

To,

Bombay Stock Exchange Limited
25th Floor, Pheroze Jeejeebhoy Tower,
Dalal Street, Fort
Mumbai-400001

Dear Sir / Madam,

Subject: Audited Financial Results (Standalone and Consolidated) for the quarter and year ended as on 31st March 2020

As you are aware that the company is under the CIRP Process in terms of the order of Hon'ble NCLT dated 18th Dec 2018 and the power of the Board of Directors are suspended and are vested in the interim Resolution Professional and Richa Industries Limited's affairs, business and assets are being managed by the Interim Resolution Professional.

In this connection, Please find enclosed herewith a copy of the audited Financial Results (Standalone and Consolidated) for the Quarter and year ended on 31st March 2020 along with the Audit Report on the financials as per Regulation 33 of SEBI (LODR) Regulations, 2015.

You are requested to take the same on your record and acknowledge the receipt of the same.

Thanking You,

Yours faithfully,



Arvind Kumar

IRP No: IBB/IPA-001/IP-P00178/2017/10357

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Resolution Professional

Richa Industries Limited

(A Company under Corporate Insolvency Resolution Process by NCLT order dated 18.12.2018)

To,

Bombay Stock Exchange Limited
25th Floor, Pheroze Jeejeebhoy Tower,
Dalal Street, Fort
Mumbai-400023

Dear Sir/ Madam,

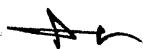
Subject: Richa Industries Limited –Financial Result (Standalone and Consolidated) for the quarter and year ended 31st March 2020

Please note that Corporate Insolvency Resolution Professional (“CIRP”) has been initiated in respect of Richa Industries Limited (“Corporate Debtor” or “The Company”) under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC) by an order of National Company Law Tribunal (NCLT) dated 18th December 2018.

As per Section 17 of the IBC, 2016, the Power of the Board of Directors stands suspended and such powers shall be vested with me, Arvind Kumar (IBB/IPA-001/IP-P00178/2017/10357) appointed as the Resolution Professional (“RP”) with respect to the company.

In Pursuance of Regulation 33(3)(d) of the SEBI (LODR), 2015, the listed entity shall be submitted quarterly results along with the audit Report. In the regards I would like to bring to your kind Notice and consideration:

- (i) The said result for the quarter ended 31st March 2020 have been approved by the RP solely on the basis of and on relying on the information and representation given by the management of the company. The RP has approved the said financials only to the Limited extent of discharging the powers of the board of directors of the company which has been conferred upon him inter alia in terms of provisions of Section 17 of the IBC, 2016 and do not make any representations or issue any statements in relation to the financial statements are true, complete and accurate in all respects.
- (ii) In Pursuance of Regulation 33(3)(d) of the SEBI (LODR), 2015, the listed entity shall be submitted quarterly results along with the Limited Review Report. It is to be noted that the Company has not updated its financials Statement for FY 2019-20 in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under (Ind-AS) for the period before initiation of the CIRP, Due to incomplete accounting in the pre CIRP period, the financial statements could not be prepared in accordance with Ind-AS.



(iii) Further, as per Regulation 33 (3) d of the SEBI (LORD), 2015, if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results along with the audit report. In order to comply with the regulation, we are also submitting the consolidated financial results along with the standalone financial result of the company.

This is for your information and record. We will keep you posted on further developments (if any) in this regard.



Arvind Kumar

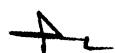
IRP No: IBB/IPA-001/IP-P00178/2017/10357

Resolution Professional

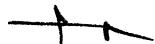
Richa Industries Limited

(A Company under Corporate Insolvency Resolution Process by NCLT order dated 18.12.2018)

Notes	
1	<p>Tata Blue Scope Steels Ltd in its capacity of Operational Creditor had filed a petition under Insolvency and Bankruptcy Code 2016 with National Company Law Tribunal (NCLT) against Richa Industries Limited (Holding Company). The case was admitted by NCLT and it had ordered for commencement of Corporate Insolvency Resolution Professional Process (CIRP) with effect from 18 December 2018 and had appointed Mr. Arvind Kumar as interim Resolution Professional for the company.</p> <p>Under the IBC Proceedings, the power of the Board was suspended with effect from 18th December 2018.</p> <p>The NCLT order also provided for a moratorium with effect from December 18, 2018 till the completion of the Corporate insolvency Resolution process (CIRP) or until it approves the resolution plan under Section 31(1) or passes an order for liquidation of the company under Section 33, whichever is earlier. Currently, the company is under CIRP process.</p> <p>Pursuant to NCLT order on the company a public announcement was made and a committee of creditor was formed under Section 21 of the act. The Committee of Creditors held their first meeting and approved appointment of interim Resolution Professional, Mr. Arvind Kumar as the Resolution Professional.</p>
2	Under the Current CIRP Process, the resolution professional is in the process of inviting resolution plans, once a plan is submitted, it will be placed before COC and thereafter to NCLT for approval.
3	As per Section 134 of the Companies Act, 2013, the financial statements of a company are required to be authenticated by the chairperson of the Board of Directors, where authorized by the Board or at least two director, of which one shall be the managing director or the CEO (being a director), the CFO and the Company Secretary where they are appointed. Under IBC 2016, such power shall vest with Resolution Professional.
4	<p>The Auditors in their Limited review report made the following qualifications:</p> <p>(a) The accompanying statements are not in compliance to Indian Accounting Standards ('IND AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under.</p> <p>(b) The Company has not appointed the internal Auditors as required by Section 138 of the Companies Act 2013.</p> <p>(c) The Company has incurred a Net Loss of '57.31 Crore resulting into accumulated losses of '228.94 Crore and erosion of its Net worth as at March</p>



	<p>31, 2020. The Company has obligations towards fund based borrowings aggregating to 311.47 Crore and operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.</p> <p>(d) Trade Receivables, Trade Payables and Loans and advances are subject to confirmation / reconciliation, and deviation in the same may affect the Financial Position and / or Financial Performance of the Company, to the extent.</p> <p>(e) The Company has not made any provision in the books of accounts towards Corporate Guarantee</p>
6	<p>The Management response to the same is as under: -</p> <p>a) The Company has not updated its financial Statement for FY 2019-20 in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under (Ind-AS) for the period before initiation of the CIRP, Due to incomplete accounting in the pre CIRP period, the financial statements could not be prepared in accordance with Ind-AS.</p>
7	<p>The Figures for the quarter ended 31st March 2020 represents the balancing figures between the audited figures for the full financial year and published year to date figures up to third quarter of the said financial year.</p>



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The figures for the previous period /year have been regrouped wherever necessary to confirm to the current years classification.

For Richa Industries Limited



Arvind Kumar

IRP No: IBB/IPA-001/IP-P00178/2017/10357

Resolution Professional

Place: Mumbai

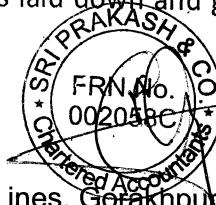
Date: 4-9-20



Standalone Audit Report on Quarterly Financial Results and Year to Date Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

**To The Resolution Professional of
Richa Industries Limited**

1. The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by an order dated 18.12.2018 admitted the Corporate Insolvency Resolution Process application filed against Richa Industries Limited by an operational creditor and appointed Mr. Arvind Kumar as an Interim Resolution Professional (IRP) in terms of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the company as per the provisions of the code. Further, the committee of creditors constituted during CIRP has confirmed the appointment of Mr. Arvind Kumar as the resolution professional ("RP") on 17-01-2019 for the company. In view of ongoing CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of this standalone Financials Statements vests with the RP under Insolvency and Bankruptcy Code, 2016.
2. We have audited the accompanying statement of quarterly Financial Results of **RICHA INDUSTRIES LIMITED** ("the Company") for the Quarter Ended 31st March 2020 ("the Statement") and for the year ended 31st March 2020 attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The quarterly financial results are the derived figures between the audited figure in respect of the year ended 31st March 2020 and published year to date figures upto 31st December 2019 being the date of end of the third quarter of the current financial year, which were subject to limited review. The Financial results for the quarter ended 31st March 2020 and year ended 31st March 2020 have been prepared on the basis of the financial results for the nine-month period ended 31st December 2019, the audited annual financial statement as at and for the year ended 31st March 2020 which is the responsibility of the company's management and have been approved by the Insolvency Resolution Professional of the company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine month period ended 31st December 2019, which was prepared in accordance with the recognition and measurement principles laid down and generally accepted accounting principles as applicable.



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3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An Audit Includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimate made by the management. We believe that our audit provide a reasonable basis for our opinion, to the extent information & data available/ provided a reasonable basis for our opinion, to the extent information & data available/ provided with/to us.
4. In our opinion and to the best of our information and according to the explanation given to us & to the extent information & data available/provided with/to us year to date results except for the effects of the matters described in para 5(a), 5(b), 5(c), 5(d), 5(e), 5(f), 5(g), 5(h), 5(i), 5(j), 5(k), 5(l), 5(m), 5(n), 5(o), 5(p), 5(q), 5(r), 5(s) in the basis for qualified opinion, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and:-
 - i. have been presented in accordance with the requirement of regulation 33 of the SEBI (listing obligation and disclosure Requirements) Regulation, 2015 in this regard and
 - ii. give a true and fair view of net loss and other financial information for the year to date results for the period 1st April 2019 to 31st March 2020.
5. Based on our review conducted as above, the following is being submitted / reported:
 - a) The accompanying statements are not in compliance to Indian Accounting Standards ('IND AS')specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under.
 - a) During the year, the Company has incurred a Net Loss of '57.20 Crore resulting into accumulated losses of '228.83 Crore and erosion of its Net worth as at March 31, 2020. The Company has obligations towards fund based borrowings aggregating to 311.47 Crore and operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to



realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.

- b) In connection with the existence of material uncertainties over the realisability of trade receivables and Security Deposit amount aggregating to '45.51' Crore included in financial and other assets which are past due subject to confirmation and reconciliation. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.
- c) The System of Internal Financial Control over financial reporting with regards to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such control were operating effectively.
- d) The Inventory valuing Rs. 11.38 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor and Fixed Assets valuing Rs. 101.52 Crore was neither physically verified nor valued by us. The quantity and valuation as provided by Management/Resolution Professional has been accepted without any further verification/valuation. Any deviation in the same may affect the Financial Position and/or Financial Performance of the Company, to the extent.
- e) In respect of balances available with statutory authorities and input credits aggregating to '18.86' Crore that are subject to reconciliation, filing of return and admission by the respective statutory authorities and, we are unable to comment on the same.
- f) The company has not made any provision for gratuity and leave encashment for the current Financial year and no actuarial valuation report has been taken, the impact on loss for the year on account of such previous provision is not ascertainable and relevant disclosures have not been given. This is not in compliance with AS-15 Employee Benefits.
- g) The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.
- h) The Richa Industries Limited has done the investment in Richa Krishna Constructions Private Limited on 19th Jan 2019 amounting to Rs. 51,000/- and acquired 51% share of Richa Krishna Constructions Private Limited. The Richa Krishna Construction Private



Limited has become the subsidiary company of Richa Industries Limited. The Investment was made after the CIRP Proceedings, as such we are unable to comment on the purpose of such investment made by the company.

- i) The company has not appointed Internal Auditor as required by section 138 of the Companies Act, 2013.
- j) In uttrakhand State, GST Returns were not filed by the Holding Company and the GST Liability amounting to Rs. 3.05 Crore is payable as on 31.03.2020
- k) The company has not deposited statutory liabilities with concerned Government authorities under various Acts before commencement of CIRP during the FY 2018-19. It has also not provided for interest/penalty/for such default.
- l) In connection with the existence of material uncertainties over the balances of trade payables and other current liabilities amount aggregating to '61.34' Crore included in financial statements are subject to reconciliation.
- m) Company has given Corporate Guarantee of INR 24,176.25 Lakhs. The normal business operations of the said companies have been discontinued. The liabilities of these corporate guarantees, if invoked, have not been ascertained and the same is not provided for.
- n) Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium enterprises Development Act 2006. The Financial Impact of this Non-Compliance, if any could not be determined
- o) A The Company's financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing [in the financial statements] a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- p) As part of our audit, we conclude regarding the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements



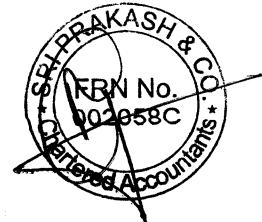
in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- q) As discussed in Note 6, the Company has been unable to conclude with the Resolution Plan and also the liquidation process request has been submitted before Hon'ble NCLT which is pending as on the date of audit. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.
- r) In view of the significant losses which have been incurred by the company during the previous financial years, the carrying value of certain fixed assets needs to be tested for impairment. The management has not done the impairment testing and in absence of any information, we are unable to comment as to whether any provision for impairment is required or not
- s) During the FY 2019-20, The Company was under CIRP Proceeding and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest amounting to Rs. 43.42 crores on accrual basis till 31.03.2020 for the period for which interest was not charged by the bank on outstanding balance of loans.

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended 31st March 2020 represent the deprived figures between the audited figures in respect of the financial year ended 31st March 2020 and the published year-to-date figures up to 31st December 2019 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review.

For SRI PRAKASH & CO.
Chartered Accountants

CA Punit Kumar
(Partner)
M. No. 522295
FRN No. 002058C





**Audit Report on Consolidated Quarterly Financial Results and Year ended on 31.03.2020
results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and
Disclosure Requirements) Regulations, 2015**

**To The Resolution Professional of
Richa Industries Limited**

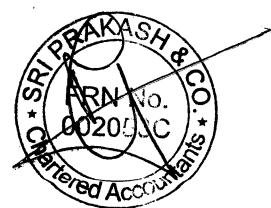
1. We have audited the accompanying statement of Consolidated Financial Results of **RICHA INDUSTRIES LIMITED** (Here in referred to as "the Holding Company") and its subsidiary (the Holding company and its subsidiaries together referred to as "the Group") for the Quarter Ended 31st March 2020 ("the Statement") and for the year ended 31st March 2020 attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The quarterly financial results are the derived figures between the audited figure in respect of the year ended 31st March 2020 and published year to date figures upto 31st December 2020 being the date of end of the third quarter of the current financial year, which were subject to limited review. The Financial results for the quarter ended 31st March 2020 and year ended 31st March 20 have been prepared on the basis of the financial results for the nine-month period ended 31st December 2020, the audited annual financial statement as at and for the year ended 31st March 2020 which is the responsibility of the company's management and have been approved by the Resolution professional. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the year ended 31st March 2020, which was prepared in accordance with the recognition and measurement principles laid down and generally accepted accounting principles as applicable.
2. The Holding Company is undergoing Corporate Insolvency Resolution Process (CIR Process) under the provisions of the Insolvency and Bankruptcy Code 2016 (Insolvency Code) w.e.f 18th December 2018 in terms of orders passed by Hon'ble National Company Law Tribunal (NCLT). As per Section 20 of the Insolvency Code, management & operation of the Holding company are being managed by interim Resolution Professional Mr. Arvind Kumar on going concern basis.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An Audit Includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes examining, on a test basis evidence supporting the amounts



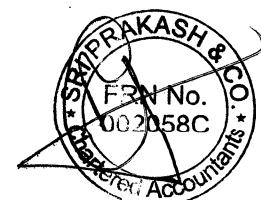
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disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimate made by the management. We believe that our audit provide a reasonable basis for our opinion, to the extent information & data available/ provided a reasonable basis for our opinion, to the extent information & data available/ provided with/to us.

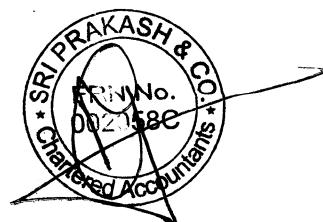
4. The accompanying statement includes the results of Richa Krishna Constructions Private Limited (Subsidiary of the Holding Company)
5. In our opinion and to the best of our information and according to the explanation given to us & to the extent information & data available/provided with/to us year to date results except for the effects of the matters described in para 5(a), 5(b), 5(c), 5(d), 5(e), 5(f), 5(g), 5(h), 5(i), 5(j), 5(k), 5(l), 5(m), 5(n) in the basis for qualified opinion, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and:-
 - i. have been presented in accordance with the requirement of regulation 33 of the SEBI (listing obligation and disclosure Requirements) Regulation, 2015 in this regard and
 - ii. give a true and fair view of net loss and other financial information for the year to date results for the period 1st April 2019 to 31st March 2020.
6. Based on our review conducted as above, the following is being submitted / reported:
 - a. In respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year, the Company has incurred a Net Loss of `57.28 Crore resulting into accumulated losses of `233.53 Crore and erosion of its Net worth as at March 31, 2020. The Company has obligations towards fund based borrowings aggregating to 311.47 Crore and operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying Consolidated financial statements.



- b. In connection with the existence of material uncertainties over the realisability of trade receivables and Security Deposit amount aggregating to '45.51' Crore included in financial and other assets which are past due subject to confirmation and reconciliation. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.
- c. The Inventory valuing Rs. 15.73 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor and Fixed Assets valuing Rs. 101.52 Crore was neither physically verified nor valued by us. The quantity and valuation as provided by Management/Resolution Professional has been accepted without any further verification/valuation. Any deviation in the same may affect the Financial Position and/or Financial Performance of the Company, to the extent.
- d. e. In respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
- f. In respect of balances available with statutory authorities and input credits aggregating to '18.86' Crore that are subject to reconciliation, filing of return and admission by the respective statutory authorities and, we are unable to comment on the same.
- g. The company has not made any provision for gratuity and leave encashment for the current Financial year and no actuarial valuation report has been taken, the impact on loss for the year on account of such previous provision is not ascertainable and relevant disclosures have not been given. This is not in compliance with AS-15 Employee Benefits.
- h. The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.
- i. The company has not appointed Internal Auditor as required by section 138 of the Companies Act, 2013.
- j. The company has not deposited statutory liabilities with concerned Government authorities under various Acts before commencement of CIRP during the FY 2018-19. It has also not provided for interest/penalty/for such default.



- k. Company has given Corporate Guarantee of INR 24,176.25 Lakhs. The normal business operations of the said companies have been discontinued. The liabilities of these corporate guarantees, if invoked, have not been ascertained and the same is not provided for.
- l. In uttrakhand State, GST Returns were not filed by the Holding Company and the GST Liability amounting to Rs. 3.05 Crore is payable as on 31.03.2020.
- m. Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium enterprises Development Act 2006. The Financial Impact of this Non-Compliance, if any could not be determined
- n. A The Company's financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing [in the financial statements] a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- o. As part of our audit, we conclude regarding the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- p. As discussed in Note 6, the Company has been unable to conclude with the Resolution Plan and also the liquidation process request has been submitted before Hon'ble NCLT



which is pending as on the date of audit. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.

- q. In view of the significant losses which have been incurred by the company during the previous financial years, the carrying value of certain fixed assets needs to be tested for impairment. The management has not done the impairment testing and in absence of any information, we are unable to comment as to whether any provision for impairment is required or not
- r. During the FY 2019-20, The Company was under CIRP Proceeding and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest amounting to Rs. 36.63 crores on accrual basis till 31.12.2019 for the period for which interest was not charged by the bank on outstanding balance of loans.
- s. The System of Internal Financial Control over financial reporting with regards to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such control were operating effectively.

7. We did not audit the separate financial statement of subsidiary Company.

8. Further, read with paragraph 1 above, we report that the figures for the quarter ended 31st March 2020 represent the deprived figures between the audited figures in respect of the financial year ended 31st March 2020 and the published year-to-date figures up to 31st December 2019 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review.

For Sri Prakash & Co
Chartered Accountants
(Firm Registration No. 002058C)

CA Punit Kumar
Partner (M. No. - 522295)

Place: Baddi
Date: 26-08-2020
UDIN: 20522295AAAA815059



Independent Auditors Report

To the Members of
Richa Industries Limited

Report on the Standalone Financial Statement

1. Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by an order dated 18.12.2018 admitted the Corporate Insolvency Resolution Process application filed against **Richa Industries Limited** by an operational creditor and appointed Mr. Arvind Kumar as an Interim Resolution Professional (IRP) in terms of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the company as per the provisions of the code. Further, the committee of creditors constituted during CIRP has confirmed the appointment of Mr. Arvind Kumar as the resolution professional ("RP") on 17-01-2019 for the company. In view of ongoing CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of this standalone Financials Statements vests with the RP under Insolvency and Bankruptcy Code, 2016.

2. Qualified Opinion

We have audited the accompanying Standalone Financial Statements of Richa Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (here in refer to as "Standalone Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in para 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(g), 3(h), 3(i), 3(j), 3(k), 3(l), 3(m), 3(n) in the basis for qualified opinion, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") 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, its profit (or Loss) and cash flows for the year ended on that date.

3. Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules

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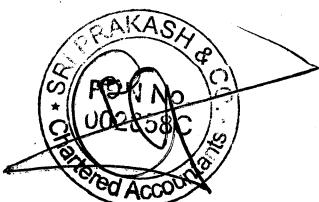


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made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements. We refer to the following notes to standalone financial statements:

- a. Note 2 to the standalone financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year, the Company has incurred a Net Loss of Rs. 57.20 Crore resulting into accumulated losses of Rs. 228.83 Crore and erosion of its Net worth as at March 31, 2020. The Company has obligations towards fund based borrowings aggregating to Rs. 311.47 Crore and operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.
- b. As discussed in Note 6, the Company has been unable to conclude with the Resolution Plan and also the liquidation process request has been submitted before Hon'ble NCLT which is pending as on the date of audit. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.
- c. In view of the significant losses which have been incurred by the company during the previous financial years, the carrying value of certain fixed assets needs to be tested for impairment. The management has not done the impairment testing and in absence of any information, we are unable to comment as to whether any provision for impairment is required or not
- d. Note 13 and Note 15 to the standalone financial statements, in connection with the existence of material uncertainties over the realisability of trade receivables and Security Deposit amount aggregating to Rs.45.51 Crore included in financial and other assets which are past due subject to confirmation and reconciliation. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.
- e. Note 12 to the standalone financial statements, the Inventory valuing Rs. 11.38 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor and Fixed Assets valuing Rs. 101.52 Crore was neither Physical verification nor valued by us. The quantity and valuation as provided by Management / Resolution Professional has been accepted without any further verification / valuation. Any deviation in the same may affect the Financial Position and / or Financial Performance of the Company, to the extent.



- f. Note 3 to Note 7 to the Standalone financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
- g. Note 15 to the standalone financial statements, in respect of balances available with statutory authorities and input credits aggregating to Rs. 18.86 Crore that are subject to reconciliation, filing of return and admission by the respective statutory authorities and, we are unable to comment on the same.
- h. Note 4 of notes to accounts to the Standalone financial statements, the company has not made any provision for gratuity and leave encashment for the current Financial year and no actuarial valuation report has been taken, the impact on loss for the year on account of such previous provision is not ascertainable and relevant disclosures have not been given. This is not in compliance with AS-15 Employee Benefits.
- i. The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.
- j. The accompanying statements are not in compliance to Indian Accounting Standards ('IND AS')specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under.
- k. The company has not appointed Internal Auditor as required by section 138 of the Companies Act, 2013.
- l. The company has not deposited statutory liabilities with concerned Government authorities under various Acts before commencement of CIRP during the FY 2018-19. It has also not provided for interest/penalty for such default.
- m. Note 7 & 7(a) to the standalone financial statements, in connection with the existence of material uncertainties over the balances of trade payables and other current liabilities amount aggregating to Rs. 61.34 Crore included in financial statements are subject to reconciliation.
- n. Company has given Corporate Guarantee of Rs. 24,1.76.Crore. The normal business operations of the said companies have been discontinued. The liabilities of these corporate guarantees, if invoked, have not been ascertained and the same is not provided for.

4. Key Audit Matters

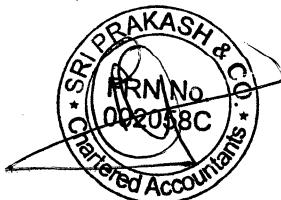
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not



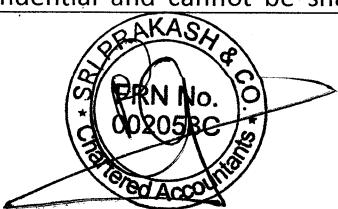
provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><i>Accuracy Evaluation of claims submitted by Financial Creditors , Employees & Operational Creditors</i></p> <p>Refer Notes 3 to Note 7 to the Standalone Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>Pursuant to the commencement of Corporate Insolvency Resolution Process of the Company (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC), various claims have been submitted by operational creditors, financial creditors, employee and others against the Company. The amount of trade and other payables are independent of the claims filed by creditors and admitted by the RP.</p>
2	<p><i>Evaluation of uncertain tax positions</i></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 7 to the Standalone Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p> <p>Additionally, we considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.</p>
3	<p><i>Recoverability of Indirect tax receivables</i></p> <p>As at March 31, 2020, non-current assets in respect of withholding tax and others includes Income Tax recoverable which are past due subject to reconciliation.</p>	<p><u>Principal Audit Procedures</u></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.</p>



	Refer Note 15 to the Standalone Financial Statements	
4.	<p><i>Accuracy Evaluation of Inventory Positions</i></p> <p>Estimated effort is a critical estimate to determine liability for onerous obligations</p> <p>Refer Notes 12 to the standalone Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> i. We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. ii. we have in respect Non-availability of Physical verification and market value of inventory of Raw Material, Work in progress and Finished goods etc. and in the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable. iii. Valuation obtained by the RP under I&BC is confidential and cannot be shared except as per the provisions of the I&B code 2016.
5.	<p><i>Accuracy Evaluation of property, Plant and Equipments</i></p> <p>Refer Notes 9 and 10 to the standalone Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> i. We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. ii. we have in respect Non-availability of Physical verification and market value of property, plant and equipment etc. and in the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable. iii. Valuation obtained by the RP under I&BC is confidential and cannot be shared except as per the



		provisions of the I&B code 2016.
6.	Accuracy Evaluation of Trade Receivables Refer Notes 13 to the standalone Financial Statements.	<u>Principal Audit Procedures</u> We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. In respect Non-availability of Reconciliation and confirmations of balances from the trade receivables and In the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

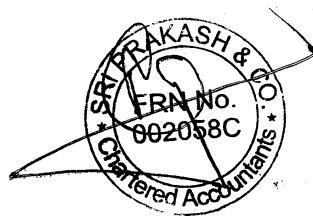
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Company's financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing [in the financial statements] a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.



As part of our audit, we conclude regarding the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

6. Management's Responsibility 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process. However, Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the Board of Directors have been suspended and these Powers are now vested with Resolution Professional (RP).

7. Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

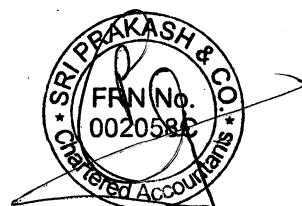


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

8. Emphasis of matters Attention is invited to:

- a. Notes to the standalone financial statements, in respect of Income tax notices received by the company from the Income Tax department and these cases are still under dispute.
- b. Notes to the standalone financial statements, in respect of Notices received by the company from Various Labor acts.
- c. As per the insolvency and bankruptcy code, 2016 („insolvency code”), the RP receives, collect, and admit all the claim submitted by the creditor (Operational, Financial & Other), employee & workmen of the company, and Govt. Authorities. Such claim can be submitted to the RP during the CIRP, till the approval of a resolution plan by COC. The impact of such admitted or rejected claims, if any, has not been considered in the preparation of the Financial Statements.
- d. Attention is invited to Note No 6 of the Financial Statement wherein the management has stated that the Company was under CIRP Proceedings and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest in case of Indian Overseas Bank amounting to Rs. 43.42 crores on accrual basis till 31.03.2020 for the period for which interest was not charged by the bank on outstanding balance of loans.
- e. Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium enterprises Development Act 2006. The Financial Impact of this Non-Compliance, if any could not be determined



9. Other Matters

We did not audit the separate financial statements of subsidiary Company.

10. Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143 (3) of the Act, we report that:
 - a) We have sought and except for the effects/possible effects of the matters described under "Basis for qualified opinion" paragraph, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, except for the effects/ possible effects of the matters described in the "Basis for qualified opinion" paragraph, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matters described under "Basis for Qualified Opinion" and "Emphasis of Matters" paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors have been suspended and be exercised by the interim resolution professional. Hence, written representation from directors has not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2020 from being appointed as a director in the terms of Section 164 (2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the basis for Qualified Opinion paragraph;



h) 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". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.

i) 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 information and explanations given to us:

- I. The Company has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its standalone financial statements (Refer note 27);
- II. Except for the effects/possible effects of matters described under basis of qualified opinion paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts;
- III. There has been no delay in transferring the amounts that were due to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;

For Sri Prakash & Co
Chartered Accountants

FRN: 002058C



CA Punit K. D. S. M. No. 522295

Date: 26-08-2020

Place: Baddi

UDIN: 20522295 AAAAB15059



"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2020:

- I. (a) As confirmed by the management, the Company is maintaining records showing full particulars including quantitative details. The records are up to date as on 31st March, 2020.
 (b) As confirmed by the RP, he has taken physical possession of the assets, based on the records of the company, upon his appointment. The valuation of the Fixed Assets, undertaken by the Management / Resolution Professional at its own, has been accepted as such, without further verification. Any variation may affect the financial position and financial performance to the extent.
 (c.) The title deeds of the immoveable properties are held in the name of the Company, but the beneficiary interest lies with the bankers / lenders, with whom the same are mortgaged as security.
- II. The inventory amounting to Rs. 11.38 Crore including stocks with certain third parties. The valuation of the stocks is undertaken by the Management / Resolution Professional at its own, which has been accepted as such, without further verification. Any variation may affect the financial position and financial performance to the extent.
- III. The Company had granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect the same:
 (a) the unsecured loan has been given without specifying any terms and conditions and hence further comments can't be given
 (b) the schedule of repayment of principal and payment of interest has not been specified, hence further comments can't be given.

Further the Company has not granted any secured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence the clauses (a), (b) of Para 3(iii) of the order are not applicable. The company has however extended corporate guaranties to secure the payment of suppliers of material, sub-contractors and Non-banking financial companies.

- IV. According to the information and explanations given to us, the Company has not accepted any deposits during the year within the meaning of Sections 73 to 76 of the Companies Act, 2013, and the rules framed there under to the extent notified.
- V. We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act. And are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



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VI. (a) According to information and explanations given to us and records of the Company examined by us, the Company has not been regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, income-tax, sales tax, service tax, duty of excise, value added tax and cess and any other statutory dues with the appropriate authorities. There have been significant delays in a large number of cases in depositing these dues with the appropriate authorities. Further, GST payable as on March 31,2020 is given below.

S. No.	Nature of Dues	Amount (Rs. In Lacs)
1	GST Payable	384.89

(b) According to the information and explanations given to us and records of the Company examined by us, particulars of dues outstanding in respect of income tax, sales tax, service tax, duty of excise and value added tax which have not been deposited on account of any dispute as given below.

S. No.	Nature of dues	Amount (In Rs)	Period to which amount relates	Forum where dispute is pending
1.	Service tax	1,32,01,385	FY 2008-09 to 2011-12	CESTAT, New Delhi
2.	Sales Tax	4,44,14,998		
3.	Income tax	7,30,74,412		

viii In our opinion and according to the information and explanations given to us and as confirmed by management, the company has defaulted in repayment of dues to a financial institutions & banks as all the credit facilities from most of banks/financial institutions of the company have already been classified as NPA the entire amount of borrowing including interest are overdue and continuing default as on March 31, 2020, The amount outstanding as on 31.03.2020 is as under:

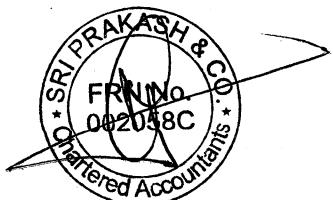
Particulars	Amount Outstanding as at 31.03.2020	Period of delay	Remarks, if any
Indian Overseas Bank			
Term Loan	6,44,24,328	Since Jan 2018	Non-payment of Interest and Instalment



Working Capital Loan Textiles- Division	65,97,24,657.30	Since Oct 2017	Due to non-payment of interest and non- adjustment of overdrafts.
PEB-Division	8,42,678,605.15	Since Dec 2017	Due to non-adjustment of interchangeability of Fund Based to Non Fund Based 23.00 Crore, and balance of devolvement of Letter of Credit and interest on the WCL including above
Corporation Bank			
Working Capital Loan	70,13,63,215.30	Since Dec 2017	Due to non-payment of Ad-hoc WCL of 3.00 Crore, and balance of devolvement of Letter of Credit and interest on the WCL including above
Vehicle Loan	8,933,818.00		

Further the default in case of other lenders, is as follows:

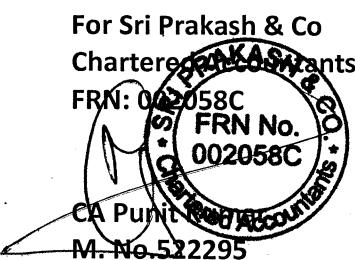
Particulars	Amount Outstanding as at 31.03.2020
Reliance Commercial Finance Ltd	40,062,329
Jainsons Fin-lease Limited	5,90,72,776
Kotak Mahindra Bank	1,002,935
Toyota Financial Services Limited	26,90,899
HDB Financial Services Limited	2,46,96,744
Sirsa Deposits and Advances Limited	5,206,957
Non Convertible Debenture	10,10,53,479



- ix According to the information and explanations given to us, the Company, during the year, has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans have been applied by the Company during the year for the purposes for which they were obtained.
- x During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to information & explanation given to us, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year nor we have been informed of any such case by the Management.
- xi According to the information and explanations given to us and based on the audit procedures conducted by us, company has not paid the managerial remuneration during the FY 2019-20:-
- xii In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- xiii In our opinion and according to the information and explanations given to us, we are unable to obtain sufficient and appropriate audit evidence to comment whether all transactions with the related parties as disclosed in Note 32 to the financial statements are in compliance with section 177 and 188 of Companies Act, 2013. Further, where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv According to the information and explanations given to us, the Company has not made any preferential allotment. Accordingly, provisions of para 3 (xiv) of the order are not applicable to the Company.
- xv According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. The provisions of clause 3 (XV) of the Order are not applicable to the company.
- xvi In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Date: 26/08/2020

Place: Batali





Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Richa Industries Limited

Report on the Internal Financial Controls 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 **Richa Industries Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

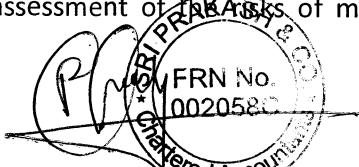
Auditors' Responsibility

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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.



H.O. : 21-22, Hari Om Nagar, Civil Lines, Gorakhpur (U.P.) - 273001

Branch Office : **Delhi** : 105, J Extension, Luxmi Nagar, Delhi 110112
Darbhanga : G.M. Complex, Near Lalbagh Paani Tanki, Darbhanga (Bihar) 846004
Lucknow : AA Complex 5 Park Road, Thapar House Hazratganj, Lucknow 226001
Rudrapur : A-337 Awas Vikas, Rudrapur 263153

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

The Company did not have appropriate internal financial controls over

- (a) Assessment of expected credit loss/loss allowance of trade receivables and withheld amounts which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and other disputes..
- (b) Physical verification of fixed assets and inventories. Further the company did not have any internal audit system during the year.

The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit/loss after tax.



A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

In our opinion, except for the possible effects of material weaknesses described in "basis of qualified opinion" paragraph above, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended on March 31, 2020, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

**For Sri Prakash & Co
Chartered Accountants**

FRN: 002058C

FRN No.
002058C

CA Punit Kumar
M. No.522295

Date: 26-08-2020
Place: Bedd
UDIN: 20522295AAAAB15059

Part 1 BALANCE SHEET

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

Standalone Balance Sheet as at 31st March , 2020

Plot No. 29, DLF Industrial Area, Phase -II, Faridabad, Haryana (India) -121003

(Amount in ₹)

Particulars	Note No.	Figures as at 31-03-2020	Figures as at 31-03-2019
I. EQUITY AND LIABILITIES			
(1) Shareholders funds			
(a) Share Capital	1	235,169,040.00	235,169,040.00
(b) Reserves and Surplus	2	-2,289,482,256.16	-1,716,316,045.66
(c) Money Received against share warrants			
(2) Share Application Money Pending Allotment			
(3) Non-current liabilities			
(a) Long term borrowings	3	106,937,000.00	106,937,000.00
(b) Deferred tax liabilities(Net)		114,020,789.71	114,020,789.71
(c) Other Long term liabilities	4	-	-
(d) Long term provisions	5	12,872,713.00	12,539,692.00
(4) Current Liabilities			
(a) Short term borrowings	6	3,007,805,462.83	2,582,514,255.73
(b) Trade payables	7	334,246,606.29	378,048,863.83
(c) Other current liabilities	7(a)	280,304,841.84	196,352,402.81
(d) Short term provisions	8	25,311,955.20	46,187,259.20
TOTAL		1,827,186,152.71	1,955,453,257.62
II. ASSETS			
(1) Non Current assets			
(a)Fixed assets			
(i)Tangible assets	9	1,014,377,256.25	1,104,840,634.15
(ii)Intangible assets	10	790,434.31	1,670,204.91
(iii)Capital Work-in-progress	9(a)	-	-
(iv)Intangible assets under development	10(a)	-	-
(b) Non current investments	11	51,000.00	51,000.00
(c) Deferred tax assets (NET)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current Assets			
(b) Inventories	12	113,888,064.30	118,216,812.02
(c) Trade receivables	13	450,106,962.49	464,907,481.06
(d) Cash and cash equivalents	14	35,626,630.76	38,989,163.70
(e) Short term loans and advances	15	212,345,804.60	226,777,961.78
TOTAL		1,827,186,152.71	1,955,453,257.62

As per our report of even date attached

for and on behalf of Board of Directors of

For Sri Prakash & Co

Chartered Accountants

(Firm Registration Number 002058C)



(CA Punit Kumar)
Partner
Membership No. 522295

Richa Industries Limited

Arvind Kumar
Resolution Professional
IRP No: IBB/IPA-001/IP-P00178/2017/10357

Place: Faridabad

Date: 26-08-2020

-18

UDIN - 20522295 AAAARI 5059

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

PART II - STANDALONE STATEMENT OF PROFIT AND LOSS

For the Period Ended March 31, 2020

Plot No. 29, DLF Industrial Area ,Phase -II, Faridabad, Haryana (India) -121003

(Amount in ₹)

Particulars	Note No.	For the Period 01-04-19 to 31-03-20	For the Period 01-04-18 to 31-03-19
I. Revenue from operations	16	426,177,551.19	1,556,701,771.94
II. Other Income	17	2,964,219.33	5,099,803.14
III. Total Revenue(I+II)		429,141,770.52	1,561,801,575.08
IV. Expenses:			
Cost of materials consumed	18	170,897,468.27	1,318,919,014.55
Purchase of Stock in Trade	19	-	-
Changes in inventories of finished goods work-in-progress consumable	20	8,270,433.00	591,583,100.49
Employee benefits expenses	21	69,351,710.07	129,798,715.53
Finance costs	22	378,111,078.74	356,523,901.67
Depreciation and amortization expenses	23	91,382,544.06	92,538,711.72
Other cost	24	284,297,023.75	424,533,282.30
Total expenses		1,002,310,257.89	2,913,896,726.26
V Profit before exceptional and extraordinary items and tax(III-IV)		-573,168,487.37	-1,352,095,151.18
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax(V-VI))		-	-1,352,095,151.18
VIII Extraordinary Items		-	-353,299,942.22
IX. Prior Period Expenses		-	-
X. Profit before tax (VII-VIII-VIII(a))		-573,168,487.37	-1,705,395,093.40
XI. Tax expenses:			
(1) Current tax		-	-
Less MAT Credit Entitlement		-	-
Provision for Disputed Income Tax/Other Taxes Matters		-	-
(2) Deferred tax		-	-
(3) MAT Credit Written off		-	16,559,048.20
XI. Profit(Loss) for the period from continuing Operations(IX-X)		-573,168,487.37	-1,721,954,141.60
XII. Profit(Loss)from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)		-	-
XV. Profit(Loss) for the period(XI+XIV)		-573,168,487.37	-1,721,954,141.60
XVI. Earnings per equity share:			
(1) Basic		-24.46	-73.49
(2) Diluted		-24.46	-73.49

As per our report of even date attached

for and on behalf of Board of Directors of

For Sri Prakash & Co
(Firm Registration Number 012058C)



(CA Punit Kumar
Partner
Membership No. 522295

Richa Industries Limited


Arvind Kumar
Resolution Professional
IRP No: IBB/IPA-001/IP-P00178/2017/10357

Place: Faridabad

Date: 26-08-2020

Particular	Amount in ₹	
	Year Ended 31-03-2020	Year Ended 31-03-2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per statement of Profit & loss	-573,168,487.37	-1,721,954,141.60
Adjustment for:		
Depreciation	91,382,544.06	92,538,711.72
Interest paid	378,068,529.78	351,341,685.74
Bad Debts Written off	-3,932.00	810,388.00
Effect of Exchange rate Change	-	
(Profit)/Loss on sale of fixed assets	-	1,527,094.66
	469,447,141.84	446,217,880.12
	-103,721,345.53	-1,275,736,261.48
Operating profit before working capital changes		
Adjustment for:		
Trade and other receivables	14,806,727.16	-6,262,314.33
Inventories	4,328,747.72	1,273,528,143.24
Trade payables and Other Liabilities	19,274,877.49	-307,223,026.89
	38,410,352.37	960,042,802.02
Cash generated from Operations	-65,310,993.16	-315,693,459.46
Taxes Paid(Net)	-	-
NET CASH/USED IN FROM OPERATING ACTIVITIES	-65,310,993.16	-315,693,459.46
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-39,395.00	-9,332,054.10
Sale of Fixed Assets	-	5,796,792.46
Short term Loans and Advances	14,432,157.18	-5,384,651.29
Loss on sale of Investment	-	7,149,000.00
NET CASH /(USED IN) FROM INVESTING ACTIVITIES	-50,918,230.98	-317,464,372.39
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayments) from long term other Borrowings	-	-181,120,090.59
Proceeds/(Repayments) of Unsecured Loan	-	-
Proceeds/(Repayments) from long term Bank Borrowings	-	-
Proceeds From/(Repayments of) Short Term Borrowings	425,291,207.10	802,277,286.18
Interest Paid	-378,068,529.78	-351,341,685.74
Long Term Liabilities	333,021.00	-
NET CASH /(USED IN) FROM FINANCING ACTIVITIES	47,555,698.32	269,815,509.85
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-3,362,532.66	-47,648,862.54
Opening Balance of Cash & Cash Equivalents	38,989,163.46	86,638,026.00
Closing balance of Cash & Cash Equivalents	35,626,630.76	38,989,163.46

See accompanying notes to the financial statements & Significant accounting policies

As per our report of even date attached

for and on behalf of Board of Directors of

Richa Industries Limited

For Sri Prakash & Co
Chartered Accountants
(Firm Registration Number: 002693C)



(CA Punit Kumar)
Partner
Membership No. 522106

Place: Faridabad

Date: 26-08-2020



Arvind Kumar
Resolution Professional
IRP No: IBB/IPA-001/IP-P00178/2017/10357

PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019	
1) Share Capital				
I) Authorised Share Capital				
30000000 (PY 30000000) Equity Shares of ₹ 10/- each		300,000,000.00		300,000,000.00
II) Issued Share Capital				
23603808 (PY 23603808) Equity Shares of ₹ 10/- each		236,038,080.00		236,038,080.00
III) Subscribed and Paid up Share Capital				
23430000 (PY 23430000) Equity Shares of ₹ 10/- each fully paid up		234,300,000.00		234,300,000.00
Out of Which :				
8826192 (PY 8826192) Equity shares of ₹ 10/- each fully paid up at a premium of ₹20.00 each				
1114446 (PY 1114446) Equity shares of ₹ 10/- each fully paid up at a premium of ₹ 10.875 each				
4275000 (PY 4275000) Equity shares of ₹ 10/- each fully paid up at a premium of ₹9.875 each				
1115000 (PY 1115000) Equity shares of ₹ 10/- each fully paid up at a premium of ₹20.74 each				
IV) Forfeited Shares				
173808 (PY 173808) Equity Shares of ₹ 10/- each forfeited amount @ ₹5/- each		869,040.00		869,040.00
TOTAL		235,169,040.00		235,169,040.00
(a) Rights, preferences and restrictions attached to shares				
(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders.				
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholding				
(b) A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period				
iii) Particulars				
		As at 31st Mar, 2020		As at 31st March, 2019
Shares at the Beginning of the Year	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
23,603,808.00	236,038,080.00	23,603,808	236,038,080.00	
Issued during the year by way of Preferential Allotment				
Bought back if any				
Outstanding at the end of Year	23,603,808.00	236,038,080.00	23,603,808	236,038,080.00
iv) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company :				
		As at 31st Mar, 2020		As at 31st March, 2019
Name of the Shareholders	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Richa Holdings Limited	7,621,156.00	32.53	7,621,156	32.53
2) Reserve and Surplus				
(a) Capital Reserve				
Balance at the beginning of the year			1,215,000.00	1,215,000.00
Addition during the year			-	-
Less: written back during the year			-	-
Balance at the end of the year			1,215,000.00	1,215,000.00
(b) Security Premium Reserve				
Balance at the beginning of the year			223,449,491.04	223,449,491.04
Addition during the year			-	-
Less: deduction during the year			-	-
Balance at the end of the year			223,449,491.04	223,449,491.04
(c) General reserve				
Balance at the beginning of the year			21,486,851.05	21,486,851.05
Addition during the year			-	-
Less: deduction during the year			-	-
Balance at the end of the year			21,486,851.05	21,486,851.05
(d) Surplus of Profit and Loss a/c				
Balance at the beginning of the year			-1,962,467,387.75	-240,513,246.15
Deduction during the year			-573,166,210.50	-1,721,954,141.60
Less: Transfer to General reserves			-	-
Balance at the end of the year			-2,535,633,598.25	-1,962,467,387.75
TOTAL (a+b+c+d)			-2,289,482,256.16	-1,716,316,045.66
No Debenture Redemption Reserve is created for redemption of debentures as required by the Company				
3) Long Term Borrowings				
(a) Secured loan				
(i) Term Loan				
--From Banks			-	-
--From Others			-	-
Less : Current Maturities of Long-Term Debts*			-	-
TOTAL (a)			-	-
* All the Long term borrowing has been shown as short term borrowing due to the consequence of CIRP proceeding.				
(b) Un-Secured loan				
Loans and Advances from Related parties				
-Richa Building Systems Private Limited		70,187,000.00		70,187,000.00
-Richa Holdings Limited		36,750,000.00		36,750,000.00
TOTAL (b)		106,937,000.00		106,937,000.00
(i) As per the resolution of Board of Directors of the company have decided that the above loans was taken on long terms basis and no interest is payable on the above loan.				



PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019	
(ii) Period and amount of continuing default as on the balance sheet date				
--in repayment of loans				Nil
--in repayment of interest				Nil
TOTAL (a)+(b)			106,937,000.00	106,937,000.00
5) Long Term Provisions				
(a) Provision for employee benefit*				
--Provision for Gratuity			8,957,134.00	8,782,015.00
--Provision for Leave Encashment			3,915,579.00	3,757,577.00
(b) others				
TOTAL			12,872,713.00	12,539,692.00
6) Short Term Borrowings				
Secured loan				
(a) Loans repayable on demand				
--From Banks			2,284,670,804.00	2,331,300,526.60
--From Banks - Vehicle Loan			8,933,818.00	7,874,615.00
--Others			232,942,869.13	232,926,346.13
(b) Provision for interest on Loan			434,232,590.70	
Add: Current Maturities of Long Term Debt**				
Un Secured loan				
(a) Loan from Sariga Construction Pvt Ltd.			9,371,244.00	10,412,768.00
(b) Lotus Textiles			37,654,137.00	
SUB TOTAL			3,007,805,462.83	2,582,514,255.73
During the FY 2019-20, The Company was under CIRP Proceeding and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest amounting to Rs. 43.42 crores on accrual basis till 31.03.2020 for the period for which interest was not charged by the bank on outstanding balance of loans.				
Name of Bank / Division of the Company	Balance as on	Balance as on	Rate of Interest (as per latest Sanction Letter available)	Repayment Schedule (as per latest Sanction Letter available)
Indian Overseas Bank / Textile Division	March 31, 2020	March 31, 2019		
Security : Equitable mortgage of Land and Building at VPO Kanwara, hypothecation of plant and machinery and other miscellaneous fixed assets purchased out of Term Loan.	8,990,900.00	9,959,108.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 28 quarterly Instalment, Commenced from 30.06.2011 : 12 Quarterly Instalments of ₹ 50 lac each, 8 Quarterly Instalment of ₹ 75 lac each, 4 Quarterly
Indian Overseas Bank / Textile Division	34,632,022.32	35,752,798.32	MCLR (1 Year)+0.20%+3.90% = 12.65%	Repayable in 72 equal monthly instalment after initial moratorium period of
Security: Primary - Hypothecation of Plant & Machinery set up for the Zero Liquid Discharge system and the new circular knitting machines.				
Indian Overseas Bank / Construction & Engg Division	20,801,406.00	25,128,011.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 72 monthly instalments of ₹ 30.00 Lac Commencing from July 2012.
Security : Primary First Pari Passu charge on the Project Land, building and other Project assets with Corporation Bank; Secondary-Second Pari-Passu charge on Current Assets of the PEB Division of the Company. Collateral Security : Second Pari-Passu Charge on Current Assets of the PEB Division of the Company.				
Kotak Mahindra Bank Ltd.	1,002,935.00	820,852.40	9.80%	Repayable in 47 Months of EMI of 2 x ₹ 23,933.00 Each including interest and Principal
Security: Hypothecation of 2 Nos. Commercial Vehicles				
Jainsons Finlease Ltd	59,072,776.00	59,072,776.00	19% p.a.	Repayable in 36 Months of EMI of ₹ 18,32,801.00 Each including interest and Principal and ₹ 1,00,00,000.00 on 10-06-2000 and ₹ 1,00,00,000.00 on 10-08-2000
Security: 1) Pledge of 36,45,280 shares of the company held by the Promoters / Promoters Company. 2) Personal Guarantee of Dr Sandeep Gupta (MD), Mr Sushil Gupta (Ex MD) & Mr Manish Gupta (Director)				
Magma Fincorp Ltd.			15.50%	Repayable in 24 Months of EMI of ₹ 4,87,245.00 Each including interest and Principal
Toyota Financial Services Ltd.	2,690,899.00	2,690,899.00	9.49%	Repayable in 60 Months of EMI of ₹ 39,900.00 (starting from 20-09-2016) and ₹ 43,740 (starting from 20-05-2017) each including interest and Principal
Security : Hypothecation of Toyota Innova Crysta Car (2 Nos)				
AAV Srl (Luxembourg), through its Indian Custodian Deutsche Bank AG, Mumbai Branch (Non Convertible Debentures[NCD]) : Principal Amount of ₹ 9,00,00,000.00	101,053,479.00	101,053,479.00	13.05% (fixed) subject to gross up for withholding tax (currently at a rate of 10%)	Repayable on April 08, 2020 : 50% of the Principal Amount and on June 12, 2020 : 50% of



	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019 the Principal Amount
		pa subject to gross up of withholding tax (currently at a rate of 10%)	10.5% pa	
	Security : 2 FDRs, one of ₹ 63,00,000.00 and second for ₹ 49,90,000.00. As on 31-03-2018, First FDR of ₹ 63,00,000.00 has been encashed by the Lender, due to non payment of interest as on 30-12-2017. The same FDR has not repaid by the Company			
	HDB Financial Services Ltd - Loan against Property HN-408 Sector 16A in the name of Mrs Garima Gupta, Spouse of Mr Manish Gupta, Director of the Company, Loan Amount of ₹ 263,32,894.00	24,696,744.13	24,696,744.13	Repayable in 116 instalments of ₹ 355323.00 each starting from 08-05-2017

Rate of interest is without considering interest subsidy under TUF Scheme (Wherever applicable)

The Carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note - 36

** Refer Note No. 3

1. Nature of Security

Name of Bank

Indian Overseas Bank

Prime Security :

Textile Division : Exclusive charge on the Current Assets of the textile division of the company, including stock and book debts

659,724,657.30 728,897,180.40

C & E Division : First pari-passu charge on the entire current assets of PEB division of the company including stock and book debts with corporation bank under multiple banking.

842,678,605.15 924,385,752.18

Collateral Security :

Textile Division : Working Capital facilities sanctioned for the textile division of the company will be secured by the Residential land & Building Plot No.1483, Sector-14, Faridabad [owned by Ms Shweta Gupta w/o Sh Sandeep Gupta, Managing Director of the Company and Mrs Geeta Devi, Mother of Sh Sandeep Gupta MD and Mr Manish Gupta Director of the Company], Land & Building at Plot No.659, Sector-16A, Faridabad [owned by Richa Holding Limited, a promoter Company], Land and Building at VPO Kanwara, Kheri jasana road, Faridabad [in the name of Company], EM of Plot-29 Near water tank DLF Industrial Phase-II Faridabad [owned by Company], HN-387 Sector 1, IMT Manesar, Gurgaon [owned by Company] and WDV of plant and machinery and other Fixed assets. Plus Pledge of 101,93,784 Equity shares of promoters / promoters Company, to the extent of 30% of Capital. Negative lien on remaining shares held by the promoters / promoters Companies

C & E Division : Working capital limits sanctioned for the PEB division of the company will be collaterally secured by the pari-pasu second charge on fixed assets of the Company held as primary security to Term Loans as enjoyed by the Company.

Corporation Bank

Prime Security :

C & E Division : First pari-passu charge on inventory / book debts / current assets of PEB division of the Company along with IOB. [under Multiple banking system].

701,363,215.30 594,543,027.30

Collateral Security :

C & E Division : Working capital limits are secured by pari-pasu first charge in respect of residual value of fixed assets held as primary security to term loans enjoyed by the Company

Bank of India:

Secured against Comfort Letters issued by Steel Authority of India Limited, to whom a Bank Guarantee of ₹ 1.00 Crore under channel financing scheme

Reliance Commercial Finance Ltd.

Secured against Pari-pasu charges with both bankers up to the extend of Rs.10 crore against current assets of two projects of the company named Bharat Electronics Ltd. & Ircan Int'l.Ltd.

40,062,329.00 40,062,329.00

Sirs Deposits and Advance Limited

Vehicle Loan - Corporation Bank

Corporation Bank

5206957 5206957

8,933,818.00 7,874,615.00

Security : Hypothecation of Mercedes Car

On dated 19.11.2018 Corporation Bank has issued a notice under Section 13 (2) read with Sec 13 (3) of SARFAESI Stating that in view of failure to pay the dues/operate the accounts satisfactorily as is required and in terms of the RBI guidelines as to the Income Recognition and prudential Accounting Norms classified the outstanding accounts as Non Performing Asset as on 31.12.2017

In pursuance to the application filed by Operational Creditor for initiating CIRP proceedings against M/s Richa Industries Limited, Hon'ble NCLT by an order dated 18.12.2018 admitted the CIRP proceedings against the company and appointed Mr Arvind Kumar as Interim Resolution Professional. During the CIRP process, the Financial Creditors has filed their claims and the same is under consideration by Hon'ble NCLT.

Corporate Guarantees

Amount Claimed

1	CNC Enterprises	60,000,000.00
2	SK Enterprises	60,000,000.00
3	Singal Enterprises	60,000,000.00
4	Catalyst Trusteeship Limited	96,864,658.00
5	Sariga Constructions Pvt. Ltd.	432,410,139.00
6	Sirs Deposits and Advances Ltd.	808,350,000.00
7	A to Z Steel Corporation	900,000,000.00
	Total	2,417,624,797.00



	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019
7)	Trade Payables *			
	Amount due to various suppliers as at the end of the year			
	TOTAL	334,246,606.29	378,048,863.83	334,246,606.29
		334,246,606.29	378,048,863.83	
	* In the absence of the information, the separate disclosure could not be done as required to disclosure under Micro, Small and Medium Enterprises Development Act, 2006.			
7(a)	Other Current Liabilities			
	(a) Bills payable (acceptance under LC)			
	(b) Total outstanding dues of creditors other (other than micro enterprises due of creditor others)			
	Creditors for capital goods			
	Creditors for expenses	1,149,787.00	1,566,184.00	
	Advances payment for which value has still to be given	180,128,096.41	75,068,893.05	
	Unclaimed Final Dividend for Earlier Years *	11,828,446.00	50,695,006.55	
	Securities/Retention payable	124,926.50	124,926.50	
	Sales tax payable / WCT Payable	29,311,102.65	33,942,893.50	
	TDS & TCS Payable	-	-	
	Service Tax Payable	5,779,981.40	3,377,006.74	
	GST Payable	-	-	
	Audit Fee Payable	38,479,968.88	30,466,251.47	
	Expenses payable	1,150,000.00		
	TOTAL	12,352,533.00	1,111,241.00	280,304,841.84
		12,352,533.00	1,111,241.00	196,352,402.81
	* There are no amounts due for payment to the Investors Education and Protection Fund under Sec 205C of the Companies Act, 1956 as at the year end. Section 125 of the Companies Act 2013 which corresponds to Section 205C of Companies Act, 1956 has not yet been enacted.			
8)	Short Term Provisions			
	(a) Provision for employee benefits			
	(i) Payable PF, ESI & Welfare Fund			
	(ii) Insurance, Pension and similar staff benefits	1,511,620.00	4,044,108.00	
	(b) Others	7,317,200.00	24,663,072.00	
	(i) Provision for Income Tax(AY 2017-18, FY 2016-17)	-	-	
	(ii) Provision for Pending Litigation / Disputes *	-	-	
	TOTAL	16,483,135.20	17,480,079.20	25,311,955.20
	* Provision for litigation / disputes represents claims against the Company that are expected to materialize in respect of matters in litigation.			
9)	Property, Plant and Equipments			
	Tangible Assets @			
	(a) Land			
	(b) - Factory Buildings	189,900,132.04	189,900,132.04	
	- Other than Factory Buildings	326,662,272.68	348,836,923.52	
	(c) Plant and Equipment	55,274,822.29	60,304,220.49	
	(d) Furniture and Fixtures	419,926,390.13	482,320,502.40	
	(e) - Vehicles (Commercial)	2,263,697.74	3,332,033.26	
	- Vehicles (Other than Commercial)	2,853,559.70	3,452,451.40	
	(f) Office equipment	9,834,790.84	12,084,644.81	
	(g) Computer	2,919,686.01	3,474,341.13	
	(h) Fax/Telephone	728,665.73	1,118,185.05	
	(i) Capital WIP	13,239.09	17,200.05	
	TOTAL	1,014,377,256.25	1,104,840,634.15	
10)	Intangible Assets @			
	(a) Computer Software			
	(b) Capital WIP	790,434.31	1,670,204.91	
	TOTAL	790,434.31	1,670,204.91	
	@ Depreciation chart showing the workings are required by the Companies Act 2013 is attached			
11)	Non Current Investments			
	(a) Investment in Equity Instruments			
	-- In Subsidiaries Companies (Unquoted, and stated at Cost Price)	51,000.00	51,000.00	
	51000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Krishna Constructions Private Limited			
	TOTAL	51,000.00	51,000.00	
12)	Inventories *			
	(a) Raw Materials			
	(b) Work in Progress	81,583,919.34	77,642,234.06	
	(c) Finished goods	19,372,082.54	26,166,068.12	
	(d) Stores & Spares	7,041,748.20	7,609,402.00	
	TOTAL	5,890,314.22	6,799,107.84	
		113,888,064.30	118,216,812.02	
	* The Inventory valuing Rs. 11.38 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor is subject to Physical verification and confirmation			



	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019
13) Trade Receivables				
(a) Outstanding for period exceeding Six Months		34,063,475.59		266,223,807.22
(b) Others		416,043,486.94		198,683,673.84
Sub Classification of Trade Receivables				
(a) Secured, Considered Good;				
(b) Unsecured Considered Good;				
(c) Doubtful		450,106,962.53		464,907,481.06
	TOTAL	450,106,962.53		464,907,481.06
14) Cash and cash Equivalents				
(a) Cash and cash Equivalents				
(i) Balance with banks in Current Accounts		8,643,769.26		11,526,278.77
(ii) Cash in Hand		11,630.00		164,842.43
(b) Earmarked Balances with Banks				
(i) HDFC Bank -Unclaimed Dividend FY 2009-10				
(ii) Yes Bank -Unclaimed Dividend FY 2010-11		32,621.50		32,621.50
(iii) Yes Bank -Unclaimed Dividend FY 2011-12		34,848.00		34,848.00
(iv) Yes Bank -Unclaimed Dividend FY 2012-13		57,457.00		57,457.00
(c) Balances with Banks to the extent held as margin money				
(i) In Deposit accounts				
-With Less or Equal to 12 Months Maturity				13,371,908.00
-With more than 12 Months Maturity		26,846,305.00		13,801,208.00
(ii) Interest Accrued but not Due				
	TOTAL	35,626,630.76		38,989,163.70
15) Short Term Loans and Advances				
Unsecured and Considered Good				
(a) Loan & Imprest to employees		337,378.00		82,637.00
(b) TUFS Interest Subsidy Receivable				
(c) Security Deposit *				
(d) Advance to Suppliers/Others		4,982,608.00		2,968,897.00
(e) Insurance Claim Receivable		16,893,626.64		52,446,953.83
(f) Prepaid Expenses				
(g) Rent Receivable		1,511,723.00		1,419,767.22
(h) Loan to Richa Infrastructure Ltd.				
(i) Balance with Customs/Central Excise and Income Tax Authorities				
(i) Balance in CENVAT /Service tax account/Sale Tax / WCT/Entry Tax/GST				
(ii) Income Tax Refundable (AY 2008-09, FY 2007-08)		91,893,110.63		83,221,922.00
(iii) Income Tax Refundable (AY 2011-12, FY 2010-11)		82,660.00		82,660.00
(v) Income Tax Refundable (AY 2014-15, FY 2013-14)		222,810.00		222,810.00
(v) Income Tax Refundable (AY 2016-17, FY 2015-16)				100,000.00
(vi) MAT Credit Entitlement (AY 2012-13, FY 2011-12)		8,053,894.00		7,953,894.00
(vii) MAT Credit Entitlement (AY 2013 -14, FY 2012-13)		1,834,488.00		1,834,488.00
(viii) MAT Credit Entitlement (AY 2015-16, FY 2014-15)		1,015,424.00		1,015,424.00
(ix) MAT Credit Entitlement (AY 2016-17, FY 2015-16)		8,479,203.00		8,479,203.00
(x) TDS Receivable/Advance Tax (AY 2018-19, FY 2017-18)		11,246,878.00		11,246,878.00
(xi) TDS Receivable/Advance Tax (AY 2017-18, FY 2016-17)		15,906,141.00		15,893,363.00
(xii) TDS Receivable/Advance Tax (AY 2019-20, FY 2018-19)		18,221,541.23		18,234,319.23
(xiii) TDS Receivable/Advance Tax (AY 2020-21, FY 2019-20)		23,352,305.50		21,574,745.50
	TOTAL	8,312,013.60		
		212,345,804.60		226,777,961.78
* The balances of Security Deposits are subject to reconciliation and confirmation.				
16) Revenue from Operations				
(a) Sale of products				
(i) Domestic sale		67,298,964.09		443,457,697.74
(ii) Export sale				
(b) Sale of services		358,878,587.10		1,113,244,074.20
(c) Other operating revenues				
	TOTAL	426,177,551.19		1,556,701,771.94
	Less: Excise Duty			
	TOTAL	426,177,551.19		1,556,701,771.94
17) Other Income				
(a) Interest Income				
(i) Interest Received on FDR		1,490,193.00		2,172,355.02
(ii) Interest Received others		97,368.00		367,829.30
(b) Other non Operating Income				
(i) Unclaimed balances W/off & short & Excess				2,535,147.48
(ii) Rent Received				122,656.00
(iii) Advance Forfeited /Bad Debts Recoveries				-613,484.66
(iv) Miscellaneous Receipts		1,376,658.33		515,300.00
	TOTAL	2,964,219.33		5,099,803.14

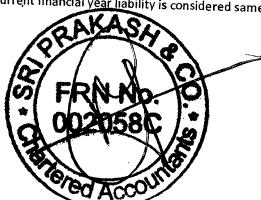


	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019
18)	In case of manufacturing companies			
	Raw material consumed under broad heads			
	Textile Unit			
	(a) Dyes and Chemicals	70,598,640.92	82,169,679.84	
	(b) Fabrics	41,920,956.03	162,903,968.23	
	(c) Yarn	3,253,619.23	39,451,214.03	
	(d) Fuel	52,456,393.53	57,465,842.50	
	(e) Packing Material	1,709,858.56	3,009,212.00	
	Construction & Engineering Unit			
	(f) HR Plates	-	307,810,185.77	
	(g) Structures	-	70,777,638.37	
	(h) Coils	-	119,756,124.59	
	(i) Accessories	-	61,512,685.54	
	(j) Stock Transfer	958,000.00	0.00	
	(j) Material Used in home consumption	-	-	
	(k) Civil construction expenses with material	-	414,062,463.68	
	(l) Solar Panel Modules & Structures	-	-	
	TOTAL	170,897,468.27	1,318,919,014.55	
19)	Purchase of Stock in Trade			
20)	INCREASE/DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES			
	Closing Stock			
	Consumable Store	5,890,314.22	6,799,107.84	
	Finished Goods	7,041,748.20	7,609,402.00	
	Work in process	19,372,082.54	26,166,068.12	
	TOTAL	32,304,144.96	40,574,577.96	
	Opening Stock			
	Consumable Store	6,799,107.84	34,997,442.84	
	Finished Goods	7,609,402.00	33,035,898.76	
	Work in process	26,166,068.12	564,124,336.85	
	TOTAL	40,574,577.96	632,157,678.45	
	(-) INCREASE /DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES			
		8,270,433.00	591,583,100.49	
21)	Employee benefits expenses			
	(a) Salaries and Wages & labour expenses	66,631,718.07	117,862,103.10	
	(b) Contribution to Provident and other funds	2,487,826.00	7,355,583.28	
	(c) Staff welfare expenses	136,974.00	1,849,018.97	
	(d) Employee Retirement & Other Benefits			
	(i) Gratuity & Leave Encashment- Paid	95,192.00	1,806,816.18	
	(ii) Gratuity & Leave Encashment- Provision(Add/Reverses)	-	-	
	(e) Directors Remuneration, including retirement benefits			
	TOTAL	925,194.00	129,351,710.07	129,798,715.53
22)	Finance Cost			
	(a) Interest expenses			
	(i) to Banks on Working Capital Loans	359,102,281.10	294,430,733.11	
	(ii) to Banks on Term Loans	11,658,769.40	11,394,738.00	
	(Net of TUF Interest Subsidy ₹ 1418813 , Previous Year ₹)			
	(iii) on other accounts	7,307,479.28	45,516,214.63	
	(b) Other borrowing costs			
	(i) Bank Charges	42,548.96	5,165,228.53	
	(c) Applicable Net Gain/Loss on Foreign Currency Transactions and Translations			
	TOTAL	16,987.40	378,111,078.74	356,523,901.67
	During the FY 2019-20, The Company was under CIRP Proceeding and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution period for which interest was not charged by the Indian Overseas bank on outstanding balance of loans.			
23)	Depreciation and Amortisation Expense			
		91,382,544.06	92,538,711.72	
24)	OTHER COST			
(A)	MANUFACTURING EXPENSES			
	(a) Outside Job work/ Erection Charges	181,289,677.40	197,126,436.63	
	(b) Power and fuel	25,312,868.00	40,145,473.77	
	(c) Water & Sewerage Charges	1,528,494.00	171,425.00	
	(d) Consumption of stores and spare parts	2,768,255.30	18,556,258.94	
	(e) Repairs to Machinery & Hiring Charges	10,293,499.04	16,523,237.05	
	(f) Freight on Purchase	401,525.76	12,150,892.34	
	TOTAL	221,594,319.50	284,673,723.73	

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(B)	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019
	(a) Auditors remuneration & Out of pocket Expenses	1,150,000.00	506,710.00	
	(b) Books & periodicals	-	420.00	
	(c) Charity & Donation	1,500.00	153,700.00	
	(d) Commission / Sitting fee to Non WTD	-	50,000.00	
	(e) Director Travelling & Conveyance	-	768,610.23	
	(f) Diwali Expenses	35,449.00	9,866.00	
	(g) Miscellaneous Expenses	847,105.66	70,284.00	
	(h) Insurance (Others)	1,678,567.37	3,721,901.93	
	(i) Insurance (on cars)	18,290.07	18,221.02	
	(j) Legal & Professional Charges	24,250,139.00	6,244,976.05	
	(k) Out of pocket Expense -Consultant	62,067.00		
	(l) AGM & Meeting Expenses	-	57,180.00	
	(m) Postage / Telegram/ Courier Expenses	27,018.00	139,821.35	
	(n) Printing & stationery Expenses	323,795.10	695,149.92	
	(o) Rates & Taxes, Excluding taxes on income	652,427.00	4,795,791.58	
	(p) Rent	1,180,263.76	382,184.92	
	(q) Repairs to Buildings	1,969,429.15	228,477.00	
	(r) Repair - Computer	707,100.98	729,116.69	
	(s) Running & Maintenance -Vehicle Commercial	2,018,610.44	1,530,198.00	
	(t) Running & Maintenance - Vehicle others	1,742,937.98	2,212,322.86	
	(u) Watch /Ward/Security	4,040,482.04	4,722,686.64	
	(v) Repair - Electricals	4,216,206.80	263,096.53	
	(w) Subscription & Membership Fee	141,000.00	201,375.00	
	(x) Telephone, Modem & Internet Expenses	459,899.64	1,057,375.91	
	(y) Testing & Designing Expenses	171,055.94	992,326.81	
	(z) Travelling & Conveyance Expenses	1,966,993.00	5,421,645.12	
	(Includes Rs. 294079 paid to Manish Gupta and Rs. 4,19,381 to Sandeep Gupta)	-		
	(z i) Office Maintenance Expenses	451,291.51	1,027,657.17	
	(z iv) IRP Fees	9,000,000.00	2,500,000.00	
	TOTAL	57,111,629.44	38,501,094.73	
(C)	SELLING & DISTRIBUTION EXPENSES			
	(a) Sales Promotion Expenses	13,662.00	412,161.50	
	(b) Commission/ Discount on Sales	5,228,118.81	-	
	(c) Distribution Expenses/ Export sales clearing Expenses	353,226.00	1,419,845.43	
	(d) Advertisement / Tender fee & Exhibition Expenses	-	810,388.00	
	(e) Bad Debts written off	-3,932.00	98,716,068.91	
	(f) L.D.Charges deducted	-	-	
	TOTAL	5,591,074.81	101,358,463.84	
25)	Extraordinary Items			
	(a) Loss on sale of fixed assets	-	1,527,094.66	
	(b) Loss on inventory revaluation	-	344,644,847.56	
	(c) Loss on sale of investment	-	7,128,000.00	
	TOTAL	-	346,171,942.22	
26)	EARNING PER SHARE & DILUTED EARNING PER SHARE			
	(i) Net Profit after tax as per P & L Account	-573,168,487.37	-1,721,954,141.60	
	(ii) Weighted Average number of equity Shares used as denominator for calculating EPS (Nos)	23,430,000.00	23,430,000.00	
	(iii) Net Profit attributable to shareholders	-573,168,487.37	-1,721,954,141.60	
	(iv) Diluted Earning Per Share(RS) (iii/ii)	-24.46	-73.49	
	(v) Profit before tax	-573,168,487.37	-1,705,395,093.40	
	(vi) Earning per share	-24.46	-73.49	
	(vii) Face Value per equity Share	-24.46	-73.49	
(a)	Payment to the Auditor As			
	(a) Statutory Auditor	10.00	10.00	
	(b) Tax audit	950,000.00	500,000.00	
	(c) for Company Law Matters	200,000.00	-	
	(d) for Other Services	-	-	
	(e) for Reimbursement of Expenses	-	-	
(b)	Detail of items of exceptional and extraordinary nature			
	(a) Loss on sale of fixed assets	-	6,710.00	
	TOTAL	-	1,527,094.66	
27)	Contingent Liabilities and Commitments (to the extent not provided for)			
(i)	Contingent Liabilities			
	(a) Claims against the Company not acknowledged as debt	-	-	
	(b) Guarantees	-	-	
	(c) other money for which the company is contingently liable	2,519,357,586.00	2,519,357,586.00	
	-Disputed demands in respect of income tax etc	73,074,412.00	73,074,412.00	
	-Disputed demands in respect of Service Tax *	13,201,385.00	13,201,385.00	
	* During the current financial year, the details of above contingent liability is not available so the current financial year liability is considered same as previous financial year.	-	-	
	--Disputed demands in respect of Sales tax / GST	44,414,998.00	44,414,998.00	
	--Duty saved on EPCG licenses pending for redemption*	55,490,323.40	55,490,323.40	
	* During the current financial year, the details of above contingent liability is not available so the current financial year liability is considered same as previous financial year.	-	-	



PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
The Company do not expect any reimbursement in respect of the above contingent liabilities.		
The amount shown in (c) above represent the best possible estimates arrived at on the basis of available information. Uncertainties and possible reimbursements are dependent on the outcome of different legal processes which have been invoked by the company or the claimants as the case may be and therefore cannot be estimated accurately.		
The Company has availed the EPCG license for import of capital goods. The redemption of all licenses is pending with DGFT, New Delhi		
(ii) Commitments		
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for		
(b) Uncalled liability on shares and other investments partly paid ;		
(c) Other Commitments		
28) the amount of dividends proposed to be distributed to Shareholders for the period -related amount per share		
The Company do not have any preference shareholders		
29) In the opinion of the Board, all of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated		
30) Related Party disclosures		
1 Relationships (Only those with whom transactions have taken place)		
(a) Key Managerial Personnel		
(1) Sh Sushil Gupta (Chairman & Director) (2) Sh Sandeep Gupta (MD) (3) Sh Manish Gupta (President)		
(4) Lavesh Kansal		
(b) Associates		
(1) Richa Building System Private Limited (2) Richa Holdings Limited (3) Richa Infrastructure Limited		
(4) Richa Krishna Constructions Private Limited		
(c) Relatives of Key Managerial Personnel		
(1) Geeta Devi (2) Garima Gupta (3) Subhash Gupta		
(d) Subsidiaries Companies		
(1) Richa Krishna Constructions Private Limited		
2 Transactions carried out with related parties referred in 1 above, in ordinary course of business		
Nature of Transaction		
Sales	Referred in 32-1(a) above	Referred in 32-1(b) above
Goods, material and service		Referred in 32-1(c) above
Purchase		
Goods, material and service		
Expenses		
Remuneration		
	(52,30,796.00)	
Loss on Sale of Investment		
		(71,28,000.00)
Professional Fees		
Finances		
Loans and advances repaid (net of receipts)	0.00	0.00
Loans and advances Received (net of payments, if any)	0.00	(6,00,000.00)
Loans and advances Granted (net of receipts, if any)	0.00	(60,26,769.00)
Sale of Investment		0.00
		(72,000.00)
Payable (Remuneration)	2,00,000.00	
Loans & Advances payables	(2,00,000.00)	10,69,37,000.00
		(10,69,37,000.00)



PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
3 Disclosures in respect of material transactions with related parties during the year (Included in 2 above)		
Expenses - Remunerations		
--Sh Sandeep Gupta	20,00,000.00 (20,00,000.00)	
--Sh Manish Gupta	2,400,000.00 (24,00,000.00)	
--Lavesh Kansal	830,796.00 (830,796.00)	
Professional Fees		
--Smt Garima Gupta		
Loss on Sale of Investment		
--Subhash Gupta		(71,28,000.00)
Finances		
Loans and advances repaid (net of receipts)		
--Richa Holdings Limited	0.00 (6,00,000.00)	
Outstandings		
Receivables		
--Richa Infrastructure Limited	0.00 (60,26,769.00)	
Payable (Remuneration)		
--Sh Sandeep Gupta	(0.00)	
--Sh Manish Gupta	2,00,000.00 (2,00,000.00)	
--Smt Geeta Devi		
Loans & Advances payables		
--Richa Holdings Limited	(3,67,50,000.00) (3,61,50,000.00)	
--Richa Building System Private Limited	(7,01,87,000.00) (7,01,87,000.00)	
Previous Year Figures in ()		
Investments		
--Richa Krishna Constructions Private Limited	51,000.00 (51,000.00)	
31) Disclosures pursuant to Accounting Standard-15 - "Employee Benefits"		
a) The Company has not made the provisions of Gratuity and Leave Encashment.		
32) Disclosures pursuant to Accounting Standard (AS) - 17 "Segment Reporting"		
a) Primary Segment Reporting by Business Segment		
Company's primary business segments are		
(i) Manufacture in Textiles - The textile business incorporates the product group namely Dyeing & Processing of Knitted Fabrics and Processing / Knitting of Yarn and Manufacture of Knitted Fabric which mainly have similar risks and returns.		
(ii) Manufacturer of Construction & Engineering Division - The Construction & Engineering Division (C&E) business incorporates the product group namely: Pre Fabricated Steel Building in CKD Condition, Tabular Steel Poles, Structure and Super Structure for mining, Drop Rods, Angles, Shapes and Section, which mainly have similar risks and returns.		
b) Secondary Segment Reporting (By Geographical Segments)		
The following is the distribution of the Company's consolidated sales by geographical segment, regardless of where the goods were produced		
(i) Sales to Overseas Market		
(ii) Sales to Domestic Market		
Segment Reporting Chart	426,177,551.19	1,556,701,771.94
1 Segment Revenue		
a) Textiles		
b) Construction & Engineering	275,004,270.32	405,218,846.24
Total Income From Operation	151,173,280.87	1,151,482,925.70
Less: Inter Segment Revenue	426,177,551.19	1,556,701,771.94
Sales/Income from Operation	426,177,551.19	1,556,701,771.94
2 Segment Results		
Profit before tax and interest from each segment		
a) Textiles	-91,821,990.64	-231,147,640.24
b) Construction & Engineering	-103,235,417.12	-764,423,609.27
Total	-195,057,407.76	-995,571,249.51
Less: Inter Segment Revenue		
i) Interest		
ii) Other unallocable expenditure net of unallocable income	378,111,078.74	356,523,901.67



PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019	
	iii) exceptional Items	Total Profit before Tax	-573,168,486.50	-1,352,095,151.18
3 Capital Employed (segment Assets Less Segment Liabilities)				
a) Textiles		-1,182,805,430.60	-154,472,822.84	
b) Construction & Engineering		-2,464,863,435.56	-1,093,176,701.11	
Total Capital Employed		-3,647,668,866.16	-1,247,649,523.95	
33) Disclosures pursuant to Accounting Standard (AS) – 28 “Impairment of Assets”				
The company has reviewed the possibility of impairment of the fixed assets of company in term of the accounting standard AS -28 “Impairment of assets” as at balance sheet date and is of the opinion that no such provision for impairment is required.				
34) Disclosures pursuant to Accounting Standard (AS) – 19 “Leases”				
The company has taken various premises under cancelable operating lease. All the lease arrangements are for a period of less than or equal to 11 months. These lease Agreements are normally renewed on expiry of the terms. Lease rental expenses for 2016-17 in respect of above operating leases are ₹ 8,28,282.00 (Previous year ₹ 12,28,593.00)				

35) Assets Pledged as Security	Particulars	Year Ended	
		31-Mar-19	31-Mar-18
Current Assets			
Financial Assets (Floating Charge)			
Trade Receivables		450,106,962.49	464,907,481.06
Cash & Cash Equivalents		35,626,630.76	39,989,163.70
Non-Financial Assets (Floating Charge)			
Inventories		113,888,064.30	118,216,812.02
Short Term Loans & Advances		212,345,804.60	226,777,961.78
Total Current Assets Pledged as security		811,967,462.15	848,891,418.56
Non-Current Assets			
Land		187,071,724.04	187,071,724.04
Building		385,937,094.98	409,141,144.01
Plant & Equipment		419,926,390.13	482,320,502.40
Furniture / Fitting & Equipments		2,263,697.74	3,332,033.26
Others		22,232,481.42	27,977,468.61
Total Non-Current Assets pledged as security		1,017,431,388.31	1,109,842,872.32
Total Assets pledged as security		1,829,398,850.46	1,958,734,290.88
Detail of Other Securities, held by third parties or by promoters or their family members			

(1) 2,36,03,808 (being 30% of Capital) Equity Shares of Richa Industries Ltd held by Promoter / Promoter Company pledged to the Indian Overseas Bank, with negative lien on 1,01,93,784 shares held by the Promoters / Promoters Company

(2) Residential house No. 1483 Sector-14, Faridabad (HR) admeasuring 500 Sq Yards in the name of Mrs Shweta Gupta W/o Sh Sandeep Gupta (Managing Director) and Mrs Geeta Devi W/o Sh Subhash Gupta (Father of Sh Sandeep Gupta, Managing Director) FMV ₹ 5.39 Crore, FSV - 4.58 Crore

(3) Residential house No. 659 Sector-16A, Faridabad (HR) admeasuring 766.66 Sq Yards in the name of Richa Holdings Limited (Promoter Company) FSV ₹ 4.75 Crore

(4) Residential house No. 408 Sector-16A, Faridabad (HR) admeasuring 500 Sq Yards in the name of Mrs Garima Gupta W/o Sh Manish Gupta (Director)

36) Plant, Property / Equipments and Fixed Assets

Fixed assets of the Company are verified by the Management in a phased manner over a period of three years. However, no such verification has been undertaken by us. The information and explanation given by the management is relied upon.

36) Revenue from Sales of Goods / Services & Freight thereon

Revenue from Sales of Goods / Services is recognised, immediately when the invoices are raised, and is recorded net of cash discounts / trade discounts or any other discounts or credit notes issued in current year against current year sales or previous year sales. Freight on sales charged in the invoices is set off against the Freight Paid on sales and net of such adjustments is charged to profit and loss account.

37) Balances of Trade Receivable, Trade Payable & Advances are subject to confirmation and consequential adjustment, if any.

38) The previous year's figures have been reworked, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year

39) In the month of April 2018 Tata Bluscope Steel Limited, in its capacity of operational Creditor had filed petition under Insolvency and Bankruptcy Code 2016 before The National Company Law Tribunal (NCLT) against Richa Industries Limited. The Case was admitted by Hon'ble NCLT on 18-12-2018 and ordered for commencement of Corporate Insolvency Resolution Process (CIRP) with effect from 21st Dec 2018 and appointed Mr Arvind Kumar as Interim Resolution Professional for the company.

40) Under the CIRP proceedings, the power of the Board were suspended with effect from 21 December 2018.

41) Hon'ble NCLT order also provided for a moratorium with effect from December 21, 2018 till the completion in terms of Sec-14 of IBC, of Corporate Insolvency Process (CIRP) or until it approves the Resolution Plan Under section 31(1) or passes an order for Liquidation of the company under section 33, whichever is earlier. Currently the company is under CIRP Process

42) Pursuant to The NCLT order on the company a public announcement was made on December 22, 2018 and committee of creditors was formed under section 21 of the act. The Committee of creditors held their first meeting on January 17 2019, and approved appointment of Interim Resolution Professional, Mr Arvind Kumar as the Resolution Professional.

43) Under the current CIRP Process, the resolution professional is in the process of inviting resolution plans, once a plan is submitted, it will be placed before COC for approval. If Plan is approved by COC, it shall be presented before Adjudicating Authority for approval. Currently various initiatives have been taken to improve and continue the operation of Textile division of Company. Considering this the financial statements of company are continued to be prepared on going concern basis.

44) The financial results for the year ended March 31, 2019 primarily pertain to a period before December 21, 2018 (i.e. Insolvency Commencement date) where in the management of the company was responsible for the affairs and day to day functioning of the company. The Results have been approved by the RP solely on the basis of and on relying on the information and representations given by the management of the company. The RP has approved the said financials only to the limited extent of discharging the powers of the board of directors of the company which has been conferred upon him inter alia in terms of provisions of section 17 of the IBC, 2016 and do not make any representations or issue any statements in relation to the financial statements are true, complete and accurate in all respects. The RP is in the process of verifying the existence of assets and liabilities of the company.



PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019
45) The Company has incurred net losses during the quarter/year ended as well as in the previous year and its net worth if fully eroded. However the financial statements of the company have been prepared on a going concern basis			
46) The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.			
47) The sundry Debtors and sundry Creditors balances and advances to suppliers are subject to reconciliation and confirmation from the parties.			
48) The company has incurred losses of Rs 57.20 crore (PY Rs 172.19 Crore) during the current year as on 31.03.2019. Further the company's accumulated losses have resulted in erosion of its entire net worth. The continuous losses have adversely affected the cash flows of the company.			
49) Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure-1			

As per our report of even date attached

for and on the behalf of the Board of
Directors of Richa Industries Limited

Richa Industries Limited

Depreciation Chart as per Companies Act, 2013

Sr. No.	Particulars	Gross Cost as on 01.04.2019	Additions/Acquisitions		Subtraction/Disposals		Total Cost as 31.03.2020	Dep. Upto 31.03.2019	Rate of Dep.	Depreciation for during the year	Depreciation WIP Stock	Total Dep. 31.03.2020	W.D.V. as 31.03.2020	W.D.V. as 31.03.2019	
			Purchase	Transfer	Sale	Transfer									
TANGIBLE ASSETS (A)															
1	Land	189,900,132.04	-	-	-	-	189,900,132.04	-	-	-	-	-	189,900,132.04	189,900,132.04	
201	Factory Buildings	526,639,009.57	-	-	-	-	526,639,009.57	179,802,085.73	0.07	22,174,651.16	-	-	201,976,736.89	326,662,272.68	346,836,923.84
202	Buildings(Other than factory buildings)	65,533,410.64	-	-	-	-	65,533,410.64	5,229,190.15	-	1,029,398.20	-	-	6,258,588.35	59,274,822.29	60,304,220.49
301	Plant and Equipment	949,318,839.25	-	-	-	-	949,318,839.25	466,981,031.85	0.10	67,411,417.27	-	-	529,392,449.12	419,926,390.13	482,337,807.40
302	Plant and Equipment (under construction)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Furniture and Fixtures	14,900,923.70	-	-	-	-	14,900,923.70	11,968,890.44	0.13	1,063,335.51	-	-	12,637,725.96	2,263,697.74	3,392,033.26
501	Vehicles(commercial)	9,320,160.00	-	-	-	-	9,320,160.00	5,867,708.66	0.19	988,891.70	-	-	6,466,600.30	2,853,559.70	3,452,451.40
502	Vehicles(other than commercial)	18,858,253.99	-	-	-	-	18,858,253.99	6,773,609.94	0.10	2,249,853.21	-	-	9,023,463.15	9,834,790.64	12,084,644.05
6	Office Equipment	24,229,465.70	38,195.00	-	-	-	24,267,660.70	20,755,124.57	0.10	592,850.13	-	-	21,347,974.69	2,919,686.01	3,474,341.13
7	Computer/CC TV	14,915,914.44	1,200.00	-	-	-	14,917,114.44	13,815,033.39	0.32	373,415.33	-	-	14,188,448.71	728,665.73	1,100,881.05
8	Fax/EPABX/Telephone	281,004.86	-	-	-	-	281,004.86	263,804.81	0.05	3,960.96	-	-	267,765.77	13,239.00	17,200.05
	TOTAL(A)	1,815,897,114.19	39,395.00	-	-	-	1,815,936,509.19	711,056,479.48	1.04	90,502,773.46	-	-	801,859,252.94	1,014,377,256.25	1,104,840,634.71
INTANGIBLE ASSETS (B)															
	Computer Software	20,187,861.04	-	-	-	-	20,187,861.04	18,517,656.13	-	879,770.60	-	-	19,397,426.73	790,434.31	1,670,204.91
	WIP Computer Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL(B)	20,187,861.04	-	-	-	-	20,187,861.04	18,517,656.13	-	879,770.60	-	-	19,397,426.73	790,434.31	1,670,204.91
	GRAND TOTAL (A+B)	1,836,084,975.23	39,395.00	-	-	-	1,836,124,370.23	729,574,135.61	1.04	91,382,544.06	-	-	820,956,679.67	1,015,167,690.56	1,106,510,639.62
	PREVIOUS YEAR 18-19	1,839,866,924.10	9,632,064.10	-	13,114,002.97	300,000.00	1,836,084,975.23	642,825,540.06	1.04	92,558,711.40	-	5,790,115.85	729,674,135.61	1,106,510,639.62	1,101,674,451.03



Annexure-1

Significant Accounting Policies followed by the Company

(a) Basis of preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the period presented in financial statements.

The financial statements are prepared in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates [“the functional currency”]

Few of the Operational Creditors of the Company has filed the petition for initiation of Corporate Insolvency Resolution process under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the Rule 6 of the Insolvency & Bankruptcy, before the Hon'ble National Company Law Tribunal- Chandigarh Bench, which are admitted on 18.12.2018, however, it may affect the going concern status of the Company.

(b) Basis of measurement

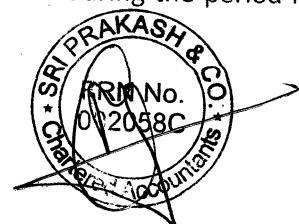
These financial statements are prepared under the historical cost convention unless otherwise indicated

(c) Use of Estimates and Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company's management believes to be reasonable under the existing circumstances. Actual results may differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known / materialized. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date

(d) Property, Plant and Equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the asset can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in



which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Depreciation is provided on the Straight Line Method based on estimated useful life of the respective asset.

Freehold Land is carried at cost and is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjustments are made accordingly.

The Company has a regular program of physical verification of its fixed assets by the Management in a phased manner over a period of three years and to adjust the material discrepancies noticed on such verification.

However, no such verification has been undertaken by the auditors of the Company. The information and explanation given by the management is relied upon.

(e) Inventories

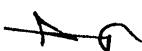
Inventories of Raw Materials, Work in Progress, Stores and Spares, Finished Goods, Stock in Trade are stated 'at cost or net realizable value, which is lower' Cost comprises all costs or purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', Weighted Average Cost or Specific Identification, as applicable. Estimates / judgments are also used for inventory on various running projects.

The Company's Management has its own program to verify the inventory at its own suitable intervals. The discrepancies noticed on physical verification of inventory as compared to book records are accounted when they come into notice.

However, no physical verification of stocks has been undertaken by the auditors of the Company due to technical inability and lying of stocks on multiple locations. Further the valuation of the stocks is undertaken by the Management at its own, which has been accepted as such, without any further verification. Any variation may affect the financial position and financial performance to the extent.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdrafts against deposits (if any), Fixed deposits, kept with bank and are under lien as margin for Bank Guarantees / Letter of Credit, or Fixed Deposits kept as collateral security for availing funding facilities from banks / others / NCD, and includes interest accrued thereon.



(g) Impairment of financial Inventories

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in Prior accounting period is reversed if there has been a change in estimate of recoverable amount.

h) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

i) Investments

Current Investments are carried at the lower of cost or quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

j) Revenue Recognition/Turnover

(a) Turnover includes sale of goods, services, adjusted for discounts, net of sales returns and credit notes issued in current year against current year sales as well as previous year sales / services. Sales are recognized when goods are supplied but exclude trade discounts and rebates. Freight charges realized from customers are adjusted against the freight paid and net of such adjustment is charged to profit and loss account. Export incentive receivable in cash is recognized as income on export being made. Export sales include goods invoiced against confirmed orders /LC.

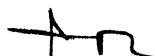
(b) Revenue is recognized only when it is reasonable to expect ultimate collection. Interest is recognized on the time proportion basis taking into account amount outstanding and rate applicable. The income & expenditure are accounted for on accrual basis.

k) Dues to Micro, Small & Medium enterprises:

The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the company. No principal amount or interest amount remain unpaid to such Micro and Small enterprises as on 31.03.2018 and no payments were made to such enterprises beyond the "appointed day" during the year. Also the company has not paid any interest in terms of Section 16 of the above mentioned act or otherwise.

l) Sales / Transfers

Inter-Unit transfers of finished goods for captive consumption are valued at market price. The value of such inter-unit transfers is included in the materials consumption of consuming units. The year-end stock of such transferred goods is valued at cost.





m) Sundry Debtors

Sundry debtors are stated after writing off- bad debts. No confirmation of any of the Sundry Debtors has been taken as on 31-March-2018, and any variation in the amount recoverable may affect the Financial Position and Financial performance accordingly.

In few cases, the amounts receivable from the Sundry Debtors of the Textile Division of the Company has been adjusted against the Sundry Creditors of the Pre-Engineered Division, at the close of the year. In these cases, the balance of Sundry Debtors of Textile Division is net of Sundry Creditors of Pre-Engineered Division of the Company.

n) Provisions, Contingent Liabilities and Contingent Assets

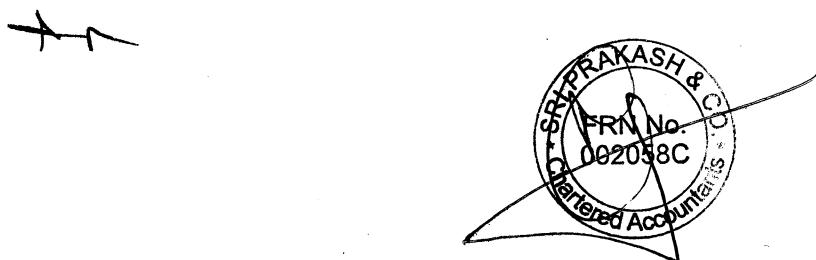
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed on the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

o) Expenditure during Construction

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized. In respect of substantial expansion of business at existing location only direct costs are capitalized together with interest on the funds related to them up to the date of commercial production.

p) Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction
- (b) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by foreign exchange contracts, the transaction is recorded at the rate when the same was incurred. The premium paid on forward contracts is recognized only when the forward contract is matured.
- (c) Non – monetary foreign currency items are carried at cost.



(d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit or loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

q) Employees' Retirement Benefits

(a) Short - term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(b) Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at present value of the amounts payable determined using actuarial valuation technique. Actuarial gains and losses in respect of post-employment and other long term benefit are charged to the profit and loss account.

r) Deferred revenue Expenditure

Pre - operative expenditure/Deferred Revenue Expenditure are being amortized over a period of 5 Years

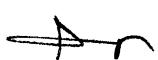
s) Provision of Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing Differences" between taxable and accounting incomes is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty supported with convincing evidence that the asset will be realized in future.

t) Leases

Leases rentals in respect of finance lease are segregated into cost of assets and interest component by applying the implicit rate of return.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.





u) Government Grants

Any Government grants, subsidy of capital nature is reduced from the cost of respective fixed assets and other grants, subsidies of revenue nature are net off against the respective expenses.

As per our report of even date attached.







Independent Auditors Report

**To the Members of
Richa Industries Limited**

Report on the Consolidated Financial Statement

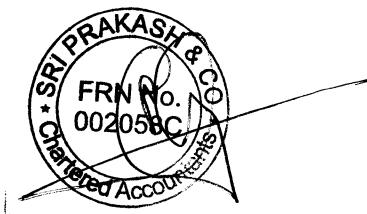
1. Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by an order dated 18.12.2018 admitted the Corporate Insolvency Resolution Process application filed against **Richa Industries Limited** by an operational creditor and appointed Mr. Arvind Kumar as an Interim Resolution Professional (IRP) in terms of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the company as per the provisions of the code. Further, the committee of creditors constituted during CIRP has confirmed the appointment of Mr. Arvind Kumar as the resolution professional ("RP") on 17-01-2019 for the company. In view of ongoing CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of this Consolidated Financial Statements vests with the RP under Insolvency and Bankruptcy Code, 2016.

2. Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Richa Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (here in refer to as "Consolidated Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in para 3(a) to 3(n) in the basis for qualified opinion, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") 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, its Consolidated profit (or Loss) and Consolidated cash flows for the year ended on that date.



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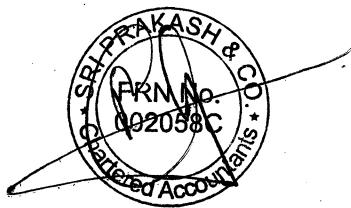
Branch Office : **Delhi** : 105, J Extension, Luxmi Nagar, Delhi 110112
Darbhanga : G.M. Complex, Near Lalbagh Paani Tanki, Darbhanga (Bihar) 846004
Lucknow : AA Complex 5 Park Road, Thapar House Hazratganj, Lucknow 226001
Rudrapur : A-337 Awas Vikas, Rudrapur 263153

3. Basis for Qualified Opinion

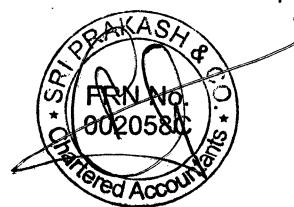
We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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(ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements. We refer to the following notes to consolidated financial statements:

- a. Note 2 to the consolidated financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year, the Company has incurred a Net Loss of `57.28 Crore resulting into accumulated losses of `233.53 Crore and erosion of its Net worth as at March 31, 2020. The Company has obligations towards fund based borrowings aggregating to 311.47 Crore and operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.
- b. As discussed in Note 6, the Company has been unable to conclude with the Resolution Plan and also the liquidation process request has been submitted before Hon'ble NCLT which is pending as on the date of audit. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.
- c. In view of the significant losses which have been incurred by the company during the previous financial years, the carrying value of certain fixed assets needs to be tested for impairment. The management has not done the impairment testing and in absence of any information, we are unable to comment as to whether any provision for impairment is required or not



- d. Note 13 and Note 15 to the Consolidated financial statements, in connection with the existence of material uncertainties over the realisability of trade receivables and Security Deposit amount aggregating to '45.51' Crore included in financial and other assets which are past due subject to confirmation and reconciliation. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.
- e. Note 12 to the Consolidated financial statements, the Inventory valuing Rs. 15.73 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor and Fixed Assets valuing Rs. 101.52 Crore was neither Physical verification nor valued by us. The quantity and valuation as provided by Management/Resolution Professional has been accepted without any further verification / valuation. Any deviation in the same may affect the Financial Position and / or Financial Performance of the Company, to the extent.
- f. Note 3 to Note 7 to the Consolidated financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
- g. Note 15 to the Consolidated financial statements, in respect of balances available with statutory authorities and input credits aggregating to '18.86' Crore that are subject to reconciliation, filing of return and admission by the respective statutory authorities and, we are unable to comment on the same.
- h. Note 4 of notes to accounts to the Consolidated financial statements, the company has not made any provision for gratuity and leave encashment for the current Financial year and no actuarial valuation report has been taken, the impact on loss for the year on account of such previous provision is not ascertainable and relevant disclosures have not been given. This is not in compliance with AS-15 Employee Benefits.
- i. The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.
- j. The accompanying statements are not in compliance to Indian Accounting Standards ('IND AS')specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under.
- k. The company has not appointed Internal Auditor as required by section 138 of the Companies Act, 2013.



- I. The company has not deposited statutory liabilities with concerned Government authorities under various Acts before commencement of CIRP during the FY 2018-19. It has also not provided for interest/penalty/for such default.
- m. Note 7 & 7(a) to the Consolidated financial statements, in connection with the existence of material uncertainties over the balances of trade payables and other current liabilities amount aggregating to Rs. 61.34 Crore included in financial statements are subject to reconciliation.
- n. Company has given Corporate Guarantee of INR 24,176.25 Lakhs. The normal business operations of the said companies have been discontinued. The liabilities of these corporate guarantees, if invoked, have not been ascertained and the same is not provided for.

4. Key Audit Matters

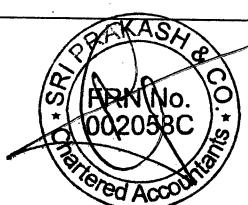
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><i>Accuracy Evaluation of claims submitted by Financial Creditors , Employees & Operational Creditors</i></p> <p>Refer Notes 3 to Note 7 to the Consolidated Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>Pursuant to the commencement of Corporate Insolvency Resolution Process of the Company (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC), various claims have been submitted by operational creditors, financial creditors, employee and others against the Company. The amount of trade and other payables are independent of the claims filed by creditors and admitted by the RP.</p>



2	<p><i>Evaluation of uncertain tax positions</i></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 7 to the Consolidated Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p> <p>Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
3	<p><i>Recoverability of Indirect tax receivables</i></p> <p>As at March 31, 2020, non-current assets in respect of withholding tax and others includes trade receivables, Income Tax recoverable which are past due subject to reconciliation.</p> <p>Refer Note 15 to the Consolidated Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.</p>
4.	<p><i>Accuracy Evaluation of Inventory Positions</i></p> <p>Estimated effort is a critical estimate to determine liability for onerous obligations</p> <p>Refer Notes 12 to the Consolidated Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • we have in respect Non-availability of Physical verification and market value of inventory of Raw Material, Work in progress and Finished goods etc. and in the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable.



		<ul style="list-style-type: none"> Valuation obtained by the RP under I&BC is confidential and cannot be shared except as per the provisions of the I&B code 2016.
5.	<p><i>Accuracy Evaluation of property, Plant and Equipments</i></p> <p>Estimated effort is a critical estimate to determine liability for onerous obligations</p> <p>Refer Notes 9 and 10 to the Consolidated Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. we have in respect Non-availability of Physical verification and market value of property, plant and equipment etc. and in the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable. Valuation obtained by the RP under I&BC is confidential and cannot be shared except as per the provisions of the I&B code 2016.
6.	<p><i>Accuracy Evaluation of Trade Receivables</i></p> <p>Refer Notes 13 to the Consolidated Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. In respect Non-availability of Reconciliation and confirmations of balances from the trade receivables and In the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable.</p>

5. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.



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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Company's financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing [in the financial statements] a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

As part of our audit, we conclude regarding the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

6. Management's Responsibility for the Consolidated 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 and presentation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 Consolidated financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

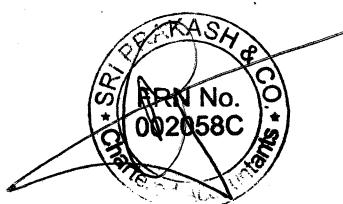
The Board of Directors are responsible for overseeing the Company's financial reporting process. However, Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the Board of Directors have been suspended and these Powers are now vested with Resolution Professional (RP).

4. Auditors' Responsibility

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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 Consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

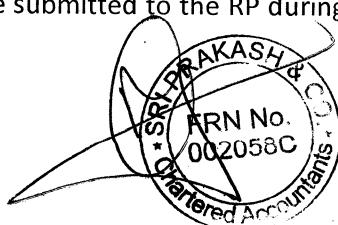
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

6. Emphasis of matters Attention is invited to:

- Notes to the consolidated financial statements, in respect of Income tax notices received by the company from the Income Tax department and these cases are still under dispute.
- Notes to the consolidated financial statements, in respect of Notices received by the company under Various Labor acts.
- As per the insolvency and bankruptcy code. 2016 („insolvency code”), the RP receives, collect, and admit all the claim submitted by the creditor (Operational, Financial & Other), employee and workmen of the company and Govt. Authorities. Such claim can be submitted to the RP during the CIRP, till the



approval of a resolution plan by COC. The impact of such admitted or rejected claims, if any, has not been considered in the preparation of the Consolidated Financial Statements.

- d. Attention is invited to Note No 6 of the Financial Statement wherein the management has stated that the Company was under CIRP Proceedings and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest in case of Indian Overseas Bank amounting to Rs. 43.42 crores on accrual basis till 31.03.2020 for the period for which interest was not charged by the bank on outstanding balance of loans.
- e. Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium enterprises Development Act 2006. The Financial Impact of this Non-Compliance, if any could not be determined

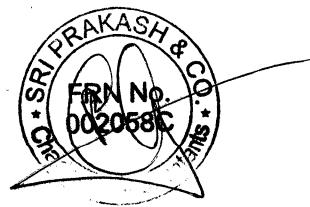
8. Other Matters

We did not audit the separate financial statements of subsidiary Company.

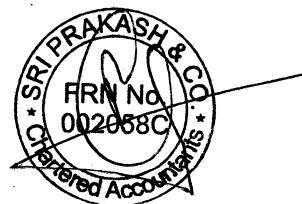
9. Report on Other Legal and Regulatory Requirements

1 As required by section 143 (3) of the Act, we report that:

- a) We have sought and except for the effects/possible effects of the matters described under "Basis for qualified opinion" paragraph, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, 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 and the Statement of Consolidated Cash Flow dealt with by this Report are in agreement with the relevant books of account.

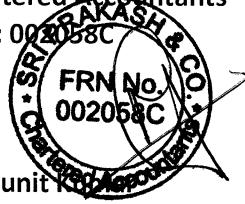


- d) In our opinion, except for the effects/ possible effects of the matters described in the “Basis for qualified opinion” paragraph, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described under “Basis for Qualified Opinion” and “Emphasis of Matters” paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f) In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 (“the Code”), the powers of the board of directors have been suspended and be exercised by the resolution professional. Hence, written representation from directors has not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2020 from being appointed as a director in the terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the basis for Qualified Opinion paragraph;
- h) 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”. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company’s internal financial control over financial reporting.
- i) 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 information and explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its Consolidated financial statements;
 - II. Except for the effects/possible effects of matters described under basis of qualified opinion paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts;



III. There has been no delay in transferring the amounts that were due to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;

For Sri Prakash & Co
Chartered Accountants
FRN: 002058C



CA Punit K. Baddi
M. No.522295

Date: 26/08/2020

Place: Baddi



Annexure "A" to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Richa Industries Limited

Report on the Internal Financial Controls 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 Richa Industries Limited ("the Holding Company or the Company"), and its subsidiary company (the Holding Company and its subsidiary together referred to as "the group") as at and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Richa Industries Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial



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Lucknow : AA Complex 5 Park Road, Thapar House Hazratganj, Lucknow 226001
Rudrapur : A-337 Awas Vikas, Rudrapur 263153

Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:



The Company did not have appropriate internal financial controls over

(a) Assessment of expected credit loss/loss allowance of trade receivables and withheld amounts which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and other disputes. .

(b) Physical verification of fixed assets and inventories. Further the company did not have any internal audit system during the year.

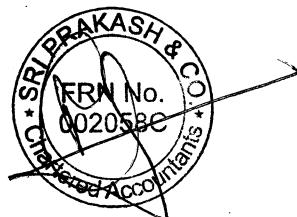
{c} The Holding Company has consolidated financial statements / financial information of the subsidiary company, which is a company incorporated in India, which has been included in the consolidated financial statements based on audited financial statements/financial information. Hence, we are unable to comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting related to the consolidation of the said entities and consequently the items of revenues, expenses, assets, liabilities and net cash flows from the said subsidiary companies which are companies incorporated in the consolidated financial statements of the Holding company have been audited by other auditor and therefore not reported by us. The inadequate supervisory and review control over Company's process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of consolidated financial statement including the profit/loss after tax. Refer appendix -1

The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in Preparation and presentation of financial statement including the profit/loss after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

In our opinion, except for the possible effects of material weaknesses described in "basis of qualified opinion" paragraph above, 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.



We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated financial statements of the Company for the year ended on March 31, 2020, and these material weaknesses have affected our opinion on the Consolidated financial statements of the Company and we have issued a qualified opinion on the Consolidated financial statements.

For Sri Prakash & Co
Chartered Accountants

FRN No. 002058C



CA Purnima Baddi
M. No.522295

Date: 26/08/2020

Place: Baddi

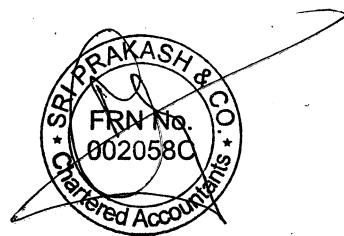
UDIN: 20522295 AAAAB15059

Appendix-1

The details of the subsidiary company that have been consolidated on the basis of unaudited Accounts.

S. No.	Name of the Subsidiary Company
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1	Richa Krishna Constructions Private Limited
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Part 1 BALANCE SHEET

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

Consolidated Balance Sheet as at 31st March, 2020

(Amount in ₹)

Plot No. 29, DLF Industrial Area, Phase -II, Faridabad, Haryana (India) -121003

Particulars	Note No.	Figures as at 31-03-2020	Figures as at 31-03-2019
I. EQUITY AND LIABILITIES			
(1) Shareholders funds			
(a) Share Capital	1	235,169,040.00	235,169,040.00
(b) Reserves and Surplus	2	-2,335,274,762.16	-1,762,451,808.66
(c) Money Received against share warrants		-	-
(2) Share Application Money Pending Allotment	53	49,000.00	49,000.00
(3) Non-current liabilities			
(a) Long term borrowings	3	219,679,992.00	178,020,515.00
(b) Deferred tax liabilities(Net)		114,020,789.71	114,020,789.71
(c) Other Long term liabilities	4	-	-
(d) Long term provisions	5	12,872,713.00	12,539,692.00
(4) Current Liabilities			
(a) Short term borrowings	6	3,007,805,462.83	2,582,514,255.73
(b) Trade payables	7	340,189,463.29	378,048,863.83
(c) Other current liabilities	7(a)	281,691,672.84	221,078,657.81
(d) Short term provisions	8	25,434,455.20	21,524,187.20
TOTAL		1,901,637,826.71	1,980,513,192.62

II. ASSETS

(1) Non Current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,014,377,256.25	1,104,840,634.15
(ii) Intangible assets	10	790,434.31	1,670,204.91
(iii) Capital Work-in-progress	9(a)	-	-
(iv) Intangible assets under development	10(a)	-	-
 (b) Non current investments	 11	 -	 25,000,000.00
(c) Deferred tax assets (NET)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
 (2) Current Assets			
(b) Inventories	12	157,332,964.30	118,216,812.02
(c) Trade receivables	13	450,106,962.49	464,907,481.06
(d) Cash and cash equivalents	14	63,131,731.76	39,090,743.20
(e) Short term loans and advances	15	215,898,477.60	226,787,317.28
(f) Other current assets		-	-
TOTAL		1,901,637,826.71	1,980,513,192.62

As per our report of even date attached

for and on behalf of Board of Directors of

For Sri Prakash & Co.
Chartered Accountants
(Firm Registration Number 002058C)
FRN No.
002058C
(CA Punit Kumar, Accountant
Partner
Membership No. 522295

Richa Industries Limited

Arvind Kumar
Resolution Professional
IRP No: IBB/IPA-001/IP-P00178/2017/10357

Place: Faridabad

Date: 26/08/2020

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

PART II - CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Period Ended March 31, 2020

Plot No. 29, DLF Industrial Area ,Phase -II, Faridabad, Haryana (India) -121003

(Amount in ₹)

Particulars	Note No.	For the Period 01-04-19 to 31-03-20	For the Period 01-04-18 to 31-03-19
I. Revenue from operations	16	426,177,551.19	1,556,701,771.94
II. Other Income	17	4,990,754.33	10,149,638.50
III. Total Revenue(I+II)		431,168,305.52	1,566,851,410.44
IV. Expenses:			
Cost of materials consumed	18	170,897,468.27	1,318,919,014.55
Purchase of Stock in Trade	19	-	-
Changes in inventories of finished goods work-in-progress consumable	20	8,270,433.00	591,583,100.49
Employee benefits expenses	21	69,351,710.07	129,798,715.53
Finance costs	22	379,611,078.74	357,053,234.67
Depreciation and amortization expenses	23	91,382,544.06	92,538,711.72
Other cost	24	284,357,801.75	475,189,547.66
Total expenses		1,003,871,035.89	2,965,082,324.62
V. Profit before exceptional and extraordinary items and tax(III-V)		-572,702,730.37	-1,398,230,914.18
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax(V-VI))		-	-1,398,230,914.18
VIII. Extraordinary Items		-	-353,299,942.22
IX. Prior Period Expenses		-	-
X. Profit before tax (VII-VIII-VIII(a))		-572,702,730.37	-1,751,530,856.40
XI. Tax expenses:			
(1) Current tax		122,500.00	-
Less MAT Credit Entitlement		-	-
Provision for Disputed Income Tax/Other Taxes Matters		-	-
(2) Deferred tax		-	-
(3) MAT Credit Written off		-	16,559,048.20
XII. Profit(Loss) for the period from continuing Operations(IX-X)		-572,825,230.37	-1,768,089,904.60
XIII. Profit(Loss)from discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)		-	-
XV. Profit(Loss) for the period(XI+XIV)		-572,825,230.37	-1,768,089,904.60
XVI. Earnings per equity share:			
(1) Basic		-24.45	-73.49
(2) Diluted		-24.45	-73.49

As per our report of even date attached

for and on behalf of Board of Directors of

For Sri Prakash KASHI
(Firm Registration Number 002058C)

Richa Industries Limited

FRN No.
002058C
(CA Pankaj Kumar
Partner
Membership No. 522295)


Arvind Kumar
Resolution Professional
IRP No: IBB/IPA-001/IP-P00178/2017/10357

Place: Faridabad

Date:

Particular	Amount in ₹	
	Year Ended 31-03-2020	Year Ended 31-03-2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per statement of Profit & loss	-572,825,230.37	-1,768,089,904.60
Adjustment for:		
Depreciation	91,382,544.06	92,538,711.72
Interest paid	379,568,529.78	351,723,518.74
Bad Debts Written off	-3,932.00	103,672,349.27
Effect of Exchange rate Change		
Minority Interest		49,000.00
(Profit)/Loss on sale of fixed assets		1,527,094.66
	470,947,141.84	549,510,674.39
	-101,878,088.53	-1,218,579,230.21
Operating profit before working capital changes		
Adjustment for:		
Trade and other receivables	14,806,727.16	-109,124,275.60
Inventories	-39,116,152.28	1,273,528,143.24
Trade payables and Other Liabilities	26,663,882.49	-307,159,843.89
	2,354,457.37	857,244,023.75
Cash generated from Operations		-99,523,631.16
Taxes Paid(Net)		-361,335,206.46
NET CASH/USED IN FROM OPERATING ACTIVITIES	-99,523,631.16	-361,335,206.46
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets		-39,395.00
Sale of Fixed Assets		-9,332,054.10
Short term Loans and Advances		5,796,792.46
Loss on sale of Investment		-5,394,006.79
		-17,800,000.00
NET CASH /(USED IN) FROM INVESTING ACTIVITIES	-88,674,186.48	-388,064,474.89
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayments) from long term other Borrowings	41,659,477.00	-110,036,575.59
Proceeds/(Repayments) from Sale of Investment	25,000,000.00	-
Proceeds/(Repayments) from long term Bank Borrowings		-
Proceeds From/(Repayments of) Short Term Borrowings	425,291,207.10	802,277,286.42
Interest Paid	-379,568,529.78	-351,723,518.74
Long Term Liabilities	333,021.00	-
NET CASH /(USED IN) FROM FINANCING ACTIVITIES	112,715,175.32	340,517,192.09
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24,040,988.84	-47,547,282.80
Opening Balance of Cash & Cash Equivalents	39,090,743.20	86,638,026.00
Closing balance of Cash & Cash Equivalents	63,131,731.76	39,090,743.20

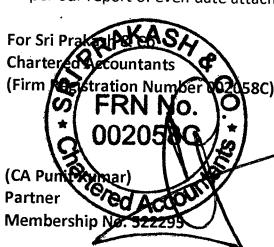
See accompanying notes to the financial statements & Significant accounting policies
As per our report of even date attached

for and on behalf of Board of Directors of

Richa Industries Limited



Arvind Kumar
Resolution Professional
IRP No: IBB/IPA-001/IP-P00178/2017/10357



Place: Faridabad
Date:

PARTICULARS		Figures as at 31.03.2020	Figures as at 31.03.2019																														
1) Share Capital																																	
I) Authorised Share Capital																																	
30000000 (PY 30000000) Equity Shares of ₹ 10/- each		300,000,000.00	300,000,000.00																														
II) Issued Share Capital																																	
23603808 (PY 23603808) Equity Shares of ₹ 10/- each		236,038,080.00	236,038,080.00																														
III) Subscribed and Paid up Share Capital																																	
23430000 (PY 23430000) Equity Shares of ₹ 10/- each fully paid up		234,300,000.00	234,300,000.00																														
Out of Which :-																																	
8826192 (PY 8826192) Equity shares of ₹ 10/- each fully paid up at a premium of ₹20.00 each																																	
1114446 (PY 1114446) Equity shares of ₹ 10/- each fully paid up at a premium of ₹ 10.875 each																																	
4275000 (PY 4275000) Equity shares of ₹ 10/- each fully paid up at a premium of ₹ 9.875 each																																	
1115000 (PY 1115000) Equity shares of ₹ 10/- each fully paid up at a premium of ₹ 20.74 each																																	
IV) Forfeited Shares																																	
173808 (PY 173808) Equity Shares of ₹ 10/- each forfeited amount @ ₹ 5/- each		869,040.00	869,040.00																														
TOTAL		235,169,040.00	235,169,040.00																														
(a) Rights, preferences and restrictions attached to shares																																	
(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders.																																	
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholding																																	
(b) A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period																																	
(iii) <table border="1"> <thead> <tr> <th>Particulars</th><th colspan="2">As at 31st Mar, 2020</th><th colspan="2">As at 31st March, 2019</th></tr> <tr> <th></th><th>No. of Shares</th><th>Amount (₹)</th><th>No. of Shares</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>Shares at the Beginning of the Year</td><td>23,603,808.00</td><td>236,038,080.00</td><td>23,603,808</td><td>236,038,080.00</td></tr> <tr> <td>Issued during the year by way of Preferential Allotment</td><td></td><td></td><td></td><td></td></tr> <tr> <td>Bought back if any</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> <tr> <td>Outstanding at the end of Year</td><td>23,603,808.00</td><td>236,038,080.00</td><td>23,603,808</td><td>236,038,080.00</td></tr> </tbody> </table>	Particulars	As at 31st Mar, 2020		As at 31st March, 2019			No. of Shares	Amount (₹)	No. of Shares	Amount (₹)	Shares at the Beginning of the Year	23,603,808.00	236,038,080.00	23,603,808	236,038,080.00	Issued during the year by way of Preferential Allotment					Bought back if any	-	-	-	-	Outstanding at the end of Year	23,603,808.00	236,038,080.00	23,603,808	236,038,080.00			
Particulars	As at 31st Mar, 2020		As at 31st March, 2019																														
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)																													
Shares at the Beginning of the Year	23,603,808.00	236,038,080.00	23,603,808	236,038,080.00																													
Issued during the year by way of Preferential Allotment																																	
Bought back if any	-	-	-	-																													
Outstanding at the end of Year	23,603,808.00	236,038,080.00	23,603,808	236,038,080.00																													
(iv) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company :																																	
Name of the Shareholders	As at 31st Mar, 2020		As at 31st March, 2019																														
Richa Holdings Limited	No. of Shares held	% of Holding	No. of Shares held	% of Holding																													
	7,621,156.00	32.53	7,621,156	32.53																													
2) Reserve and Surplus																																	
(a) Capital Reserve																																	
Balance at the beginning of the year		1,215,000.00	1,215,000.00																														
Addition during the year		-	-																														
Less: written back during the year		-	-																														
Balance at the end of the year		1,215,000.00	1,215,000.00																														
(b) Security Premium Reserve																																	
Balance at the beginning of the year		223,449,491.04	223,449,491.04																														
Addition during the year		-	-																														
Less: deduction during the year		-	-																														
Balance at the end of the year		223,449,491.04	223,449,491.04																														
(c) General reserve																																	
Balance at the beginning of the year		21,486,851.05	21,486,851.05																														
Addition during the year		-	-																														
Less: deduction during the year		-	-																														
Balance at the end of the year		21,486,851.05	21,486,851.05																														
(d) Surplus of Profit and Loss a/c																																	
Balance at the beginning of the year		-2,008,603,150.75	-240,513,246.15																														
Deduction during the year		-572,822,953.50	-1,768,089,904.60																														
Less: Transfer to General reserves		-	-																														
Balance at the end of the year		-2,581,426,104.25	-2,008,603,150.75																														
TOTAL (a+b+c+d)		-2,335,274,762.16	-1,762,451,808.66																														
No Debentures Redemption Reserve is created for redemption of debentures as required by the Company																																	
3) Long Term Borrowings																																	
(a) Secured loan																																	
(i) Term Loan																																	
--From Banks		-	-																														
--From Others		-	-																														
Less : Current Maturities of Long-Term Debts*																																	
TOTAL (a)		-	-																														

* All the Long term borrowing has been shown as short term borrowing due to the consequence of CIRP proceeding.



PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
(b) Un-Secured loan		
Loans and Advances from Related parties		
-Richa Building Systems Private Limited	70,187,000.00	70,187,000.00
-Richa Holdings Limited	36,750,000.00	36,750,000.00
- Others	97,683,237.00	56,023,750.00
- Mrs Krishna		
From Others		
Karan Cab Services Pvt Limited	15,059,755.00	15,059,755.00
Richa Holdings Limited		
TOTAL (b)	219,679,992.00	178,020,515.00
(i) As per the resolution of Board of Directors of the company have decided that the above loans was taken on long terms basis and no interest is payable on the above loan.		
(ii) Period and amount of continuing default as on the balance sheet date		
--in repayment of loans		Nil
--in repayment of interest		Nil
TOTAL (a)+(b)	219,679,992.00	178,020,515.00

5) Long Term Provisions

(a) Provision for employee benefit*		
--Provision for Gratuity	8,957,134.00	8,782,015.00
--Provision for Leave Encashment	3,915,579.00	3,757,677.00
(b) others		
TOTAL	12,872,713.00	12,539,692.00

6) Short Term Borrowings

Secured loan		
(a) Loans repayable on demand		
--From Banks	2,284,670,804.00	2,331,300,526.60
--From Banks - Vehicle Loan	8,933,818.00	7,874,615.00
--Others	232,942,869.13	232,926,346.13
(b) Provision for Interest on Loan	434,232,590.70	
Add: Current Maturities of Long Term Debt**		
Un Secured loan		
(a) Loan from Sariga Construction Pvt Ltd.	9,371,244.00	10,412,768.00
(b) Lotus Textiles	37,654,137.00	
SUB TOTAL	3,007,805,462.83	2,582,514,255.73

During the FY 2019-20, The Company was under CIRP Proceeding and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest amounting to Rs. 43.42 crores on accrual basis till 31.03.2020 for the period for which interest was not charged by the bank on outstanding balance of loans.

		Balance as on	Balance as on	Rate of Interest	Repayment Schedule
Name of Bank / Division of the Company		March 31, 2020	March 31, 2019	(as per latest Sanction Letter available)	(as per latest Sanction Letter available)
Indian Overseas Bank / Textile Division		8,990,900.00	9,959,108.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 28 quarterly instalments, Commenced from 30.06.2011 : 12 Quarterly Instalments of ₹ 50 lac each, 8 Quarterly Instalment of ₹ 75 lac each, 4 Quarterly Instalment of ₹ 100 lac each.
Security : Equitable mortgage of Land and Building at VPO Kanwra, hypothecation of plant and machinery and other miscellaneous fixed assets purchased out of Term Loan.					
Indian Overseas Bank / Textile Division		34,632,022.32	35,752,798.32	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 72 equal monthly instalments after initial moratorium period of six
Security: Primary - Hypothecation of Plant & Machinery set up for the Zero Liquid Discharge system and the new circular knitting machines.					
Indian Overseas Bank / Construction & Engg Division		20,801,406.00	25,128,011.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 72 monthly instalments of ₹ 30.00 Lac Commencing from July 2012.
Security : Primary-First Pari Passu charge on the Project Land, building and other Project assets with Corporation Bank; Secondary-Second Pari-Passu charge on Current Assets of the PEB Division of the Company. Collateral Security : Second Pari-Passu Charge on Current Assets of the PEB Division of the Company.					
Kotak Mahindra Bank Ltd.		1,002,935.00	820,852.40	9.80%	Repayable in 47 Months of EMI of 2 x ₹ 23,933.00 Each including interest and Principal





	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019	
	Security: Hypothecation of 2 Nos.Commercial Vehicles				
	Jainsons Finlease Ltd	59,072,776.00	59,072,776.00	19% p.a.	Repayable in 36 Months of EMI of ₹18,32,801.00 Each including interest and Principal and ₹ 1,00,00,000.00 on 10-06-2000 and ₹ 1,00,00,000.00 on 10-08-2000
	Security: 1) Pledge of 36,45,280 shares of the company held by the Promoters / Promoters Company. 2) Personal Gurantee of Dr Sandeep Gupta (MD), Mr Sushil Gupta (Ex MD) & Mr Manish Gupta (Director)				
	Magma Fincorp Ltd.			15.50%	Repayable in 24 Months of EMI of ₹4,87,245.00 Each including interest and Principal
	Toyota Financial Services Ltd.	2,690,899.00	2,690,899.00	9.49%	Repayable in 60 Months of EMI of ₹ 39,900.00 (starting from 20-09-2016) and ₹ 43,740 (starting from 20-05-2017) each including interest and Principal
	Security : Hypothecation of Toyota Innova Crysta Car (2 Nos)				
	AAV Srl (Luxembourg), through its Indian Custodian Deutsche Bank AG, Mumbai Branch (Non Convertible Debentures[NCD]) : Principal Amount of ₹ 9,00,00,000.00	101,053,479.00	101,053,479.00	13.05% (fixed) subject to gross up for withholding tax (currently at a rate of 10%) and a Review Fee of 2.70% pa subject to gross up of withholding tax (currently at a rate of 10%)	Repayable on April 08, 2020 : 50% of the Principal Amount and on June 12, 2020 : 50% of the Principal Amount
	Security : 2 FDRs, one of ₹ 63,00,000.00 and second for ₹ 49,50,000.00. As on 31-03-2018, First FDR of ₹ 63,00,000.00 has been encashed by the Lender, due to non payment of interest as on 30-12-2017. The same FDR has not repaid by the Company				
	HDB Financial Services Ltd - Loan against Property HN-408 Sector 16A in the name of Mrs Garima Gupta, Spouse of Mr Manish Gupta, Director of the Company, Loan Amount of ₹ 263,32,894.00	24,696,744.13	24,696,744.13	10.5% pa	Repayable in 116 instalments of ₹ 35523.00 each starting from 08-05-2017

Rate of interest is without considering interest subsidy under TUF Scheme (Wherever applicable)

The Carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note - 36

** Refer Note No. 3

1. Nature of security

Name of Bank

Indian Overseas Bank

Prime Security :

Textile Division : Exclusive charge on the Current Assets of the textile division of the company , including stock and book debts

659,724,657.30

728,897,180.40

C & E Division : First paripassu charge on the entire current assets of PEB division of the company including stock and book debts with corporation bank under multiple banking.

842,678,605.15

924,385,752.18

Collateral Security :

Textile Division : Working Capital facilities sanctioned for the textile division of the company will be secured by the Residential land & Building Plot No.1483, Sector-14, Faridabad [owned by Ms Shweta Gupta w/o Sh Sandeep Gupta, Managing Director of the Company and Mrs Geeta Devi, Mother of Sh Sandeep Gupta MD and Mr Manish Gupta Director of the Company], Land & Building at Plot No.659, Sector-16A, Faridabad [owned by Richa Holding Limited, a promoter Company], Land and Building at VPO Kanwara, Kheri Jasana road, Faridabad [in the name of Company], EM of Plot-29 Near water tank DLF Industrial Phasae-II Faridabad [owned by Company], HN-387 Sector 1, IMT Manesar, Gurgaon [owned by Company] and WDV of plant and machinery and other Fixed assets. Plus Pledge of 101,93,784 Equity shares of promoters / promoters Company, to the extent of 30% of Capital. Negative lien on remaining shares held by the promoters / promoters Companies

C & E Division : Working capital limits sanctioned for the PEB division of the company will be collaterally secured by the parri-pasu second charge on fixed assets of the Company held as primary security to Term Loans as enjoyed by the Company.

Corporation Bank

701,363,215.30

594,543,027.30

Prime Security :

C & E Division : First paripassu charge on inventory / book debts / current assets of PEB division of the Company along with IOB. [under Multiple banking system].

Collateral Security :

C & E Division : Working capital limits are secured by pari-pasu first charge in respect of residual value of fixed assets held as primary security to term loans enjoyed by the Company

Bank of India:

Secured against Comfort Letters issued by Steel Authority of India Limited, to whom a Bank Guarantee of ₹ 1.00 Crore under channel financing scheme

Reliance Commercial Finance Ltd.

40,062,329.00

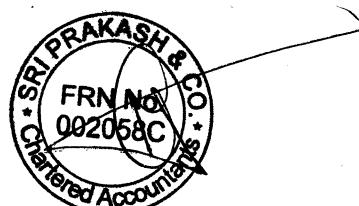
40,062,329.00

Secured against Pari-passu charges with both bankers up to the extend of Rs.10 crore against current assets of two projects of the company named Bharat Electronics Ltd. & Ircan Int'l.Ltd.

Sirs Deposits and Advance Limited

5,206,957.00

5,206,957.00



PARTICULARS		Figures as at 31.03.2020	Figures as at 31.03.2019
Vehicle Loan - Corporation Bank			
Corporation Bank		8,933,818.00	7,874,615.00
Security : Hypothecation of Mercedes Car			
	On dated 19.11.2018 Corporation Bank has issued a notice under Section 13 (2) read with Sec 13 (3) of SARFAESI Stating that in view of failure to pay the dues/operate the accounts satisfactorily as is required and in terms of the RBI guidelines as to the Income Recognition and prudential Accounting Norms classified the outstanding accounts as Non Performing Asset as on 31.12.2017		
	In pursuance to the application filed by Operational Creditor for initiating CIRP proceedings against M/s Richa Industries Limited, Hon'ble NCLT by an order dated 18.12.2018 admitted the CIRP proceedings against the company and appointed Mr Arvind Kumar as Interim Resolution Professional. During the CIRP process, the Financial Creditors has filed their claims and the same is under consideration by Hon'ble NCLT.		
Corporate Guarantees	Amount Claimed		
1 CNC Enterprises	60,000,000.00		
2 SK Enterprises	60,000,000.00		
3 Singal Enterprises	60,000,000.00		
4 Catalyst Trusteeship Limited	96,864,658.00		
5 Sariga Constructions Pvt. Ltd.	432,410,139.00		
6 Sirsa Deposit and Advances Ltd.	808,350,000.00		
7 A to Z Steel Corporation	900,000,000.00		
	Total	2417624797.00	

7) Trade Payables *

Amount due to various suppliers as at the end of the year	340,189,463.29	378,048,863.83
TOTAL	340,189,463.29	378,048,863.83

* In the absence of the information, the separate disclosure could not be done as required to disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

7(a) Other Current Liabilities

(a) Bills payable (accepted under LC)		
(b) Total outstanding dues of creditors other (other than micro enterprises due of creditor others)		
Creditors for capital goods	1,149,787.00	1,566,184.00
Creditors for expenses	180,128,096.41	75,093,893.05
Advances payment for which value has still to be given	11,828,446.00	50,695,006.55
Unclaimed Final Dividend for Earlier Years *	124,926.50	124,926.50
Securities/Retention payable	29,511,102.65	33,942,893.50
Sales tax payable / WCT Payable		
TDS & TCS Payable	5,779,981.40	3,415,189.74
Service Tax Payable		
GST Payable	38,479,968.88	30,466,251.47
Audit Fee Payable	1,150,000.00	
Expenses payable	13,539,364.00	25,774,313.00
	TOTAL	281,691,672.84
		221,078,657.81

* There are no amounts due for payment to the Investors Education and Protection Fund under Sec 205C of the Companies Act, 1956 as at the year end. Section 125 of the Companies Act 2013 which corresponds to Section 205C of Companies Act, 1956 has not yet been enacted.

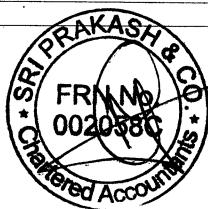
8) Short Term Provisions

(a) Provision for employee benefits		
(i) Payable PF, ESI & Welfare Fund	1,511,620.00	3,307,570.00
(ii) Insurance, Pension and similar staff benefits	7,317,200.00	736,538.00
(b) Others		
(i) Provision for Income Tax (AY 2017-18, FY 2016-17)	122,500.00	
(ii) Provision for Pending Litigation / Disputes *	16,483,135.20	17,480,079.20
	TOTAL	25,434,455.20
		21,524,187.20

* Provision for litigation / disputes represents claims against the Company that are expected to materialize in respect of matters in litigation.

9) Property, Plant and Equipments

Tangible Assets @		
(a) Land	189,900,132.04	189,900,132.04
(b) - Factory Buildings	326,662,272.68	348,836,923.52
- Other than Factory Buildings	59,274,822.29	60,304,220.49
(c) Plant and Equipment	419,926,390.13	482,320,502.40
(d) Furniture and Fixtures	2,263,697.74	3,332,033.26
(e) - Vehicles (Commercial)	2,853,559.70	3,452,451.40
- Vehicles (Other than Commercial)	9,834,790.84	12,084,644.81
(f) Office equipment	2,919,686.01	3,474,341.13
(g) Computer	728,665.73	1,118,185.05



PARTICULARS		Figures as at 31.03.2020	Figures as at 31.03.2019
(h) Fax/Telephone		13,239.09	17,200.05
(i) Capital WIP		-	-
TOTAL		1,014,377,256.25	1,104,840,634.15
10) Intangible Assets @			
(a) Computer Software		790,434.31	1,670,204.91
(b) Capital WIP		-	-
TOTAL		790,434.31	1,670,204.91
@ Depreciation chart showing the workings are required by the Companies Act 2013 is attached			
11) Non Current Investments			
(a) Investment in Equity Instruments			
--In Subsidiaries Companies (Unquoted, and stated at Cost Price)			
51000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Krishna Constructions Private Limited			
(b) Others			
Term Deposits			25,00,000.00
TOTAL			25,00,000.00
12) Inventories *			
(a) Raw Materials		81,583,919.34	77,642,234.06
(b) Work in Progress		62,816,982.54	26,166,068.12
(c) Finished goods		7,041,748.20	7,609,402.00
(d) Stores & Spares		5,890,314.22	6,799,107.84
TOTAL		157,332,964.30	118,216,812.02
* The Inventory valuing Rs. 11.38 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor is subject to Physical verification and confirmation			
13) Trade Receivables			
(a) Outstanding for period exceeding Six Months		34,063,475.59	266,223,807.22
(b) Others		416,043,486.94	198,683,673.84
Sub Classification of Trade Receivables			
(a) Secured, Considered Good;		-	-
(b) Unsecured Considered Good;		450,106,962.53	464,907,481.06
(c) Doubtful		-	-
TOTAL		450,106,962.53	464,907,481.06
14) Cash and cash Equivalents			
(a) Cash and cash Equivalents			
(i) Balance with banks in Current Accounts		9,191,122.26	11,543,658.77
(ii) Cash In Hand		61,630.00	164,842.43
(b) Earmarked Balances with Banks		-	-
(i) HDFC Bank -Unclaimed Dividend FY 2009-10		-	-
(ii) Yes Bank -Unclaimed Dividend FY 2010 -11		32,621.50	32,621.50
(iii) Yes Bank -Unclaimed Dividend FY 2011 -12		34,848.00	34,848.00
(iv) Yes Bank -Unclaimed Dividend FY 2012 -13		57,457.00	57,457.00
(c) Balances with Banks to the extent held as margin money		-	-
(i) In Deposit accounts		-	-
--With Less or Equal to 12 Months Maturity		-	12,606,401.00
--With more than 12 Months Maturity		53,754,053.00	12,693,327.00
(ii) Interest Accrued but not Due		-	1,957,587.50
TOTAL		63,131,731.76	39,090,743.20
15) Short Term Loans and Advances			
Unsecured and Considered Good			
(a) Loan & Imprest to employees		337,378.00	82,637.00
(b) TUFS Interest Subsidy Receivable		-	-
(c) Security Deposit *		4,982,608.00	2,968,897.00
(d) Advance to Suppliers/Others		16,893,626.64	52,446,953.83
(e) Insurance Claim Receivable		-	-
(f) Prepaid Expenses		1,511,723.00	1,419,767.22
(g) Rent Receivable		-	-
(h) Loan to Richa Infrastructure Ltd.		-	-



PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
(I) Balance with Customs/Central Excise and Income Tax Authorities		
(i) Balance in CENVAT /Service tax account/Sale Tax / WCT/Entry Tax/GST	95,243,168.63	83,221,922.00
(ii) Income Tax Refundable (AY 2008-09, FY 2007-08)	82,660.00	82,660.00
(iii) Income Tax Refundable (AY 2011-12, FY 2010-11)	222,810.00	222,810.00
(v) Income Tax Refundable (AY 2014-15, FY 2013-14)	-	100,000.00
(v) Income Tax Refundable (AY 2016-17, FY 2015-16)	8,053,894.00	7,953,894.00
(vi) MAT Credit Entitlement (AY 2012-13, FY 2011-12)	1,834,488.00	1,834,488.00
(vii) MAT Credit Entitlement (AY 2013-14, FY 2012-13)	1,015,424.00	1,015,424.00
(viii) MAT Credit Entitlement (AY 2015-16, FY 2014-15)	8,479,203.00	8,479,203.00
(ix) MAT Credit Entitlement (AY 2016-17, FY 2015-16)	11,246,878.00	11,246,878.00
(x) TDS Receivable/Advance Tax (AY 2018-19, FY 2017-18)	15,906,141.00	15,893,363.00
(xi) TDS Receivable/Advance Tax (AY 2017-18, FY 2016-17)	18,221,541.23	18,234,319.23
(xii) TDS Receivable/Advance Tax (AY 2019-20, FY 2018-19)	23,352,305.50	21,584,101.00
(xiii) TDS Receivable/Advance Tax (AY 2020-21, FY 2019-20)	8,514,629.60	
TOTAL	215,898,478.60	226,787,317.28

* The balances of Security Deposits are subject to reconciliation and confirmation.

16) Revenue from Operations

(a) Sale of products

(i) Domestic sale	67,298,964.09	443,457,697.74
(ii) Export sale	-	-
(b) Sale of services	358,878,587.10	1,113,244,074.20
(c) Other operating revenues	-	-
TOTAL	426,177,551.19	1,556,701,771.94

Less: Excise Duty

TOTAL	426,177,551.19	1,556,701,771.94
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17) Other Income

(a) Interest Income

(i) Interest Received on FDR	3,516,728.00	2,265,910.02
(ii) Interest received others	97,368.00	367,829.30
(b) Other non Operating Income	-	-
(i) Unclaimed balances W/off & short & Excess	-	2,535,147.48
(ii) Rent Received	-	122,656.00
(iii) Advance Forfeited /Bad Debts Recoveries	-	4,342,795.70
(iv) Miscellaneous Receipts	1,376,658.33	515,300.00
TOTAL	4,990,754.33	10,149,638.50

18) In case of manufacturing companies

Raw material consumed under broad heads

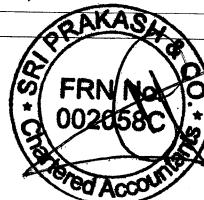
Textile Unit

(a) Dyes and Chemicals	70,598,640.92	82,169,679.84
(b) Fabrics	41,920,956.03	162,903,968.23
(c) Yarn	3,253,619.23	39,451,214.03
(d) Fuel	52,456,393.53	57,465,842.50
(e) Packing Material	1,709,858.56	3,009,212.00
Construction & Engineering Unit		
(f) HR Plates	-	307,810,185.77
(g) Structures	-	70,777,638.37
(h) Coils	-	119,756,124.59
(i) Accessories	-	61,512,685.54
(j) Stock Transfer	958,000.00	0.00
(j) Material Used in home consumption	-	-
(k) Civil construction expenses with material	-	414,062,463.68
(l) Solar Panel Modules & Structures	-	
TOTAL	170,897,468.27	1,318,919,014.55

19) Purchase of Stock in Trade



PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
20) INCREASE/DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES		
Closing Stock		
Consumable Store	5,890,314.22	6,799,107.84
Finished Goods	7,041,748.20	7,609,402.00
Work in process	19,372,082.54	26,166,068.12
TOTAL	32,304,144.96	40,574,577.96
Opening Stock		
Consumable Store	6,799,107.84	34,997,442.84
Finished Goods	7,609,402.00	33,035,898.76
Work in process	26,166,068.12	564,124,336.85
TOTAL	40,574,577.96	632,157,678.45
(-)INCREASE /DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES	8,270,433.00	591,583,100.49
21) Employee benefits expenses		
(a) Salaries and Wages & labour expenses	66,631,718.07	113,556,501.10
(b) Contribution to Provident and other funds	2,487,826.00	7,355,583.28
(c) Staff welfare expenses	136,974.00	1,849,018.97
(d) Employee Retirement & Other Benefits		
(i) Gratuity & Leave Encashment- Paid	95,192.00	1,806,816.18
(ii) Gratuity & Leave Encashment- Provision(Add/Reverses)		
(e) Directors Remuneration, including retirement benefits		
TOTAL	69,351,710.07	129,798,715.53
22) Finance Cost		
(a) Interest expenses		
(i) to Banks on Working Capital Loans	360,602,281.10	294,430,733.11
(ii) to Banks on Term Loans	11,658,769.40	11,776,571.00
(Net of TUF Interest Subsidy ₹ 1418813 , Previous Year ₹)		
(iii) on other accounts	7,307,479.28	45,516,214.63
(b) Other borrowing costs		
(i) Bank Charges	42,548.96	5,312,728.53
(c) Applicable Net Gain/Loss on Foreign Currency Transactions and Translations		
TOTAL	379,611,078.74	357,053,234.67
During the FY 2019-20, The Company was under CIRP Proceeding and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest amounting to Rs. 43.42 crores on accrual basis till 31.03.2020 for the period for which interest was not charged by the Indian Overseas bank on outstanding balance of loans.		
23) Depreciation and Amortisation Expense	91,382,544.06	92,538,711.72
24) OTHER COST	284,357,801.75	475,189,547.66
(A) MANUFACTURING EXPENSES		
(a) Outside Job work/ Erection Charges	181,289,677.40	197,126,436.63
(b) Power and fuel	25,312,868.00	40,145,473.77
(c) Water & Sewearage Charges	1,528,494.00	171,425.00
(d) Consumption of stores and spare parts	2,768,255.30	18,556,258.94
(e) Repairs to Machinery & Hiring Charges	10,293,499.04	16,523,237.05
(f) Freight on Purchase	401,525.76	12,150,892.34
TOTAL	221,594,319.50	284,673,723.73
(B) ADMINISTRATIVE EXPENSES		
(a) Auditors remuneration & Out of pocket Expenses	1,175,000.00	531,710.00
(b) Books & periodicals		420.00
(c) Charity & Donation	1,500.00	153,700.00
(d) Commission / Sitting fee to Non WTD		50,000.00
(e) Director Travelling & Conveyance		768,610.23
(f) Diwali Expenses	35,449.00	9,866.00
(g) Miscellaneous Expenses	847,105.66	70,284.00
(h) Insurance (Others)	1,678,567.37	3,721,901.93
(i) Insurance (on cars)	18,290.07	18,221.02
(j) Legal & Professional Charges	24,250,139.00	6,281,976.05
(k) Out of pocket Expense -Consultant	62,067.00	
(l) AGM & Meeting Expenses		57,180.00
(m) Postage /Telegram/ Courier Expenses	27,018.00	139,821.35
(n) Printing & stationery Expenses	323,795.10	695,149.92
(o) Rates & Taxes, Excluding taxes on income	688,205.00	4,811,776.58
(p) Rent	1,180,263.76	382,184.92
(q) Repairs to Buildings	1,969,429.15	228,477.00
(r) Repair - Computer	707,100.98	729,116.69
(s) Running & Maintenance -Vehicle Commercial	2,018,610.44	1,530,198.00
(t) Running & Maintenance - Vehicle others	1,742,937.98	2,212,322.86



PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
(u) Watch /Ward/Security	4,040,482.04	4,722,686.64
(v) Repair - Electricals	4,216,206.80	263,096.53
(w) Subscription & Membership Fee	141,000.00	201,375.00
(x) Telephone, Modem & Internet Expenses	459,899.64	1,057,375.91
(y) Testing & Designing Expenses	171,055.94	992,326.81
(z) Travelling & Conveyance Expenses	1,966,993.00	5,421,645.12
(Includes Rs. 294079 paid to Manish Gupta and Rs. 4,19,381 to Sandeep Gupta		
(z i) Office Maintenance Expenses	451,291.51	1,049,657.17
(z iv) IRP Fees	9,000,000.00	2,500,000.00

TOTAL

57,172,407.44 38,601,079.73

(C) SELLING & DISTRIBUTION EXPENSES

(a) Sales Promotion Expenses	13,662.00	412,161.50
(b) Commission/ Discount on Sales	5,228,118.81	-
(c) Distribution Expenses/ Export sales clearing Expenses	353,226.00	1,419,845.43
(d) Advertisement / Tender fee & Exhibition Expenses	-	810,388.00
(e) Bad Debts written off	-3,932.00	103,672,349.27
(f) L.D.Charges deducted		

TOTAL

5,591,074.81 106,314,744.20

25) Extraordinary Items

(a) Loss on sale of fixed assets	-	1,527,094.66
(b) Loss on inventory revaluation	-	344,644,847.56
(c) Loss on sale of investment	-	7,128,000.00
		346,171,942.22

26) EARNING PER SHARE & DILUTED EARNING PER SHARE

(i) Net Profit after tax as per P & L Account	-572,825,230.37	-1,768,089,904.60
(ii) Weighted Average number of equity Shares used as denominator for calculating EPS (Nos)	23,430,000.00	23,430,000.00
(iii) Net Profit attributable to shareholders	-572,825,230.37	-1,768,089,904.60
(iv) Diluted Earning Per Share(RS) (iii/ii)	-24.45	-75.46
(v) Profit before tax	-572,702,730.37	-1,751,530,856.40
(vi) Earning per share	-24.45	-75.46
(vii) Face Value per equity Share	10.00	10.00

(a) Payment to the Auditor As

(a) Statutory Auditor	950,000.00	500,000.00
(b) Tax audit	200,000.00	-
(c) for Company Law Matters	-	-
(d) for Other Services	-	-
(e) for Reimbursement of Expenses	-	6,710.00

(b) Detail of items of exceptional and extraordinary nature

(a) Loss on sale of fixed assets	-	-1,527,094.66
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27) Contingent Liabilities and Commitments (to the extent not provided for)

(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	-	-
(b) Guarantees	2,519,357,586.00	2,519,357,586.00
(c) other money for which the company is contingently liable	-	-
-Disputed demands in respect of income tax etc	73,074,412.00	73,074,412.00
-Disputed demands in respect of Service Tax *	13,201,385.00	13,201,385.00

* During the current financial year, the details of above contingent liability is not available so the current financial year liability is considered same as previous financial year.

-Disputed demands in respect of Sales tax / GST	44,414,998.00	44,414,998.00
-Duty saved on EPCG licenses pending for redemption*	55,490,323.40	55,490,323.40

* During the current financial year, the details of above contingent liability is not available so the current financial year liability is considered same as previous financial year.

The Company do not expect any reimbursement in respect of the above contingent liabilities.

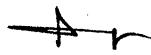
The amount shown in (c) above represent the best possible estimates arrived at on the basis of available information. Uncertainties and possible reimbursements are dependent on the outcome of different legal processes which have been invoked by the company or the claimants as the case may be and therefore cannot be estimated accurately.

The Company has availed the EPCG license for import of capital goods. The redemption of all licenses is pending with DGFT, New Delhi

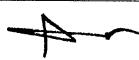
(ii) Commitments

(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid ;	-	-
(c) Other Commitments	-	-

28) the amount of dividends proposed to be distributed to Shareholders for the period




	PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019	
		Figures as at 31.03.2020	Figures as at 31.03.2019	Figures as at 31.03.2020	Figures as at 31.03.2019
	--related amount per share				
	The Company do not have any preference shareholders				
29)	In the opinion of the Board, all of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated				
30)	Related Party disclosures				
1	Relationships (Only those with whom transactions have taken place)				
(a)	Key Managerial Personnel				
(1)	Sh Sushil Gupta (Chairman & Director)	(2) Sh Sandeep Gupta (MD)		(3) Sh Manish Gupta (President)	
(4)	Lavesh Kansal				
(b)	Associates				
(1)	Richa Building System Private Limited	(2) Richa Holdings Limited		(3) Richa Infrastructure Limited	
(4)	Richa Krishna Constructions Private Limited				
(c)	Relatives of Key Managerial Personnel				
(1)	Geeta Devi	(2) Garima Gupta		(3) Subhash Gupta	
(d)	Subsidiaries Companies				
(1)	Richa Krishna Constructions Private Limited				
2	Transactions carried out with related parties referred in 1 above, in ordinary course of business				
	Nature of Transaction		Related Parties		
		Referred in 32 -1(a) above	Referred in 32 -1(b) above	Referred in 32 -1(c) above	
Sales					
Goods, material and service					
Purchase					
Goods, material and service					
Expenses					
Remuneration			(52,30,796.00)		
Loss on Sale of Investment					(71,28,000.00)
Professional Fees					
Finances					
Loans and advances repaid (net of receipts)			0.00		0.00
Loans and advances Received (net of payments, if any)			0.00		(6,00,000.00)
Loans and advances Granted (net of receipts, if any)			0.00		(60,26,769.00)
Sale of Investment					0.00
					(72,000.00)
Payable (Remuneration)		2,00,000.00			
Loans & Advances payables		(2,00,000.00)		10,69,37,000.00	
					(10,69,37,000.00)
3	Disclosures in respect of material transactions with related parties during the year (included in 2 above)				
	Expenses - Remunerations				
--Sh Sandeep Gupta		20,00,000.00			
		(20,00,000.00)			
--Sh Manish Gupta		2,400,000.00			
		(24,00,000.00)			
--Lavesh Kansal		830,796.00			
Professional Fees		(8,30,796.00)			




PARTICULARS	Figures as at 31.03.2020	Figures as at 31.03.2019
--Smt Garima Gupta		
Loss on Sale of Investment		
--Subhash Gupta		
		(71,28,000.00)
Finances		
Loans and advances repaid (net of receipts)		
--Richa Holdings Limited	0.00	(6,00,000.00)
Outstandings		
Receivables		
--Richa Infrastructure Limited	0.00	
Payable (Remuneration)		
--Sh Sandeep Gupta	(0.00)	
--Sh Manish Gupta	2,00,000.00	(2,00,000.00)
--Smt Geeta Devi		
Loans & Advances payables		
--Richa Holdings Limited	(3,67,50,000.00)	(3,61,50,000.00)
--Richa Building System Private Limited	(7,01,87,000.00)	(7,01,87,000.00)
Previous Year Figures in ()		
Investments		
--Richa Krishna Constructions Private Limited	51,000.00	(51,000.00)

31) Disclosures pursuant to Accounting Standard-15 - "Employee Benefits"

a) The Company has not made the provisions of Gratuity and Leave Encashment.

32) Disclosures pursuant to Accounting Standard (AS) – 17 "Segment Reporting"

a) Primary Segment Reporting by Business Segment

Company's primary business segments are

(i) Manufacture in Textiles - The textile business incorporates the product group namely Dyeing & Processing of Knitted Fabrics and Processing / Knitting of Yarn and Manufacture of Knitted Fabric which mainly have similar risks and returns.

(ii) Manufacturer of Construction & Engineering Division – The Construction & Engineering Division (C&E) business incorporates the product group namely: Pre Fabricated Steel Building in CKD Condition, Tabular Steel Poles, Structure and Super Structure for mining, Drop Rods, Angles, Shapes and Section, which mainly have similar risks and returns.

b) Secondary Segment Reporting (By Geographical Segments)

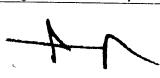
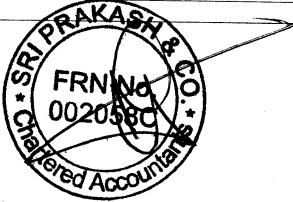
The following is the distribution of the Company's consolidated sales by geographical segment, regardless of where the goods were produced

(i) Sales to Overseas Market		
(ii) Sales to Domestic Market	426,177,551.19	1,556,701,771.94
Segment Reporting Chart		
1 Segment Revenue		
a) Textiles	275,004,270.32	405,218,846.24
b) Construction & Engineering	151,173,280.87	1,151,482,925.70
Total Income From Operation	426,177,551.19	1,556,701,771.94
Less: Inter Segment Revenue		
Sales/Income from Operation	426,177,551.19	1,556,701,771.94

2 Segment Results

Profit before tax and interest from each segment

a) Textiles	-91,821,990.64	-231,147,640.24
b) Construction & Engineering	-101,269,660.12	-764,423,609.27
Total	-193,091,650.76	-995,571,249.51
Less: Inter Segment Revenue		
i) Interest	379,611,078.74	357,053,234.67
ii) Other unallocable expenditure net of unallocable income		
iii) exceptional items		
Total Profit before Tax	-572,702,729.50	-1,352,624,484.18
3 Capital Employed		
(segment Assets Less Segment Liabilities)		

PARTICULARS		Figures as at 31.03.2020	Figures as at 31.03.2019
a) Textiles		-1,182,805,430.60	-154,472,822.84
b) Construction & Engineering		-2,472,315,623.56	-1,093,176,701.11
Total Capital Employed		-3,655,121,054.16	-1,247,649,523.95

33) Disclosures pursuant to Accounting Standard (AS) – 28 “Impairment of Assets”

The company has reviewed the possibility of impairment of the fixed assets of company in term of the accounting standard AS-28 “Impairment of assets” as at balance sheet date and is of the opinion that no such provision for impairment is required.

34) Disclosures pursuant to Accounting Standard (AS) – 19 “Leases”

The company has taken various premises under cancelable operating lease. All the lease arrangements are for a period of less than or equal to 11 months. These lease Agreements are normally renewed on expiry of the terms. Lease rental expenses for 2016-17 in respect of above operating leases are ₹ 8,28,282.00 (Previous year ₹ 12,28,593.00)

35) Assets Pledged as Security

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Current Assets		
Financial Assets (Floating Charge)		
Trade Receivables	450,106,962.49	464,907,481.06
Cash & Cash Equivalents	63,131,731.76	38,989,163.70
Non-Financial Assets (Floating Charge)		
Inventories	157,332,964.30	118,216,812.02
Short Term Loans & Advances	215,898,477.60	226,777,961.78
Total Current Assets Pledged as security	886,470,136.15	848,891,418.56
Non-Current Assets		
Land	187,071,724.04	187,071,724.04
Building	385,937,094.98	409,141,144.01
Plant & Equipment	419,926,390.13	482,320,502.40
Furniture / Fitting & Equipments	2,263,697.74	3,332,033.26
Others	22,232,481.42	27,977,468.61
Total Non-Current Assets pledged as security	1,017,431,388.31	1,109,842,872.32
Total Assets pledged as security	1,903,901,524.46	1,958,734,290.88
Detail of Other Securities, held by third parties or by promoters or their family members		

(1) 2,36,03,808 (being 30% of Capital) Equity Shares of Richa Industries Ltd held by Promoter / Promoter Company pledged to the Indian Overseas Bank, with negative lien on 1,01,93,784 shares held by the Promoters / Promoters Company

(2) Residential house No. 1483 Sector-14, Faridabad (HR) admeasuring 500 Sq Yards in the name of Mrs Shweta Gupta W/o Sh Sandeep Gupta (Managing Director) and Mrs Geeta Devi W/o Sh Subhash Gupta (Father of Sh Sandeep Gupta, Managing Director) PMV 5.39 Crore, FSV. 4.58 Crore

(3) Residential house No. 659 Sector-16A, Faridabad (HR) admeasuring 766.66 Sq Yards in the name of Richa Holdings Limited (Promoter Company) FSV 4.75 Crore

(4) Residential house No. 408 Sector-16A, Faridabad (HR) admeasuring 500 Sq Yards in the name of Mrs Garima Gupta W/o Sh Manish Gupta (Director)

36) Plant, Property / Equipments and Fixed Assets

Fixed assets of the Company are verified by the Management in a phased manner over a period of three years. However, no such verification has been undertaken by us. The information and explanation given by the management is relied upon.

36) Revenue from Sales of Goods / Services & Freight thereon

Revenue from Sales of Goods / Services is recognised, immediately when the invoices are raised, and is recorded net of cash discounts / trade discounts or any other discounts or credit notes issued in current year against current year sales or previous year sales. Freight on sales charged in the invoices is set off against the Freight Paid on sales and net of such adjustments is charged to profit and loss account.

37) Balances of Trade Receivable, Trade Payable & Advances are subject to confirmation and consequential adjustment, if any.

38) The previous year's figures have been reworked, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year

39) In the month of April 2018 Tata Bluscope Steel Limited , in its capacity of operational Creditor had filed petition under insolvency and Bankruptcy Code 2016 before The National Company Law Tribunal (NCLT) against Richa Industries Limited. The Case was admitted by Hon'ble NCLT on 18-12-2018 and ordered for commencement of Corporate Insolvency Resolution Process (CIRP) with effect from 21st Dec 2018 and appointed Mr Arvind Kumar as Interim Resolution Professional for the company.

40) Under the CIRP proceedings, the power of the Board were suspended with effect from 21 December 2018.

41) Hon'ble NCLT order also provided for a moratorium with effect from December 21, 2018 till the completion in terms of Sec-14 of IBC, of Corporate Insolvency Process (CIRP) or until it approve the Resolution Plan Under section 31(1) or passes an order for Liquidation of the company under section 33, whichever is earlier. Currently the company is under CIRP Process

42) Pursuant to The NCLT order on the company a public announcement was made on December 22, 2018 and committee of creditors was formed under section 21 if the act. The Committee of creditors held their first meeting on January 17 2019, and approved appointment if Interim Resolution Professional , Mr Arvind Kumar as the Resolution Professional.

43) Under the current CIRP Process, the resolution professional is in the process of inviting resolution plans, once a plan is submitted, it will be placed before COC for for approval. If Plan is approved by COC, it shall be presented before Adjudicating Authority for approval. Currently various initiatives have been taken to improve and continue the operation of Textile division of Company. Considering this the financial statements of company are continued to be prepare on going concern basis.



PARTICULARS	Figures as at 31.03.2020		Figures as at 31.03.2019	
	Figures as at 31.03.2020	Figures as at 31.03.2019	Figures as at 31.03.2020	Figures as at 31.03.2019
44) The financial results for the year ended March 31, 2019 primarily pertain to a period before December 21, 2018 (i.e. insolvency Commencement date) where the management of the company was responsible for the affairs and day to day functioning of the company. The results have been approved by the RP solely on the basis of and on relying on the information and representations given by the management of the company. The RP has approved the said financials only to the limited extent of discharging the powers of the board of directors of the company which has been conferred upon him inter alia in terms of the provisions of section 17 of the IBC, 2016 and do not make any representations or issue any statements in relation to the financial statements are true, complete and accurate in all respects, The RP is in the process of verifying the existence of assets and liabilities of the company.				
45) The Company has incurred net losses during the quarter/year ended as well as in the previous year and its net worth is fully eroded. However the financial statements of the company have been prepared on a going concern basis				
46) The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.				
47) The sundry Debtors and sundry Creditors balances and advances to suppliers are subject to reconciliation and confirmation from the parties.				
48) The company has incurred losses of Rs 57.20 crore (PY Rs 172.19 Crore) during the current year as on 31.03.2019. Further the company's accumulated losses have resulted in erosion of its entire net worth. The continuous losses have adversely affected the cash flows of the company.				
49) Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure-1				

51) Enterprises consolidated as Subsidiaries in accordance with Accounting Standard 21 Consolidated Financial Statements based on unaudited accounts

Name of the Enterprise	Country of Incorporation	Type of subsidiary	Proportion of ownership interest
Richa Krishna Constructions Private Limited	India	Direct Subsidiary	51%

52) Additional Information, as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary

S. No.	Name of the Enterprises	Net Assets	Share in profit or Loss	
			As % of consolidated net Assets	As % of consolidated profit & loss
1	Parent			
1	Richa Industries Limited	97.82%	-20,543.13	106.36%
1	Subsidiary			-57.32
1	Richa Krishna Constructions Private Limited	2.18%	-456.93	-6.36%
				3.43

53) Minority Interest

Sr. No.	Particulars	Amount (In Rs.)
1	Name of Subsidiary	Richa Krishna Constructions Private Limited
2	Share Capital	100,000.00
3	Share of Subsidiary Company	49.00%
4	Minority Interest	49,000.00

Annexure-A

Salient features of Financial Statements of Subsidiary as per Companies Act, 2013

Sr. No.	Particulars	Amount (In Rs.)
1	Name of Subsidiary	Richa Krishna Constructions Private Limited
2	Reporting Currency	INR
3	Share Capital	100,000.00
4	Reserve & Surplus	-45,792,505.00
5	Total Assets	74,502,675.00
6	Total Liabilities	120,295,180.00
7	Investments	0.00

Sr. No.	Particulars	Amount (In Rs.)
1	Name of Subsidiary	Richa Krishna Constructions Private Limited
2	Turnover/Total Income	INR
3	Profit before taxation	465,758.00
4	Provision for taxation/Deferred Tax	122,500.00
5	Profit after Taxation	343,258.00
6	Proposed dividend	0.00
7	% of Shareholding	51.00%

As per our report of even date attached

for and on the behalf of the Board of
Directors of Richa Industries Limited

Richa Industries Limited

Depreciation Chart as per Companies Act, 2013

Sr. No	Particulars	Gross Cost as on		Additions/Acquisitions		Subtraction/Disposals		Total Cost as		Dep. Upto	Rate of	Depreciation for	Depreciation	Total Dep.	W.D.V. as	W.D.V. as
		01.04.2019	Purchase	Transfer	Sale	Transfer	31.03.2020	31.03.2019	Dep.	during the year	W Back	31.03.2020	31.03.2020	31.03.2019		
TANGIBLE ASSETS (A)																
1	Land	189,900,132.04	-	-	-	-	159,900,132.04	-	-	-	-	-	-	189,900,132.04	189,900,132.04	
2(i)	Factory Buildings	526,639,009.57	-	-	-	-	526,639,009.57	179,802,085.73	0.07	22,174,651.16	-	-	201,976,726.89	326,662,272.68	348,836,623.84	
2(ii)	Buildings(other than factory buildings)	65,533,410.64	-	-	-	-	65,533,410.64	5,229,190.15	-	1,029,398.20	-	-	6,255,668.35	59,274,822.29	60,304,220.49	
3(i)	Plant and Equipment	949,318,839.25	-	-	-	-	949,318,839.25	466,981,031.85	0.10	62,411,417.27	-	-	529,382,449.12	419,926,390.13	482,337,807.40	
3(ii)	Plant and Equipment (under construction)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Furniture and Fixtures	14,900,923.70	-	-	-	-	14,900,923.70	11,568,890.44	0.13	1,068,335.51	-	-	12,637,225.96	2,263,697.74	3,332,013.26	
5(i)	Vehicles(commercial)	9,320,160.00	-	-	-	-	9,320,160.00	5,867,708.60	0.19	598,891.70	-	-	6,466,600.30	2,853,859.70	3,452,451.40	
5(ii)	Vehicles(other than commercial)	18,858,253.99	-	-	-	-	18,858,253.99	6,773,609.94	0.10	2,249,053.21	-	-	9,023,463.15	9,834,790.84	12,084,644.05	
6	Office Equipment	24,229,465.70	38,195.00	-	-	-	24,267,660.70	20,755,124.57	0.10	592,850.13	-	-	21,347,974.69	2,919,686.01	3,474,341.13	
7	Computer/CC TV	14,915,914.44	1,200.00	-	-	-	14,917,114.44	13,815,033.39	0.32	373,415.33	-	-	14,188,448.71	728,665.73	1,100,881.05	
8	Fax/EPABX/Telephone	281,004.86	-	-	-	-	281,004.86	263,804.81	0.05	3,960.96	-	-	267,765.77	13,239.09	17,200.05	
	TOTAL(A)	1,815,897,114.19	39,396.00	-	-	-	1,815,936,509.19	711,056,479.48	1.04	90,502,773.46	-	-	801,659,252.94	1,014,377,256.25	1,104,840,634.71	
INTANGIBLE ASSETS (B)																
	Computer Software	20,187,861.04	-	-	-	-	20,187,861.04	18,517,656.13	-	879,770.60	-	-	19,397,426.73	790,434.31	1,670,204.91	
	WIP Computer Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL(B)	20,187,861.04	-	-	-	-	20,187,861.04	18,517,656.13	-	879,770.60	-	-	19,397,426.73	790,434.31	1,670,204.91	
	GRAND TOTAL (A+B)	1,836,084,975.23	39,396.00	-	-	-	1,836,124,370.23	729,574,135.61	1.04	91,382,544.06	-	-	820,866,679.67	1,015,167,690.56	1,106,510,839.62	
	PREVIOUS YEAR 18-19	1,839,866,924.10	9,632,054.10	-	13,114,002.97	300,000.00	1,836,084,975.23	642,825,540.06	1.04	92,538,711.40	-	5,790,115.85	729,574,135.61	1,106,510,839.62	1,101,674,451.03	



Annexure-1

Significant Accounting Policies followed by the Company

(a) Basis of preparation of Consolidated Financial Statements

These consolidated financial statement have been prepared to comply with the generally accepted accounting principles in India (India GAAP), including the accounting standards notified under the relevant provisions of the Companies Act, 2013.

(b) Basis of Consolidation

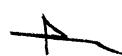
These consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Profit or loss and are attributed to the shareholders of the Company and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) Principles of Consolidation

The consolidated financial statement relate to Richa Industries Limited (the company) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis.

- i) The financial statement of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like item of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transaction in accordance with Accounting standard (AS)21 "Consolidated Financial Statement"
- ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of share in the subsidiaries is reorganized in the financial statement as goodwill or capital reserve, as the case may be.
- iii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- iv) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- v) As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transaction and other events in similar circumstances are





presented in the same manner as the Company's separate financial statement.

(d) Other significant accounting policies

These are set out under "significant Accounting Policies" of the financial statements of the Richa Industries Limited and its subsidiaries as given in the Company's separate financial statements.

A

