



**Sri Prakash & Co.**  
CHARTERED ACCOUNTANTS

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## 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, 2021, 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, 2021, its Consolidated profit (or Loss) and Consolidated cash flows for the year ended on that date.

#### 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



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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 `46.20 Crore resulting into accumulated losses of `275.15 Crore and erosion of its Net worth as at March 31, 2021. The Company has obligations towards fund based borrowings aggregating to Rs. 260.68 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 `48.96' 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. 6.85 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. 92.48 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 `19.80' 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 company is registered as Micro, Small and Medium Enterprise (MSME) on November,27 2020. So company has no applicability for the compliance of 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 2020-21. 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. 65.23 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.

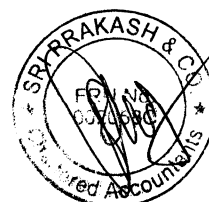
We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b><i>Accuracy Evaluation of claims submitted by Financial Creditors , Employees &amp; Operational Creditors</i></b></p> <p>Refer Notes 3 to Note 7 to the Consolidated Financial Statements.</p>	<p><b><u>Principal Audit Procedures</u></b></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><b><i>Evaluation of uncertain tax positions</i></b></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><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 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, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p>
3	<p><b><i>Recoverability of Indirect tax receivables</i></b></p> <p>As at March 31, 2021, 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><b><u>Principal Audit Procedures</u></b></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><b><i>Accuracy Evaluation of Inventory Positions</i></b></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><b><u>Principal Audit Procedures</u></b></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"> <li>• We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</li> <li>• We have in respect Non-availability of Physical verification and market value of inventory of Raw Material, Work in progress and Finished</li> </ul>





		<p>goods etc. and in the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable.</p> <ul style="list-style-type: none"> <li>Valuation obtained by the RP under I&amp;BC is confidential and cannot be shared except as per the provisions of the I&amp;B code 2016.</li> </ul>
5.	<p><b><i>Accuracy Evaluation of Property, Plant and Equipments</i></b></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><b><u>Principal Audit Procedures</u></b></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"> <li>We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</li> <li>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.</li> <li>Valuation obtained by the RP under I&amp;BC is confidential and cannot be shared except as per the provisions of the I&amp;B code 2016.</li> </ul>
6.	<p><b><i>Accuracy Evaluation of Trade Receivables</i></b></p> <p>Refer Notes 13 to the Consolidated Financial Statements.</p>	<p><b><u>Principal Audit Procedures</u></b></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/IP 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.

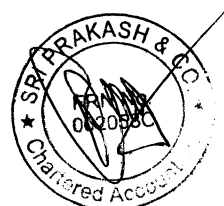
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 there under.

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).

## **7. 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.

**8. Emphasis of matters** Attention is invited to:

- a. 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.
- b. Notes to the consolidated financial statements, in respect of Notices received by the company under 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 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 amounting to Rs. 64.33 crores on accrual basis till 31.03.2021 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.

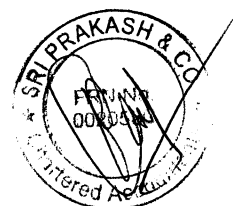
**10. Report on Other Legal and Regulatory Requirements**

- 1 As required by 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:
  - l. 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. The company has not transferred amounts that were due to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;

**For Sri Prakash & Co**  
**Chartered Accountants**  
**FRN: 002058C**



**CA Punit Kumar**  
**M. No.522295**

**Date: 09-Aug-2021**  
**Place: Baddi**





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**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, 2021, we have audited the internal financial controls over financial reporting of **Richa Industries Limited** ("the Company") as of March 31, 2021 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.



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

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

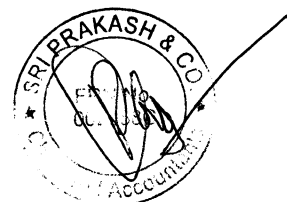
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2021:

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

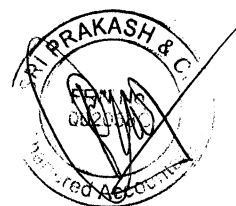
The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in Preparation and presentation of financial statement including the profit/loss 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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, 2021, 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: 002058C**



**CA Punit Kumar**  
**M. No.522295**

**Date: 09-Aug-2021**

**Place: Baddi**

**UDIN: 21522295AAAAIS3372**



## 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**

1

Richa Krishna Constructions Private Limited





## AUDITED STATEMENT OF ASSETS AND LIABILITIES

S. No.	Particulars	Rs. In lacs Standalone		Rs. In lacs Consolidated	
		As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020
	<b>ASSETS</b>				
1	<b>Non-Current Assets</b>				
	(a) Fixed Assets				
	(i) Tangible Assets	9,257.48	10,143.77	9,257.48	10,143.77
	(ii) Intangible Assets	7.90	7.90	7.90	7.90
	(iii) Capital work-in Progress	-	-	-	-
	(b) Non Current Investment	0.51	0.51	-	-
	<b>Total Non-Current Assets</b>	<b>9,265.89</b>	<b>10,152.19</b>	<b>9,265.38</b>	<b>10,151.68</b>
					-
2	<b>Current Assets</b>				
	(a) Inventories	685.92	1,138.88	2,680.87	1,573.33
	(b) Trade Receivables	4,866.35	4,501.07	4,866.35	4,501.07
	(c) Cash and Cash equivalents	220.14	356.27	479.88	631.32
	(d) Short term Loans and Advances	2,617.29	2,123.46	2,845.35	2,158.98
	<b>Total Current Assets</b>	<b>8,389.71</b>	<b>8,119.67</b>	<b>10,872.46</b>	<b>8,864.70</b>
	<b>Total Assets</b>	<b>17,655.60</b>	<b>18,271.86</b>	<b>20,137.84</b>	<b>19,016.38</b>
	<b>Equity and Liabilities</b>				
1	<b>Equity</b>				
	(a) Equity Share Capital	2,351.69	2,351.69	2,351.69	2,351.69
	(b) Reserve and Surplus	(27,514.19)	(22,894.82)	(27,513.30)	(23,354.16)
	(C) Minority Interest			0.92	1.90
	<b>Sub-total Equity</b>	<b>(25,162.49)</b>	<b>(20,543.13)</b>	<b>(25,160.68)</b>	<b>(21,000.57)</b>
2	<b>Liabilities</b>				
	<b>Non-Current Liabilities</b>				
	a) Long Term Borrowing	1,100.86	1,069.37	3,306.93	2,196.80
	(b) Deferred Tax Liabilities(Net)	1,140.21	1,140.21	1,140.00	1,140.21
	(c) Other Long Term Liabilities	-	-	-	-
	(d) Long Term Provisions	132.24	128.73	132.24	128.73
	<b>Total Non- Current Liabilities</b>	<b>2,373.31</b>	<b>2,338.31</b>	<b>4,579.17</b>	<b>3,465.73</b>
	<b>Current Liabilities</b>				
	(a) Short term Borrowings	33,527.40	30,078.05	33,527.40	30,078.05
	(b) Trade Payable	4,255.21	3,342.47	4,504.11	3,401.89
	(c) Other Current Liabilities	2,267.68	2,803.05	2,293.35	2,816.92
	(d) Short term provision	394.49	253.12	394.49	254.34
	<b>Total Current Liabilities</b>	<b>40,444.79</b>	<b>36,476.69</b>	<b>40,719.36</b>	<b>36,551.21</b>
	<b>Total Equity and Liabilities</b>	<b>17,655.60</b>	<b>18,271.86</b>	<b>20,137.84</b>	<b>19,016.38</b>

As per our report of even date attached

For Sri Prakash & Co  
Chartered Accountants  
(Firm Registration Number 002058C)

(CA Punit Kumar)  
Partner  
Membership No. 522295

On Behalf of the Board of Directors

For Richa Industries Limited

Arvind Kumar  
Resolution Professional

IRP No: IBBI/IPA-001/IP-P00178/2017-18/10357

Place: Baddi  
Date: 09/08/2021



STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER/FINANCIAL YEAR ENDED 31st March, 2021 (Rs. in Lacs)

S. No	Particulars	Standalone Financials						Consolidated Financials						
		Quarter Ended			Till Date			Quarter Ended			Till Date			
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020	31.03.2020	31.03.2021	31.12.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	
1	Revenue From Operation	Audited 1165.12	Audited 2341.00	Audited 1234.13	Audited 3506.12	Audited 4261.78	Audited 4261.78	Audited 4261.78	Audited 1165.12	Audited 2341.00	Audited 1234.13	Audited 3506.12	Audited 4261.78	Audited 4261.78
2	Other Income	-9.29	23.29	13.03	14.00	29.64	29.64	29.64	-9.29	37.91	19.17	28.62	49.91	49.91
3	Total Revenue	1155.84	2364.29	1247.16	3520.12	4291.42	4291.42	4291.42	1155.84	2378.91	1253.30	3534.74	4311.68	4311.68
4	Expenses													
a)	Cost of Materials Consumed	863.93	1661.00	360.04	2524.92	1708.97	1708.97	1708.97	863.93	1661.00	360.04	2524.92	1708.97	1708.97
b)	Purchase of stock- in- trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	722.49	0.00	722.49	0.00	0.00
c)	Changes in inventories of finished goods, work-in-progress and stock- in- trade	0.00	165.22	0.16	165.22	82.70	82.70	82.70	0.00	-557.27	0.16	(557.27)	82.70	82.70
d)	Employee benefit expense	164.80	387.30	215.40	552.11	693.52	693.52	693.52	164.80	387.30	215.40	552.11	693.52	693.52
e)	Finance Expenses	562.53	2368.72	1012.16	2931.25	3781.11	3781.11	3781.11	562.53	2363.12	1027.16	2946.25	3796.11	3796.11
f)	Depreciation and amortisation expense	199.67	686.62	227.78	886.29	913.83	913.83	913.83	199.67	686.62	227.78	886.29	913.83	913.83
g)	Other expenses	284.80	794.89	563.07	1079.69	2842.97	2842.97	2842.97	284.80	796.86	563.40	1081.66	2843.58	2843.58
5	Total expenses	2075.73	6063.75	2376.62	8139.49	10023.10	10023.10	10023.10	2075.73	6080.72	2333.95	8156.46	10038.71	10038.71
6	Profit/(Loss) before Extraordinary Items and tax (3-4)	(919.90)	(3699.47)	(1131.46)	(4619.36)	(5731.68)	(5731.68)	(5731.68)	(919.90)	(3701.82)	(1140.65)	(4621.71)	(5727.03)	(5727.03)
7	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Profit/(Loss) before extraordinary Items and tax (5-6)	(919.90)	(3699.47)	(1131.46)	(4619.36)	(5731.68)	(5731.68)	(5731.68)	(919.90)	(3701.82)	(1140.65)	(4621.71)	(5727.03)	(5727.03)
9	Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit/(Loss) before tax(7-8)	(919.90)	(3699.47)	(1131.46)	(4619.36)	(5731.68)	(5731.68)	(5731.68)	(919.90)	(3701.82)	(1140.65)	(4621.71)	(5727.03)	(5727.03)
a)	Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.83	0.00	1.83	0.00	0.00
b)	Provision for Income tax/other tax matter	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.23	0.00	0.00	0.00
	Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Profit/(Loss) for the period from continuing operations (9-10)	(919.90)	(3699.47)	(1131.46)	(4619.36)	(5731.68)	(5731.68)	(5731.68)	(919.90)	(3703.65)	(1141.87)	(4623.54)	(5727.03)	(5727.03)
12	Net profit/(loss) for the year ended	(919.90)	(3699.47)	(1131.46)	(4619.36)	(5731.68)	(5731.68)	(5731.68)	(919.90)	(3703.65)	(1141.87)	(4623.54)	(5727.03)	(5727.03)
13	Other Comprehensive Income/(loss), net of income tax items that will not be reclassified to profit or loss													
	Remeasurement of Defined Benefit Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Income Tax effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.23	1.23
	Mat.Credit Written off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Comprehensive Income for the Period (X+XI) (Comprising Profit/(loss) and other comprehensive income for the period	(919.90)	(3699.47)	(1131.46)	(4619.36)	(5731.68)	(5731.68)	(5731.68)	(919.90)	(3703.65)	(1141.87)	(4623.54)	(5728.26)	(5728.26)
14	Paid-up equity share capital (Face Value Rs 10/- each)	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00	2343.00
15	Earning Per Share (EPS)													
a)	Basic	(3.93)	(15.79)	(4.83)	(19.72)	(24.46)	(24.46)	(24.46)	(3.93)	(15.81)	(4.87)	(19.73)	(24.44)	(24.44)
b)	Diluted	(3.93)	(15.79)	(4.83)	(19.72)	(24.46)	(24.46)	(24.46)	(3.93)	(15.81)	(4.87)	(19.73)	(24.44)	(24.44)

1. The above results were reviewed by the Audit committee and taken on record by the Resolution Professional at its meeting held on 23th March 2021 and a limited review of the same has been carried out by the Statutory Auditor of the Company.  
2. Previous years/ quarters figure have been regroup/recast wherever necessary.

As per our report of even date attached

On Behalf of the Board of Directors

For Sri Prakash & Co  
Chartered Accountants  
(Firm Registration Number 002058C)

(CA Punit Kumar)

Partner

Membership No. 522995

For Richa Industries Limited

Arvind Kumar

Resolution Professional

IRP No. IBBJ/PA-001/IRP-P00178/2017-18/10357



**Part 1 STANDALONE BALANCE SHEET**  
**RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]**  
**Balance Sheet as at 31st March , 2021**  
**Plot No. 29, DLF Industrial Area, Phase -II, Faridabad, Haryana (India) -121003**

(Amount in ₹)

Particulars	Note No.	Figures as at 31-03-2021	Figures as at 31-03-2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders funds</b>			
(a) Share Capital	1	23,51,69,040.00	23,51,69,040.00
(b) Reserves and Surplus	2	-2,75,14,18,511.17	-2,28,94,82,256.16
(c) Money Received against share warrants		-	-
<b>(2) Share Application Money Pending Allotment</b>			
<b>(3) Non-current liabilities</b>			
(a) Long term borrowings	3	11,00,86,014.00	10,69,37,000.00
(b) Deferred tax liabilities(Net)		11,40,20,789.71	11,40,20,789.71
(c) Other Long term liabilities	4	-	-
(d) Long term provisions	5	1,32,23,990.00	1,28,72,713.00
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	6	3,35,27,39,908.46	3,00,78,05,462.83
(b) Trade payables	7	42,55,21,388.83	33,42,46,606.29
(c) Other current liabilities	7(a)	22,67,67,962.91	28,03,04,841.84
(d) Short term provisions	8	3,94,49,349.20	2,53,11,955.20
<b>TOTAL</b>		<b>1,76,55,59,931.94</b>	<b>1,82,71,86,152.71</b>
<b>II. ASSETS</b>			
<b>(1) Non Current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	92,57,47,847.74	1,01,43,77,256.25
(ii) Intangible assets	10	7,90,434.31	7,90,434.31
(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		-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories	12	6,85,91,854.11	11,38,88,064.30
(c) Trade receivables	13	48,66,35,114.56	45,01,06,962.53
(d) Cash and cash equivalents	14	2,20,14,229.44	3,56,26,630.72
(e) Short term loans and advances	15	26,17,29,451.78	21,23,45,804.60
(f) Other current assets		-	-
<b>TOTAL</b>		<b>1,76,55,59,931.94</b>	<b>4,83,81,50,990.35</b>
Interunit Balance		-	-
<b>TOTAL</b>		<b>1,76,55,59,931.94</b>	<b>1,82,71,86,152.71</b>

As per our report of even date attached  
For Sri Prakash & Co  
Chartered Accountants  
(Firm Registration Number 002058C)

(CA Punit Kumar)  
Partner  
Membership No. 522295

Place: Baddi  
Date: 09/08/2021

For Richa Industries Limited

Arvind Kumar  
Resolution Professional  
IRP No: IBBI/PA-001/IP-P00178/2017-18/10357



**RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]**

**PART II - STATEMENT OF STANDALONE PROFIT AND LOSS**

**For the Period Ended March 31, 2021**

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

**(Amount in ₹)**

Particulars	Note No.	Year Ending 31-03-2021	Year Ending 31-03-2020
I. Revenue from operations	16	35,06,12,265.36	42,61,77,551.19
II. Other Income	17	14,00,116.26	29,64,219.33
III. Total Revenue(I+II)		35,20,12,381.62	42,91,41,770.52
IV. Expenses:			
Cost of materials consumed	18	25,24,92,331.98	17,08,97,468.27
Purchase of Stock in Trade	19	-	-
Changes in inventories of finished goods work-in-progress consumable	20	1,65,22,344.11	82,70,433.00
Employee benefits expenses	21	5,52,10,619.38	6,93,51,710.07
Finance costs	22	29,31,25,359.04	37,81,11,078.74
Depreciation and amortization expenses	23	8,86,29,408.51	9,13,82,544.06
Other cost	24	10,79,68,573.61	28,42,97,023.75
Total expenses		81,39,48,636.63	1,00,23,10,257.89
V Profit before exceptional and extraordinary items and tax(III-IV)		-46,19,36,255.01	-57,31,68,487.37
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax(V-VI)		-46,19,36,255.01	-57,31,68,487.37
VIII Extraordinary Items	25	-	-
IX. Prior Period Expenses		-	-
X. Profit before tax (VII-VIII-VIII(a))		-46,19,36,255.01	-57,31,68,487.37
XI. Tax expenses:			
(1) Current tax		-	-
Less MAT Credit Entitlement		-	-
Provision for Disputed Income Tax/Other Taxes Matters		-	-
(2) Deferred tax		-	-
(3) Tax Paid for Earlier Years		-	-
XI. Profit(Loss) for the period from continuing Operations(IX-X)		-46,19,36,255.01	-57,31,68,487.37
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)		-46,19,36,255.01	-57,31,68,487.37
XVI. Earnings per equity share:			
(1) Basic	26	-19.72	-24.46
(2) Diluted	26	-19.72	-24.46

**As per our report of even date attached**

**For Sri Prakash & Co**

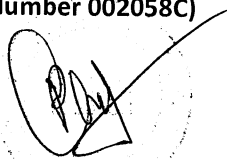
**Chartered Accountants**

**(Firm Registration Number 002058C)**

**(CA Punit Kumar)**

**Partner**

**Membership No. 522295**



**For Richa Industries Limited**



**Arvind Kumar**

**Resolution Professional**

**IRP No: IBBI/IPA-001/IP-P00178/2017-18/10357**

**Place: Baddi**

**Date: 09/08/2021**



Notes to accounts forming part of the Standalone Balance Sheet and Profit & Loss Account as at 31.03.2021

PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
<b>I) Share Capital</b>		
I) Authorised Share Capital	30,00,00,000.00	30,00,00,000.00
30000000 (PY 30000000) Equity Shares of ₹ 10/- each		
II) Issued Share Capital	23,60,38,080.00	23,60,38,080.00
23603808 (PY 23603808) Equity Shares of ₹ 10/- each		
III) Subscribed and Paid up Share Capital	23,43,00,000.00	23,43,00,000.00
23430000 (PY 23430000) Equity Shares of ₹ 10/- each fully paid up		
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	8,69,040.00	8,69,040.00
173808 (PY 173808) Equity Shares of ₹ 10/- each forfeited amount @ ₹ 5/- each		
<b>TOTAL</b>	<b>23,51,69,040.00</b>	<b>23,51,69,040.00</b>

- (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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Shares at the Beginning of the Year	2,36,03,808.00	23,60,38,080.00	2,36,03,808.00	23,60,38,080.00
Issued during the year by way of Preferential Allotment	-	-	-	-
Bought back if any	-	-	-	-
Outstanding at the end of Year	2,36,03,808.00	23,60,38,080.00	2,36,03,808	23,60,38,080.00

- (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 March, 2021		As at 31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Richa Holdings Limited	76,21,156.00	32.53	76,21,156.00	32.53

**2) Reserve and Surplus**

<b>(a) Capital Reserve</b>	12,15,000.00	12,15,000.00
Balance at the beginning of the year	-	-
Addition during the year	-	-
Less: written back during the year	12,15,000.00	12,15,000.00
Balance at the end of the year		
<b>(b) Security Premium Reserve</b>	22,34,49,491.04	22,34,49,491.04
Balance at the beginning of the year	-	-
Addition during the year	-	-
Less: deduction during the year	22,34,49,491.04	22,34,49,491.04
Balance at the end of the year		
<b>(c) General reserve</b>	2,14,86,851.05	2,14,86,851.05
Balance at the beginning of the year	-	-
Addition during the year	-	-
Less: deduction during the year		



PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
Balance at the end of the year	2,14,86,851.05	2,14,86,851.05
(d) Surplus of Profit and Loss a/c		
Balance at the beginning of the year	-2,53,56,33,598.25	-1,96,24,67,387.75
Deduction during the year	-46,19,36,255.01	-57,31,66,210.50
Less: Transfer to General reserves	-	-
Balance at the end of the year	-2,99,75,69,853.26	-2,53,56,33,598.25
TOTAL (a+b+C+d)	-2,75,14,18,511.17	-2,28,94,82,256.16
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.		
(b) Un-Secured loan		
Loans and Advances from Related parties	7,01,87,000.00	7,01,87,000.00
-Richa Building Systems Private Limited	3,98,99,014.00	3,67,50,000.00
-Richa Holdings Limited	11,00,86,014.00	10,69,37,000.00
TOTAL (b)	11,00,86,014.00	10,69,37,000.00
(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.		
(ii) Period and amount of continuing default as on the balance sheet date		
--in repayment of loans	Nil	Nil
--in repayment of interest	Nil	Nil
TOTAL (a)+(b)	11,00,86,014.00	10,69,37,000.00
4) Other Long term Liabilities		
(a) Securities pending adjustment / refundable	-	-
(b) Others	-	-
TOTAL	-	-
5) Long Term Provisions		
(a) Provision for employee benefit*	91,11,437.00	89,57,134.00
--Provision for Gratuity	41,12,553.00	39,15,579.00
--Provision for Leave Encashment	-	-
(b) others	1,32,23,990.00	1,28,72,713.00
TOTAL	1,32,23,990.00	1,28,72,713.00
* Refer notes for Disclosure pursuant to Accounting Standard-15 "Employee Benefits"		
6) Short Term Borrowings		
Secured loan		
(a) Loans repayable on demand	2,36,73,84,511.48	2,28,46,70,804.00
--From Banks	62,19,867.17	89,33,818.00
--From Banks - Vehicle Loan	23,32,71,283.11	23,29,42,869.13
--Others	64,33,33,921.70	43,42,32,590.70
(b) Provision for Interest on Loan		
Un Secured loan		



Notes to accounts forming part of the Standalone Balance Sheet and Profit & Loss Account as at 31.03.2021

PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
(a) Loan from Sariga Construction Pvt Ltd.	1,09,31,556.00	93,71,244.00
(b) Loan From Lotus Textiles	5,25,36,603.00	3,76,54,137.00
(c) Loan From Krishana Auto Sales	3,50,00,000.00	-
<b>SUB TOTAL</b>	<b>3,34,86,77,742.46</b>	<b>3,00,78,05,462.83</b>

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 March 31, 2021	Balance as on March 31, 2020	Rate of Interest (as per latest Sanction Letter available)	Repayment Schedule (as per latest Sanction Letter available)
Indian Overseas Bank / Textile Division	89,90,900.00	89,90,900.00	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
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	3,46,32,022.32	3,46,32,022.32	MCLR (1 Year)+0.20%+3.90% = 12.65%	Repayable in 72 equal monthly instalment after initial moratorium period
Security: Primary - Hypothecation of Plant & Machinery set up for the Zero Liquid Discharge system and the new circular knitting machines.				
Indian Overseas Bank / Constructon & Engg Division	2,08,01,406.00	2,08,01,406.00	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.	10,02,935.00	10,02,935.00	9.80%	Repayable in 47 Months of EMI of 2 x ₹ 23,933.00 Each including interest
Security: Hypothecation of 2 Nos.Commercial Vehides				
Jainsons Finlease Ltd	5,90,72,776.00	5,90,72,776.00	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
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)				
Period and amount of continuing default as on the balance sheet date	26,90,899.00	26,90,899.00	9.49%	Repayable in 60 Months of EMI of ₹ 39,900.00 (starting from 20-09-2016)
Toyota Financial Services Ltd.				
Security : Hypothecation of Toyota Innova Crysta Car (2 Nos)	10,10,53,479.00	10,10,53,479.00	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
AAV Srl (Luxembourg), through its Indian Custodian Deutsche Bank AG, Mumbai Branch (Non Convertible Debentures(NCD)) : Principal Amount of 9,00,00,000.00				
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 replenished by the Company	2,46,96,744.13	2,46,96,744.13	10.5% pa	Repayable in 116 instalments of ₹ 355323.00 each starting from 08-05-
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				

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

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.

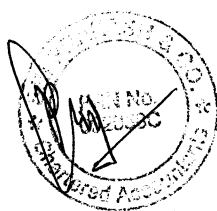
Collateral Security :

65,97,24,657.30

65,97,24,657.30

84,26,78,605.15

84,26,78,605.15



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Notes to accounts forming part of the Standalone Balance Sheet and Profit & Loss Account as at 31.03.2021

PARTICULARS		Figures as at 31.03.2021	Figures as at 31.03.2020
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 Maneser, Gurgaon [owned by Company] and WDV of plant and machinery and other Fixed assets. Plus Pledge of 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		76,51,22,270.30	70,13,63,215.30
<b>Corporation Bank</b>			
<b>Prime Security :</b> 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].			
<b>Collateral Security :</b> 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			
<b>Bank of India:</b>			
Secured against Comfort Letters issued by Steel Authority of India Limited, to whom a Bank Guarantee of ` 1.00 Crore under channel financing scheme		4,00,62,329.00	4,00,62,329.00
<b>Reliance Commercial Finance Ltd.</b>			
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. & Ircon Intl.Ltd. Sirsa Deposits and Advance Limited		5206957	5206957
<b>Vehicle Loan - Corporation Bank</b>		89,33,818.00	78,74,615.00
Corporation Bank 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.			
	<b>Amount Claimed</b>		
<b>Corporate Guarantees</b>			
1 CNC Enterprises	6,00,00,000.00		
2 SK Enterprises	6,00,00,000.00		
3 Singal Enterprises	6,00,00,000.00		
4 Catalyst Trusteeship Limited	9,68,64,658.00		
5 Sariga Constructions Pvt. Ltd.	43,24,10,139.00		
6 Sirsa Deposit and Advances Ltd.	80,83,50,000.00		
7 A to Z Steel Corporation	90,00,00,000.00		
<b>Total</b>	<b>2,41,76,24,797.00</b>		
<b>7) Trade Payables*</b>		<b>42,55,21,388.83</b>	<b>33,42,46,606.29</b>
<b>Amount due to various suppliers as at the end of the year</b>		<b>42,55,21,388.83</b>	<b>33,42,46,606.29</b>
<b>TOTAL</b>			
* 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.			
<b>7(a) Other Current Liabilities</b>			
(a) Bills payable (acceptanced under LC)			
(b) Total outstanding dues of creditors other (other than micro enterprises due of creditor others)			
<b>Current Maturities of Long Term Debt**</b>		<b>12,04,153.00</b>	<b>11,49,787.00</b>
<b>Creditors for capital goods</b>		<b>11,63,58,566.04</b>	<b>18,01,28,096.41</b>
<b>Creditors for expenses</b>			



PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
Advances payment for which value has still to be given	1,18,10,863.71	1,18,28,446.00
Unclaimed Final Dividend for Earlier Years *	1,24,926.50	1,24,926.50
Securities/Retention payable	5,09,20,759.00	2,93,11,102.65
Sales tax payable / WCT Payable	-	-
TDS & TCS Payable	30,04,235.61	57,79,981.40
Service Tax Payable	-	-
GST Payable	3,05,56,992.05	3,84,79,968.88
Audit Fee Payable	9,46,250.00	11,50,000.00
Expenses payable	36,93,366.00	1,23,52,533.00
<b>TOTAL</b>	<b>22,67,67,962.91</b>	<b>28,03,04,841.84</b>

\* 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.

\*\* Refer Note No. 3

<b>8) Short Term Provisions</b>		
(a) Provision for employee benefits	55,33,637.00	15,11,620.00
(i) Payable PF, ESI & Welfare Fund	1,64,35,633.00	73,17,200.00
(ii) Insurance, Pension and similar staff benefits	-	-
(b) Others	-	-
(i) Provision for Income Tax	1,74,80,079.20	1,64,83,135.20
(ii) Provision for Pending Litigation / Disputes *	3,94,49,349.20	2,53,11,955.20
<b>TOTAL</b>	<b>3,94,49,349.20</b>	<b>2,53,11,955.20</b>

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

<b>9) Tangible Assets @</b>	18,99,00,132.04	18,99,00,132.04
(a) Land	31,94,43,886.39	32,66,62,272.68
(b) - Factory Buildings	5,79,65,002.94	5,92,74,822.29
- Other than Factory Buildings	40,65,24,104.50	41,99,26,390.13
(c) Plant and Equipment	22,63,697.74	22,63,697.74
(d) Furniture and Fixtures	28,53,559.70	28,53,559.70
(e) - Vehicles (Commercial)	98,34,790.84	98,34,790.84
- Vehicles (Other than Commercial)	29,19,686.01	29,19,686.01
(f) Office equipment	7,28,665.73	7,28,665.73
(g) Computer	13,239.09	13,239.09
(h) Fax/Telephone	-	-
(i) Capital WIP	92,65,38,281.47	1,01,43,77,256.25
<b>TOTAL</b>	<b>92,65,38,281.47</b>	<b>1,01,43,77,256.25</b>

<b>10) Intangible Assets @</b>	-	7,90,434.31
(a) Computer Software	-	-
(b) Capital WIP	-	7,90,434.31
<b>TOTAL</b>	<b>-</b>	<b>7,90,434.31</b>

@ Depreciation chart showing the workings are required by the Companies Act 2013 is attached

<b>11) Non Current Investments</b>		
(a) Investment in Equity Instruments	51,000.00	51,000.00
--In Subsidiaries Companies (Unquoted, and stated at Cost Price)		
51000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Krishna Constructions Private Limited		
(PY 72000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Infrastructure Limited)		



PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
TOTAL	51,000.00	51,000.00
12) Inventories (Physically verified and certified by Management)	5,28,10,053.26	8,15,83,919.34
(a) Raw Materials	28,51,232.54	1,93,72,082.54
(b) Work in Progress	70,41,748.20	70,41,748.20
(c) Finished goods	58,88,820.11	58,90,314.22
(d) Stores & Spares	6,85,91,854.11	11,38,88,064.30
TOTAL		
* 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	3,40,63,475.59	3,40,63,475.59
(a) Outstanding for period exceeding Six Months	32,43,49,562.12	41,60,43,486.94
(b) Others	-	-
Sub Classification of Trade Receivables		
(a) Secured, Considered Good;	48,66,35,114.56	45,01,06,962.53
(b) Unsecured Considered Good;	-	-
(c) Doubtful	48,66,35,114.56	45,01,06,962.53
TOTAL		
14) Cash and cash Equivalents		
(a) Cash and cash Equivalents	67,08,773.26	86,43,769.26
(i) Balance with banks in Current Accounts	98,689.00	11,630.00
(ii) Cash In Hand	-	-
(b) Earmarked Balances with Banks	-	-
(i) HDFC Bank -Unclaimed Dividend FY 2009-10	32,621.50	32,621.50
(ii) Yes Bank -Unclaimed Dividend FY 2010 -11	34,848.00	34,848.00
(iii) Yes Bank -Unclaimed Dividend FY 2011 -12	57,457.00	57,457.00
(iv) Yes Bank -Unclaimed Dividend FY 2012 -13	-	-
(c) Balances with Banks to the extent held as margin money		
(i) In Deposit accounts	-	-
--With Less or Equal to 12 Months Maturity	2,72,66,524.68	2,68,46,305.00
--With more than 12 Months Maturity	-	-
(ii) Interest Accrued but not Due	2,20,14,229.44	3,56,26,630.76
TOTAL		
15) Short Term Loans and Advances		
Unsecured and Considered Good	2,21,187.78	3,37,378.00
(a) Loan & Imprest to employees	-	-
(b) TUFs Interest Subsidy Receivable	30,03,052.00	49,82,608.00
(c) Security Deposit	5,93,82,416.31	1,68,93,626.64
(d) Advance to Suppliers/Others	-	-
(e) Insurance Claim Receivable	10,42,179.06	15,11,723.00
(f) Prepaid Expenses	-	-
(g) Rent Receivable	-	-
(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	9,75,60,886.17	9,18,93,110.63
(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)	2,22,810.00	2,22,810.00
(v) Income Tax Refundable (AY 2014-15, FY 2013-14)	1,00,000.00	-
(v) Income Tax Refundable (AY 2016-17, FY 2015-16)	79,53,894.00	80,53,894.00



PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
(vi) MAT Credit Entitlement (AY 2012-13, FY 2011-12)	18,34,488.00	18,34,488.00
(vii) MAT Credit Entitlement (AY 2013 -14, FY 2012-13)	10,15,424.00	10,15,424.00
(viii) MAT Credit Entitlement (AY 2015-16, FY 2014-15)	84,79,203.00	84,79,203.00
(ix) MAT Credit Entitlement (AY 2016-17, FY 2015-16)	1,12,46,878.00	1,12,46,878.00
(x) TDS Receivable/Advance Tax (AY 2018-19,FY 2017-18)	1,59,06,141.00	1,59,06,141.00
(xi) TDS Receivable/Advance Tax (AY 2017-18,FY 2016-17)	1,82,25,586.23	1,82,21,541.23
(xii) TDS Receivable/Advance Tax (AY 2019-20,FY 2018-19)	2,33,52,305.50	2,33,52,305.50
(xii) TDS Receivable/Advance Tax (AY 2020-21,FY 2019-20)	83,27,826.60	83,12,013.60
(xiii) TDS Receivable/Advance Tax (AY 2021-22,FY 2020-21)	37,72,514.13	-
<b>TOTAL</b>	<b>26,17,29,451.78</b>	<b>21,23,45,804.60</b>
<b>16) Revenue from Operations</b>		
(a) Sale of products		
(i) Domestic sale	5,07,70,214.30	6,72,98,964.09
(ii) Export sale	-	-
(b) Sale of services	29,98,42,051.06	35,88,78,587.10
(c) Other operating revenues	-	-
<b>TOTAL</b>	<b>35,06,12,265.36</b>	<b>42,61,77,551.19</b>
Less: Excise Duty	-	-
<b>TOTAL</b>	<b>35,06,12,265.36</b>	<b>42,61,77,551.19</b>
<b>17) Other Income</b>		
(a) Interest Income		
(i) Interest Received on FDR	6,43,735.00	14,90,193.00
(ii) Interest received others	3,74,277.00	97,368.00
(b) Other non Oprating Income		
(i) Unclaimed balances W/off & short & Excess	1,31,238.66	-
(ii) Rent Received	1,30,000.00	-
(iii) Advance Forfeited /Bad Debts Recoveries	-	-
(iv) Miscellaneous Receipts	1,20,865.60	13,76,658.33
<b>TOTAL</b>	<b>14,00,116.26</b>	<b>29,64,219.33</b>
<b>18) In case of manufacturing companies</b>		
Raw material consumed under broad heads		
Textile Unit		
(a) Dyes and Chemicals	6,90,06,942.98	7,05,98,640.92
(b) Fabrics	4,72,13,001.90	4,19,20,956.03
(c) Yarn	1,35,41,611.39	32,53,619.23
(d) Fuel	3,97,94,709.09	5,24,56,393.53
(e) Packing Material	-4,22,707.49	17,09,858.56
Construction & Engineering Unit		
(f) HR Plates	-	-
(g) Structures	-	-
(h) Coils	-	-
(i) Accessories	40.47	-
(j) Stock Transfer	-	9,58,000.00
(j) Material Used in home consumption	-	-
(k) Civil construction expenses with material	8,33,58,733.64	-
(l) Solar Panel Modules & Stuctures	-	-
<b>TOTAL</b>	<b>25,24,92,331.98</b>	<b>17,08,97,468.27</b>
<b>19) Purchase of Stock in Trade</b>	-	-
<b>20) INCREASE/DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES</b>		

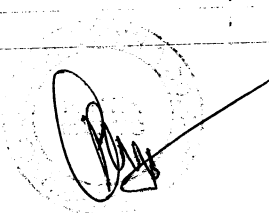
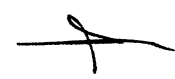


PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
Closing Stock	58,88,820.11	58,90,314.22
Consumable Store	70,41,748.20	70,41,748.20
Finished Goods	28,51,232.54	1,93,72,082.54
Work in process	1,57,81,800.85	3,23,04,144.96
<b>TOTAL</b>		
Opening Stock	58,90,314.22	67,99,107.84
Consumable Store	70,41,748.20	76,09,402.00
Finished Goods	1,93,72,082.54	2,61,66,068.12
Work in process	3,23,04,144.96	4,05,74,577.96
<b>TOTAL</b>		
<b>(-) INCREASE / DECREASE IN WIP/ FINISHED GOODS/ CONSUMABLES</b>	<b>1,65,22,344.11</b>	<b>82,70,433.00</b>
<b>21) Employee benefits expenses</b>	<b>5,18,04,308.70</b>	<b>6,66,31,718.07</b>
(a) Salaries and Wages & labour expenses	28,15,875.00	24,87,826.00
(b) Contribution to Provident and other funds	5,86,342.68	1,36,974.00
(c) Staff welfare expenses	-	-
(d) Employee Retirement & Other Benefits	4,093.00	95,192.00
(i) Gratuity & Leave Encashment- Paid	-	-
(ii) Gratuity & Leave Encashment- Provision(Add/Reverses)	-	-
(e) Directors Remuneration, including retirement benefits	5,52,10,619.38	6,93,51,710.07
<b>TOTAL</b>		
<b>22) Finance Cost</b>		
(a) Interest expenses	6,59,12,292.00	35,91,02,281.10
(i) to Banks on Working Capital Loans	6,61,691.17	1,16,58,769.40
(ii) to Banks on Term Loans	-	-
(Net of TUF Interest Subsidy ₹ 1418813 , Previous Year ₹ )	22,65,38,359.23	73,07,479.28
(iii) on other accounts	-	-
(b) Other borrowing costs	13,016.64	42,548.96
(i) Bank Charges	-	-
(c) Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	29,31,25,359.04	37,81,11,078.74
<b>TOTAL</b>		
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.		
<b>23) Depreciation and Amortisation Expense</b>	<b>8,86,29,408.51</b>	<b>9,13,82,544.06</b>
<b>24) OTHER COST</b>	<b>10,79,68,573.61</b>	<b>28,42,97,023.75</b>
<b>(A) MANUFACTURING EXPENSES</b>		
(a) Outside Job work/ Erection Charges	1,78,80,892.27	18,12,89,677.40
(b) Power and fuel	2,95,54,470.00	2,53,12,868.00
(c) Water & Sewearage Charges	7,498.00	15,28,494.00
(d) Consumption of stores and spare parts	12,09,708.80	27,68,255.30
(e) Repairs to Machinery & Hiring Charges	91,77,310.65	1,02,93,499.04
(f) Freight on Purchase	6,59,676.98	4,01,525.76
<b>TOTAL</b>	<b>5,84,89,556.70</b>	<b>22,15,94,319.50</b>
<b>(B) ADMINISTRATIVE EXPENSES</b>	<b>11,50,000.00</b>	<b>11,50,000.00</b>
(a) Auditors remuneration & Out of pocket Expenses	-	-
(b) Books & priodicals	-	1,500.00
(c) Charity & Donation	-	-



Notes to accounts forming part of the Standalone Balance Sheet and Profit &amp; Loss Account as at 31.03.2021

PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
(d) Commission / Sitting fee to Non WTD	-	-
(e) Director Travelling & Conveyance	1,81,800.00	35,449.00
(f) Diwali Expenses	7,18,679.20	8,47,105.66
(g) Miscellaneous Expenses	17,48,305.18	16,78,567.37
(h) Insurance (Others)	7,358.00	18,290.07
(i) Insurance (on cars)	2,20,38,568.00	2,42,50,139.00
(j) Legal & Professional Charges	-	62,067.00
(k) Out of pocket Expense -Consultant	-	-
(l) AGM & Meeting Expenses	19,344.00	27,018.00
(m) Postage /Telegram/ Courier Expenses	2,61,081.08	3,23,795.10
(n) Printing & stationery Expenses	29,95,531.00	6,52,427.00
(o) Rates & Taxes, Excluding taxes on income	4,49,663.95	11,80,263.76
(p) Rent	22,93,959.00	19,69,429.15
(q) Repairs to Buildings	8,13,960.64	7,07,100.98
(r) Repair - Computer	47,19,822.48	20,18,610.44
(s) Running & Maintenance -Vehicle Commercial	19,50,818.00	17,42,937.98
(t) Running & Maintenance - Vehicle others	48,85,887.00	40,40,482.04
(u) Watch /Ward/Security	3,81,155.00	42,16,206.80
(v) Repair - Electricals	11,000.00	1,41,000.00
(w) Subscription & Membership Fee	5,03,163.78	4,59,899.64
(x) Telephone, Modem & Internet Expenses	1,18,160.93	1,71,055.94
(y) Testing & Designing Expenses	23,86,434.00	19,66,993.00
(z) Travelling & Conveyance Expenses	8,48,231.96	4,51,291.51
(z i) Office Maintenance Expenses	-	-
(zii) CSR Expenses	-	-
(ziii) NCD issue Expenses	-	90,00,000.00
(ziv) IRP Fees	4,84,82,923.20	5,71,11,629.44
<b>TOTAL</b>		
<b>(C) SELLING &amp; DISTRIBUTION EXPENSES</b>	<b>50,000.00</b>	<b>13,662.00</b>
(a) Sales Promotion Expenses	-	52,28,118.81
(b) Commission/ Discount on Sales	8,98,306.68	3,53,226.00
(c) Distribution Expenses/ Export sales clearing Expenses	19,200.00	-
(d) Advertisement / Tender fee & Exhibition Expenses	28,587.03	-3,932.00
(e) Bad Debts written off	-	-
(f) L.D.Charges deducted	9,96,093.71	55,91,074.81
<b>TOTAL</b>		
<b>25) Extraordinary Items</b>		
(a) Loss on sale of fixed assets	-	-
(b) Loss on inventory revaluation	-	-
(c) Loss on sale of Investment	-	-
<b>26) EARNING PER SHARE &amp; DILUTED EARNING PER SHARE</b>		
(i) Net Profit after tax as per P & L Account	-46,19,36,255.01	-57,31,68,487.37
(ii) Weighted Average number of equity Shares used as denominator for calculating EPS (Nos)	2,34,30,000.00	2,34,30,000.00
(iii) Net Profit attributable to shareholders	-46,19,36,255.01	-57,31,68,487.37
(iv) Diluted Earning Per Share(RS) (iii/ii)	-19.72	-24.46
(v) Profit before tax	-46,19,36,255.01	-57,31,68,487.37
(vi) Earning per share	-19.72	-24.46
(vii) Face Value per equity Share	10.00	10.00
(a) Payment to the Auditor As		



PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
	4,50,000.00	9,50,000.00
(a) Auditor	1,50,000.00	2,00,000.00
(b) for taxation matters	-	-
(c) for Company Law Matters	-	-
(d) for Other Services	37,659.00	-
(e) for Reimbursement of Expenses	-	-
(b) Detail of items of exceptional and extraordinary nature	-	-
(a) Loss on sale of fixed assets	-	-
27) Contingent Liabilities and Commitments (to the extent not provided for)	-	-
(i) Contingent Liabilities	-	-
(a) Claims against the Company not acknowledged as debt	2,51,93,57,586.00	2,51,93,57,586.00
(b) Guarantees	-	-
(c) other money for which the company is contingently liable	7,30,74,412.00	7,30,74,412.00
--Disputed demands in respect of income tax etc (interest thereon not ascertainable at present)	1,32,01,385.00	1,32,01,385.00
--Disputed demands in respect of Service Tax	-	4,44,14,998.00
--Disputed demands in respect of Sales tax/GST	5,54,90,323.40	5,54,90,323.40
--Duty saved on EPCG licenses pending for redumption	-	-

The Company donot expect any reimbursement in respect of the above contingent liabilities.

The amount shown in (b) above represents bank guarantees given in the normal course of the company operations and are not expected to result in any loss to company on basis of beneficiary fulfilling its ordinary commercial obligations.

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 engages reputed professional advisor to protect its interests and has been advised that it has strong legal positions against such disputes.

The Company has availed the EPCG license for import of capital goods. The redumption 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 donot 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 transections have taken place)		
(a) Key Managerial Personnel		(3) Sh Manish Gupta (President)
(1) Sh Sushil Gupta (Chairman & Director)	(2) Sh Sandeep Gupta (MD)	
(4) Lavesh Kansal		
(b) Associates		(3) Richa Infrastructure Limited
(1) Richa Building System Private Limited	(2) Richa Holdings Limited	
(4) Richa Krishna Constructions Private Limited		
(c) Relatives of Key Managerial Personnel		(3) Subhash Gupta
(1) Geeta Devi	(2) Garima Gupta	

2 Transactions carried out with related parties referred in 1 above, in ordinary course of business

Related Parties

Nature of Transaction



(Amount in ₹)

ICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

otes to accounts forming part of the Standalone Balance Sheet and Profit &amp; Loss Account as at 31.03.2021

Figures as at  
31.03.2021Figures as at  
31.03.2020

## PARTICULARS

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

Professional Fees

Finances

Loans and advances repaid (net of receipts)

Outstandings

Receivables

Payable (Remuneration)

Loans &amp; Advances payables

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 Sushil Gupta

--Sh Sandeep Gupta

--Sh Manish Gupta

--Lavesh Kansal

0.00

Professional Fees

--Smt Garima Gupta

Finances

Loans and advances repaid (net of receipts)

--Richa Holdings Limited

--Richa Building System Private Limited

Outstandings

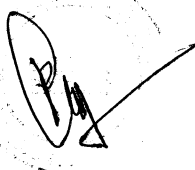
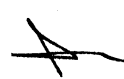
Receivables

--Richa Infrastructure Limited

Payable (Remuneration)

-- Sh Sushil Gupta

--Sh Sandeep Gupta

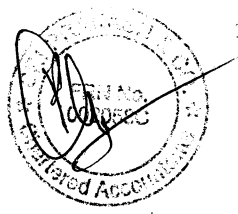


otes to accounts forming part of the Standalone Balance Sheet and Profit &amp; Loss Account as at 31.03.2021

PARTICULARS		Figures as at 31.03.2021	Figures as at 31.03.2020
--Sh Manish Gupta		-	-
--Smt Geeta Devi		-	-
Loans & Advances payables		-	-
--Richa Holdings Limited		(3,67,50,000.00)	-
--Richa Building System Private Limited		(7,01,87,000.00)	-
Previous Year Figures in ( )			
31) Disclosures pursuant to Accounting Standard-15 - "Employee Benefits"			
32) Disclosures pursuant to Accounting Standard (AS) – 17 "Segment Reporting"			
a) Primary Segment Reporting by Business Segment			
Company's primary business segments are			
(i) <b>Manufacture in Textiles</b> - 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) <b>Manufacturer of Construction &amp; Engineering Division</b> - 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		35,06,12,265.36	42,61,77,551.19
(ii) Sales to Domestic Market			
Segment Reporting Chart			
1 Segment Revenue		22,86,28,429.93	27,50,04,270.32
a) Textiles		12,19,83,835.43	15,11,73,280.87
b) Construction & Engineering		35,06,12,265.36	42,61,77,551.19
Total Income From Operation		-	-
Less: Inter Segment Revenue		35,06,12,265.36	42,61,77,551.19
Sales/Income from Operation			
2 Segment Results			
Profit before tax and interest from each segment		-12,65,27,795.47	-9,18,21,990.64
a) Textiles		-4,22,83,100.50	-10,32,35,417.12
b) Construction & Engineering		-16,88,10,895.97	-19,50,57,407.76
Total			
Less: Inter Segment Revenue		29,31,25,359.04	37,81,11,078.74
i) Interest			
ii) Other unallocable expenditure net of unallocable income			
iii) exceptional Items		-46,19,36,255.01	-57,31,68,486.50
Total Profit before Tax			
3 Capital Employed			
(segment Assets Less Segment Liabilities)		#REF!	-1,18,28,05,430.60
a) Textiles		#REF!	-2,46,48,63,435.56
b) Construction & Engineering		#REF!	-3,64,76,68,866.16
Total Capital Employed			
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.			



PARTICULARS	Figures as at	Figures as at
	31.03.2021	31.03.2020
4) 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)		



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