,01,03,657
Other expenses	26	58,43,59,819	24,27,60,907
<b>Total Expenses [B]</b>		<b>6,04,04,89,522</b>	<b>19,57,74,75,831</b>
<b>Profit / (loss) before tax, exceptional items and prior period items</b>		<b>(1,29,95,16,657)</b>	<b>45,65,13,388</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>(1,67,09,57,916)</b>	<b>45,65,13,388</b>
<b>Tax Expense:</b>			
Current tax	29	-	8,78,45,991
Deferred tax	29	(74,53,175)	20,10,434
<b>Profit after tax</b>		<b>(1,66,35,04,741)</b>	<b>36,66,56,963</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		7,44,639	4,82,100
<b>Items that will be reclassified to profit or loss</b>			
Translation differences arising on foreign subsidiary		7,84,43,281	4,05,05,432
<b>Total other comprehensive income</b>		<b>7,91,87,920</b>	<b>4,09,87,532</b>
<b>Total comprehensive income for the year attributable to owner of the Company</b>		<b>(1,58,43,16,820)</b>	<b>40,76,44,495</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic	31	(106.12)	27.29
Diluted	31	(106.12)	23.39

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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**RCI INDUSTRIES & TECHNOLOGIES LIMITED**  
**Consolidated Cash Flow Statement for the year ended 31st March, 2020**

Particulars	For The Year Ended March 31,2020	For The Year Ended March 31,2019
<b>A. Cash flow from Operating activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(1,67,09,57,916)</b>	<b>45,65,13,388</b>
<i>Adjustments for:</i>		
Depreciation	13,37,16,177	12,01,03,657
Finance Cost	15,90,37,547	24,04,82,933
Interest income	(3,65,65,845)	(1,03,18,342)
(Gain)/ Loss due to change in fair value of Investment	(10,77,46,092)	(17,22,354)
Actuarial Gain / (loss) on defined benefit plan	7,44,639	4,82,100
Other adjustment	(1,65,84,658)	(1,33,32,550)
Foreign currency translation differences	7,84,43,281	4,05,05,432
<b>Operating profit before working capital changes</b>	<b>(1,45,99,12,866)</b>	<b>83,27,14,264</b>
<i>Movements in working capital :</i>		
(Increase)/ Decrease in Inventories	67,90,28,366	(18,12,23,808)
(Increase)/Decrease in Trade Receivables	26,41,14,693	(11,93,27,014)
(Increase)/Decrease in Loans	2,55,00,369	3,95,72,133
(Increase)/Decrease in Other Financial asset	540	(76,07,458)
(Increase)/Decrease in Other asset	43,45,64,626	(33,57,79,216)
Increase/(Decrease) in Trade Payables	29,20,01,170	22,48,29,385
Increase/(Decrease) in Other Financial Liabilities	(1,88,39,574)	48,33,652
Increase/(Decrease) in Other current Liabilities	20,62,612	(18,00,300)
Increase/(Decrease) in Provisions	8,04,344	25,54,640
<i>Cash generated from operations</i>	<b>21,93,24,280</b>	<b>45,87,66,277</b>
Income tax Refund/ (paid) during the year	7,60,130	(64,76,872)
<b>Net cash from operating activities (A)</b>	<b>22,00,84,410</b>	<b>45,22,89,405</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed assets	(5,49,06,351)	(51,29,45,778)
(Purchase)/Sale Of Current Investment	2,61,90,839	(2,00,00,000)
(Increase)/Decrease in investment in fixed deposit	10,58,62,933	3,10,85,840
Interest received	4,22,21,888	1,03,18,342
<b>Net cash from investing activities (B)</b>	<b>11,93,69,309</b>	<b>(49,15,41,596)</b>
<b>C. Cash flow from Financing activities</b>		
Issue of Compulsorily Convertible Debentures	-	-
Increase / (Decrease) in borrowings	(18,28,69,173)	27,34,75,933
Finance cost paid	(15,90,37,547)	(24,04,82,933)
<b>Net cash from financing activities (C)</b>	<b>(34,19,06,721)</b>	<b>3,29,93,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(24,53,002)</b>	<b>(62,59,192)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,04,57,583</b>	<b>2,67,16,775</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,80,04,581</b>	<b>2,04,57,583</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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(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, 2020****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, 2020	As at March 31, 2019	
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.

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

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 theyear.

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.

**P. New Standard adopted by the Company**

Company has adopted Ind AS 116 with initial date of application as April 01, 2019. The transition from erstwhile Ind AS 17 to new Ind AS 116 has been carried using modified retrospective approach. There is no impact on retained earnings as at April 01, 2019, due to adoption of Ind AS 116.

**Definition of a lease**

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under Ind AS 17. Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. On transition to Ind AS 116, the Company has carried out the lease assessment for all the existing contracts at the date of initial application.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right of use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

There is no impact on profit and loss due to adoption of IND AS 116

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**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, 2018</b>	<b>12,00,62,059</b>	<b>1,86,545</b>	<b>4,05,000</b>	<b>9,49,19,055</b>	<b>39,96,59,774</b>	<b>3,90,96,355</b>	<b>43,01,856</b>	<b>2,29,55,522</b>	<b>76,78,169</b>	<b>32,63,693</b>	<b>9,27,97,828</b>	<b>78,53,25,855</b>
Additions	4,70,96,330			22,12,21,715	23,05,67,215	1,13,399	1,11,125	1,50,80,666	7,97,929	6,58,878	50,23,48,177	1,01,79,95,434
Deletions											(49,08,01,097)	(49,08,01,097)
<b>Gross carrying value as of March 31, 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>
<b>Accumulated depreciation as of April 1, 2018</b>	<b>-</b>	<b>1,49,530</b>	<b>2,24,756</b>	<b>2,16,75,378</b>	<b>6,42,58,567</b>	<b>2,31,98,149</b>	<b>6,55,040</b>	<b>61,62,512</b>	<b>47,99,065</b>	<b>21,47,350</b>	<b>-</b>	<b>12,32,70,348</b>
For the period		7,598	24,749	2,17,92,249	7,92,61,440	50,91,465	8,27,395	81,24,105	15,67,342	8,67,035		11,75,63,378
Deduction / Adjustments during the year												-
<b>Accumulated depreciation as of March 31, 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>
<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>
<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>
<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>
<b>Carrying value as of March 31, 2019</b>	<b>16,71,58,389</b>	<b>29,417</b>	<b>1,55,495</b>	<b>27,26,73,142</b>	<b>48,67,06,982</b>	<b>1,09,20,140</b>	<b>29,30,546</b>	<b>2,37,49,570</b>	<b>21,09,691</b>	<b>9,08,185</b>	<b>10,43,44,908</b>	<b>1,07,16,86,465</b>

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**Note:3 - INTANGIBLE ASSETS**

Particulars	Software	Total
Gross carrying value as of April 1, 2018	-	-
Additions	56,47,450	56,47,450
Deletions		-
Gross carrying value as of March 31, 2019	56,47,450	56,47,450
Accumulated depreciation as of April 1, 2018		-
For the period	25,40,279	25,40,279
Deduction / Adjustments during the period		-
Accumulated depreciation as of March 31, 2019	25,40,279	25,40,279
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
Accumulated depreciation as of April 1, 2019	25,40,279	25,40,279
For the period	14,00,563	14,00,563
Deduction / Adjustments during the period		
Accumulated depreciation as of March 31, 2020	39,40,842	39,40,842
Carrying value as of March 31, 2020	17,06,608	17,06,608
Carrying value as of March 31, 2019	31,07,171	31,07,171

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

**Note:4 INVESTMENTS**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Non-current investments</b>		
<b>Unquoted 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	-
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	-
Investment in Equity share of MetalRod Private Limited (3,16,380/- equity share of Rs 10 each, fully paid)	6,39,08,760	-
	<b>11,86,16,395</b>	<b>-</b>
<b>Current investments</b>		
<b>Other Investments at FVTPL</b>		
<b>Investments in mutual funds</b>		
50,000 unit of CP7G-Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	-	5,73,945
3,99,990unitofPFG-UnionBalancedAdvantageFundRegular Plan - Growth	-	42,27,894
20,00,000 unit of CBG-Union Corporate Bond Fund Regular Plan - Growth	-	2,13,89,000
	<b>-</b>	<b>2,61,90,839</b>
<b>Total Investment</b>	<b>11,86,16,395</b>	<b>2,61,90,839</b>

Aggregated amount of Quoted investments and value thereof	-	2,61,90,839
Aggregated amount of Unquoted investments	11,86,16,395	-

**Note:5 LOANS**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	1,46,95,964	1,24,69,244
Loans to related parties	-	-
	<b>1,46,95,964</b>	<b>1,24,69,244</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security Deposits	69,79,502	36,21,079
Other loans and advances	1,29,23,448	4,40,08,961
	<b>1,99,02,950</b>	<b>4,76,30,039</b>
<b>Total loans</b>	<b>3,45,98,914</b>	<b>6,00,99,283</b>

**Note:6 OTHERASSETS**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Non-current</b>		
Capital Advances	16,32,22,107	11,59,72,609
Less: Expected credit loss allowance on doubtful advances	(5,30,55,000)	-
	<b>11,01,67,107</b>	<b>11,59,72,609</b>
<b>Current</b>		
Advance to vendors for supply of goods/services	3,17,08,778	27,76,34,314
Balances with Govt. Authorities	19,03,23,216	36,40,99,800
Prepaid Expenses		
	<b>22,41,50,792</b>	<b>65,29,09,916</b>
<b>Total Other Assets</b>	<b>33,43,17,898</b>	<b>76,88,82,524</b>

**Note:7 INVENTORIES**

Particulars	As at	As at
	31.03.2020	31.03.2019
Raw Materials	7,87,46,324	26,39,21,296
Work in Progress	27,64,19,028	65,87,08,017
Finished Goods	4,82,83,133	15,81,60,692
Stores & Spares	3,76,26,267	4,22,32,171
Stock in trade	5,30,13,220	6,09,64,466
	<b>49,40,87,973</b>	<b>1,18,39,86,642</b>

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

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

**Note:8 TRADERECEIVABLES**

Particulars	As at	As at
	31.03.2020	31.03.2019
Unsecured trade receivables	2,76,60,30,235	2,67,13,89,547
<b>Total gross value</b>	<b>2,76,60,30,235</b>	<b>2,67,13,89,547</b>
Less: Expected credit losses allowance	35,87,55,381	-
<b>Total carrying value</b>	<b>2,40,72,74,854</b>	<b>2,67,13,89,547</b>

(i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Maturity profile of trade receivables		
Due for more than six months	1,78,83,80,868	16,65,51,778
Other	61,88,93,986	2,50,48,37,769
<b>Total</b>	<b>2,40,72,74,854</b>	<b>2,67,13,89,547</b>



**Note:9 CASH AND CASHEQUIVALENTS**

Particulars	As at	As at
	31.03.2020	31.03.2019
Balances with banks		
In current accounts	73,40,300	80,21,838
Cash on hand		
	<b>1,80,04,581</b>	<b>2,04,57,583</b>

**Note:10 OTHER BANKBALANCES**

Particulars	As at	As at
	31.03.2020	31.03.2019
Unpaid Dividend accounts	27,458	18,292
Balances with banks held as margin money deposits		
	<b>73,92,278</b>	<b>11,32,55,212</b>
Balances with banks held as margin money deposits against guarantees	73,64,821	11,32,36,920

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.

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 FINANCIALASSETS**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Current</b>		
Interest accrued on deposit Insurance Claims	-	56,56,043
	92,47,572	92,48,112
Total	<b>92,47,572</b>	<b>1,49,04,154</b>
Financial assets carried at amortized cost	92,47,572	1,49,04,154
Financial assets carried at fair value through Profit or Loss		

**Note - 12 EQUITY SHARE CAPITAL**

Particulars		
	31.03.2020	31.03.2019
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: 1,34,36,415) equity shares fully paid-up	15,67,64,150	13,43,64,150
	<b>15,67,64,150</b>	<b>13,43,64,150</b>

**12.1** The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Eachholder 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	31.03.2020	31.03.2019
	Number and Shareholding %	Number and Shareholding %
Rajeev Gupta	62,96,880 (40.17%)	47,64,720 (35.46%)
Ace Matrix Solutions Ltd.	17,51,900 (11.18%)	17,51,900 (13.04%)
Metalrod Pvt Ltd.	812,500 (5.18%)	812,500 (6.05%)
Mamta Gupta	11,64,930 (7.43%)	5,69,090 (4.24%)

**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	
<b>Balance as of Mar 31, 2018</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>11,91,692</b>	<b>96,86,44,768</b>	<b>3,51,588</b>	<b>2,29,27,93,592</b>
<b>Changes in equity for the year ended Mar 31, 2019</b>								
Add: profit for the year						36,66,56,963		36,66,56,963
Remeasurement of the net defined benefit liability							4,82,100	4,82,100
Less: Dividend Paid						(1,33,32,550)		(1,33,32,550)
Add: Addition during the year					4,05,05,432			4,05,05,432
<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)
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>

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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal  
Partner  
Membership No. 503150  
Place: Delhi  
Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135

**Note:14 BORROWINGS**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Non-current</b>		
<b>Unsecured at amortized cost</b>		
-From Related Parties		
	<b>6,95,20,610</b>	<b>37,08,05,665</b>
<b>Current</b>		
<b>Secured at amortized cost</b>		
-From Banks	1,96,90,02,356	1,10,94,27,282
-From Financials Institution	26,72,37,589	-
<b>Unsecured at amortized cost</b>		
-Others		
	<b>2,31,12,39,945</b>	<b>1,10,94,27,282</b>
<b>Total Borrowings</b>	<b>2,38,07,60,554</b>	<b>1,48,02,32,947</b>
Financial liability carried at amortized cost	2,38,07,60,554	1,48,02,32,947

Secured loan repayable on demand comprises cash credit balances secured by a pari-passu charge on current assets and moveable fixed assets of the Company. These are further secured by the Collateral Security given by the company.

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
	31.03.2020	31.03.2019
<b>Trade Payables Acceptances</b>	67,90,09,204	38,70,08,033
	-	1,08,33,96,781
<b>Total Trade Payables</b>	<b>67,90,09,204</b>	<b>1,47,04,04,814</b>
Financial liability carried at amortized cost	<b>67,90,09,204</b>	<b>1,47,04,04,814</b>
Financial liability carried at fair value through profit or loss	-	-

15.1 As Holding 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
	31.03.2020	31.03.2019
<b>Current</b>		
Creditors for capital Goods Expenses Payable	1,47,46,523	3,76,30,933
<b>Other liabilities</b>	1,96,97,469	1,54,81,034
Total other financial liability	8,162	1,79,762
	<b>3,44,52,154</b>	<b>5,32,91,728</b>
Financial liability carried at amortized cost		
Financial liability carried at fair value through profit or loss	3,44,52,154	5,32,91,728
	-	-

**Note:17 OTHERLIABILITIES**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Current</b>		
Statutory Dues	69,46,234	60,14,984
Advance from customer	4,89,93,941	4,78,62,579
<b>Total other liabilities</b>	<b>5,59,40,175</b>	<b>5,38,77,563</b>

**Note:18 PROVISIONS**

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Non-current</b>		
Provision for Employees Benefits		
-Gratuity	71,70,188	64,61,080
-Leave Encashment	24,45,481	22,05,877
	<b>96,15,669</b>	<b>86,66,957</b>
<b>Current</b>		
Provision for Employees Benefits		
-Gratuity	84,675	1,87,795
-Leave Encashment	63,512	1,04,760
	<b>1,48,187</b>	<b>2,92,555</b>
<b>Total Provision for Employee Benefits</b>	<b>97,63,856</b>	<b>89,59,512</b>

**Note:19 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of Products		
Domestic Sales	4,28,39,13,760	19,42,57,88,270
Export Sales	23,49,26,272	52,59,10,816
Sale of Services	3,51,25,178	98,93,931
Other Operating Revenues #	1,43,44,369	1,64,56,290
	<b>4,56,83,09,580</b>	<b>19,97,80,49,308</b>

# Other operating revenue comprises export incentives of INR 128.35 Lakhs (PY: INR 36.87 Lakhs)

**Note:20 OTHER INCOME**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income		
-Fixed Deposits	7,00,698	89,63,455
-Others	3,58,65,147	13,54,887
Profit on sale of asset	24,86,570	-
Exchange gains/(losses) Fluctuations	13,09,501	2,54,85,906
Fair valuation of investments	10,77,46,092	17,22,354
Rebate, claim and discount income (net)	1,43,78,287	-
Miscellaneous income	1,01,76,991	1,84,13,309
	<b>17,26,63,286</b>	<b>5,59,39,911</b>

**Note:21 COST OF MATERIALS CONSUMED**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening stock	26,39,21,296	15,98,11,485
Add: Purchases	3,25,02,70,917	9,83,05,72,067
Less: Closing Stock	7,87,46,324	26,39,21,296
	<b>3,43,54,45,889</b>	<b>9,72,64,62,256</b>

**Note:22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Opening Stock</b>		
Finished goods	15,81,60,692	7,73,01,306
Work-in-progress	65,87,08,017	47,18,11,119
Stock-in-trade	6,09,64,466	27,51,56,179
Stores & Spares	4,22,32,171	1,86,82,745
	92,00,65,346	84,29,51,349
<b>Closing 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
	41,53,41,649	92,00,65,346
	<b>50,47,23,697</b>	<b>(7,71,13,997)</b>

**Note:23 EMPLOYEE BENEFIT EXPENSES**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Employee benefit expenses		
Salary & Wages	8,90,86,362	11,11,72,130
Contribution to provident & other funds	36,70,320	41,96,317
Director's remuneration	37,20,000	48,00,000
Provision for Gratuity/ Leave Encashment	30,85,115	37,15,185
Contribution to ESIC/ Insurance Linked Expenses	10,07,638	16,07,473
Staff welfare expenses	11,68,568	24,76,754
	<b>10,17,38,003</b>	<b>12,79,67,858</b>

**Note:24 FINANCE COSTS**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expense on borrowings	13,14,69,309	18,13,05,628
Interest Expense on others	1,12,95,540	3,08,68,486
Other borrowing costs	1,62,72,698	2,83,08,819
	<b>15,90,37,547</b>	<b>24,04,82,933</b>

**Note: 25 Depreciation and amortisation expense**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on property, plant & equipment	13,23,15,614	11,75,63,378
Amortization of intangible assets	14,00,563	25,40,279
	<b>13,37,16,177</b>	<b>12,01,03,657</b>

**Note:26 OTHER EXPENSES**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Audit Fees*	7,60,000	5,60,000
Business Promotion Expenses	9,26,668	5,92,858
Clearing & Forwarding Charges	78,94,970	37,84,027
Commission on Sales	30,15,125	3,75,052
Consumable Expenses	1,50,41,706	74,88,118
Conveyance & Travelling Expenses	1,54,42,294	84,52,490
Donation & Charity	1,55,320	56,450
Freight & Cartage	1,37,75,623	2,40,52,448
General Expenses	1,47,64,612	73,65,648
Insurances	21,51,635	39,23,690
Indirect & Direct Taxes Paid	-	8,99,783
Legal and Professional Charges	1,28,94,489	2,33,60,913
Loss on re-measurement of Financial Asset	3,43,495	-
loss on foreign currency transaction and translation	5,41,699	4,87,24,767
Other government charges and taxes	3,50,168	30,78,530
Packing Charges	52,558	29,71,265
Pollution Expenses	4,20,000	3,00,000
Power & Fuel	5,53,12,509	6,76,59,502
Expected credit losses Provision on capital advances	5,30,55,000	
Printing & Stationary Expenses	11,97,213	6,24,304
Prior Period Expenses	40,750	1,01,242
Rebate, Claims and Discount Expenses	-	26,71,137
Expected credit losses Provision on trade receivables	35,87,55,381	
Rent, rate and Taxes	83,92,636	36,00,989
Repair & Maintenance	59,75,536	74,74,932
Security Services	81,40,474	52,19,556
Shipment Expenses	19,16,347	1,50,04,510
Telephone & Postage Expenses	8,53,112	10,66,057
Vehicle Running & maintenance expenses	21,90,498	33,52,639
	<b>58,43,59,819</b>	<b>24,27,60,907</b>

\* Audit Fee represents statutory audit fees for the Financial year 2019-20 and 2018-19 respectively



**Note: 27 Exceptional Items**

<b>* Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Bad debt written off *	20,78,08,981	
	<b>20,78,08,981</b>	-

\*During the year Company has written off trade receivables amounting to Rs. 20.78 crores due to non-recoverability of amount from the customers. As this is the first time that Company has written off trade receivable for the substantial amount. The event has been classified as an exceptional item in financial statements

**Note:28 Prior period items**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Melting loss for prior period recognized in current 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.24.41crores.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 current year Company has identified the actual melting loss pertaining to previous year and the same has been recognized as a prior period expense.

**Note 29 INCOME TAXES**

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

Particulars	For the year ended	For the year ended
	31st March 2020	31st March 2019
Current taxes	-	8,78,45,991
Deferred taxes	(74,53,175)	20,10,434
<b>Income tax expense</b>	<b>(74,53,175)</b>	<b>8,98,56,425</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 2020
Profit before income taxes	(1,66,35,04,741)
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	
	31.03.2020	31.03.2019
<b>Deferred tax assets</b>		
Temporary Disallowance under Income tax Act (Section 43B disallowances)	22,63,517	22,19,660
<b>Total deferred tax assets (B)</b>	<b>22,63,517</b>	<b>22,19,660</b>
<b>Deferred tax liabilities</b>		
Property Plant & Equipment and Intangible Assets *	1,00,04,453	1,74,12,844
<b>Total deferred tax liabilities (A)</b>	<b>1,00,04,453</b>	<b>1,74,12,844</b>
<b>Net Deferred tax liabilities (A-B)</b>	<b>77,40,936</b>	<b>1,51,93,184</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.

**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 theyear**

Particulars	31.03.2020	31.03.2019
Present value of DBO at the beginning of the year	66,48,875	51,52,499
Current service cost	17,98,981	20,53,585
Interest cost	5,16,618	4,06,532
Actuarial loss arising from changes in financial assumptions	8,80,113	1,11,411
Actuarial loss arising from changes in experience adjustments	(16,24,752)	(5,93,511)
Benefits paid	(9,64,972)	(4,81,641)
<b>Present value of DBO at the end of the year</b>	<b>72,54,863</b>	<b>66,48,875</b>

**(ii) Change in fair value of plant assets during theyear**

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer contributions	9,64,972	4,81,641
Benefits paid	(9,64,972)	(4,81,641)
Fair value of plan assets at the end of the year	-	-

**(iii) Amounts recognised in the BalanceSheet**

Particulars	31.03.2020	31.03.2019
Present value of DBO at the end of the year	72,54,863	66,48,875
Fair value of plan assets at the end of the year	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>72,54,863</b>	<b>66,48,875</b>

**(iv) Components of employer expense**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current service cost	17,98,981	20,53,585
Interest cost	5,16,618	4,06,532
<b>Expense recognised in Statement of Profit and Loss</b>	<b>23,15,599</b>	<b>24,60,117</b>

**(v) Other comprehensive income**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Actuarial loss arising from changes in financial assumptions	8,80,113	1,11,411
Actuarial loss arising from changes in experience adjustments	(16,24,752)	(5,93,511)
<b>Remeasurements recognised in other comprehensive income</b>	<b>(7,44,639)</b>	<b>(4,82,100)</b>

**(vi) Nature and extent of investment details of the plan assets**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
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 2020	For the year ended 31st March 2019
Discount Rate	6.88%	7.77%
Rate of increase in Compensation levels	8.00%	8.00%
Rate of Return on Plan Assets	NA	NA

**(viii) Sensitivity Analysis**

Particulars	31.03.2020	Impact (Absolute)	Impact %
Base Liability	72,54,863		
Increase Discount Rate by 0.50%	67,40,906	(5,13,957)	-7.08%
Decrease Discount Rate by 0.50%	78,24,920	5,70,057	7.86%
Increase Salary Inflation by 1%	84,32,611	11,77,748	16.23%
Decrease Salary Inflation by 1%	62,77,532	(9,77,331)	-13.47%
Increase in Withdrawal Rate by 1%	70,83,552	(1,71,311)	-2.36%
Decrease in Withdrawal Rate by 1%	74,47,805	1,92,942	2.66%

**(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. 36.70 Lakhs (PY: Rs. 41.96 Lakhs).

**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	31.03.2020	31.03.2019
Basic earnings per equity share-weighted average number of equity shares outstanding (Nos)	1,56,76,415	1,34,36,415
Effect of dilutive shares (Nos)	-	22,40,000
Diluted earnings per equity share-weighted average number of equity shares outstanding (Nos)	1,56,76,415	1,56,76,415

During the year ended March 31, 2018, Company allotted 5,60,000 unsecured zero coupon compulsorily convertible debenture (CCD) of the face value of INR900 each, by way of preferential allotment on private placement basis as approved by the board of directors during the meeting held on March 31, 2018.

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

The CCD has been converted into equity shares during the current year ended March 31, 2020.

**(B) Computation of basic and diluted earning per share**

Particulars	31.03.2020	31.03.2019
<b>Basic earning per share</b>		
Profit after tax	(1,66,35,04,741)	36,66,56,963
Weighted average number of shares (For Basic EPS)	1,56,76,415	1,34,36,415
<b>Basic EPS</b>	<b>(106.12)</b>	<b>27.29</b>
<b>Diluted earning per share</b>		
Profit after tax	(1,66,35,04,741)	36,66,56,963
Add/(less): Effect of dilution on profit	-	-
<b>Revised profit after tax</b>	<b>(1,66,35,04,741)</b>	<b>36,66,56,963</b>
Weighted average number of shares (For Diluted EPS)	1,56,76,415	1,56,76,415
<b>Diluted EPS</b>	<b>(106.12)</b>	<b>23.39</b>

**Note 32: Statement Of Net Assets And Profit Or Loss Attributable To Owners And Minority Interest**

Particulars	Net Asset	Total Comprehensive Loss
<b>A. Holding</b>		
<b>RCI Industries &amp; Technologies Ltd</b>		
Amount	36,12,98,336	(1,42,40,22,393)
% of consolidated net asset & Total comprehensive income	33%	90%
<b>B. Subsidiaries</b>		
<b>RCI World Trade Link DMCC</b>		
Amount	72,49,04,797	(23,86,54,430)
% of consolidated net asset & Total comprehensive income	67%	15%
<b>RCI Skills and Development Private Limited</b>		(83,279)
Amount	0.0%	0.0%
% of consolidated net asset & Total comprehensive income		
<b>C. Minority interest</b>		
Amount	-	-
% of consolidated net asset & Total comprehensive income	-	-
<b>Total</b>	<b>1,08,62,03,133</b>	<b>(1,58,43,16,820)</b>

**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 2020	As at 31st March 2019
<b>Equity(A)</b>	1,08,62,03,133	2,68,71,05,538
<b>Debt</b>		
Short-term borrowings and current portion of long-Term debt (i)	2,31,12,39,945	1,10,94,27,282
Long-term debt (ii)	6,95,20,610	37,08,05,665
Less: deposits with financial institutions (iii)	73,64,821	11,32,36,920
Less: Cash and cash equivalents (iv)	1,80,04,581	2,04,57,583
<b>Netdebt (i+ii-iii-iv)</b>	2,35,53,91,153	1,34,65,38,443
<b>Total capital (equity +netdebt)</b>	3,44,15,94,286	4,03,36,43,981
Net debt to capital ratio	0.68	0.33
Interest coverage ratio(EBITDA/Finance cost)	(7.64)	3.40

**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, 2020 and March 31,2019.

**As at March 31, 2020**

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	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>

**Note34: DISCLOSURES ON FINANCIAL INSTRUMENTS ....Contd.****(a) Financial assets and****liabilities As at March 31,2019**

<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	-	2,61,90,839	2,61,90,839
Trade receivables	2,67,13,89,547	-	2,67,13,89,547
Cash and cash equivalents	2,04,57,583	-	2,04,57,583
Other Bank Balances	11,32,55,212	-	11,32,55,212
Loans	6,00,99,283	-	6,00,99,283
Other financial assets	1,49,04,154	-	1,49,04,154
	<b>2,88,01,05,780</b>	<b>2,61,90,839</b>	<b>2,90,62,96,619</b>
<b>Financial Liabilities</b>			
Borrowings	1,48,02,32,947	-	1,48,02,32,947
Trade payables	1,47,04,04,814	-	1,47,04,04,814
Other financial liabilities	5,32,91,728	-	5,32,91,728
	<b>3,00,39,29,489</b>	<b>-</b>	<b>3,00,39,29,489</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 (Level3):** 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 equityshares.

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	<b>Level 1</b>	
<b>Financial Assets</b>		
Investment in mutual funds	-	2,61,90,839
	<b>-</b>	<b>2,61,90,839</b>
	<b>Level 3</b>	
<b>Financial Assets</b>		
Investment in equity shares	11,86,16,395	-
	<b>11,86,16,395</b>	<b>-</b>

There are no other financial asset or financial liability that are carried at fair value through profit or loss or other comprehensive income.

**Note34: 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, counter party 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 Holding 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 Holding Company borrowings have been declared as NPA, Holding Company is facing liquidity challenges and has submitted restructuring proposal to Banks.



**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. All Heavens Restaurant Pvt. Ltd. Metalroad Pvt. Ltd. AceTradeSolutionPvt.Ltd. Blossom Impex Pvt. Ltd. Kay Kay Exim Pvt.Ltd. AceMatrixSolutionsPvt.Ltd Modarta PrivateLimited RCI Finvest Private Limited Worldwide Excellent Trade Private Limited

**(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 (48,00,000)	-	37,60,470 (29,70,950)	73,60,470 (77,70,950)
Sale of goods	-	-	-	-
Advance received back	-	-	-	-
Loans	-	-	-	-
Dividend paid	(53,33,810)	(2,655)	(32,40,150)	(85,76,615)
Dividend received	-	-	-	-
Borrowing paid back	31,78,52,001	-	-	31,78,52,001
Borrowings Received	(31,84,32,368)	-	1,65,66,945	1,65,66,945 (31,84,32,368)

**(b) Closing balances**

Particulars	KMP	Relatives of KMP	Enterprise in which KMP / Relatives of KMP exercise significant influence	Total
Expenses payable	-	-	(26,75,004)	(26,75,004)
Investments	-	-	-	-
Borrowings	5,29,53,664 (37,08,05,665)	-	1,65,66,945	6,95,20,609 (37,08,05,665)
Loans	-	-	-	-

\* Figures in bracket represents amount for previous years

**Note 36: Default by the Holding Company on repayment of dues to Banks and Financial Institutions**

During the current year ended March 31, 2020, the Holding 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, 2020, as per financial statement is as follows:

**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

**Amount due to lenders as at March 31,2020.**

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	14,55,86,125
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.	Bill Discounting	20,32,42,064
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	6,89,37,456
		<b>2,23,62,39,945</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 2020-21

**Note 37: Corporate Social Responsibility**

The applicability of provisions of Corporate Social Responsibility, as per Companies Act 2013, on the Holding Company commenced from the Financial Year 2016-17 as the turnover of the company crossed INR 1000 Crores in the Financial Year 2015-

16. Accordingly, Board of Directors constituted Corporate Social Responsibility Committee.

The Holding Company was required to spend Rs. 39.83 Lakhs in the Financial Year 2019-20 towards its CSR activities. However, due to ongoing financial difficulties by the Company the same was not spent by the Company by the end of March 31, 2020. Further, the Company has also not transferred the unspent CSR amount to specified fund/bank account as stipulated by the amended provisions of Section 135.

**Note 38: Contingent Liabilities and Commitments**

Particulars	As at 31.03.2020	As at 31.03.2019
Demand for VAT & CST assessment for the year 2009-10 to 2012-13 (Note 1)	55,87,61,967	55,87,61,967
Show cause notice received from Director General of GST Intelligence (Note 2)	2,14,34,49,040	-

Note 1 - The demand has been raised on completion of assessment for the FY 2009-10 to 2012-13. The Holding Company has already deposited Rs. 10.5 crores with the VAT authorities and the case is pending before Hon'ble High Court of Himachal Pradesh.

Note 2 - Show cause notice has been received on 17.07.2020 from Director General of GST Intelligence wherein the Holding Company has been show caused for why the demand along with penalty and interest should not be levied on the Holding Company for GST credit amounting to Rs. 214.34 crores.

**Note 39: Application for starting IBC Proceedings against the Company**

In the current 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 Holding 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: Assessment of going concern basis for preparation of accounts**

Company has incurred heavy losses amounting to Rs. 158.43 crores during the year ended March 31, 2020 (Rs. 73.30 crores for quarter ended March 31, 2020). Further, the Company borrowings are being declared as Non performing asset (NPA) by the lenders due to non-payment of interest and borrowed amount on due dates. (Refer note 36 of financial statements for details of NPA). Due to these factors there is significant erosion in net worth of the Company. However, the current financial statements are being prepared on going concern basis as the net worth of the company as at March 31, 2020 is positive.

**Note 41: Other Notes**

- (i) Previous year figures are regrouped and reclassified wherever necessary to conform to current year's presentation.
- (ii) Group has applied Ind AS 115 "Revenue from Contract with Customers" starting April 01, 2018. The application of the new standard does not having any impact on revenue recognition of Group.
- (iii) 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. 63.27 Lakhs (PY: 126.36 Lakhs). The Holding Company has not created provision for interest due to MSME as Holding Company is in financial stress and no claim of interest has been received from any of the MSME vendor.
- (iv) Group has recognized rental expenses amounting to Rs. 83.92 Lakhs for the year ended March 31, 2020 for leases classified as short term leases under Ind AS 116 "Leases". In relation to previous year Rs. 36.99 lacs was recognized as an rental expenses for operating leases under Ind AS 17 "Leases".
- (v) 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

(Mamta Gupta)  
Director  
DIN- 00503302

Rajat Goyal

Partner

Membership No. 503150

Place: Delhi

Date: August 31, 2020

(Inder Prakash Saboo)  
Chief Financial Officer

(Jyoti Sharma)  
Company Secretary  
M No. A55135