



# RICHA INDUSTRIES LIMITED

*Don't Just Build...Create*



CIN: L17115HR1993PLC032108

To  
The Manager  
Department of Corporate Relationship  
Bombay Stock Exchange Limited  
25 P.J. Tower, Dalal Street  
Mumbai- 400001

Date: 08/09/2021

Name of the Company:- Richa Industries Limited  
BSE Scrip Code: 532766

**Reg: - Annual Report for the Financial Year 2018-2019 and Notice of 25th Annual General Meeting**

Dear Sir,

Please find attached the Notice & Annual report for the Financial Year 2018-2019, as per the regulation 34 (1) of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Kindly acknowledge the same.

Thanking You  
Regards  
For Richa Industries Limited

Arvind Kumar  
Resolution Professional  
Regn No:-IBBI/IPA-001/IP-00178/2017-18/10357

**Corp. Office cum Regd. Office:**  
Plot No. 29, DLF Industrial Area, Phase II,  
Faridabad - 121003, Haryana, India  
Phone : +91-129-4009262, 4133968  
E mail : richa@richa.in  
Website : www.richa.in

**Faridabad Unit :**  
Village Kanwra, Sector 95,  
Greater Faridabad - 121 101, Haryana, India  
Phone : +91-129-2201132  
Fax : +91-129-4133969

**Kashipur Unit:**  
8th km Stone, NH-121,  
Ram Nagar Road, Distt. U.S. Nagar,  
Kashipur 244 713, Uttarakhand, India  
Phone : +91-5947-223333  
Fax : +91-5947-223073



# **RICHA INDUSTRIES LIMITED**

**(UNDER CIRP VIDE - NCLT Court Order CP (IB)**

**No.80/Chd/Hry/2018)**

Regd. office: Plot No.29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana

Tel: 0129-4133968/4009262, Fax 0129-4133969

Website: www.richa.in, Email: richa@richa.in, irpricha@gmail.com, ncltricha@gmail.com

CIN: L17115HR1993PLC032108.

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## **NOTICE**

### **25<sup>th</sup> ANNUAL GENERAL MEETING**

The Corporate Insolvency Resolution Process (“CIRP”) has been initiated, on a petition filed by Tata Bluescope Steel Limited against Richa Industries Limited (“the Company”), vide an Order dated 18-12-2018 (“Insolvency Commencement Date”) by the Hon’ble National Company Law Tribunal (“NCLT”), Chandigarh Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 (“the Code”). Mr. Arvind Kumar, IP Registration No.IBBI/IPA-001/IP-P00178/2017-2018/10357 has been appointed as Interim Resolution Professional (“IRP”) to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional (“RP”) by the committee of creditors (“CoC”) of the Company in the meeting held on January 17, 2019 under the provisions of the Code. Pursuant to the Hon’ble NCLT Order for commencement of the CIRP and in line with the Provisions of the Code, the power of the Board of Directors stands suspended and same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code. Further vide an Order dated June 7, 2019, Hon’ble NCLT has extended the CIRP period for a further period of 90 days beyond the initial a statutory period of 180 days. Pursuant to the non-approval of resolution plan, the COC in its meeting held on 03.09.2019 has passed a resolution for liquidation of Company and directed the Resolution Professional to file an application, seeking order of liquidation, before Adjudicating Authority “AA”; consequent to which, the RP has filed an application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

NOTICE is hereby given that the Twenty Fifth Annual General Meeting (AGM) of the members of Richa Industries Limited will be held on Wednesday, September 30, 2021 at 10.00A.M. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM). The venue of the meeting shall be deemed to be the Registered Office of the Company at Plot No-29, DLF Industrial Area, PH-II, Faridabad-121003, Haryana to transact the following business:

#### **ORDINARY BUSINESS:-**

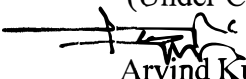
1. To receive, consider and adopt the standalone audited financial statements including Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the consolidated audited financial statements including Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Report of the Auditors thereon.

**3. To appoint Statutory Auditors of the Company and to fix their remuneration:**

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

“RESOLVED THAT pursuant to the provisions of Section 139,142 of the Companies Act, 2013 (“Act”), and other applicable provisions of the Act, if any and the rules made there under, the appointment of M/s. Sri Prakash & Co, (ICAI Firm Registration No. 002058C), as the auditors of the Company to hold office till the conclusion of the Annual General Meeting (“AGM”) to be held in the year 2023 be and is hereby appointed and that the Resolution Professional be and is hereby authorized to fix the remuneration payable to them.

For Richa Industries Limited  
(Under CIRP)

  
Arvind Kumar

Resolution Professional

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

(Richa Industries Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Arvind Kumar, appointed by the National Company Law Tribunal by order dated 21st December 2018 and continued as Resolution Professional approved by the Committee of Creditors in its meeting held on 17<sup>th</sup> January, 2019 under the provisions of the Code.)

Date: 14.08.2021

Place: Faridabad

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 02/2021 dated 13 January, 2021 permitted the holding of Annual General Meeting through Video Conference ("VC")/ Other Audio Visual means ("OAVM") without the physical presence of the Members at a common venue as per the procedure prescribed by MCA in General Circular No 20/2020 dated 05 May, 2020 in read with MCA Circular Nos. 14/2020 dated April 8, 2020 and Circular No 17/2020 dated April 13,2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI). In compliance with the said Circulars and the relevant provision of the Companies Act, 2013 and the SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual General Meeting of the members of the Company is being held through VC/OAVM.
2. As the AGM shall be conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (Act).



4. Members under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representative to participate and vote at the meeting are requested to mail to mail to ncltricha@gmail.com, irpricha@gmail.com a scanned copy (PDF/JPEG format) of the Board Resolution authorizing their representatives to attend and vote at the AGM, pursuant to Section 113 of the Act.
5. The register of members and share transfer books of the Company will remain closed from 24 September, 2021 to 30th September, 2021(both days inclusive), for the purpose of Annual General Meeting.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.
7. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM and Annual Report for the year ended March 31, 2019 are being sent electronically to those Members whose email addresses are registered with the DP/RTA. Notice of the AGM and the Annual Report for the year ended March 31, 2019, circulated to Members is also available on the website of the Company www.richa.in and on the websites of BSE Limited.
8. Company has provided Members, e-voting facility to exercise their right to vote at the AGM by electronic means. The process and manner for availing the said facility is explained in the e-mail under which this Notice is sent to the Members.
9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members are requested to: -
  - a. Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
  - b. Approach the RTA for consolidation of multiple ledger folios into one; and
  - c. To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee.
11. NRI Members are requested to inform the RTA immediately of: -
  - a. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier;  
and
  - b. Change in their residential status and address in India on their return to India for permanent settlement.



12. The shares of the Company are compulsorily traded in demat mode. Hence, the Members who are still holding physical Share Certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.

### 13. Voting Through Electronic Means

- I. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and administration) Rules, 2014, as amended by the Companies (Management and administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), 2015 (“Listing Regulations”), the Company is pleased to provide members, the facility to exercise their vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Link Intime India Private Limited.

Once the vote on resolution is casted by the Member, he shall not be allowed to change it subsequently as well as a person who is not a member as on the Cut-off date should treat this Notice for information purpose only.

### INSTRUCTIONS FOR REMOTE E-VOTING

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again

2. Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID: Enter User ID

• Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

• Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID

• Shareholders/members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN: Enter 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with DP / Company - in DD/MM/YYYY format)



D. Bank Account Number: Enter Bank Account Number (last four digits) as recorded with your DP

- Shareholders/members holding shares in CDSL Demat account shall provide either 'C' or 'D', above
- Shareholders/members holding shares in NSDL demat account shall provide 'D', above.
- Shareholders/members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.
  - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

Click "confirm" (Your Password is now generated)

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.



In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.

Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

The password should contain minimum 8 characters, at least one special character(@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

## **PROCESS AND MANNER FOR ATTENDING THE TWENTY- FIFTH AGM THROUGH INSTAMEET**

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

➤ Select the "Company" and 'Event Date' and register with your following details: -

**A. Demat Account No. or Folio No:** Enter 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company



**B. PAN:** Enter 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number, if applicable.

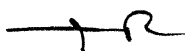
**C. Mobile No. Enter your Mobile No**

**D. Email ID:** Enter email id, as recorded with DP/Company.

2. Click “Go to Meeting”
3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders’ relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at [irpricha@gmail.com](mailto:irpricha@gmail.com) and [nltricha@gmail.com](mailto:nltricha@gmail.com) at least 3 days in advance i.e. September 27 , 2021 with the company.
2. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
3. Shareholders will receive ‘speaking serial number’ once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
4. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
5. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at [irpricha@gmail.com](mailto:irpricha@gmail.com) and [nltricha@gmail.com](mailto:nltricha@gmail.com) at least at least 3 days in advance i.e. September 27 , 2021.
6. Please remember ‘speaking serial number’ and start your conversation with panelist by switching on audio of your device.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.





**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:


1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet.

However, they will not be eligible to vote again during the meeting. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.



In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

For Richa Industries Limited  
(Under CIRP)



Arvind Kumar

Resolution Professional

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

(Richa Industries Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Arvind Kumar, appointed by the National Company Law Tribunal by order dated 21st December, 2018 and continued as Resolution Professional approved by the Committee of Creditors in its meeting held on 17<sup>th</sup> January, 2019 under the provisions of the Code.)

Date: 14.08.2021

Place: Faridabad

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Forward Looking Statements

*This report contains forward-looking statements, which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar connotation. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent developments, information or events. Any statement or projection must be understood in the light of the fact that the company is undergoing CIRP and the Committee of Creditors has passed resolution seeking order of Liquidation of the Company.*

### Corporate Overview

Richa Industries Limited is a leading manufacturing company operational in Pre-Engineered Building, EPC (Engineering, Procurement & Construction) and Textile sectors. An ISO 9001:2008 certified company; Richa Industries Limited is listed at Bombay Stock Exchange. The strict quality control measures, adoption of most modern and state-of-the art technology, innovative concepts and adhering to strict delivery schedules have made Richa a trusted name in the industry.

### Overview of the Economy

India continues to be one of the fastest growing major economies in the world and is expected to be among the world top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3%

Sustained real GDP growth of over 6% since FY 2001 has led to a fundamental transformation of India economy. Today India is the world seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2030.

### Industry Overview

- **Textile Industry**

The textile industry is continuously evolving. Over the years it has witnessed multiple shifts in consumption and production patterns including shift in geographical manufacturing hubs as the industry is driven by the availability of cheap labour.

The textile industry is predicted to grow at a CAGR of 3.7% during the period 2018-28. During this period, the increase in trade is expected to be at a CAGR of 2.5%

### Opportunities & Challenges

The Indian textile industry is among the oldest industries in the country dating back several centuries. It is one of the largest contributors to the economy accounting for 4% of the GDP. It is the second largest contributor towards employment generation, after agriculture, contributing 10% of the country manufacturing owing to its labour-intensive nature. The industry is characterized by its robust vertical integration in almost all the sub-sectors.



Richa has a strong distribution network that address robust fabric demand across Tier 2 cities. The business has consistently doing good and services keeping up with the customer needs and preferences in FY 2018-19.

### **Risk & Concerns**

‘Risk’ is basically linked to uncertainty of the future. The uncertainty associated with the outcome of an event that can lead to loss or profit is known as Risk. Every event has got an impact associated with it - either positive or negative. The negative impact represents risk. Richa focuses on mitigating the adverse impact of risks on the business.

### **Outlook**

Richa has a positive outlook in this industry and its increases its production and expand its business and its also looking for greater opportunities with the emerging market and the outlook of this company is mainly focussed on the growth and increases its customer base and to stay relevant to the changing consumer preferences.

### **Construction & Engineering (Pre Engineered Building) Industry**

PEB Building is the fastest systems of constructions today and gaining popularity worldwide. It is technology driven, versatile and economically and environment friendly.

Richa is committed to growing through efficiency and responsiveness to the customer. Safety has been a key focus area to enhance the contracting skills and site execution capabilities. Richa has deliver the project in time and expect to grow into a large business for the company. The PEB plant of the company is not functioning since January 2019.

### **Growth potential for the construction & engineering(PEB) industry**

Richa has growth potential and gain momentum through speedy, safe and strong project executions. Richa focus on enhancing capacity utilization of existing plant will drive this segment going forward. However, unforeseen events that effect the sustenance of the growth momentum. The PEB plant of the company is not functioning since January 2019.

### **The key issues and challenges for Construction & Engineering Industry (PEB)**

Increase in the steel price and large volatility have adverse impact on this industry. There are changes in the steel prices which have adverse effect on the profitability. Steel prices are highly volatile and the faster execution of project is to protect against the price variations during the term of the project execution is the key to protect against the price risk.

### **Future outlook of this Industry**

Today is the era of Pre-Engineered Building and now more than 80% Industries are adopting it to enable error free construction. In India, a competitive market in delivering metal/steel building, the scope of PEB is eminently immeasurable. Further, government has launched a “MAKE IN INDIA” initiative not only to set up India market but also to cater to the overseas market that will lead to Best GDP Growth rates across the world.

### **Financial Performance**

The Company’s Standalone turnover for the current financial year (2018-19) is Rs. 155.67 crores as compared to Rs. 192.46 crores in previous financial year(2017-18). Loss before Tax is Rs. 170.54 crores for current financial year as compared to that of loss before tax of Rs. 103.37 croresfor previous financial year. Loss after Tax for the current financial year stood at Rs. 172.20 crores as compared to loss before tax Rs. 105.88 crores in the previous financial year.



The Company's Consolidated turnover for the current financial year is Rs. 155.67 crores as compared to Rs. 192.46 crores in previous financial year. Loss before Tax is Rs. 175.15 crores for current financial year as compared to that of previous financial year of loss before Tax of Rs. 103.37 Crores. Loss after Tax for the current financial year stood at Rs. 176.81 crores as compared to loss after tax Rs. 105.88 crores in the previous financial year.

The Basic and Diluted Earnings Per Share (EPS) computed in accordance with the Accounting Standard-20 issued by the Institute of Chartered Accountants of India was Rs.-75.46 Per share respectively as against Rs. -45.19 Per share during the previous year.

### **Internal control systems and their adequacy**

Richa Industries Limited has a proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition. The Company internal controls are supplemented by an extensive programmed and its review by management and documented policies, guidelines, and procedures.

The Company maintains a system of internal control designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations as applicable in the various jurisdictions in which the Company operates.

After the commencement of CIRP many of the company's KMP's and other functional heads, employees have resigned. This has reduced the effectiveness of various internal controls, which were earlier implemented through segregation of duties and responsibilities. The resolution professional has however implemented controls to ensure protection and preservation of assets of the company.

### **Health Safety and Environment**

The Company is continuously working for the safety of the employees and also to minimize the environmental impact on its operations. The Company continuously provides and maintains best safety measures in the plants and also equipped with best pollution control with the best emissions norms. Regular medical examination of the employees is the integral part of the Company policy. All employees are obliged to ensure that they fully understand all policies and do fully comply with the requirements. The Company believes and ensures that there should be no injuries and incidents in their plants and taken OHSAS to ensure further safety & health of our employees & associates.

### **Human resource and Industrial relations**

The Company enhances the skill of employees through various Programs. This is a part of human Resource function and it plays a role to support the organization growth and its sustainability in the long run. These programs play an important role for employees for upgrading of their skills and talents which help the organization to gain momentum.

### **Corporate Insolvency Resolution Process**

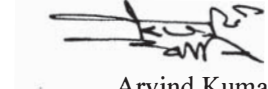
The Corporate Insolvency Resolution Process ("CIRP") has been initiated, on a petition filed by Tata Bluescope Steel Limited against Richa Industries Limited ("the Company"), vide an Order dated 18-12-2018 ("Insolvency Commencement Date") by the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Arvind Kumar, IP Registration No. IBBI/IPA-001/IP-P00178/2017-2018/10357 has been appointed as Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional ("RP") by the committee of creditors ("CoC") of the Company in the meeting held on January 17, 2019 under the provisions of the Code. Pursuant to the Hon'ble NCLT Order for commencement of the CIRP and in line with the Provisions of the Code, the power of the Board of Directors stands suspended and same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code. Further vide an Order dated June 7, 2019, Hon'ble NCLT has extended the CIRP period for a further period of 90 days beyond the initial a statutory period of 180 days. Pursuant to the non-approval of resolution plan, the COC in its meeting held on 03.09.2019 has passed a resolution for



liquidation of Company and directed the Resolution Professional to file an application, seeking order of liquidation, before Adjudicating Authority “AA”; consequent to which, the RP has filed an

application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

For Richa Industries Limited  
(Under CIRP)



Arvind Kumar  
Resolution Professional

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

(Richa Industries Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Arvind Kumar, appointed by the National Company Law Tribunal by order dated 21st December, 2018 and continued as Resolution Professional approved by the Committee of Creditors in its meeting held on 17<sup>th</sup> January, 2019 under the provisions of the Code.)

Date: 14.08.2021

Place: Faridabad

## DIRECTORS' REPORT

Dear Shareholders,

The Resolution Professional Appointed by The Honorable Adjudicating Authority, The National Company Law Tribunal Chandigarh Bench, in whom the powers of the board of directors are vested presents the Twenty Fifth Annual Report of the Company together with Audited Financial Statements of the Company for the financial year ended March 31, 2019

### Initiation of Corporate Insolvency Resolution Process (CIRP)

The Corporate Insolvency Resolution Process (“CIRP”) has been initiated, on a petition filed by Tata Bluescope Steel Limited against Richa Industries Limited (“the Company”), vide an Order dated 18-12-2018 (“Insolvency Commencement Date”) by the Hon’ble National Company Law Tribunal (“NCLT”), Chandigarh Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 (“the Code”). Mr. Arvind Kumar, IP Registration No. IBBI/IPA-001/IP-P00178/2017-2018/10357 has been appointed as Interim Resolution Professional (“IRP”) to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional (“RP”) by the committee of creditors (“CoC”) of the Company in the meeting held on January 17, 2019 under the provisions of the Code. Pursuant to the Hon’ble NCLT Order for commencement of the CIRP and in line with the Provisions of the Code, the power of the Board of Directors stands suspended and same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code. Further vide an Order dated June 7, 2019, Hon’ble NCLT has extended the CIRP period for a further period of 90 days beyond the initial a statutory period of 180 days. Pursuant to the non-approval of resolution plan, the COC in its meeting held on 03.09.2019 has passed a resolution for liquidation of Company and directed the Resolution Professional to file an application, seeking order of liquidation, before Adjudicating Authority “AA”; consequent to which, the RP has filed an application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code:

- the management of the affairs of the company vest in the Resolution Professional
- the powers of the Board of Directors of the company stands suspended and are being exercised by the Resolution Professional
- the officers and managers of the company report to the resolution professional and provide access to such documents and records of the company as may be required by the resolution professional.
- the Financial Institutions maintaining accounts of the company act on the instructions of the Resolution Professional in relation to such accounts and furnish all information relating to the company available with them to the Resolution Professional.

### Financial Results

The Company’s Financial Performance, for the year ended March 31, 2019 is summarized below:

Particulars	(Rs. In crores)	
	Current Year 31.03.2019	Previous Year 31.03.2018
Total Revenue	156.69	192.97
Total Expenses	296.51	296.26
Profit/(Loss) before extraordinary items and tax	(139.82)	(103.29)
Extraordinary Items	(35.33)	(0.08)
PROFIT/ (LOSS) BEFORE TAX	(175.15)	(103.37)
Tax Expense	1.66	2.50
PROFIT/(LOSS) FOR THE YEAR	(176.81)	(105.88)



## **Results of operations and the state of company's affairs**

The Company's Standalone turnover for the current financial year (2018-19) is Rs. 155.67 crores as compared to Rs. 192.46 crores in previous financial year(2017-18). Loss before Tax is Rs. 170.54 crores for current financial year as compared to that of loss before tax of Rs. 103.37 crores for previous financial year. Loss after Tax for the current financial year stood at Rs. 172.20 crores as compared to loss before tax Rs. 105.88 crores in the previous financial year.

The Company's consolidated turnover for the current financial year is Rs. 155.67 crores as compared to Rs. 192.46 crores in previous financial year. Loss before Tax is Rs. 175.15 crores for current financial year as compared to that of previous financial year of loss before Tax of Rs. 103.37 Crores. Loss after Tax for the current financial year stood at Rs. 176.81 crores as compared to loss after tax Rs. 105.88 crores in the previous financial year.

The Basic and Diluted Earnings Per Share (EPS) computed in accordance with the Accounting Standard-20 issued by the Institute of Chartered Accountants of India was Rs.-75.46 Per share respectively as against Rs. -45.19 Per share during the previous year.

## **Consolidated Financial Statements**

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2018-19 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company and its subsidiary. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

## **Change in nature of business**

There is no change in the nature of business of the Company.

## **Transfer to reserve**

The company has not transferred any amount to the reserves during the year.

## **Dividend**

The Company does not recommend any dividend on the equity shares for the financial year ended as on March 31, 2019.

## **Share Capital**

The paid-up Equity Share Capital is Rs. 23.43 Crore as on 31<sup>st</sup> March 2019. The company has not issued equity shares with differential voting rights, sweat equity shares, nor has it granted any stock option during the year. There was, also, no public issue, rights issue, bonus issue etc during the year.

## **Preferential issue and private placement**

During the year, the company has not made any preferential issue and private placement.

## **Management discussion & analysis**

Management discussion and analysis forms an integral part of this report and gives a detailed review of the company's operations, performance, and future outlook during the financial year 2018-19.





### Extract of annual return

The details forming part of the annual Return extract in Form MGT-9, as required under section 92 of the Companies Act, 2013, are included in this report as Annexure-II and forms an integral part of this report.

### Number of meetings of the board

The Corporate Insolvency Resolution Process (CIRP) of the Company has been initiated from December 18, 2018 as per the order passed by the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench under the provisions of Insolvency and Bankruptcy Code, 2016. Before the commencement of CIRP, the Board of Director met five times during the year 2018-19 and thereafter, since NCLT order the power of the Board of directors have been suspended during the CIRP period no meetings of the board have been held. The dates of the meetings of the board are as under:

Meeting	Date of Board Meetings
1 <sup>st</sup> Meeting	May 30, 2018
2 <sup>nd</sup> Meeting	August 14, 2018
3 <sup>rd</sup> Meeting	October 01, 2018
4 <sup>th</sup> Meeting	October 23, 2018
5 <sup>th</sup> Meeting	November 14, 2018

The resolution professional has held the meetings of Committee of Creditors as under.

Meeting	Date of Meeting of Committee of Creditors
1 <sup>st</sup> Meeting	17-01-2019
2 <sup>nd</sup> Meeting	12-02-2019
3 <sup>rd</sup> Meeting	15-02-2019
4 <sup>th</sup> Meeting	02-03-2019
5 <sup>th</sup> Meeting	13-03-2019
6 <sup>th</sup> Meeting	28-03-2019

### DIRECTORS' RESPONSIBILITY STATEMENT

To the Best of Knowledge and belief and according to the information and explanations obtained the following statement is made in respect of the preparation of the financial statements in terms of section 134(3) (c) of the Companies Act, 2013:

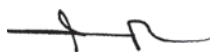
(i) that in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III of the Act, have been followed along with proper explanation relating to material departure, if any

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

(iv) that the Director have prepared the annual accounts on a going concern basis

(v) that the Directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and are operating effectively; and



(vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

### **Appointments**

The Board of Directors has appointed Mr K.V. Prabhakar (DIN: 07168947) as an Independent Director of the Company w.e.f. 01.10.2018 and Mr Abhay Bansal DIN: 03447905 as a Non-Executive Director w.e.f. 23rd October 2018. They will hold office as per the timelines of section 161 of the companies act 2013.

### **Resignations**

Mr Manish Gupta (DIN: 0035828) has resigned from the directorship of the company on 1st October 2018 due to some preoccupations

Ms Bhawana Singhal (DIN: 07479682) Independent Director, has resigned from the Company's directorship on 01st October 2018 due to other preoccupations.

Mr Nitin Agarwal (DIN: 03447905) Independent Director has resigned from the Company's directorship on 23rd October 2018 due to other preoccupations.

Detailed information on the Directors is provided in the Corporate Governance Report.

During the year under review, there were no changes in the Key Managerial Personnel of the Company

Note:

1. The office of Mr K. V. Prabhakar, Additional Director (Independent) has been vacated by operation of law for want of regularization of his appointment by shareholders in the 25<sup>th</sup> Annual General meeting which ought to be held before 30.09.2019.
2. The office of Mr Abhay Bansal, Additional Director, has been vacated by operation of law for want of regularization of his appointment by shareholders in the 25<sup>th</sup> Annual General meeting which ought to be held before 30.09.2019

### **Declaration by Independent Directors**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Remuneration and nomination policy**

The Board of Directors has framed a policy that lays down a framework related to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This Policy also lays down criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report.

### **Board Evaluation**

According to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board/Resolution Professional, in consultation with its Remuneration, Compensation and Nomination Committee/COG has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

The Directors (till the commencement of CIRP) carried out the annual performance evaluation of the Board,



Committees of Board and individual Directors along with assessing the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The details of the board's evaluation process, its Committees and individual Directors, including Independent Directors, have been provided under the Corporate Governance Report, which forms part of this Report.

Further noted that vide order dated December 18, 2018, passed by Hon'ble NCLT Bench, Chandigarh for initiation of Corporate Insolvency Resolution Process, the Powers of Board of Directors of the Company are suspended and vested in Resolution Professional Mr Arvind Kumar.

### **Particulars Of Loan, Guarantees Or Investment By The Company**

During the period under review, the Company has given Guarantee to following persons under Section 186 of the Companies Act, 2013.

<b>Sr. No.</b>	<b>Name of creditor</b>	<b>Amount</b>
1	Catalyst Trusteeship Ltd.	96864658
2	CNC Enterprises	60000000
3	SK Enterprises	60000000
4	A to Z Steel Corporation	900000000
5	Saariga Constructions Pvt. Ltd.	432410139
6	Sirsa Deposit and Advances Ltd.	808350000
7	Singal Enterprises	60000000
	<b>Total</b>	<b>2417624797</b>

During the period under review, the Company has not made loans or investments under Section 186 of the Companies Act, 2013.

### **Related Party Transactions**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary business course. The provision of Section 188 of the Companies Act, 2013, is not attracted. Thus disclosure in form AOC-2 is not required. The details of related party transactions are given in the Notes to the financial statements.

### **Material Changes and Commitments**

**During the financial year under review, the major events which have affected the Company are as follows:-**

- The Corporate Insolvency Resolution Process ("CIRP") has been initiated, on a petition filed by Tata Bluescope Steel Limited against Richa Industries Limited ("the Company"), which has been admitted vide an Order dated ("Insolvency Commencement Date") of the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Arvind Kumar, IP Registration No. IBBI/IPA-001/IP-P00178/2017-2018/10357 has been appointed as Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional ("RP") by the committee of creditors ("CoC") of the Company in the meeting held on January 17, 2019 under the provisions of the Code. Pursuant to the Hon'ble NCLT Order for the commencement of the CIRP and in line with the Code's provisions, the power of the Board of Directors stands suspended and the same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code. Further vide an Order dated June 7, 2019, Hon'ble NCLT has extended the CIRP period for a further period of 90 days beyond the initial a statutory period of 180 days. Pursuant to the non-approval of resolution plan, the COC in its meeting held on 03.09.2019 has passed a resolution for liquidation of Company and directed the Resolution Professional to file an application for liquidation before AA (Adjudicating Authority). Consequently,



Mr Arvind Kumar has filed an application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

- The PEB plant at Kashipur has stopped manufacturing operations due non-availability of working capital

### **Energy conservation, technology absorption and foreign exchange earnings and outgo**

The Particulars relating to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo, as required to be disclosed under the Act, are provided in Annexure I to this report.

### **Risk Management**

The Company has a well-defined process in place to ensure appropriate identification and treatment of risks. The identification of risk is made at strategic, business, operational and process levels. All significant risks are well integrated with the functional and business plans and are reviewed on a regular basis.

### **Corporate Social Responsibility (CSR)**

In accordance with the provision of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social responsibility Policy) Rules 2014. The Board of Director constituted a Corporate Social Responsibility Committee. The company has suffered losses in the previous years. Therefore no amount is attributable to Corporate Social Responsibility as per the Companies Act, 2013. The company is undergoing Corporate Insolvency and Resolution Process.

### **Composition of Committees**

The Board of Directors had the following Committees till the commencement of CIRP:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee
4. Corporate Social Responsibility Committee

During the year many directors have resigned from the directorship of the company. Hence the statutory requirements for the constitution of various committees can't be fulfilled due to lack of requisite no. of directors.

Therefore, the Company is not complying with the Provision of the Companies Act 2013 and SEBI (LODR ) Regulations in respect of the Composition of Committee

### **Holding and Subsidiaries**

During the year under review, M/s Richa Industries Limited has made an investment in M/s Richa Krishna Constructions Pvt. Ltd on 19<sup>th</sup> January 2019 is amounting to Rs. 51,000/- and acquired 51% Share of Richa Krishna Constructions Pvt. Ltd. The M/s Richa Krishna Constructions Pvt. Ltd. has become the subsidiary company of M/s Richa Industries Limited. The Investment was made after the CIRP proceedings in terms of the agreements entered into prior to the CIRP.

### **Fixed Deposit**

During the year, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit ) Rules, 2014. Therefore, there was no public deposit outstanding as at the beginning or at the end of the period.



## **Significant and Material Orders Passed By the Regulators or Courts**

The application filed by M/s Tata Blue Scope limited under Section 9 of the insolvency and Bankruptcy code, 2016 for initiation of Corporate Insolvency Resolution Process ('CIRP') of M/s Richa Industries Limited (Corporate Debtor) under the provision of the Insolvency and Bankruptcy code, 2016. The application was admitted by Hon'ble NCLT Court, Chandigarh Bench vide order dated 18.12.2018. The insolvency of the company may be resolved through the approval of the resolution plan. The failure of the CIRP may lead to the Liquidation of the company. Pursuant to the initiation of the CIRP, all the credit facilities by all lenders have been frozen and are not available for use by the company in managing its business. The initiation of CIRP has the impact of the going concern status of the company.

## **Corporate Governance**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI and as applicable to the company under CIRP. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

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

The Company has a Whistle Blower policy to report genuine concerns or grievances. The whistle Blower Policy has been posted on the Website of the Company ([www.richa.in](http://www.richa.in)).

## **Internal financial controls and their adequacy**

Richa Industries Limited has a comprehensive internal control system to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

The Company has also implemented suitable control measures to ensure that all resources are utilized optimally. Financial transactions are reported with accuracy, and all applicable laws and regulations have strictly complied.

## **Auditors and Auditors' Report**

### **Statutory Auditor**

The Statutory Auditor M/s Sri Prakash & Co, Chartered Accountants (FRN:002058C) has been appointed as Statutory Auditor of the Company for a period of 5 (Five) years, in terms of provision of Section 139 of the Companies Act, 2013 to hold office from the 25<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting.

The Auditor report contains the qualification, reservation and adverse remarks.

### **Internal Auditor**

No internal audit was conducted during the year

### **Cost Auditor**

No Cost Auditor has been appointed by the Company.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s.Arun Goel & Associates, Company Secretary in Practice (C.P. No.9892) to



undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure-IV and forms an integral part of this report.

### **Disclosure under sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted a Sexual Harassment Policy. We follow a gender-neutral approach in handling complaints of sexual harassment. All employees are of equal value with no discrimination between individuals at any point based on race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age. The Company is committed to providing a safe and conducive work environment to all its employees and associates. No complaints were pending in the beginning of the year and none were received by the Company during the year under review.

### **Human resource and industrial relations**

During the year under review, Industrial relations of the Company continue to be cordial and peaceful. Your Company strives to provide the best working environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. Every initiative and policy of the Company takes care of the welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for the development of human resource are given in the Management Discussion and Analysis Report. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year. But the Industrial Relation was affected during the year under review due to labour unrest at the Kashipur.

### **Environment and safety**

The Company has taken all necessary steps for safety and Environment Control and Protection at its Plant located at Kanwara Village, Faridabad and Its Kashipur Plant, Uttrakhand.

### **Particulars of Employees and related disclosure**

In terms of the provisions of Section 197(12) of the Act read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, During the year, none of the employees was in receipt of remuneration of Rs 5, 00,000/- per month or Sixty Lacs during the year and for the part of the year.

The ratio of the remuneration of each director/KMP to the median remuneration of all the employees of the Company for the financial year 2018-19 is not applicable.

### **Statutory Information**

The Business Responsibility Reporting as required by Regulation 34 (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is not applicable to your Company for the financial year ending March 31, 2019.

### **Appreciation**

The Board of Directors (currently powers are suspended during CIRP under the provisions of the IBC, 2016) wish to place their deep appreciation for the support and co-operation of the Committee of Creditors, various departments of State and Central Government, Banks/Financial Institutions, employees and other stakeholders. The Board also commend the continuing commitment and dedication of the employees at all levels.





**For Richa Industries Limited  
(Under CIRP)**

A handwritten signature in black ink, appearing to read 'Arvind Kumar'.

**Arvind Kumar**

**Resolution Professional**

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

(Richa Industries Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Arvind Kumar, appointed by the National Company Law Tribunal by order dated 18<sup>th</sup> December 2018 and continued as Resolution Professional approved by the Committee of Creditors in its meeting held on 17<sup>th</sup> January 2019 under the provisions of the Code.)

Date: 14.08.2021

Place: Faridabad

**Annexure I****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars of Energy Conservation, Technology absorption and foreign exchange earnings and outgo required under Section 134 (3) (m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given here below and forms part of the Directors' Report

**(A) CONSERVATION OF ENERGY****(i) Steps taken for Conservation of energy**

Company continues its efforts to reduce and optimize the energy consumption at all manufacturing units. Some of the initiatives taken during the financial year 2018-19 were as follows:

**Major Energy Conservation measures taken during the year 2018-19**

- The Company at its plant at Kashipur is having all state of art facilities utilizing minimum energy using industrial LED lights, welding automation, VFD drives on Motors etc

**(ii) The steps taken by the Company for utilizing alternate source of energy**

The Company uses Plasma Cutting Machine in place of Oxy Cutting Machines in PEB unit at Kashipur which is used as an alternate source of energy.

**(iii) The Capital investment on energy conservation Equipment: NIL****(B) TECHNOLOGY ABSORPTION****(i) The efforts made by the Company towards technology absorption during the year under review are:**

- Using LED Lights for energy savings at Plant.
- Installation of wind Turbo ventilators at Plant.
- Installation of energy efficient AC Drives

**(ii) The Benefits derived like product improvement, cost reduction, product development or import substitution:**

- Your Company has developed multistory composite construction using steel & concrete and it is most sustainable technology where only 20% material consumption is used as compared to an RCC structures. Using Steel & Composite Structure which offers saving in energy & given green building.
- Improved productivity and cost reduction
- Time saving
- Reduction in wastage

**(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: NONE**



Details of Technology Imported	Technology Import form	Year of Import	Status Implementation and absorption
-----NIL-----			
-----			

**(iii) The expenditure incurred on Research& Development (R & D)**

The Company has developed its in-house ERP for PEB. There is a continuous development in this area due to dedicated team of ERP developers employed in the Company.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

**During the year under review, the following are the details as follows:**

Particulars	(In Rs.)	
	2018-19	2017-18
<b>Earnings</b>	NIL	NIL
<b>Outgo</b>	NIL	NIL



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on Financial Year ended on 31.03.2019**

Annexure II

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17115HR1993PLC032108
2.	Registration Date	15-09-1993
3.	Name of the Company	RICHA INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Plot No-29,DLF Industrial Area,Phase-II, Faridabad-121003 Tel:0129-4133968, Fax: 0129-413369
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd 44,Community Centre, 2nd Floor, Naraina Industrial Area Phase-I, Near PVR Naraina, New Delhi-110028 PH:011 4141 0592,93,94 Fax:011 4141 0591

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Textile	2365	34.57%
2	Construction and engineering (PEB)	3410	65.43%

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

Sl No	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1	Richa Krishna Construction Pvt. Ltd		Subsidiary	51	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-Wise Shareholding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									



(a)	Individuals / Hindu Undivided Family	5840555	0	5840555	'24.93	5840555	0	5840555	'24.93	'0.00
(b)	Central Government / State Government(s)	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(c)	Financial Institutions / Banks	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(d)	Any Other (Specify)									
	Bodies Corporate	8078774	0	8078774	'34.48	8078774	0	8078774	'34.48	'0.00
	Sub Total (A)(1)	13919329	0	13919329	'59.40	13919329	0	13919329	'59.40	'0.00
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(b)	Government	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(c)	Institutions	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(d)	Foreign Portfolio Investor	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.00	0	0	0	'0.0000	'0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	13919329	0	13919329	'59.40	13919329	0	13919329	'59.40	'0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(b)	Venture Capital Funds	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(c)	Alternate Investment Funds	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(d)	Foreign Venture Capital Investors	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(e)	Foreign Portfolio Investor	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(f)	Financial Institutions / Banks	1100	0	1100	'0.0047	1100	0	1100	'0.0047	'0.0047
(g)	Insurance Companies	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(h)	Provident Funds/ Pension Funds	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	'0.00	1100	0	1100	'0.0047	'0.0047
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	3153	0	3153	'0.0135	0	0	0	'0.0000	'-0.0135
	Sub Total (B)(2)	0	0	0	'0.00	0	0	0	'0.0000	'-0.0135
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	4789054	82	4789136	20.44	4781080	532	4781612	'20.40	'-0.0321
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2818284	0	2818284	12.02	3097605	0	3097605	'13.22	'1.19
(b)	NBFCs registered with RBI	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(c)	Employee Trusts	0	0	0	'0.00	0	0	0	'0.0000	'0.00



(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.00	0	0	0	'0.0000	'0.00
(e)	Any Other (Specify)									
	IEPF	0	0	0	0	3153	0	3153	0.0135	0.0135
	Hindu Undivided Family	407270	0	407270	'1.73	449483	0	449483	'1.91	0.180
	Non Resident Indians (Non Repat)	83537	0	83537	'0.35	119872	0	119872	'0.51	0.155
	Non Resident Indians (Repat)	250390	0	250390	'1.06	259818	0	259818	'1.10	0.040
	Clearing Member	595331	0	595331	'2.54	399762	0	399762	1.70	-0.834
	Bodies Corporate	562470	0	562470	'2.40	396116	0	396116	'1.69	-0.710
	Sub Total (B)(3)	9510588	82	9510588	'40.57	9509039	82	9509571	'40.58	-0.013
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	9510588	82	9510671	'40.59	9510139	532	9510671	'40.59	0.000
	Total (A)+(B)	23429918	82	23430000	'100.0	23429468	532	23430000	'100.000	0.000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.00	0	0	0	'0.0000	'0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.00	0	0	0	'0.0000	'0.00
	Total (A)+(B)+(C)	23429918	82	23430000	'100.00	23429468	532	23430000	'100.000	

## (ii) Shareholding of Promoters

Sr.N	Shareholder Name	Shareholding at the Beginning of the Year -2018			Shareholding at the End of the Year -2019			
		No of Shares held	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No of Shares held	% of total shares of the Company	% of Shares pledged/encumbered to total shares	% Change in shareholding during the year
1	RICHA HOLDINGS LIMITED	7621156	'32.52	'28.05	7621156	'32.52	'28.05	0.00
2	SANDEEP GUPTA	1152968	'4.92	'4.26	1152968	'4.92	'4.26	0.00
3	SUSHIL GUPTA	1100706	'4.69	'4.26	1100706	'4.69	'4.26	0.00
4	SUBHASH GUPTA	981667	'4.18	'0.00	981667	'4.18	'0.00	0.00
5	AKASH GUPTA	602223	'2.57	'0.00	602223	'2.57	'0.00	0.00
6	USHA GUPTA	591498	'2.52	'0.00	591498	'2.52	'0.00	0.00
7	GARIMA GUPTA	572223	'2.44	'0.00	572223	'2.44	'0.00	0.00
8	JEWEL GARMENTS PVT. LTD.	457618	'1.95	'0.00	457618	'1.95	'0.00	0.00
9	GEETA DEVI	435570	'1.85	'0.00	435570	'1.85	'0.00	0.00
10	MANISH GUPTA	318954	'1.36	'0.64	318954	'1.36	'0.64	0.00
11	SHWETA GUPTA	84746	'0.36	'0.00	84746	'0.36	'0.00	0.00
	Total	13919329	'59.40	'37.2297	13919329	'59.4081	'37.22	0.00


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

S. No.	Share Holder's Name	No. of the shares at the beginning of the year (01.04.2018)	% of the total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative shares during the year 31.03.2019	% of the total shares of the company during the year
1.	Richa Holdings Limited	7621156	32.52		No Change		7621156	32.52
2.	Sandeep Gupta	1152968	4.92		No Change		1152968	4.92
3.	Sushil Gupta	1100706	4.69		No Change		1100706	4.69
4.	Subhash Gupta	981667	4.18		No Change		981667	4.18
5.	Akash Gupta	602223	2.57		No Change		602223	2.57
6.	Usha Gupta	591498	2.52		No Change		591498	2.52
7.	Garima Gupta	572223	2.44		No Change		572223	2.44
8.	Jewel Garments (P) Limited	457618	1.95		No Change		457618	1.95
9.	Geeta Devi	435570	1.85		No Change		435570	1.85
10	Manish Gupta	318954	1.36		No Change		318954	1.36
11.	Shweta Gupta	84746	0.36		No Change		84746	0.36

**iv. Shareholding Pattern of Top Ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	INDIAN CLEARING CORPORATION LTD.	291000	1.24			291000	1.24
	AT THE END OF THE YEAR					291000	1.24
2	NAIDU VANGAPANDU GOPI	55000	0.2347			55000	0.2347
	Transfer			06 Apr 2018	7910	62910	0.2685
	Transfer			13 Apr 2018	17413	80323	0.3428
	Transfer			20 Apr 2018	10207	90530	0.3864
	Transfer			27 Apr 2018	2470	93000	0.3969
	Transfer			11 May 2018	7000	100000	0.4268
	Transfer			25 May 2018	500	100500	0.4289
	Transfer			01 Jun 2018	600	101100	0.4315
	Transfer			15 Jun 2018	1900	103000	0.4396
	Transfer			06 Jul 2018	2000	105000	0.4481
	Transfer			10 Aug 2018	100	105100	0.4486



	Transfer			24 Aug 2018	10900	116000	0.4951
	Transfer			07 Sep 2018	2000	118000	0.5036
	Transfer			14 Sep 2018	3200	121200	0.5173
	Transfer			21 Sep 2018	1800	123000	0.5250
	Transfer			29 Sep 2018	100	123100	0.5254
	Transfer			05 Oct 2018	400	123500	0.5271
	Transfer			26 Oct 2018	1500	125000	0.5335
	Transfer			16 Nov 2018	100	125100	0.5339
	AT THE END OF THE YEAR					125100	0.5339
3	ANAND CHANDER GULANI	100000	0.4268			100000	0.4268
	AT THE END OF THE YEAR					100000	0.4268
4	GANTA HANUMANTHARAO	95000	0.4055			95000	0.4055
	AT THE END OF THE YEAR					95000	0.4055
5	IMPACT LABS PVT LTD	82108	0.3504			82108	0.3504
	AT THE END OF THE YEAR					82108	0.3504
6	BINU VARGHESE THOMAS MAMPILLY	48000	0.2049			48000	0.2049
	Transfer			18 May 2018	919	48919	0.2088
	Transfer			31 Aug 2018	1581	50500	0.2155
	Transfer			29 Sep 2018	1000	51500	0.2198
	Transfer			04 Jan 2019	540	52040	0.2221
	Transfer			11 Jan 2019	6344	58384	0.2492
	Transfer			15 Mar 2019	6000	64384	0.2748
	AT THE END OF THE YEAR					64384	0.2748
7	MANISHA JAJODIA	60000	0.2561			60000	0.2561
	AT THE END OF THE YEAR					60000	0.2561
8	VIJAY SARDANA	36430	0.1555			36430	0.1555
	Transfer			06 Apr 2018	6350	42780	0.1826
	Transfer			22 Jun 2018	3000	45780	0.1954
	Transfer			30 Jun 2018	1000	46780	0.1997
	Transfer			06 Jul 2018	2500	49280	0.2103
	Transfer			13 Jul 2018	4300	53580	0.2287
	Transfer			20 Jul 2018	1200	54780	0.2338
	Transfer			27 Jul 2018	40	54820	0.2340
	Transfer			31 Aug 2018	1800	56620	0.2417
	Transfer			07 Sep 2018	205	56825	0.2425
	Transfer			29 Sep 2018	3300	60125	0.2566
	Transfer			12 Oct 2018	13800	73925	0.3155
	Transfer			16 Nov 2018	5100	79025	0.3373
	Transfer			30 Nov 2018	(4900)	74125	0.3164
	Transfer			07 Dec 2018	400	74525	0.3181
	Transfer			14 Dec 2018	8800	83325	0.3556
	Transfer			21 Dec 2018	(727)	82598	0.3525
	Transfer			28 Dec 2018	(5770)	76828	0.3279
	Transfer			04 Jan 2019	(6142)	70686	0.3017



	Transfer			18 Jan 2019	(2763)	67923	0.2899
	Transfer			25 Jan 2019	(2095)	65828	0.2810
	Transfer			01 Feb 2019	(6035)	59793	0.2552
	Transfer			08 Feb 2019	(560)	59233	0.2528
				15 Mar 2019	(769)	58464	0.2495
	AT THE END OF THE YEAR					58464	0.2495
9	KUSUM WADHWA	53649	0.2290			53649	0.2290
	Transfer			29 Mar 2019	(250)	53399	0.2279
	AT THE END OF THE YEAR					53399	0.2279
10	MAHESH KUMAR POKAR	49950	0.2132			49950	0.2132
	Transfer			19 Oct 2018	2000	51950	0.2217
	Transfer			09 Nov 2018	250	52200	0.2228
	AT THE END OF THE YEAR					52200	0.2228
11	BONANZA PORTFOLIO LTD						
	Transfer	55438	0.2366			55438	0.2366
	Transfer			06 Apr 2018	(4500)	50938	0.2174
	Transfer			04 May 2018	(200)	50738	0.2166
	Transfer			11 May 2018	(1000)	49738	0.2123
	Transfer			18 May 2018	(3746)	45992	0.1963
	Transfer			08 Jun 2018	(511)	45481	0.1941
	Transfer			15 Jun 2018	1000	46481	0.1984
	Transfer			03 Aug 2018	(50)	46431	0.1982
	Transfer			10 Aug 2018	(15000)	31431	0.1341
	Transfer			31 Aug 2018	(7250)	24181	0.1032
	Transfer			07 Dec 2018	50	24231	0.1034
	Transfer			14 Dec 2018	(50)	24181	0.1032
	Transfer			08 Feb 2019	2050	26231	0.1120
	Transfer			15 Feb 2019	(2050)	24181	0.1032
	Transfer			15 Mar 2019	500	24681	0.1053
	Transfer			22 Mar 2019	(500)	24181	0.1032
	Transfer			29 Mar 2019	(13752)	10429	0.0445
	AT THE END OF THE YEAR					10429	0.0445
12	PRAMOD CHIMMANLAL GUPTA	145000	0.6189			145000	0.6189
	Transfer			23 Nov 2018	(20106)	124894	0.5331
	Transfer			25 Jan 2019	(8840)	116054	0.4953
	Transfer			01 Feb 2019	(3050)	113004	0.4823
	Transfer			01 Mar 2019	(16666)	96338	0.4112
				08 Mar 2019	(96338)	0	0.0000
	AT THE END OF THE YEAR					0.00	0.00
13	BP EQUITIES PVT LTD	109150	0.4659			109150	0.4659
	Transfer			06 Apr 2018	(15150)	94000	0.4012
	Transfer			11 May 2018	6180	100180	0.4276
	Transfer			18 May 2018	(4180)	96000	0.4097
	Transfer			25 May 2018	(2000)	94000	0.4012

	Transfer			03 Aug 2018	400	94400	0.4029
	Transfer			31 Aug 2018	(400)	94000	0.4012
	Transfer			12 Oct 2018	(94000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	NITIN KAPIL TANDON						
	Transfer	69000	0.2945			69000	0.2945
	Transfer			08 Jun 2018	(42073)	26927	0.1149
	Transfer			15 Jun 2018	(26927)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

### V.Shareholding of Directors and Key Managerial Personnel

S. No.	Share Holder's Name	No. of the shares at the beginning of the year	% of the total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative shares during the year	% of the total shares of the company during the year
1.	Dr. Sandeep Gupta	1152968	4.92		No Change		1152968	4.92
2.	Mr. Manish Gupta	318954	1.36		No Change		318954	1.36

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Rs. in crores)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	206.83	-	-	206.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>206.83</b>	<b>-</b>	<b>-</b>	<b>206.83</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	80.22	-	-	80.22
* Reduction	11.00	-	-	11.00
Net Change	69.22			69.22
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	276.05	-	-	276.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>276.05</b>	<b>-</b>	<b>-</b>	<b>276.05</b>





**Vi. Remuneration of directors and key managerial personnel**
**A. Remuneration to Managing Director, Whole Time Director and /or Manager**

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (In Rs)
		Director	Managing Director	
		Manish Gupta	Sandeep Gupta	
1	<b>Gross Salary</b>			
	(a) Salary as per provision contained in Section 17 (1) of the Income Tax Act, 1961	10,50,000	17,50,000	28,00,000
	(b) Value of Perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in Lieu of Salary u/s 17 (3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission As % of Profit Others, specify	-	-	-
5	Others, Please specify	-	-	-
<b>Total (A)</b>		10,50,000	17,50,000	28,00,000
Ceiling as per the Act				

**B. Remuneration to other Directors:**

Sr. No	Particulars of Remuneration			Total Amount (In Rs)
		Nitin Agarwal	Bhawana Singhal	
1	<b>Independent Director</b>			
	Sitting Fee for attending Board/Committee Meetings	20000	70,000	90,000
	Commission			
	Others, Please Specify			
	<b>Total (1)</b>	20,000	70,000	90,000
2	<b>Other Non-Executive Directors</b>			
	Sitting Fee for attending Board/Committee Meetings	NIL	NIL	NIL
	Commission			
	Others, Please Specify			
	<b>Total (2)</b>	NIL	NIL	NIL
	<b>Total Managerial Remuneration Total (B)=(1+2)</b>	20,000	70,000	90,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Rs)
		CFO	CS	
		Sushil Kumar Nayak	Gaurav Yadav	
1	<b>Gross Salary</b>			
	(d) Salary as per provision contained in Section 17 (1) of	10,00,000	3,97,195	13,97,195





	<b>the Income Tax Act, 1961</b>			
	<b>(e) Value of Perquisites u/s 17 (2) of the Income Tax Act, 1961</b>	-	-	-
	<b>(f) Profits in Lieu of Salary u/s 17 (3) of the Income Tax Act, 1961</b>	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission As % of Profit Others, specify</b>	-	-	-
<b>5</b>	<b>Others, Please specify</b>	-	-	-
<b>Total (A)</b>		<b>10,00,000</b>	<b>3,97,195</b>	<b>13,97,195</b>
<b>Ceiling as per the Act</b>				

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees impose	Authority (RD/NCLT/COURT)	Appeal Made if any (give details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For Richa Industries Limited  
(Under CIRP)

Arvind Kumar

Resolution Professional

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



(Richa Industries Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Arvind Kumar, appointed by the National Company Law Tribunal by order dated 21st December, 2018 and continued as Resolution Professional approved by the Committee of Creditors in its meeting held on 17<sup>th</sup> January, 2019 under the provisions of the Code.)

Date: 14.08.2021

Place: Faridabad

A handwritten signature in black ink, appearing to be 'AR'.

**ANNEXURE-III**

**Form No-MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019**

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

To,  
The Members,  
**Richa Industries Limited**  
Plot No.29, DLF Industrial Area,  
Phase-II, Faridabad  
Haryana--121003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Richa Industries Limited (CIN-L17115HR1993PLC032108)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We Report That:

- 1 Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produce for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records produce for our audit.
3. We have not verified the correctness and appropriateness of financial records, books of accounts of the Company
4. Compliance with the provision of Corporate and other applicable laws, rules, regulations standards is the responsibility of the management. Our examination was limited to the verification of procedure followed by the company on test basis.
5. While forming an opinion on compliance and issuing the secretarial audit report, we have also taken into consideration the compliance related actions taken by the company after 31st March 2019.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 the company has not complied with the statutory provisions listed hereunder and also that the Company has not proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

The Corporate Insolvency Resolution Process (“CIRP”) has been initiated, on a petition filed by Tata Bluescope Steel Limited against Richa Industries Limited (“the Company”), vide an Order dated 18-12-2018 (“Insolvency Commencement Date”) by the Hon’ble National Company Law Tribunal (“NCLT”), Chandigarh Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 (“the Code”). Mr. Arvind Kumar, IP Registration No. IBBI/IPA-001/IP-P00178/2017-2018/10357 has been appointed as Interim Resolution Professional (“IRP”) to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional (“RP”) by the committee of creditors (“CoC”) of the Company in the meeting held on January 17, 2019 under the provisions of the Code. Pursuant to the Hon’ble NCLT Order for commencement of the CIRP and in line with the Provisions of the Code, the power of the Board of Directors stands suspended and same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code.

- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings(**Not applicable to the Company during the Period under the Review**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the securities and exchange board of India (Prohibition of Insider Trading) Regulation, 2016;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable as the company has not issued any further share capital during the period under the review**)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the period under the review**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(*The Company issue secured, unlisted, redeemable Non – Convertible Debentures and there is default in repayment of interest since December 2017*)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable as the Company as it is not registered as Registrar and Transfer Agents with SEBI**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(**Not applicable to the Company during Period under the review**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(**Not applicable to the Company during the Audit Period**);

The management has identified and confirms with the following laws apply specifically to the Company:

- (1) Textile Committee Act, 1963

- (2) Textile (Development & Regulation) Order, 2001
- (3) Textile (Consumer Protection) Regulations, 1988

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company as given in **Annexure I**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Meetings of The Board Of Directors (SS-1) and General Meetings (SS-2).
- (iii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into by the company with BSE Limited.

During the period under review the Company has not complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is not duly constituted and also there is no independent Women Director on the Board of the Company Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes.

*I further Report that there is No Internal Auditor appointed by the Company under section 138 of companies Act, 2013.*

**I further report that** there are no adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Due to the several un-favorable circumstances occurred at the end of the financial year 2018-19 the company could not call to convene the AGM for the period ended on 31.03.2019 within the stipulated time. The Company had applied for the extension of time for conducting of AGM for the F.Y. 2018-19 and it was approved by the Registrar of Companies and the same was intimated to the Bombay Stock Exchange where the company was listed.

As on the date of this report , on seeking Expression of Interest during CIRP no Resolution Plan got the approval of COC and hence, application under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed before the Hon'ble NCLT Chandigarh Bench

Date: 15.01.2021  
Place: Faridabad

**For Arun Goel & Associates**  
**Company Secretaries**

Sd/-

UDIN:- F0098923002003928

**Arun Goel**  
**C.P. No 12508**  
**FCS No 9892**

**This report is to be read with my letter of even date which is annexed as Annexure-II and forms an integral part of this report.**

## CORPORATE GOVERNANCE REPORT

Corporate Governance is the set of policies, processes and practices governing the affairs of a Company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have been strengthened and institutionalized at Richa. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholders' value.

Keeping in view the Company's size, complexity, global operations and corporate traditions, the Company's Governance framework is based on the following main principles:

- ❖ Constitution of Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- ❖ Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- ❖ A sound system of risk management and internal control.
- ❖ Independent verification and safeguarding integrity of the Company's financial reporting.
- ❖ Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- ❖ Transparency and accountability.
- ❖ Fair and equitable treatment to all stakeholders including employees, customers, shareholders and investors.
- ❖ Compliance with all the rules and regulations.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

In accordance with Bombay Stock Exchange and the best practices followed internationally on Corporate Governance, the details of governance systems and processes are as under:

### 1. Company's Philosophy on Code of Governance

Corporate Governance deals with the complex set of relationships between the Company and its Board of Directors, management, shareholders, and other stakeholders. Your Company believes that changes are inevitable in the corporate world, whether relating to laws, rules, regulations, standards, procedures, public disclosures, thereby constantly posing challenges for the corporate to meet with the highest set of standards of business ethics and fair play. However adherence to Corporate Governance practices at each such time shall lead the way to transparent and just business operations.

### INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS

**The Corporate Insolvency Resolution Process ("CIRP") has been initiated, on a petition filed by Tata Bluescope Steel Limited against Richa Industries Limited ("the Company"), vide an Order dated 18-12-2018 ("Insolvency Commencement Date") by the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Arvind Kumar, IP Registration No. IBBI/PA-001/IP-P00178/2017-2018/10357 has been appointed as Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional ("RP") by the committee of creditors ("CoC") of the Company in the meeting held on January 17, 2019 under the**



provisions of the Code. Pursuant to the Hon'ble NCLT Order for commencement of the CIRP and in line with the provisions of the Code, the power of the Board of Directors stands suspended and same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code. Further vide an Order dated June 7, 2019, Hon'ble NCLT has extended the CIRP period for a further period of 90 days beyond the initial a statutory period of 180 days. Pursuant to the non-approval of resolution plan, the COC in its meeting held on 03.09.2019 has passed a resolution for liquidation of Company and directed the Resolution Professional to file an application, seeking an order of liquidation, before Adjudicating Authority "AA"; consequent to which, the RP has filed an application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

## 2. Board of Directors

### Composition and Category

The Board of Directors of the Company ("the Board") provides leadership and guidance to the Company's Management and also supervises, directs and manages the performance of the Company. The Board has constituted various Committees of Directors, for the matters requiring special attention and their effective and efficient disposal.

Details of the Directors constituting the Board, their category, shareholding in the Company, number of Directorships in other public limited companies etc. are as follows:

Directorship/Committee Membership as on March 31, 2019

Name	Designation	DIN	Category	Shareholding in Company (No. of Shares)	Directorships in other public companies (Including Richa)	No. of Board memberships held in all public companies (Including Richa)	No. of Board Chairmanships held in all public companies (Including RIL)	Date of Change among the direct appointment/ Cessation
Mr. Manish Gupta	Director	00035828	Executive	168954	2	1	NIL	Resigned 10.10.2018
Dr. Sandeep Gupta	Managing Director	00035751	Executive Non-Independent	1152968	2	4	1	
Mr. Nitin Agarwal	Independent Director	03447905	Non-Executive Independent	NIL	1	4	NIL	Resigned 23.10.2018
Mr. Lavesh Kansal	Director	07481847	Executive	NIL	1	NIL	NIL	
Ms. Bhawana Singhal	Independent Director	07479682	Non-Executive Independent	NIL	1	3	3	Resigned 01.10.2018
Mr. Abhay Bansal	Director	03447905	Executive	NIL	1	NIL	NIL	
Mr. K. V. Prabhakar	Independent Director	07168947	Non-Executive Independent	NIL	2	3	3	

Note:

- The office of Mr. K. V. Prabhakar, Additional Director (Independent) has been vacated by operation of law for want of regularization of his appointment by shareholders in the 25<sup>th</sup> Annual General meeting which ought to be held before 30.09.2019
- The office of Mr. Abhay Bansal, Additional Director has been vacated by operation of law for want of regularization of his appointment by shareholders in the 25<sup>th</sup> Annual General meeting which ought to be held before 30.09.2019





**Notes:**

Directorship excludes Private Limited Companies, foreign companies and Alternate Directorship Chairmanship / Membership of Committee include Audit Committee and Stakeholders Relationship Committee and Nomination and Remuneration Committee and Corporate Social Responsibility Committee in Indian Public Companies including Richa Industries Limited. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

**Directors' Profile**

Brief resume of all the Directors, nature of their expertise in specific functional areas are provided below:

**Dr. Sandeep Gupta**  
**(DIN 00035751)**

Dr. Sandeep Gupta is the Managing Director of the Company. With more than 20 years of experience in the industry, he has left no stone unturned in taking the organization to the zenith of success. Highly motivated and results driven professional, Dr. Gupta focuses on developing and maintaining the corporate strategies, expansion & growth plans of the company, resource mobilization and Finance, Marketing and HR initiatives of Richa Industries Limited. The brain of Richa, Dr. Sandeep Gupta has done Doctorate in Management, Masters of Business Studies in Marketing, Graduate in Industrial Relations and Personnel Management from CVS Delhi University and Diploma in Apparel Production Technology from Pearl Institute & Diploma in Sales & Marketing from NIS (National Institute of Sales). He has been awarded the FCCI Excellence Award for being the outstanding SME Entrepreneur.

**Mr. Manish Gupta**  
**(DIN: 00035828)**

Shri Manish Gupta, aged 38 years is the Whole Time Director of your Company w.e.f. 29.12.2005. He joined the Company on July 1, 2002. He is in charge of overall working of plant including knitting, processing, dyeing and administration. His key area includes development of annual marketing plan in conjunction with sales department. Evaluate customer research, market conditions, competitor data & implements marketing plan for business development. He has 10 years experience in the line of textile industry. He has done B.Tech in Textile Chemistry from Shivaji University, DKTE, Ichalkaranji, Maharashtra. He has resigned from the directorship of the company on 1st October, 2018 due to some preoccupations

**Mr. Nitin Aggarwal**  
**(DIN 03447905)**

Mr. Nitin Aggarwal aged about 38 years, has an experience of over 12 years in the field of law. Now he is an entrepreneur and doing his own business and with his experienced company gained momentum. He has resigned from the directorship of the company on 23rd October, 2018 due to some preoccupations

**Ms. Bhawana Singhal**  
**(DIN:07479682)**

A Qualified FCA, with over 22 years rich experience in Accounts/Finance/Auditing in the Industry. She is well versed with statutory requirements under different laws, HR and general administration and she also qualified cost and work accountant, (ICWA). She is having a rich experience of Concurrent Audit, Statutory Audit, Revenue Audit, Stock Audit of borrowers of banks i.e. Central Bank of India, Allahabad Bank, Indian Overseas Bank, Oriental Bank of Commerce, Bank of India, State bank of Patiala, Union Bank of India, Punjab National Bank etc. She has resigned from the directorship of the company on 1st October, 2018 due to some preoccupations



**Mr. LaveshKansal**  
(DIN: 07481847)

An Architect by profession, Mr. LaveshKansal has done his B.Arch from Manit Bhopal, the recognized Institute and having a work experience of 22 years in this field. He has designed and supervised many projects of reputed groups like Crown and also in the areas of Shopping malls, Group housing, Multi-storey building, Steel Building, Warehousing, Township, IT Parks etc. Being a qualified Professional and with his rich experience and knowledge the company will gain momentum and highly driven results in this division.

**Mr. Abhay Bansal**  
(DIN:03447905)

Shri Abhay Bansal has 5 years of rich experience in Marketing and Human Resource. He has done MBA in Human Resource and Marketing from S.D. Institute of technology & Management, Kurukshetra. HE has joined the Company w.e.f October 23, 2018

**Mr. K.V. Prabhakar**  
(DIN: 07168947)

Shri K.V. Prabhakar is an Independent Director in Gilada Group Company, M/s Gilada Finance and Investments Limited and Board Consultant and Advisor to MisSreeCharanSouharda Cooperative Bank Limited-Urban Cooperative Limited.

Shri K.V. Prabhakar has done MBA (Finance) from All India Management Association, New Delhi, and has done Diploma in Information technology (SMU University), Certification on Corporate Governance and having around 38 years of experience in syndicate Bank as Assistant Manager, Branch Manager, Senior Manager, Chief Manager in Risk Management, Credit Monitoring and Review Department, Inspection Department etc. He has joined the company as an Independent Director with effect from 01.10.2018.

**Independent Directors**

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and regulation 16 (b) of the SEBI (Listing Obligation and Disclosure Requirements), 2015. A Formal letter of appointment to independent Directoras provided in Companies Act, 2013 and the Listing Regulation has been issued and disclosed on website of the Company.

**Board Procedure**

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results etc. This ensures timely and informed decision by the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of every Board Meeting, on the overall performance of the Company.

**Attendance of each Director at the Board Meetings and at the last Annual General Meeting of the Company held during the financial year 2018-19 is given below:**

Name of the Director	Attendance of meetings during 2018-19	
	Board Meetings	Last AGM





Dr. Sandeep Gupta	5	Yes
Mr. Nitin Agarwal	2	Yes
Mr. LaveshKansal	3	Yes
Ms. Bhawana Singhal	2	Yes
Mr. Manish Gupta	2	Yes

#### Number of Board Meetings held with dates

Five Board Meetings were held during the financial year 2018-19. The Company is required to hold at least one Board Meeting in every three months and the maximum time gap between any two such meetings shall not be more than four months. The details of the Board Meetings held during the period under review are as:

Date	Board Strength	Number of Directors Present
May 30, 2018	5	5
August 14, 2018	5	5
October 01, 2018	5	4
October 23, 2018	5	4
November 14, 2018	4	3

#### Selection of Agenda Items for Board Meetings

All the departments of the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board/Committees of the Board to enable him to include the same in the agenda for the Board/Committee meeting(s). Agenda papers are generally circulated to the Board/Committee members well in advance before the meeting.

All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to or by the Company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implication on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investment, subsidiaries, assets, which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

#### Recording Meetings of proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Boardmeeting and Committeeof Board Meeting. Drafts minutes are circulated to Board/ BoardCommittee members for their comments. The Minutes are entered in the Minutes Book within 30 days from the conclusion of the Meeting. The Company Secretary while preparing the agenda and minutes of the Board/Committee meeting has ensured adherence to the applicable provisions of the law including the Companies Act, 2013 read with rules issued thereunder as applicable. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also being followed by the Company. The draft minutes of the proceedings of each meeting duly initialed by the Chairman of the meeting are being circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

### **Post Meeting Mechanism**

Important decision taken at Board/BoardCommittee meetings are communicated to the concerned departments/divisions.

### **Board Support**

The Company Secretary attends the Board Meeting and advices the Board on Compliances with applicable laws and governance.

### **Familiarization Program of Director**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliance required from him under the Companies Act, 2013, listing Regulation. The Chairman and Managing Director also holdone to one discussion with the newly appointed Director to familiarize him with the Company Operations. Further, on an ongoing basis as a part of Agenda of Board/Committee Meetings with independent Director on various matter inter-alia covering the companyand its operation, industry and responsibility of the Independent Director under various statues and other relevant matters.

### **Insider Trading Code**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“The PIT Regulations”) The PIT Regulations has come into effect from May 15, 2015and replaced the earlier regulations. The object of the PIT regulations is to curb the practice of Insider trading in the securities of a listed Company. The Company has adopted an Internal Code of Conduct for regulating, Monitoring and reporting of trades by Insiders (“the Code”) in accordance with the requirements of PIT Regulation. The Code is applicable to Promoter and Promoters Group, all Directors and designated employees who are expected to have access to unpublished price sensitive information relating to the Company, the Company Secretary is the Compliance officer for monitoring adherence to the said regulations.

## **3. Committees of the Board**

The Board of Director’s have constituted Board Committees to deal with specific areas and activities which concerns the Company and requires a closer view. The Board Committees are formed with approval of the Board. The Committees play an important role in the overall management of day-to-day affairs and governance of the company.

### **Audit Committee**

#### **Composition**

The Audit Committee of the Boardof Directors, (“the Audit Committee”) is entrusted with the responsibility to supervise the Company internal controls and financial reporting process. The Committee composition meets with requirements of Section 177 of the Companies Act, 2013 and the provision of Regulation 18 of



the Listing Regulation. All these Directors possess adequate knowledge of finance, accounts and Company law.

The Company Secretary acts as Secretary to the Committee. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

#### Composition of the Committee

<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
Ms. Bhawana Singhal	Chairman	Independent Director
Mr. Nitin Agarwal	Member	Independent Director
Dr. Sandeep Gupta	Member	Executive Director

The Audit Committee reports to the Board and the roles, responsibilities and the terms of reference of the same are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company;
- Approving of payment to statutory auditors including cost auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
  - h. Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the reports submitted by the



monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

#### **Reviewing of information by Audit Committee**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- 



## MEETINGS AND ATTENDANCE

The Audit Committee held Three meetings during the financial year ended March 31, 2019 and the gap between two meetings did not exceed four months. The Audit Committee Meetings were held on May 30, 2018; August 14, 2018; November 14, 2018.

The attendances of the members at the Audit Committee Meetings are as under:

Name of Member	No. of Meetings held during tenure	No. of Meetings attended during tenure	Leave of absence sought
Ms. Bhawana Singhal	3	3	Nil
Mr. Nitin Agarwal	3	3	Nil
Dr. Sandeep Gupta	3	3	Nil

**Note-Bhawana Singhal (Independent Director) has resigned from the directorship of the company w.e.f 01.10.2018 and Nitin Agarwal(Independent Director) has resigned from the directorship w.e.f 23.10.2018. Due to insufficient number of Independent Directors on the board of the company, Audit Committee is not properly constituted at the end of the FY 2018-19.**

## Remuneration and Nomination Committee

### Composition

The Composition of Remuneration and Nomination Committee is pursuant to provision of Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements), 2015

Name of Member	Designation	Category
Ms. Bhawana Singhal	Chairman	Independent Director
Mr. Nitin Agarwal	Member	Independent Director
Dr. Sandeep Gupta	Member	Executive Director

The chairman of the Nomination and Remuneration Committee was present at the Twenty- Fourth Annual General Meeting of the Company held on September 30, 2018 to answer the shareholders' queries

Terms of the Reference of the Committee, inter alia, includes the following:

To Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;

To Formulate of criteria for evaluation of Independent Directors and the Board;

To Devise a policy on Board diversity;

To Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and to recommend to the Board their appointment and/ or removal.

To extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.

## MEETINGS AND ATTENDANCE

The Nomination and Remuneration Committee met One time during the financial year ended May 30, 2018.

The Nomination and Remuneration Committee meeting was held on 30<sup>th</sup> May, 2018.



The attendance of the member at the Nomination and Remuneration Committee meeting is as under:

Name of Member	No. of Meetings held during tenure	No. of Meetings attended during tenure	Leave of absence sought
Ms. Bhawana Singhal	1	1	NIL
Mr. Sandeep Gupta	1	1	NIL
Mr. Nitin Agarwal	1	1	NIL

**Note- Bhawana Singhal (Independent Director) has resigned from the directorship of the company w.e.f 01.10.2018 and Nitin Agarwal (Independent Director) has resigned from the directorship w.e.f 23.10.2018. Due to insufficient number of Independent Directors on the board of the company, Remuneration and Nomination Committee is not properly constituted at the end of the FY 2018-19.**

### Remuneration Policy

#### A. Remuneration to Non-Executive/ Independent Directors

The Non-Executive Directors/Independent Directors are paid remuneration by way of sitting fees. The Non-executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them and also Ms. Bhawana Singhal gets fees on Monthly Basis as per agreed term of appointment. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act.

#### B. Remuneration to Managing/ Whole Time Director, KMP & Senior Management

Payment of remuneration to the Managing Director/Whole-time Director(s) is governed by resolution passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the Company. Remuneration paid to Chairman and Managing Director and Whole-time Director(s) is recommended by the Nomination and Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the Annual General Meeting.

The remuneration package of Chairman and Managing Director and Whole-time Director(s) comprises of salary, perquisites and allowance and contributions to provident fund as approved by the shareholders at the Annual General Meeting. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the HR policies of the Company.

The Company does not have a scheme for grant of stock options or performance linked incentive for its Directors. There is no separate provision for payment of severance fees.

### Remuneration paid to the Directors during the year 2018-19:

#### (a) NON EXECUTIVE DIRECTOR

Name of the Director	No of shares held	Sitting Fees/Monthly fees	Commission	(In Rs.)
				Total
Mr. Nitin Agarwal	NIL	20,000	NIL	20,000
Ms. Bhawana Singhal	NIL	70.000	NIL	70,000





**(b) EXECUTIVE DIRECTORS****(In Rs.)**

<b>Name</b>	<b>Salary#</b>	<b>Perquisites</b>	<b>Provident Fund</b>	<b>Total</b>
Mr. Manish Gupta	10,50,000	-	-	10,50,000
Dr. Sandeep Gupta	17,50,000	-	-	17,50,000

# excludes provision for gratuity and leave encashment.

**INDEPENDENT DIRECTOR MEETING**

Independent Director Meeting was not held during the financial year 2018-19 due to resignation of two Independent Directors and the Company is under CIRP from 21.12.2018; consequent of which powers of Board of Directors has been suspended.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committee.

The performance evaluation of the independent Directors was completed. The performance evaluation of the Chairman and the non-Independent Director was carried out by the Independent Director. The Board of Directors expressed their satisfaction with the evaluation process.

**Stakeholders Relationship Committee****Composition**

The Stakeholder Relationship Committee is primary responsible to review all the matters connected with the Company transfer of securities and redressal of Shareholders'/ investors,/ security holders, complaints.

The Committee Comprises of Three Directors, of the Committee.

<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
Ms. Bhawana Singhal	Chairman	Independent Director
Mr. Nitin Agarwal	Member	Independent Director
Dr. Sandeep Gupta	Member	Executive Director

**Terms of Reference**

- Oversee and review all matters connected with the transfer of the Company Securities
- Approve issue of the Company duplicate Share/debenture certificate
- Monitor redressal of investors'/shareholders'/security holders' grievances



- Oversee the performance of the Company's Registrars and transfer agents
- Recommend methods to upgrade the standard of services to investors
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification /amendment or modification as may be applicable.

The Minutes of the Stakeholders Relationship Committee were noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

#### **Meetings:**

Two Committee Meetings were held during the year on May 30, 2018 and August 14, 2018

Name of Member	No. of Meetings held during tenure	No. of Meetings attended during tenure	Leave of absence sought
Ms. Bhawana Singhal	2	2	NIL
Dr. Sandeep Gupta	2	2	NIL
Mr. Nitin Agarwal	2	2	NIL

#### **Complaints from Investors**

No. of complaints pending at the beginning of the year : Nil

No. of complaints received by correspondence during the year ended 31.03.2019 : Nil

No. of complaints received for Refund Instrument correction during the year : Nil

No. of complaints received from B.S.E during the year : Nil

No. of complaints received from SEBI during the year : Nil

No. of complaints resolved / replied during the year : Nil

\*No. of Investors complaints pending at the ending of the year 31.03.2019 : Nil

We confirm that no complaint remained unattended /pending for more than 30 days.

\*There were no share transfers pending for registration for more than 21 days as on the said date.

**Note- Bhawana Singhal (Independent Director) has resigned from the directorship of the company w.e.f 01.10.2018 and Nitin Agarwal(Independent Director) has resigned from the directorship w.e.f 23.10.2018. Due to insufficient number of Independent Directors on the board of the company, Stakeholder Relationship Committee is not properly constituted at the end of the FY 2018-19.**

#### **Corporate Governance Manual**

The Board of Directors of the Company approved and adopted a comprehensive Corporate Governance Manual setting out the procedures for effective functioning of the Board and its Committees. It also incorporates the Code of Conduct and Ethics for Directors and Senior Management, Code of Ethics for Employees. These policies are regularly monitored and reviewed.



## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition

The Corporate Social Responsibility (CSR) Committee comprises of Three Director Shri. Sandeep Gupta, Shri Manish Gupta, Shri Nitin Agarwal. The Composition of CSR Committee is pursuant to provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The company formulated a CSR Policy.

Name of Member	Designation
Mr. Sandeep Gupta	Chairman
Mr. Nitin Agarwal	Member
Mr. Manish Gupta	Member

**Note- Nitin Agarwal(Independent Director) has resigned from the directorship w.e.f 23.10.2018 and Manish Gupta (Director) has resigned from the directorship w.e.f 10.10.2018. Due to insufficient number of Directors on the board of the company, Corporate Social Responsibility is not properly constituted at the end of the FY 2018-19.**

### Term of Reference

**To review the existing CSR policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013**

**To provide guidance on various CSR Activities to be undertaken by the Company and to monitor process**

### Meetings:

The CSR Committee met one time during the year on 30th May, 2018. The necessary quorum was present in the meeting. The table below provides the attendance of the CSR Committee members:

Name of Member	No. of Meetings held during tenure	No. of Meetings attended during tenure	Leave of absence sought
Mr. Sandeep Gupta	1	1	NIL
Mr. Nitin Agarwal	1	1	NIL
Mr. Manish Gupta	1	1	NIL

## 4. GENERAL BODY MEETINGS

### Annual General Meetings

The details of last three Annual General Meetings of the Company are given hereunder:

AGM	Financial Year	Date and Time	Venue	Special Resolution Passed
22 <sup>nd</sup>	2015-2016	13 <sup>th</sup> August, 2016, 10.00 A.M.	Hotel Delite, 17-18, Neelam Bata Road, Faridabad-121001	To consider appointment of Ms. Bhawana Singhal as an Independent Director of the Company To consider appointment of Mr. LaveshKansal as an (Professional Director- EPC Division) of the Company Revision in remuneration of Dr. Sandeep Gupta Managing Director



				of the Company Revision in remuneration of Mr. Sushil Gupta Chairman cum Director of the Company Revision in remuneration of Mr. Manish Gupta President Textile of the Company Approval of Cost Auditor Remuneration Authorize Borrowing by way of issuance Non-Convertible Debentures/Bonds/Other Instruments Preferential Allotment of Equity Shares
23 <sup>rd</sup>	2016-2017	26 <sup>th</sup> September, 2017	Hotel Delite, 17-18, Neelam Bata Road, Faridabad-121001	No Special Resolution
24 <sup>th</sup>	2017-2018	29 <sup>th</sup> September, 2018	Plot No 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana	No Special Resolution

### Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial year 2018-19.

### Postal Ballot

No Postal Ballot was conducted during the financial year 2018-2019.

### 5. Disclosure

- a) The company has not appointed women Director after 01.10.2018 as required by the Companies Act, 2013 and SEBI (LODR), 2015.
- b) There were frequent resignations of the Directors since October, 2018. There is no proper composition of the Board. Most of the senior employees and other staff have also resigned.
- c) The Company is under CORPORATE INSOLVENCY RESOLUTION PROCESS ("CIRP") under Insolvency and bankruptcy code, 2016 vide order dated 18.12.2018 of Hon'ble National Company Law Tribunal, Chandigarh Bench, Mr. Arvind Kumar has been appointed as an Interim Resolution Professional as per the provision of the code. Further the Committee of creditors constituted during CIRP has confirmed the appointment of Mr. Arvind Kumar as the Resolution Professional on 17.01.2019 for the Company.  
As per the Insolvency and Bankruptcy Code, 2016 public announcement was made inviting the claims from the creditors and during the Corporate Insolvency Resolution Process ("CIRP") Expression of Interest was invited for submitting the Resolution Plan for Richa Industries Limited. One Resolution Plan, received from the Resolution Applicant was placed before the Committee of Creditors for approval. The plan submitted was not approved and COC resolved to liquidate the Company. An application under section 33 of the Insolvency and Bankruptcy Code 2016 has been filed seeking order of liquidation from Adjudicating Authority.
- d) Due to initiation of Corporate Insolvency Resolution Process since 18.12.2018 the powers of the Board of Directors & Committee thereof has been suspended.
- e) The Company had applied for the extension of time for conducting of AGM for the F.Y. 2018-19 and it was approved by the Registrar of Companies and the same was intimated to the Bombay Stock



Exchange were the company was listed.

- f) The Company has not complied with the various provisions of the Companies Act, 2013 and SEBI (LODR) , 2015.

## 6.Means of Communication

The quarterly/half yearly and annual financial results are generally published in The Financial Express, in English and Jansatta, in Hindi.

## 7. General Shareholder Information

### ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2018-2019

**Day:** Thursday  
**Date:** September 30, 2021  
**Time:** 10.00A.M.  
**Venue:** Plot No -29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana

### b) Financial Year

1st April to 31st March

### Tentative Calendar for the financial Year ending March 31, 2019

Sr. No	Particular	Tentative Dates
1	First Quarter Results	In or before Third week of June2019
2	Second Quarter & Half Yearly Results	In or before Third week of November, 2019
3	Third Quarter & Nine Months Results	In or before Third week of February, 2020
4	Fourth Quarter & Annual results	In or before Fifth week of May, 2020

### Listing of Equity Shares on Stock Exchanges and Stock Code and Payment of Listing Fee

The shares of the Company are listed on the following Stock Exchange

Bombay Stock Exchange Limited (ISIN: INE516H01012)  
 Stock Code: 532766

### Book Closure

September 24, 2021 to September 30, 2021 (both days inclusive)

### Listing fees

Annual Listing fee for the financial year 2018-19 has been paid to BSE Limited wherein the Equity Shares of the Company are Listed.

### Payment of Depository Fees

Annual Custody/Issuer Fee for the year 2018-2019 has been paid to both the Depositories i.e. NSDL and CDSL.

### Company Registration Details

The Company is registered in the State of Haryana, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate affairs (MCA) is L17115HR1993PLC032108



### Stock Market Data

Monthly high and low prices and the volume of equity shares of Richa Industries Limited at the Bombay Stock Exchange Limited (BSE).

MONTH	RICHA		BSE	
	High (Rs.)	Low (Rs.)	High	Low
April, 2018	12.95	9.80	35,213.30	32,972.56
May, 2018	10.80	6.81	35,993.53	34,302.89
June, 2018	7.80	4.67	35,877.41	34,784.68
July, 2018	5.72	4.70	37,644.59	35,106.57
August, 2018	7.40	5.00	38,989.65	37,128.99
September, 2018	6.79	5.00	38,934.35	35,985.63
October, 2018	4.99	3.11	36,616.64	33,291.58
November, 2018	5.34	3.36	36,389.22	34,303.38
December, 2018	4.25	3.09	36,554.99	34,426.29
January, 2019	3.63	1.75	36,701.03	35,375.51
February, 2019	1.75	1.26	37,172.18	35,287.16
March, 2019	1.50	1.22	38,748.54	35,926.94

### Registrar & Share Transfer Agent

M/s. Link Intime India Private Limited has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialization, dematerialization etc. can be made at the following address

#### LINK INTIME INDIA PRIVATE LIMITED

**Address** Noble Heights, 1st Floor,  
Plot NH 2,C-1 Block Lsc, Near  
Savitri Market, Janakpuri,  
New Delhi-110058

**Telephone** 011-41410592, 93, 94  
**Email** delhi@linkintime.co.in  
**Website** www.linkintime.co.in

### Share Transfer System

Shares sent for transfer in physical form are processed and transfer is completed by our Registrar and Share Transfer Agent within a period of Seven days from the date of receipt, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In Compliance with the SEBI Regulation (Listing Obligation and Disclosure Requirements) Regulations, 2015, a practicing Company Secretary carried out audit of the system of transfer and a certificate to that effect is issued



**Categories of Shareholders as on March 31, 2019**

Sr. No	Particular	No of Shares	% of Holding
(A)	<b>Promoter Holding</b>		
	(a) Individuals/Hindu Undivided Family	5840555	24.92
	(b) Bodies Corporate	8078774	34.48
	Sub Total (A) (1)	13919329	59.40
(B)	<b>Public Shareholding</b>		
	<b>1. Institutions</b>		
	(a) Mutual Funds	0.00	0.00
	(b) Financial Institutions/Banks	1100	0.00
	(c) Foreign Portfolio Investor	0.00	0.00
	(d) Insurance Companies	0.00	0.00
	(e) Foreign Financial Institution	0.00	0.00
	(f) Foreign mutual Fund	0.00	0.00
	Sub-Total (B) (1)	1100	0.00
	<b>2. Non-Institution</b>		
	(a) Bodies Corporates		
	(b) Individuals		
	I. Individual shareholders holding nominal share capital up to Rs 1lakh	4781612	20.40
	II. Individual shareholders holding nominalshare capital in excess of Rs. 1 lakh.	3097605	13.22
	(c) NBFC registered with RBI	2150	0.92
	(d) Foreign National	0.00	0.00
	(e) Hindu Undivided Family	449483	1.91
	(f) IEPF	3153	1.73
	(g) Non Resident Indian (non Repat)	119872	0.35
	(h) Non Resident Indian (Repat)	259818	1.09
	(i) Clearing Member	3997622.54	
	(j) Bodies Corporate	3961162.41	
	Sub Total (B) (2)	9509571	40.59
(B)	Total Public Shareholding	9509571	40.59
(C)	Shares held by custodian and against with depository receipts have been issued	0.00	0.00
	<b>Grand Total (A) + (B) +(C)</b>	<b>23430000</b>	<b>100</b>

**Dematerialization of Shares and Liquidity**

99.99 % of the Paid up Equity Share Capital of the Company is in the dematerialized form (NSDL-59.10% and CDSL-40.90%) as on March 31, 2018. The Company Equity Shares are compulsory traded in the Stock Exchange in the dematerialized mode and are available for trading under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India ) Limited.

**Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Bombay Stock Exchange. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.



### Equity Shares In the Suspense Account

As Per Regulation 34 (3) read with Schedule V of the Listing Regulation, the details of the Shares in the suspense Account are as follows:

<i>Particulars</i>	Demat		Physical	
	Number of Shareholders	Number of Equity Shares	Number of shareholders	Number of Equity Shares
Aggregate Number of Shareholders and the Outstanding share in the suspense Account lying as on April 1, 2018	4	835	0	0
Number of Shareholders who approached the Company for transfer of Shares from suspense Account during the year	0	0	0	0
Number of Shareholders to whom shares were transferred from suspense Account During the Year	0	0	0	0
Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying as on March 31, 2019	4	835	0	0
That the Voting Rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	0	835	0	0

### Plant Locations

The Company's manufacturing facilities are located at the following locations:

<b>Textile Division</b>	<b>Construction &amp; Engineering Division (PEB)</b>
Village Kawnra, Kheri-Jasana Road, Near Lingayas Institute of Management & Technology Faridabad-121101, Haryana	8 <sup>th</sup> km Stone, Ramnagar Road, NH 121, Kashipur, Udam Singh Nagar, Uttrakhand-244713

### Address for Correspondence

- (a) **Investor Correspondence:** For Share Transfer/Demat/Remat of shares or any other query in relation to the shares of the Company.

### LINK INTIME INDIA PRIVATE LIMITED

**Address** Noble Heights, 1st Floor,  
Plot NH 2,C-1 Block Lsc, Near  
Savitri Market, Janakpuri,  
New Delhi-110058

**Telephone** 011-41410592, 93, 94  
**Email** delhi@linkintime.co.in





**Website**

**[www.linkintime.co.in](http://www.linkintime.co.in)**

**(b) For grievance redressal and any query on Annual Report**

All request and other communication/ correspondence should be sent at the Company registered office at

Richa Industries Limited  
Plot No 29  
DLF Industrial Area  
Phase-II, Faridabad-121003

For Richa Industries Limited  
(Under CIRP)



Arvind Kumar

Resolution Professional

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

(Richa Industries Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Arvind Kumar, appointed by the National Company Law Tribunal by order dated 21st December, 2018 and continued as Resolution Professional approved by the Committee of Creditors in its meeting held on 17<sup>th</sup> January, 2019 under the provisions of the Code.)

Date: 14.08.2021

Place: Faridabad



**Sri Prakash & Co.**  
CHARTERED ACCOUNTANTS

**Baddi Office :** Near Laj Dharam Kanta,  
SCO 9, 1st Floor, Gupta Complex,  
Sai Road Baddi, Distt. Solan, (H.P.) 173205  
**Mob. :** 8679000678, 9318536111, 8627855800,  
**Ph. :** 01795-244678

**E-mail :** cadpindia@gmail.com, cadpindia@rediffmail.com

## 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, 2019, 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) 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, 2019, its profit (or Loss) and cash flows for the year ended on that date.



**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 Labagh 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 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 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. 172.19 Crore resulting into accumulated losses of Rs. 171.63 Crore and erosion of its Net worth as at March 31, 2019. The Company has obligations towards fund based borrowings aggregating to Rs. 268.94 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. 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. 46.78 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. Note 12 to the standalone financial statements, the Inventory valuing Rs. 11.82 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. 110.48 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. As informed by the Management, the company has depreciated / revalued its old stock and such loss of Rs. 34.46 Crore (Note 25) has been shown under extraordinary items.



- d. Note 15 to the standalone financial statements, in respect of balances available with statutory authorities and input credits aggregating to Rs. 16.99 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.
- e. 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.
- f. Note 11 to the standalone financial statement, the Company has sold 72000 shares of Richa Infrastructure Limited to Mr. Subhash Gupta at a loss of Rs. 71.28 lakhs (Note 25). The management has not provided any justification of the same.
- g. 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.
- 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. Note 6 and Note 7 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. 59.83 Crore included in financial statements are subject to reconciliation.
- l. Company has given Corporate Guarantee of Rs. 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 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><b><i>Accuracy Evaluation of claims submitted by Financial Creditors , Employees &amp; Operational Creditors</i></b></p> <p>Refer Notes 3toNote 7 to the Standalone 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 includedthefollowing:</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 Standalone Financial Statements</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of completed tax assessments and demandsfor the year ended March 31, 2019 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, 2018to 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, 2019, 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 Standalone 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 standalone 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>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.</p> <p>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.</p> <p>iii. 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.</p>
5.	<p><b><i>Accuracy Evaluation of property, Plant and Equipments</i></b></p> <p>Refer Notes 9 and 10 to the standalone 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>i. We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance</p>



		<p>obligations.</p> <p>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.</p> <p>iii. 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.</p>
6.	<p><b>Accuracy Evaluation of Trade Receivables</b></p> <p>Refer Notes 13 to the standalone 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 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.



## 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 Consolidated Financial Statements.

**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, 2019 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 35);



- 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, 2019;

For Sri Prakash & Co  
Chartered Accountants  
FRN: 002058C



CA Punit Kumar  
M. No.522295

Date: 04/06/2020  
Place: Faridabad  
UDIN:

## "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, 2019:

- 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, 2019.  
  
(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. 11.82 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.



- 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, 2019 is given below.

S. No.	Nature of Dues	Amount (Rs. In Lacs)
1	GST Payable	304.66

- (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, 2019, The amount outstanding as on 31.03.2019 is as under:

Particulars	Amount Outstanding asat 31.03.2019	Period of delay	Remarks, if any
Indian Overseas Bank			
Term Loan	7,08,39,917	Since Jan 2018	Non-payment of Interest and Instalment



Working Capital Loan Textiles-Division	72,88,97,180	Since Oct 2017	Due to non-payment of interest and non-adjustment of overdrafts.
PEB-Division	92,43,84,951	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
<b>Corporation Bank</b>			
Working Capital Loan	60,64,99,986	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	78,74,615		

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

Particulars	Amount Outstanding as at 31.03.2019
Reliance Commercial Finance Ltd	40,062,329
Jainsons Fin-lease Limited	5,90,72,776
Kotak Mahindra Bank	820852
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 paid the managerial remuneration: -

S. No.	Name	Amount (In Rs.)
1	Sandeep Gupta	20,00,000
2	Manish Gupta	24,00,000
3	Lavesh Kansal	8,30,796

- 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: 04/06/2020  
Place: Faridabad

For Sri Prakash & Co  
Chartered Accountants  
FRN: 002058C

CA Punit Kumar  
M. No.522295





**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, 2019 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 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, 2019:

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

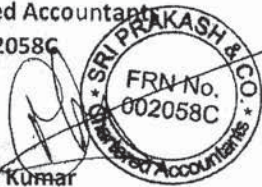
In our opinion, except for the possible effects of material weaknesses described in "basis of qualified opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and Such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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, 2019, 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



CA Punit Kumar

M. No.522295

Date: 04/06/2020

Place: Faridabad

UDIN:

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

PART II - STANDALONE STATEMENT OF PROFIT AND LOSS

For the Period Ended March 31, 2019

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

(Amount in ₹)

Particulars	Note No.	For the period 01-04-2018 to 31-03-2019	For the period 01-04-2017 to 31-03-2018
I. Revenue from operations	16	1,556,701,771.94	1,924,589,541.50
II. Other Income	17	10,056,083.50	5,081,448.92
III. Total Revenue(I+II)		1,566,757,855.44	1,929,670,990.42
IV. Expenses:			
Cost of materials consumed	18	1,318,919,014.55	1,654,460,468.66
Purchase of Stock in Trade	19	-	204,228,231.42
Changes in inventories of finished goods work-in-progress consumable	20	591,583,100.49	329,107,372.34
Employee benefits expenses	21	129,798,715.53	170,740,594.98
Finance costs	22	356,523,901.67	311,372,819.69
Depreciation and amortization expenses	23	92,538,711.72	90,601,149.30
Other cost	24	429,489,562.66	202,128,114.91
Total expenses		2,918,853,006.62	2,962,638,751.30
V Profit before exceptional and extraordinary items and tax(III-IV)		-1,352,095,151.18	-1,032,967,760.88
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax(V-VI)		-1,352,095,151.18	-1,032,967,760.88
VIII Extraordinary Items	25	-353,299,942.22	-774,535.09
IX. Prior Period Expenses		-	-
X. Profit before tax (VII-VIII-VIII(a))		-1,705,395,093.40	-1,033,742,295.97
XI. Tax expenses:			
(1) Current tax		-	-
Less MAT Credit Entitlement		-	-
Provision for Disputed Income Tax/Other Taxes Matters		-	16,908,549.20
(2) Deferred tax		-	8,175,544.18
(3) MAT Credit Written off		16,559,048.20	-
XI. Profit(Loss) for the period from continuing Operations(IX-X)		-1,721,954,141.60	-1,058,826,389.35
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)		-1,721,954,141.60	-1,058,826,389.35
XVI. Earnings per equity share:			
(1) Basic	26	-73.49	-45.19
(2) Diluted	26	-73.49	-45.19

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

Arvind Kumar  
Resolution Professional

Place: Faridabad

Date: 04/06/2020

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]  
PART I - STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

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

(Amount in ₹)

Particulars	Note No.	Figures as at 31-03-2019	Figures as at 31-03-2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders funds</b>			
(a) Share Capital	1	235,169,040.00	235,169,040.00
(b) Reserves and Surplus	2	-1,716,316,045.66	5,638,095.94
(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	106,937,000.00	288,057,090.59
(b) Deferred tax liabilities(Net)		114,020,789.71	114,020,789.71
(c) Long term provisions	4	12,539,692.00	12,539,692.00
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	5	2,582,514,255.73	1,780,236,969.55
(b) Trade payables	6	378,048,863.83	414,133,857.88
(c) Other current liabilities	7	220,278,936.81	471,250,389.65
(d) Short term provisions	8	22,260,725.20	42,427,305.20
<b>TOTAL</b>		<b>1,955,453,257.62</b>	<b>3,363,473,230.52</b>
<b>II. ASSETS</b>			
<b>(1) Non Current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	1,104,840,634.15	1,194,155,855.14
(ii) Intangible assets	10	1,670,204.91	2,585,528.90
(iii) Capital Work-in-progress	9(a)	-	300,000.00
(iv) Intangible assets under development	10(a)	-	-
<b>(b) Non current investments</b>	11	51,000.00	7,200,000.00
<b>(2) Current Assets</b>			
(a) Inventories	12	118,216,812.02	1,391,744,955.26
(b) Trade receivables	13	464,907,481.06	459,455,554.73
(c) Cash and cash equivalents	14	38,989,163.70	86,638,026.00
(d) Short term loans and advances	15	226,777,961.78	221,393,310.49
<b>TOTAL</b>		<b>1,955,453,257.62</b>	<b>3,363,473,230.52</b>

As per our report of even date attached

For Sri Prakash & Co  
Chartered Accountants

(Firm Registration No. 002058C)

(CA Punit Kumar)  
Partner  
Membership No. 522295



Arvind Kumar  
Resolution Professional

Place: Faridabad

Date: 04/06/2020

CASH FLOW STATEMENT

For the Year Ended March 31, 2019

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

Particular	Amount in	
	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax as per statement of Profit & loss	1,721,954,141.60	-1,033,742,295.97
Adjustment for:		
Depreciation	92,538,711.72	90,601,149.30
Interest paid	351,341,685.74	287,150,738.39
Bad Debts Written off	103,672,349.27	23,524,977.06
Effect of Exchange rate Change	-	-117,204.23
(Profit)/Loss on sale of fixed assets	1,527,094.66	774,535.09
	549,079,841.39	401,934,195.51
	-1,172,874,300.21	-631,808,100.36
Operating profit before working capital changes		
Adjustment for:		
Trade and other receivables	-109,124,275.60	908,357,157.19
Inventories	1,273,528,143.24	590,316,816.35
Trade payables and Other Liabilities	-307,223,026.89	-635,357,785.29
	857,180,846.75	853,316,188.25
Cash generated from Operations	-315,693,459.46	231,508,087.89
Taxes Paid(Net)	-	-
<b>NET CASH/(USED) IN FROM OPERATING ACTIVITIES</b>	<b>-315,693,459.46</b>	<b>231,508,087.89</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	9,332,054.10	-116,701,935.62
Sale of Fixed Assets	5,796,792.46	465,000.00
Short term Loans and Advances	-5,084,651.29	-
Loss on sale of investment	7,149,000.00	-
<b>NET CASH/(USED) IN FROM INVESTING ACTIVITIES</b>	<b>-317,464,372.39</b>	<b>115,271,152.27</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayments) from long term other Borrowings	-181,120,090.59	91,682,775.46
Proceeds/(Repayments) of Unsecured Loan	-	6,470,000.00
Proceeds/(Repayments) from long term Bank Borrowings	-	-46,485,644.74
Proceeds From/(Repayments of) Short Term Borrowings	802,777,286.18	302,182,413.94
Interest Paid	-351,341,685.74	-287,150,738.39
Long Term Liabilities	-	-159,310,019.00
<b>NET CASH/(USED) IN FROM FINANCING ACTIVITIES</b>	<b>269,815,509.85</b>	<b>-92,611,212.73</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-47,648,862.54</b>	<b>22,659,939.54</b>
Opening Balance of Cash & Cash Equivalents	86,638,026.00	63,978,086.46
Closing balance of Cash & Cash Equivalents	38,989,163.70	86,638,026.00

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 062058C)

(CA Punit Kumar)  
Partner  
Membership No. 522295



*[Signature]*  
Arvind Kumar  
Resolution Professional

Place: Faridabad  
Date: 04/06/2020

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
1) Share Capital		
I) Authorised Share Capital		
3000000 (PY 3000000) 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
IV) Forfeited Shares		
173808 (PY 173808) Equity Shares of ₹ 10/- each forfeited amount @ ₹ 5/- each	869,040.00	869,040.00
<b>TOTAL</b>	<b>235,169,040.00</b>	<b>235,169,040.00</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, 2019		As at 31st March, 2018	
	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 March, 2019		As at 31st March, 2018	
	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	-240,513,246.15	818,313,143.20
Deduction during the year	-1,721,954,141.60	-1,058,826,389.35
Less: Transfer to General reserves		
Balance at the end of the year	-1,962,467,387.75	-240,513,246.15
<b>TOTAL (a+b+c+d)</b>	<b>-1,716,316,045.66</b>	<b>5,638,095.94</b>

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	96,846,781.63
From Others	164,901,856.45
Less: Current Maturities of Long-Term Debts*	80,028,547.49
<b>TOTAL (a)</b>	<b>181,720,090.59</b>

\* In the current financial year, All the Long term borrowing has been shown as short term borrowing due to the consequence of CIRP proceeding.

Name of Bank / Division of Bank			Rate of Interest	Repayment Schedule
			(as per latest Sanction Letter available)	(as per latest Sanction Letter available)
			March 31, 2018	

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
Indian Overseas Bank / Textile Division  Security - Equitable mortgage of Land and Building at VPO Kanwa, hypothecation of plant and machinery and other miscellaneous fixed assets purchased out of Term Loan.  Indian Overseas Bank / Textile Division	15,265,520.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.  Repayable in 28 quarterly instalment, Commenced from 30.08.2011 : 12 Quarterly Instalments of ₹ 50 lac each, 8 Quarterly Instalment of ₹ 75 lac each, 4 Quarterly Instalment of ₹ 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	51,501,841.00	MCLR (1 Year)+0.20%+3.90% = 12.65%
Indian Overseas Bank / Construction & Engg Division  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 FEB Division of the Company; Collateral Security - Second Pari-Passu Charge on Current Assets of the FEB Division of the Company.	21,817,377.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.  Repayable in 72 monthly instalments of ₹ 30.00 Lac Commencing from July 2012
Kotak Mahindra Bank Ltd  Security - Hypothecation of 2 Nos Commercial Vehicles.	1,278,584.63	9.80%  Repayable in 47 Months of EMI of 2 x ₹ 23,933.00 Each including interest and Principal
Jainsons Fairlease Ltd  Security - 1) Pledge of 26,45,280 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)	40,355,786.00	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
Magma Fincorp Ltd	1,370,989.81	15.50%  Repayable in 24 Months of EMI of ₹4,87,245.00 Each including interest and Principal
Toyota Financial Services Ltd  Security - Hypothecation of Toyota Innova Crysta Car (2 Nos)	3,159,626.00	6.49%  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
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 ₹3,00,000.00 and second for ₹ 9,50,000.00. As on 31-03-2016, first FDR of ₹ 3,00,000.00 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	95,444,753.00	13.05% (fixed) subject to gross up for withholding tax (currently at a rate of 10%) and a Review Fee 2020. 50% of the Principal of 2.70% p.a subject to gross up of withholding tax (currently at a rate of 10%)
HDB Financial Services Ltd - Loan against Property, HX-408 Sector 13A in the name of Mrs Ganita Gupta, Spouse of Mr Manish Gupta, Director of the Company. Loan Amount of ₹ 263,32,894.00	24,576,701.84	10.0% p.a.  Repayable in 116 instalments of ₹ 355,323.00 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 The facilities granted by Indian Overseas Bank and Corporation Bank as been classified as Sub-standard and the accounts has been declared as Non-Performing Assets (NPA)		



*[Handwritten signature]*



PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
(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	36,150,000.00
<b>TOTAL (b)</b>	<b>106,937,000.00</b>	<b>106,337,000.00</b>
(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
<b>TOTAL (a)+(b)</b>	<b>106,937,000.00</b>	<b>288,057,090.59</b>
4) Long Term Provisions		
(a) Provision for employee benefit*		
--Provision for Gratuity	8,782,015.00	8,782,015.00
--Provision for Leave Encashment	3,757,677.00	3,757,677.00
(b) others		
<b>TOTAL</b>	<b>12,539,692.00</b>	<b>12,539,692.00</b>
* Refer notes for Disclosure pursuant to Accounting Standard-15 "Employee Benefits"		
5) Short Term Borrowings		
Secured loan		
(a) Loans repayable on demand		
--From Banks	2,331,300,526.60	1,738,078,261.55
--Vehicle Loan	7,874,615.00	6,983,050.00
--Others	232,926,346.13	42,158,708.00
Add: Current Maturities of Long Term Debt**		80,028,547.49
Un Secured loan		
(a) Loan from: Sariga Construction Pvt Ltd.	10,412,768.00	
<b>SUB TOTAL</b>	<b>2,582,514,255.73</b>	<b>1,787,220,019.55</b>

Name of Bank / Division of the Company	Balance as on		Rate of Interest (as per latest Sanction Letter available)	Repayment Schedule (as per latest Sanction Letter available)
	March 31, 2019			
Indian Overseas Bank / Textile Division	9,959,108.00		MCLR (1 Year)+0.20%+3.90% = 12.65% p a	Repayable in 28 quarterly instalment, Commenced from 30.05.2011. 12 Quarterly Instalments of ₹ 50 lac each, 8 Quarterly instalment of ₹ 75 lac each, 4 Quarterly Instalment of ₹ Repayable in 72 equal monthly instalment after initial moratorium period of
Security: Equitable mortgage of Land and Building at VPC Kanwa, hypothecation of plant and machinery and other miscellaneous fixed assets purchased out of Term Loan				
Indian Overseas Bank / Textile Division	35,752,798.32		MCLR (1 Year)+0.20%+3.90% = 12.65%	
Security: Primary hypothecation of Plant & Machinery set up for the Zero Liquid Discharge system and the new circular knitting machines				
Indian Overseas Bank / Construction & Ergg Division	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 Pan-Passu charge on the Project Land building and other Project assets with Corporation Bank, Secondary Second Pan-Passu charge on Current Assets of the PEB Division of the Company, Collateral Security: Second Pan-Passu Charge on Current Assets of the PEB Division of the Company				
Kotak Mahindra Bank Ltd.	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 Finance Ltd.	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 50,45,280 shares of the company held by the Promoters / Promoters Company 2) Personal Guarantee of Dr Sandeep Gupta (MD), Mr Sushil Gupta (E+ 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.	2,630,859.00		9.49%	Repayable in 60 Months of EMI of ₹ 39,900.00 (starting from 20-09-2016) and



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PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
Security Hypothecation of Toyota Innova Crysta Car (2 Nos)		43,700 (starting from 20-05-2017) each including interest and Principal
AAV Sri (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 31-03-2019, 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	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%)
HDB Financial Services Ltd - Loan against Property HN-408 Sector 10A 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	10.6% pa 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		

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

728,897,180.40

617,309,145.54

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.

924,385,752.18

588,781,606.55

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, Fardabad [owned by Ms. Shweta Gupta iwo 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, Fardabad [ owned by Niche Holding Limited, a promoter Company], Land and Building at VPO Kankaria, Kishan jeevan road, Fardabad [in the name of Company], EM of Plot-29 Near water tank DLF Industrial Phase-II Fardabad [owned by Company], HN-387 Sector 1, IMT Manesar, Gurgaon [owned by Company] and WOV 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-passu second charge on fixed assets of the Company held as primary security to Term Loans as enjoyed by the Company

Corporation Bank

606,499,986.30

527,135,986.35

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].

Collateral Security :

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



*[Handwritten signature]*

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
<b>Bank of India:</b>		4,851,624.11
Secured against Comfort Letters issued by Steel Authority of India Limited, to whom a Bank Guarantee of ₹ 100 Crore under channel financing scheme		
<b>Reliance Commercial Finance Ltd.</b>	40,062,329.00	42,158,708.00
Secured against Pari-passu charges with both bankers up to the extent of Rs.10 crore against current assets of two projects of the company named Bharat Electronics Ltd. & Ircon Int'l Ltd.		
<b>Sirsa Deposits and Advance Limited</b>	5,206,957.00	
<b>Vehicle Loan - Corporation Bank</b>		
Corporation Bank	7,874,615.00	6,983,650.00
Security: Hypothecation of Mercedes Car		

On dated 19.11.2016 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. The details of amounts claimed by corporate guarantor are as follows:-

S. No.	Corporate Guarantees	Amount Claimed (Rs.)
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
	<b>Total</b>	<b>2417624797.00</b>

6) Trade Payables \*

Amount due to various suppliers as at the end of the year

378,048,863.83	414,133,857.88
<b>378,048,863.83</b>	<b>414,133,857.88</b>

TOTAL

\* 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) Other Current Liabilities

(a) bills payable (accepted under LC)		215,219,577.00
(b) Total outstanding dues of creditors other (other than micro enterprises due of creditor others)		
Creditors for capital goods	1,566,184.00	1,073,526.00
Creditors for expenses	75,068,893.05	106,512,098.06
Advances payment for which value has still to be given	50,695,006.55	13,765,445.35
Unclaimed Final Dividend for earlier years *	124,926.50	33,039.00
Securities/Retention payable	33,942,893.50	36,012,667.44
Sales tax payable / WCT Payable		1,437,619.90
TDS & TCS Payable	3,377,006.74	10,439,383.42
Service Tax Payable		
GST Payable	30,465,251.47	
Expenses payable	25,037,775.00	28,651,396.99
<b>TOTAL</b>	<b>220,278,936.81</b>	<b>413,144,753.16</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.

8) Short Term Provisions

(a) Provision for employee benefits		
(i) Payable PF, ESI & Welfare Fund	4,044,108.00	2,287,777.00
(ii) Insurance, Pension and similar staff benefits	736,538.00	736,538.00
(b) Others		
(i) Provision for income Tax (AY 2017-18, FY 2016-17)		
(ii) Provision for Pending Litigation / Disputes *	17,480,079.20	17,480,079.20
<b>TOTAL</b>	<b>22,260,725.20</b>	<b>20,504,394.20</b>

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



*[Handwritten signature]*

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
9) Property, Plant and Equipments		
Tangible Assets @		
(a) Land	189,900,132.04	189,900,132.04
(b) - Factory Buildings	348,836,923.52	370,950,988.20
- Other than Factory Buildings	60,304,220.49	61,330,806.12
(c) Plant and Equipment	482,320,502.40	540,838,610.17
(d) Furniture and Fixtures	3,332,033.26	4,418,203.15
(e) - Vehicles (Commercial)	3,452,451.40	4,049,706.78
- Vehicles (Other than Commercial)	12,084,644.81	16,909,581.57
(f) Office equipment	3,474,341.13	4,330,836.02
(g) Computer	1,118,185.05	1,405,840.90
(h) Fax/Telephone	17,200.05	21,150.19
(i) Capital WIP		300,000.00
<b>TOTAL</b>	<b>1,104,840,634.15</b>	<b>1,194,455,855.14</b>
10) Intangible Assets @		
(a) Computer Software	1,670,204.91	2,585,528.90
(b) Capital WIP		
<b>TOTAL</b>	<b>1,670,204.91</b>	<b>2,585,528.90</b>
@ 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	
51000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Krishna Constructions Private Limited		
--In Associates Companies (Unquoted, and stated at Cost Price)		
{PY 72000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Infrastructure Limited}		7,200,000.00
<b>TOTAL</b>	<b>51,000.00</b>	<b>7,200,000.00</b>
*During the financial year, the Company has sold 72000 shares to Mr. Subhash Gupta at a loss of Rs. 71.28 lakhs.		
12) Inventories *		
(a) Raw Materials	77,642,234.06	759,587,276.81
(b) Work in Progress	26,166,068.12	564,124,336.85
(c) Finished goods	7,609,402.00	33,035,898.76
(d) Stores & Spares	6,799,107.84	34,997,442.84
<b>TOTAL</b>	<b>118,216,812.02</b>	<b>1,391,744,955.26</b>
* The Inventory valuing Rs. 11.82 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	266,223,807.22	327,100,236.46
(b) Others	198,683,673.84	132,355,318.27
Sub Classification of Trade Receivables		
(a) Secured, Considered Good,		54,803,046.00
(b) Unsecured Considered Good;	464,907,481.06	404,652,508.73
(c) Doubtful		
<b>TOTAL</b>	<b>464,907,481.06</b>	<b>459,455,554.73</b>
14) Cash and cash Equivalents		
(a) Cash and cash Equivalents		
(i) Balance with banks in Current Accounts	11,526,278.77	3,046,082.59
(ii) Cash in hand	164,842.43	3,126,487.43
(b) Earmarked Balances with Banks		
(i) Yes Bank --Unclaimed Dividend FY 2010 -11	32,621.50	32,621.50
(ii) Yes Bank --Unclaimed Dividend FY 2012 -13	57,457.00	417.50
(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	66,227,869.00
--With more than 12 Months Maturity	12,693,327.00	9,526,738.00
(ii) Interest Accrued but not Due	1,873,388.00	4,677,809.98
<b>TOTAL</b>	<b>38,989,163.70</b>	<b>86,638,026.00</b>



*[Handwritten signature]*

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
15) Short Term Loans and Advances		
Unsecured and Considered Good		
(a) Loan & Imprest to employees	82,637.00	264,356.50
(b) TUFs Interest Subsidy Receivable		9,600,223.00
(c) Security Deposit *	2,968,897.00	6,393,637.00
(d) Advance to Suppliers/Others	52,446,953.83	29,296,949.91
(e) Insurance Claim Receivable		1,322,895.00
(f) Prepaid Expenses	1,419,767.22	2,307,752.34
(g) Loan to Richa Infrastructure Ltd.		6,026,769.00
(h) Balance with Customs/Central Excise and Income Tax Authorities		
(i) Balance in CENVAT /Service tax account/Sale Tax / WCT/Entry Tax/GST	83,221,922.00	86,015,139.85
(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
(iv) Income Tax Refundable (AY 2014-15, FY 2013-14)	100,000.00	100,000.00
(v) Income Tax Refundable (AY 2016-17, FY 2015-16)	7,953,894.00	7,953,894.00
(vi) MAT Credit Entitlement (AY 2012-13, FY 2011-12)	1,834,488.00	20,129,661.66
(vii) MAT Credit Entitlement (AY 2013-14, FY 2012-13)	1,015,424.00	1,098,181.00
(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	9,427,994.00
(x) TDS Receivable/Advance Tax (AY 2018-19, FY 2017-18)	15,893,363.00	14,458,376.00
(xi) TDS Receivable/Advance Tax (AY 2017-18, FY 2016-17)	18,234,319.23	18,212,808.23
(xii) TDS Receivable/Advance Tax (AY 2019-20, FY 2018-19)	21,574,745.50	
<b>TOTAL</b>	<b>226,777,961.78</b>	<b>221,393,310.49</b>
* The balances of Security Deposits are subject to reconciliation and confirmation.		
16) Revenue from Operations		
(a) Sale of products		
(i) Domestic sale		
(ii) Export sale	443,457,697.74	1,563,765,676.44
(b) Sale of services	1,113,244,074.20	360,823,865.06
(c) Other operating revenues		
<b>TOTAL</b>	<b>1,556,701,771.94</b>	<b>1,924,589,541.50</b>
Less: Excise Duty		
<b>TOTAL</b>	<b>1,556,701,771.94</b>	<b>1,924,589,541.50</b>
17) Other Income		
(a) Interest Income		
(i) Interest Received on FDR	2,172,355.02	4,679,541.74
(ii) Interest received others	367,829.30	131,643.00
(b) Other non Operating Income		
(i) Unclaimed balances W/off & short & Excess	2,535,147.48	105,389.18
(ii) Rent Received	122,656.00	164,875.00
(iii) Advance Forfeited /Bad Debts Recoveries	4,342,755.70	
(iv) Miscellaneous Receipts	515,300.00	
<b>TOTAL</b>	<b>10,056,083.50</b>	<b>5,081,448.92</b>



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PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
<b>18) In case of manufacturing companies</b>		
Raw material consumed under broad heads		
Textile Unit		
(a) Dyes and Chemicals	82,169,679.84	96,240,424.03
(b) Fabrics	162,903,968.23	44,575,492.37
(c) Yarn	39,451,214.03	172,423,889.99
(d) Fuel	57,465,842.50	40,920,075.57
(e) Packing Material	3,009,212.00	3,998,157.00
Construction & Engineering Unit		
(f) HR Plates	307,810,185.77	571,283,940.40
(g) Structures	70,777,638.37	46,958,223.01
(h) Coils	119,756,124.59	272,345,534.02
(i) Accessories	61,512,685.54	203,884,158.93
(j) Stock Transfer	0.00	-
(j) Material Used in home consumption	-	-
(k) Civil construction expenses with material	414,062,463.68	182,730,573.34
(l) Solar Panel Modules & Structures	-	19,100,000.00
<b>TOTAL</b>	<b>1,318,919,014.55</b>	<b>1,654,460,468.66</b>
<b>19) Purchase of Stock in Trade</b>	-	<b>204,228,231.42</b>
<b>20) INCREASE/DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES</b>		
Closing 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
<b>TOTAL</b>	<b>40,574,577.96</b>	<b>632,157,678.45</b>
Opening Stock		
Consumable Store	34,997,442.84	19,512,319.35
Finished Goods	33,035,898.76	123,149,116.23
Work in process	564,124,336.85	818,603,615.21
<b>TOTAL</b>	<b>632,157,678.45</b>	<b>961,265,050.79</b>
<b>(-)INCREASE /DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES</b>	<b>591,583,100.49</b>	<b>329,107,372.34</b>
<b>21) Employee benefits expenses</b>		
(a) Salaries and Wages & labour expenses	113,556,501.10	147,054,352.97
(b) Contribution to Provident and other funds	7,355,583.28	10,133,433.00
(c) Staff welfare expenses	1,849,018.97	3,006,312.01
(d) Employee Retirement & Other Benefits		
(i) Gratuity & Leave Encashment- Paid	1,806,816.18	7,599,222.00
(ii) Gratuity & Leave Encashment- Provision(Add/Reverses)	-	-4,590,137.00
(e) Directors Remuneration, including retirement benefits	5,230,796.00	7,537,412.00
<b>TOTAL</b>	<b>129,798,715.53</b>	<b>170,740,594.98</b>
<b>22) Finance Cost</b>		
(a) Interest expenses		
(i) to Banks on Working Capital Loans	294,430,733.11	233,355,114.27
(ii) to Banks on Term Loans	11,394,738.00	16,460,284.00
(iii) on other accounts	45,516,214.63	37,335,340.12
(b) Other borrowing costs		
(i) Bank Charges	5,165,228.53	24,339,285.53
(c) Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	16,987.40	-117,204.23
<b>TOTAL</b>	<b>356,523,901.67</b>	<b>311,372,819.69</b>
<b>23) Depreciation and Amortisation Expense</b>	<b>92,538,711.72</b>	<b>90,601,149.30</b>
<b>24) OTHER COST</b>	<b>429,489,562.66</b>	<b>202,128,114.91</b>
<b>(A) MANUFACTURING EXPENSES</b>		
(a) Outside Job work/ Erection Charges	197,126,436.63	18,412,604.85
(b) Power and fuel	40,145,473.77	38,013,379.37
(c) Water & Sewerage Charges	171,425.00	63,844.00
(d) Consumption of stores and spare parts	18,556,258.94	20,847,558.74
(e) Repairs to Machinery & Hiring Charges	16,523,237.05	21,375,415.93
(f) Freight on Purchase	12,150,892.34	15,749,862.81
<b>TOTAL</b>	<b>284,673,723.73</b>	<b>114,462,665.70</b>



*Signature*

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
<b>(B) ADMINISTRATIVE EXPENSES</b>		
(a) Auditors remuneration & Out of pocket Expenses	506,710.00	623,965.00
(b) Books & periodicals	420.00	6,851.00
(c) Charity & Donation	153,700.00	166,800.00
(e) Commission / Sitting fee to Non WTD	50,000.00	200,000.00
(e) Director Travelling & Conveyance	758,610.23	2,311,507.17
(f) Diwali Expenses	9,866.00	96,505.00
(g) Miscellaneous Expenses	70,284.00	213,015.67
(h) Insurance (Others)	3,721,901.93	5,602,790.55
(i) Insurance (on cars)	18,221.02	345,603.13
(j) Legal & Professional Charges	8,744,576.05	4,980,531.00
(k) AGM & Meeting Expenses	57,180.00	75,530.00
(l) Postage /Telegram/ Courier Expenses	139,821.35	797,045.64
(m) Printing & stationery Expenses	695,149.92	1,137,402.97
(n) Rates & Taxes, Excluding taxes on income	4,795,791.58	1,221,173.84
(o) Rent	382,184.92	540,006.61
(p) Repairs to Buildings	228,477.00	397,338.00
(q) Repair - Computer	729,116.69	2,111,548.64
(r) Running & Maintenance -Vehicle Commercial	1,530,198.00	1,931,547.00
(s) Running & Maintenance - Vehicle others	2,212,322.85	2,080,095.16
(t) Watch /Ward/Security	4,722,686.64	4,916,810.17
(u) Repair - Electricals	263,096.53	843,581.88
(v) Subscription & Membership Fee	201,375.00	351,825.00
(w) Telephone, Modem & Internet Expenses	1,057,375.91	1,396,669.63
(x) Testing & Designing Expenses	992,326.81	1,014,631.00
(y) Travelling & Conveyance Expenses	5,421,645.12	7,452,214.13
(z) Office Maintenance Expenses	1,027,657.17	1,178,141.98
<b>TOTAL</b>	<b>38,501,094.73</b>	<b>45,878,826.17</b>
<b>(C) SELLING &amp; DISTRIBUTION EXPENSES</b>		
(a) Sales Promotion Expenses	412,161.50	1,512,307.95
(b) Commission/ Discount on Sales	-	151,928.00
(c) Distribution Expenses/ Export sales clearing Expenses	1,419,845.43	6,858,052.25
(d) Advertisement / Tender fee & Exhibition Expenses	810,388.00	642,783.78
(e) Bad Debts written off	103,672,349.27	23,524,977.06
(f) L. D.Charges deducted	-	9,096,574.00
<b>TOTAL</b>	<b>106,314,744.20</b>	<b>41,786,623.04</b>
<b>25) Extraordinary Items</b>		
(a) Loss on sale of fixed assets	1,527,094.66	-774,535.09
(b) Loss on inventory written off	344,644,847.56	-
(c) Loss on sale of investment	7,128,000.00	-
	<b>353,299,942.22</b>	<b>-774,535.09</b>
<b>26) EARNING PER SHARE &amp; DILUTED EARNING PER SHARE</b>		
(i) Net Profit after taxes per P & L Account	-1,721,954,141.60	-1,058,826,389.35
(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	-1,721,954,141.60	-1,058,826,389.35
(iv) Diluted Earning Per Share(₹) (iii/ii)	-73.49	-45.19
(v) Profit before tax	-1,705,395,093.40	-1,033,742,295.97
(vi) Earning per share	-73.49	-45.19
(vii) Face Value per equity Share	10.00	10.00
<b>(a) Payment to the Auditor As</b>		
(a) Auditor	500,000.00	450,000.00
(b) for taxation matters	-	150,000.00
(c) for Company Law Matters	-	-
(d) for Other Services	-	-
(e) for Reimbursement of Expenses	6,710.00	23,965.00
<b>(b) Detail of Items of exceptional and extraordinary nature</b>		
(a) Loss on sale of fixed assets	1,527,094.66	-774,535.09
<b>(c) Amount of Expenditure incurred on Corporate Social Responsibility activities</b>		500,000.00



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PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
27) Additional Information as required in Part-II of Schedule III		
(a) Value of Imports on C.I.F. Basis		
I Raw Materials;		
II Components and spare parts;		1,795,321.00
III Capital Goods		4,522,778.00
(b) Expenditure in Foreign Currency		
I Royalty		
II Know-how		
III Professional & Consultation fee		
--Software		440,088.00
IV Interest		
V Other Matters		
--Foreign Travelling		2,161,481.00
(c) Total value of Imported / Indigenous raw materials, spare parts and components		
	Year Ending March-2019	
	(Amount in ₹)	% Consumption
Raw Materials		
--Indigenous		
--Imported		
TOTAL	1,627,093,486.83	98.35
Spare Parts and Components		
--Indigenous		
--Imported		
TOTAL	27,366,981.83	1.65
	1,654,460,468.66	100.00
	Year Ending March-2018	
	(Amount in ₹)	% Consumption
Raw Materials		
--Indigenous		
--Imported		
TOTAL	19,962,827.14	95.76
Spare Parts and Components		
--Indigenous		
--Imported		
TOTAL	884,731.60	4.24
	20,847,558.74	100.00
(d) Amount remitted during the year in foreign currencies on account of dividends		
--Total number of non-residents shareholders		
--Total number of shares held by them on which dividend is due		
--the year to which dividend relates		
(e) Earnings in foreign exchange		
I Export of goods calculated on F.O.B Basis		
II Royalty, know-how, professional and consultation fee		
III Interest and dividend		
IV Other incomes (if any)		
28) (a) Dividends from Subsidiary Companies *		
(b) Provision for losses of Subsidiary Companies *		
29) 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		
--Disputed demands in respect of income tax etc		
--Disputed demands in respect of Service Tax *		
	2,519,357,586.00	156,643,856.00
* 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		
--Duty saved on EPCG licenses pending for redemption*		
	44,414,998.00	187,500.00
	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.		
--amount of Letter of Credits for which Bills are not accepted under LC		
		2517856
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		
30) the amount of dividends proposed to be distributed to Shareholders for the period		
--related amount per share		
The Company do not have any preference shares		



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PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
31) 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		

32) 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 (Director)		

(b) Associates & Subsidiary

(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
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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
<b>Sales</b>			
Goods, material and service			
<b>Purchase</b>			
Goods, material and service			
<b>Expenses</b>			
Remuneration	5,230,796.00 (73,06,616.00)		
Loss on Sale of Investment			71,280,000.00 (0.00)
<b>Finances</b>			
Loans and advances repaid (net of receipts)		0.00 (7,56,80,000.00)	
Loans and advances Received (net of payments, if any)		600,000.00 (3,61,50,000.00)	
Loans and advances Granted (net of receipts, if any)		-6,026,769.00 (60,25,769.00)	
Sale of Investment			72,000.00 (0.00)
Payable (Remuneration)	200,000.00 (3,57,485.00)		
Loans & Advances payables		10,69,37,000.00 (9,98,67,000.00)	

3 Disclosures in respect of material transactions with related parties during the year (included in 2 above)

Sales	
Richa Infrastructure Limited	
<b>Purchase</b>	
Goods, material and service	
<b>Expenses - Remunerations</b>	
-- Sh Sushil Gupta	(19,06,616.00)
--Sh Sandeep Gupta	2,000,000.00 (25,00,000.00)
--Sh Manish Gupta	2,400,000.00 (24,00,000.00)
--Lavesh Kansal	830,796.00



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
Loss on Sale of Investment		
--Subhash Gupta		7,128,000.00
<b>Finances</b>		
Loans and advances repaid (net of receipts)		
--Richa Building System Private Limited	0.00 (2,96,80,000.00)	
Loans and advances Received (net of Payments)		
--Richa Holdings Limited	600,000.00 (3,61,50,000.00)	
Outstandings		
Receivables		
--Richa Infrastructure Limited	0.00 (60,26,769.00)	
Payable (Remuneration)		
-- Sh Sushil Gupta		
--Sh Sandeep Gupta	(1,94,690.00)	
--Sh Manish Gupta	200,000.00	
--Smt Geeta Devi	(1,62,695.00)	
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)	
Investments		
--Richa Krishna Constructions Private Limited	51,000.00 (51,000.00)	
<b>33) Disclosures pursuant to Accounting Standard-15 - "Employee Benefits"</b>		
a) The Company has not made the provisions of Gratuity and Leave Encashment.		
<b>34) Disclosures pursuant to Accounting Standard (AS) – 17 "Segment Reporting"</b>		
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		
(ii) Sales to Domestic Market	1,556,701,771.94	1,924,589,541.50
<b>Segment Reporting Chart</b>		
<b>1 Segment Revenue</b>		
a) Textiles	405,218,846.24	665,519,957.27
b) Construction & Engineering	1,151,482,925.70	1,259,069,584.23
Total Income From Operation	1,556,701,771.94	1,924,589,541.50
Less: Inter Segment Revenue		
Sales/Income from Operation	1,556,701,771.94	1,924,589,541.50
<b>2 Segment Results</b>		
Profit before tax and interest from each segment		
a) Textiles	-231,147,640.24	72,727,200.17
b) Construction & Engineering	-764,423,609.27	-794,322,141.36
Total	-995,571,249.51	-721,594,941.19
Less: Inter Segment Revenue		
i) Interest	356,523,901.67	311,372,819.69
ii) Other unallocable expenditure net of all other income		
iii) exceptional Items		
Total Profit before Tax	-1,352,095,151.18	-1,032,967,760.88



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PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
<b>3 Capital Employed</b>		
(segment Assets Less Segment Liabilities)		
a) Textiles		403,685,226.11
b) Construction & Engineering	-1,093,176,701.11	251,738,482.13
<b>Total Capital Employed</b>	<b>-1,093,176,701.11</b>	<b>655,424,708.24</b>

35) 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	Year Ended	
	31-Mar-19	31-Mar-18
<b>36) Assets Pledged as Security</b>		
<b>Current Assets</b>		
<b>Financial Assets (Floating Charge)</b>		
Trade Receivables	464,907,481.06	459,455,554.73
Cash & Cash Equivalents	38,989,163.70	86,638,026.00
<b>Non-Financial Assets (Floating Charge)</b>		
Inventories	118,216,812.02	1,391,744,955.26
Short Term Loans & Advances	226,777,961.78	221,393,310.49
<b>Total Current Assets Pledged as security</b>	<b>848,891,418.56</b>	<b>2,159,231,846.48</b>
<b>Non-Current Assets</b>		
Land	187,071,724.04	187,071,724.04
Building	409,141,144.01	432,281,794.32
Plant & Equipment	482,320,502.40	540,838,610.17
Furniture / Fitting & Equipments	3,332,033.26	4,418,203.15
Others	27,977,468.61	29,602,644.36
<b>Total Non-Current Assets pledged as security</b>	<b>1,109,842,872.32</b>	<b>1,194,212,976.04</b>
<b>Total Assets pledged as security</b>	<b>1,958,734,290.88</b>	<b>3,353,444,822.52</b>
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. 559 Sector-15A, 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-15A, Faridabad (HR) admeasuring 500 Sq Yards in the name of Mrs. Garima Gupta W/o Sh Manish Gupta (Director)

37) 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.

38) 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.

39) 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.

40) In the month of April 2018 Tata BlueScope 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.

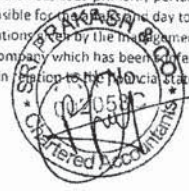
41) Under the CIRP proceedings, the power of the Board were suspended with effect from 21 December 2018.

42) 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.

43) 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.

44) 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 th going concern basis.

45) 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 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 made 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 respect 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.



*[Handwritten Signature]*

PARTICULARS	Figures as at	
	31.03.2019	Figures as at 31.03.2018
46) 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.		
47) The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.		
48) The sundry Debtors and sundry Creditors balances and advances to suppliers are subject to reconciliation and confirmation from the parties.		
49) The company has incurred losses of Rs 172.19 crore (PY Rs 105.88 Crore) during the current year and the company has net current liabilities of Rs 294.39 Crore (PY net current liabilities of Rs 270.80 Crore) 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.		
50) During the CIRP process, the Financial Creditors, Statutory Authorities, Operational Creditors and Employees of the company has filed their claims to the IRP. However, the same is under consideration by Hon'ble NCLT.		
51) 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 Sri Prakash & Co  
Chartered Accountants  
(Firm Registration Number 002056C)

(CA Punit Kumar)  
Partner  
Membership No. 522295  
Place: Faridabad

Date: 04/06/2020



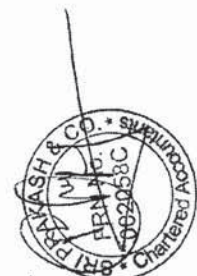
for and on the behalf of the Board of  
Directors of Richa Industries Limited

*[Signature]*  
ARVIND KUMAR  
Resolution Professional

Richa Industries Limited

Depreciation Chart as per Companies Act, 2013

Sr. No	Particulars	Gross Cost as on 01.04.2018	Additions/Acquisitions Purchase	Transfer	Subtraction/Disposals Sale	Total Cost as 31.03.2018	Dep. Up to 31.03.2018	Depreciation for this year	Depreciation Transfer	Depreciation W/Back	Total Dep. 31.03.2019	W.D.V. as 31.03.2019	W.D.V. as 31.03.2018
<b>TANGIBLE ASSETS (A)</b>													
1.	Land	189,900,132.04	-	-	-	189,900,132.04	-	-	-	-	-	189,900,132.04	189,900,132.04
2.	Factory Buildings	528,536,059.57	-	-	-	528,536,059.57	15,698,021.37	22,116,054.36	-	-	179,807,085.73	348,656,923.84	370,650,909.20
2(i)	Buildings other than factory buildings	65,533,410.64	-	-	-	65,533,410.64	4,202,624.52	1,020,595.03	-	-	5,229,150.15	60,304,270.49	61,330,806.12
3.	Plant and Equipment	945,710,584.25	3,070,000.00	-	5,467,745.00	949,378,839.25	404,871,974.06	69,379,871.44	-	270,703.67	486,981,031.85	462,337,807.40	540,638,610.17
3(iii)	Plant and Equipment under	300,000.00	-	-	-	300,000.00	-	-	-	-	-	300,000.00	300,000.00
4.	Furniture and Fixtures	14,500,923.70	-	-	-	14,500,923.70	0,487,720.55	1,086,169.85	-	-	11,566,890.44	3,352,033.26	4,418,203.15
5.	Vehicles (Commercial)	5,320,160.00	-	-	-	5,320,160.00	5,270,453.22	597,255.39	-	-	5,867,708.60	3,462,451.40	4,049,709.78
5(i)	Vehicles other than Commercial	26,510,511.95	-	-	7,552,257.97	18,958,253.98	9,603,930.39	2,692,071.73	-	5,619,352.18	6,773,609.94	12,084,644.05	16,509,561.87
6.	Office Equipment	20,356,550.14	270,515.50	-	-	24,229,465.70	9,028,114.12	1,127,010.45	-	-	20,755,124.57	3,474,341.13	4,330,836.02
7.	Computer/CC. TV	14,724,375.90	191,536.54	-	-	14,915,912.44	13,318,535.00	496,488.30	-	-	13,815,023.39	1,100,881.05	1,405,840.90
8.	SWAPRAX/Telephone	281,004.85	-	-	-	281,004.85	259,854.67	3,950.14	-	-	283,804.81	17,200.05	21,150.19
<b>TOTAL(A)</b>		<b>1,819,779,663.06</b>	<b>5,532,054.10</b>	<b>300,000.00</b>	<b>13,114,002.97</b>	<b>1,815,857,114.19</b>	<b>625,333,207.92</b>	<b>91,523,387.41</b>	<b>57,901,115.85</b>	<b>5,790,115.85</b>	<b>711,056,479.48</b>	<b>1,104,840,634.71</b>	<b>1,194,455,855.14</b>
<b>INTANGIBLE ASSETS (B)</b>													
Computer Software		20,087,867.04	100,000.00	-	-	20,187,867.04	17,502,332.14	1,015,323.99	-	-	18,517,656.13	1,670,204.91	2,585,528.90
XRP Computer Software		20,087,867.04	100,000.00	-	-	20,187,867.04	17,502,332.14	1,015,323.99	-	-	18,517,656.13	1,670,204.91	2,585,528.90
<b>TOTAL(B)</b>		<b>20,087,867.04</b>	<b>100,000.00</b>	<b>-</b>	<b>-</b>	<b>20,187,867.04</b>	<b>17,502,332.14</b>	<b>1,015,323.99</b>	<b>-</b>	<b>-</b>	<b>18,517,656.13</b>	<b>1,670,204.91</b>	<b>2,585,528.90</b>
<b>GRAND TOTAL (A+B)</b>		<b>1,839,866,924.10</b>	<b>5,632,054.10</b>	<b>300,000.00</b>	<b>13,114,002.97</b>	<b>1,835,084,975.23</b>	<b>642,835,540.06</b>	<b>92,538,711.40</b>	<b>-</b>	<b>5,790,115.85</b>	<b>729,574,135.61</b>	<b>1,106,510,839.62</b>	<b>1,197,041,384.04</b>
<b>PREVIOUS YEAR 17-18</b>		<b>1,727,914,390.48</b>	<b>210,201,581.52</b>	<b>-</b>	<b>4,748,402.00</b>	<b>1,840,082,165.10</b>	<b>555,734,257.67</b>	<b>48,006,683.36</b>	<b>-</b>	<b>3,509,866.91</b>	<b>601,231,074.12</b>	<b>1,238,851,090.98</b>	<b>1,213,902,441.53</b>



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**RICHA INDUSTRIES LIMITED**  
VPO Kawnra, Kheri Jasana Road, Faridabad (Haryana) 121101

**RICHA INDUSTRIES LIMITED**  
Schedule annexed to & forming  
part of Profit & Loss Account

**SCHEDULE - 23**  
**RAW MATERIAL CONSUMED ( Consolidated)**  
**For the period ended 30.09.2018**

**TEXTILE UNIT**

	Opening as on 01-04-18	Purchases	Material used in Home Consumption	Consumption during the period	Closing as on 31-03-19
--Dyes and Chemicals	11,445,046.75	81,174,672.00	-	82,169,679.84	10,450,038.91
--Fabrics	84,481,455.38	105,710,839.00	-	162,903,968.23	27,288,326.15
--Yarn	124,735,563.36	76,234,757.74	-	39,451,214.03	2,495,280.61
--Fuel	1,448,539.79	62,321,108.00	-	57,465,842.50	6,303,805.29
--Packing Material	-	3,009,212.00	-	3,009,212.00	-
--Loading/Unloading/Carriage etc	-	-	-	-	-
<b>TEXTILE UNIT-TOTAL</b>	<b>222,110,605.28</b>	<b>328,450,588.74</b>	<b>-</b>	<b>344,999,916.60</b>	<b>46,537,450.96</b>

**PEB UNIT**

--HR Plates	388,553,172.59	118,865,463.29	-	307,810,185.77	13,987,429.01
--Structures	21,112,932.80	51,029,559.16	-	70,777,638.37	1,364,853.59
--Coils	82,240,555.07	47,145,281.56	-	119,756,124.59	9,629,712.04
--Accessories	37,182,024.44	11,098,578.55	-	42,157,814.53	6,122,788.46
--Solar Modules	-	-	-	-	-
--Paints	8,387,986.49	9,766,872.44	-	18,154,858.93	-
--Packing Materials	-	-	-	-	-
--Loading/Unloading/Carriage etc	-	-	-	-	-
<b>PEB-TOTAL</b>	<b>537,476,671.39</b>	<b>237,905,755.00</b>	<b>-</b>	<b>568,656,622.19</b>	<b>31,104,783.10</b>

**GROSS TOTAL**

	<b>759,587,276.67</b>	<b>566,356,343.74</b>	<b>-</b>	<b>903,656,538.79</b>	<b>77,642,234.06</b>
Bihar	-	-	-	-	-
EPC Noida	73,135,537.42	-	-	73,135,537.42	-
EPC -Kashipur	11,119,635.62	-	-	11,119,635.62	-
	5,524,627.81	-	-	5,524,627.81	-



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Odisha	24,385,409.87	24,385,409.87
Maharashtra	264,507,764.88	264,507,764.88
Delhi	35,389,488.08	35,389,488.08
EPC Faridabad	1,200,012.08	1,200,012.08

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## 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 Judgements

The estimates and judgements 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 / judgements 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.





**Sri Prakash & Co.**  
CHARTERED ACCOUNTANTS

**Baddi Office :** Near Laj Dharam Kanta,  
SCO 9, 1st Floor, Gupta Complex,  
Sai Road Baddi, Distt. Solan, (H.P.) 173205  
**Mob. :** 8679000678, 9318536111, 8627855800,  
**Ph. :** 01795-244678

**E-mail :** cadpindia@gmail.com, cadpindia@rediffmail.com

## 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, 2019, 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(l) 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, 2019, its Consolidated profit (or Loss) and Consolidated cash flows for the year ended on that date.



**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

### 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 `176.80 Crore resulting into accumulated losses of `176.24Crore and erosion of its Net worth as at March 31, 2019. The Company has obligations towards fund based borrowings aggregating to 268.94Crore 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. 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 `46.78' Crore (Note 25) 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. Note 12 to the standalone financial statements, the Inventory valuing Rs. 11.82 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. 110.48 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. As informed by the Management, the company has depreciated / revalued its old stock and such loss of Rs. 34.46 Crore (Note 25) has been shown under extraordinary items.
- d. 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;
- e. Note 15 to the Consolidated financial statements, in respect of balances available with statutory authorities and input credits aggregating to `16.99' 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. 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.
- g. Note 11 to the Consolidated financial statement, the Company has sold 72000 shares of Richa Infrastructure Limited to Mr. Subhash Gupta at a loss of Rs. 71.28 Lakhs (Note 25). The management has not provided any justification of the same.
- 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 GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.



- j. The company has not appointed Internal Auditor as required by section 138 of the Companies Act, 2013.
- 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. 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</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, 2019 from management. We involved our internal experts to</p>



	<p>determine the possible outcome of these disputes.</p> <p>Refer Notes 7 to the Consolidated Financial Statements</p>	<p>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><b><i>Recoverability of Indirect tax receivables</i></b></p> <p>As at March 31, 2019, 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 goods 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>





5.	<p><b>Accuracy Evaluation of property, Plant and Equipments</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>Accuracy Evaluation of Trade Receivables</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 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.

**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:

- 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.

**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, 2019 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 (Refer note 35);
  - 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, 2019;

For Sri Prakash & Co  
Chartered Accountants  
FRN: 002058C



CA Punit Kumar  
M. No.522295

Date: 04/06/2020  
Place: Faendabod

**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, 2019, we have audited the internal financial controls over financial reporting of Richa Industries Limited ("the Company") as of March 31, 2019 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 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, 2019:





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, 2019, 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, 2019, 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: 04/06/2020  
Place: Faridabad  
UDIN: 20522295AAAACF3309

**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



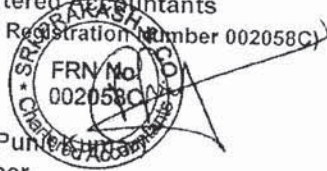
RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]  
PART I - CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

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

(Amount in ₹)

Particulars	Note No.	Figures as at 31-03-2019	Figures as at 31-03-2018
<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	-1,76,24,51,808.66	56,38,095.94
(c) Money Received against share warrants		-	-
(d) Minority Interest	56	49,000.00	-
<b>(2) Share Application Money Pending Allotment</b>			
<b>(3) Non-current liabilities</b>			
(a) Long term borrowings	3	17,80,20,515.00	28,80,57,090.59
(b) Deferred tax liabilities(Net)		11,40,20,789.71	11,40,20,789.71
(c) Long term provisions	4	1,25,39,692.00	1,25,39,692.00
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	5	2,58,25,14,255.73	1,78,02,36,969.55
(b) Trade payables	6	37,80,48,863.83	41,41,33,857.88
(c) Other current liabilities	7	22,10,78,657.81	47,12,50,389.65
(d) Short term provisions	8	2,15,24,187.20	4,24,27,305.20
<b>TOTAL</b>		<b>1,98,05,13,192.62</b>	<b>3,36,34,73,230.52</b>
<b>II. ASSETS</b>			
<b>(1) Non Current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	1,10,48,40,634.15	1,19,41,55,855.14
(ii) Intangible assets	10	16,70,204.91	25,85,528.90
(iii) Capital Work-in-progress	9(a)	-	3,00,000.00
(iv) Intangible assets under development	10(a)	-	-
(b) Non current investments	11	2,50,00,000.00	72,00,000.00
(c) Deferred tax assets (NET)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Inventories	12	11,82,16,812.02	1,39,17,44,955.26
(b) Trade receivables	13	46,49,07,481.06	45,94,55,554.73
(c) Cash and cash equivalents	14	3,90,90,743.20	8,66,38,026.00
(d) Short term loans and advances	15	22,67,87,317.28	22,13,93,310.49
<b>TOTAL</b>		<b>1,98,05,13,192.62</b>	<b>3,36,34,73,230.52</b>

As per our report of even date attached

For Sri Prakash & Co  
Chartered Accountants  
(Firm Registration Number 002058C)  
  
(CA Punj, Haryana)  
Partner  
Membership No. 522295

Place: Faridabad  
Date: 04/06/2020

VDIN-20522295AARACF3309

Date: 04/06/2020

For Richa Industries Limited

  
Arvind Kumar  
Resolution Professional  
IBBI/IPA-001/IP-P00178/2017-18/10357

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

PART II - CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Period Ended Mar 31, 2019

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

(Amount in ₹)

Particulars	Note No.	For the period 01-04-2018 to 31-03-2019	For the period 01-04-2017 to 31-03-2018
I. Revenue from operations	16	1,55,67,01,771.94	1,92,45,89,541.50
II. Other Income	17	1,01,49,638.50	50,81,448.92
III. Total Revenue(I+II)		1,56,68,51,410.44	1,92,96,70,990.42
IV. Expenses:			
Cost of materials consumed	18	1,31,89,19,014.55	1,65,44,60,468.66
Purchase of Stock in Trade	19	-	20,42,28,231.42
Changes in inventories of finished goods work-in-progress consumable	20	59,15,83,100.49	32,91,07,372.34
Employee benefits expenses	21	12,97,98,715.53	17,07,40,594.98
Finance costs	22	35,70,53,234.67	31,13,72,819.69
Depreciation and amortization expenses	23	9,25,38,711.72	9,06,01,149.30
Other cost	24	47,51,89,547.66	20,21,28,114.91
Total expenses		2,96,50,82,324.62	2,96,26,38,751.30
V Profit before exceptional and extraordinary items and tax(III-IV)		-1,39,82,30,914.18	-1,03,29,67,760.88
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax(V-VI)		-1,39,82,30,914.18	-1,03,29,67,760.88
VIII Extraordinary Items	25	-35,32,99,942.22	-7,74,535.09
IX. Prior Period Expenses		-	-
X. Profit before tax (VII-VIII-VIII(a))		-1,75,15,30,856.40	-1,03,37,42,295.97
XI. Tax expenses:			
(1) Current tax		-	-
Less MAT Credit Entitlement		-	-
Provision for Disputed Income Tax/Other Taxes Matters		-	1,69,08,549.20
(2) Deferred tax		-	81,75,544.18
(3) MAT Credit Written off		1,65,59,048.20	-
XI. Profit(Loss) for the period from continuing Operations(IX-X)		-1,76,80,89,904.60	-1,05,88,26,389.35
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)		-1,76,80,89,904.60	-1,05,88,26,389.35
XVI. Earnings per equity share:			
(1) Basic	26	-75.46	-45.19
(2) Diluted	26	-75.46	-45.19

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

For Richa Industries Limited

Arvind Kumar  
Resolution Professional

IBBI/PA-001/IP-P00178/2017-18/10357

Place: Faridabad

Date: 04/06/2020

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended March 31, 2019

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

Particular	Amount in ₹	
	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax as per statement of Profit & loss	- 76,80,89,904.60	-1,03,37,42,295.97
Adjustment for:		
Depreciation	9,25,36,711.72	9,06,01,149.30
Interest paid	35,17,23,518.74	28,71,50,738.39
Bad Debts Written off	10,38,72,349.27	2,35,24,977.06
Effect of Exchange rate Change	-	-1,17,204.23
Minority Interest	49,000.00	
(Profit)/Loss on sale of fixed assets	15,27,094.66	7,74,535.09
	54,95,10,674.39	40,19,34,195.61
	-1,21,85,79,230.21	-63,18,08,100.36
Operating profit before working capital changes		
Adjustment for:		
Trade and other receivables	-10,91,24,275.60	90,83,57,157.19
Inventories	1,27,35,28,143.24	59,03,16,816.35
Trade payables and Other Liabilities	-30,71,59,843.89	-63,53,57,785.29
	85,72,44,023.75	86,33,16,188.25
Cash generated from Operations	-36,13,35,206.46	23,15,08,087.89
Taxes Paid(Net)	-	-
<b>NET CASH/(USED IN) FROM OPERATING ACTIVITIES</b>	<b>-36,13,35,206.46</b>	<b>23,15,08,087.89</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-83,32,054.10	-11,67,01,935.62
Sale of Fixed Assets	57,96,792.46	4,65,000.00
Short term Loans and Advances	-53,84,006.79	
Loss on sale of Investment	-1,78,00,000.00	
<b>NET CASH/(USED IN) FROM INVESTING ACTIVITIES</b>	<b>-38,80,64,474.89</b>	<b>11,52,71,152.27</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayments) from long term other Borrowings	-11,00,36,575.59	9,16,82,775.46
Proceeds/(Repayments) of Unsecured Loan	-	64,70,000.00
Proceeds/(Repayments) from long term Bank Borrowings	-	-4,64,85,644.74
Proceeds From/(Repayments of) Short Term Borrowings	80,22,77,286.42	30,21,82,413.94
Interest Paid	-35,17,23,518.74	-28,71,50,738.39
Long Term Liabilities	-	-15,93,10,019.00
<b>NET CASH/(USED IN) FROM FINANCING ACTIVITIES</b>	<b>34,05,17,192.09</b>	<b>-9,26,11,212.73</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-4,75,47,282.60</b>	<b>2,26,59,939.54</b>
Opening Balance of Cash & Cash Equivalents	8,66,38,026.00	6,39,78,086.46
Closing balance of Cash & Cash Equivalents	3,90,90,743.20	8,66,38,026.00

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



(CA Punit Kishore)  
Partner  
Membership No. 522295

For Richa Industries Limited

Arvind Kumar  
Resolution Professional

IBBI/PA-001/IP-P00178/2017-18/10357

Place: Faridabad

Date: 04/06/2020

PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>1) Share Capital</b>		
I) Authorised Share Capital		
30000000 (PY 30000000) Equity Shares of ₹ 10/- each	30,00,00,000.00	30,00,00,000.00
II) Issued Share Capital		
23603808 (PY 23603808) Equity Shares of ₹ 10/- each	23,60,38,080.00	23,60,38,080.00
III) Subscribed and Paid up Share Capital		
23430000 (PY 23430000) Equity Shares of ₹ 10/- each fully paid up	23,43,00,000.00	23,43,00,000.00
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	8,69,040.00	8,69,040.00
<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  
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential  
(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, 2019		As at 31st March, 2018	
	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	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, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Richa Holdings Limited	76,21,156.00	32.53	76,21,156	32.53

**2) Reserve and Surplus**

(a) Capital Reserve

Balance at the beginning of the year	12,15,000.00	12,15,000.00
Addition during the year	-	-
Less: written back during the year	-	-
Balance at the end of the year	12,15,000.00	12,15,000.00

(b) Security Premium Reserve

Balance at the beginning of the year	22,34,49,491.04	22,34,49,491.04
Addition during the year	-	-
Less: deduction during the year	-	-
Balance at the end of the year	22,34,49,491.04	22,34,49,491.04

(c) General reserve

Balance at the beginning of the year	2,14,86,851.05	2,14,86,851.05
Addition during the year	-	-
Less: deduction during the year	-	-
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	-24,05,13,246.15	81,83,13,143.20
Deduction during the year	-1,76,80,89,904.60	-1,05,88,26,389.35
Less: Transfer to General reserves	-	-
Balance at the end of the year	-2,00,86,03,150.75	-24,05,13,246.15
<b>TOTAL (a+b+c+d)</b>	<b>-1,76,24,51,808.66</b>	<b>56,38,095.94</b>

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)**



9,68,46,781.63

16,49,01,856.45

8,00,28,547.49

18,17,20,090.59

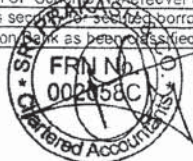
\* In the current financial year, All the Long term borrowing has been shown as short term borrowing due to the consequence of CIRP proceeding.

PARTICULARS	Figures as at		Figures as at	
	31.03.2019		31.03.2018	
Name of Bank / Division of the Company		March 31, 2018	Rate of Interest (as per latest Sanction Letter available)	Repayment Schedule (as per latest Sanction Letter available)
Indian Overseas Bank / Textile Division		1,52,65,929.00	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 Repayable in 72 equal monthly instalment after initial moratorium period of six months
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		5,15,01,841.00	MCLR (1 Year)+0.20%+3.90% = 12.65%	
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		2,18,17,377.00	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		12,78,564.53	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		4,03,55,786.00	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.		13,70,989.81	15.50%	Repayable in 24 Months of EMI of ₹4,87,245.00 Each including interest and Principal
Unsecured Loan				
Toyota Financial Services Ltd.		31,53,626.00	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		9,54,44,753.00	13.05% (fixed) subject to gross up for 2020 : 50% of the withholding tax Principal Amount and on (currently at a rate of June 12, 2020 : 50% of 10%) and a Review the Principal Amount 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 and a Review Fee of 2.70% pa subject to gross up of withholding tax (currently at a rate of 10%)
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				
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 ₹ 253,32,894.00		2,45,76,701.64	10.5% pa	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 at 31.03.2019 borrowings are disclosed in Note - 35

The facilities granted by Indian Overseas Bank and Corporation Bank as per classified as Sec-standard and the accounts has been



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>(b) Un-Secured loan</b>		
<b>Loans and Advances from Related parties</b>		
-Richa Building Systems Private Limited	7,01,87,000.00	7,01,87,000.00
-Richa Holdings Limited	3,67,50,000.00	3,61,50,000.00
-Sandeep Gupta	39,865.00	-
- Mrs Krishna	20,00,000.00	-
<b>From Others</b>		
Karan Cab Services Pvt Limited	1,50,59,755.00	-
Richa Holdings Limited	5,39,83,895.00	-
<b>TOTAL (b)</b>	<b>17,80,20,515.00</b>	<b>10,63,37,000.00</b>
<b>(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.</b>		
<b>(ii) Period and amount of continuing default as on the balance sheet date</b>		
--in repayment of loans	Nil	Nil
--in repayment of interest	Nil	Nil
<b>TOTAL (a)+(b)</b>	<b>17,80,20,515.00</b>	<b>28,80,57,090.59</b>
<b>4) Long Term Provisions</b>		
<b>(a) Provision for employee benefit*</b>		
--Provision for Gratuity	87,82,015.00	87,82,015.00
--Provision for Leave Encashment	37,57,677.00	37,57,677.00
<b>(b) others</b>		
<b>TOTAL</b>	<b>1,25,39,692.00</b>	<b>1,25,39,692.00</b>
* Refer notes for Disclosure pursuant to Accounting Standard-15 "Employee Benefits"		
<b>5) Short Term Borrowings</b>		
<b>Secured loan</b>		
<b>(a) Loans repayable on demand</b>		
--From Banks - Working capital Limits	2,33,13,00,526.60	1,73,80,78,261.55
--From Banks - Vehicle Loan	78,74,615.00	69,83,050.00
--Others	23,29,26,346.13	4,21,58,708.00
Add: Current Maturities of Long Term Debt**	-	8,00,28,547.49
<b>Un Secured loan</b>		
(a) Loan from Sariga Construction Pvt Ltd.	1,04,12,768.00	-
<b>SUB TOTAL</b>	<b>2,58,25,14,255.73</b>	<b>1,78,72,20,019.55</b>

Name of Bank / Division of the Company	Balance as on		Rate of Interest (as per latest Sanction Letter available)	Repayment Schedule (as per latest Sanction Letter available)
	March 31, 2019			
Indian Overseas Bank / Textile Division	99,59,108.00		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 Repayable in 72 equal monthly instalment after initial moratorium period
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		3,57,59,768.32	MCLR (1 Year)-0.20%+3.90% = 12.65%	
Security: Primary - Hypothecation of Plant & Machinery set up for the Zero Liquid Discharge system and the new circular knitting machines.				



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
Indian Overseas Bank / Construction & Engg Division  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	2,51,28,011.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a. Repayable in 72 monthly instalments of ₹ 30.00 Lac Commencing from July 2012
Kotak Mahindra Bank Ltd.  Security: Hypothecation of 2 Nos.Commercial Vehicles	8,20,852.40	9.80% Repayable in 47 Months of EMI of 2 x ₹ 23,933.00 Each including interest and Principal
Jainsons Finlease Ltd  Security: 1) Pledge of 38,45,280 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)	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 10-06-2020 and 1,00,00,000.00 on 10-08-2020
Magma Fincorp Ltd.  Toyota Financial Services Ltd.	26,90,899.00	15.50% 9.49% Repayable in 24 Months of EMI of ₹4,87,245.00 Each including interest and Principal 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
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 ₹ 53,00,000.00 and second for ₹ 49,50,000.00. As on 31-03-2018, First FDR of ₹ 53,00,000.00 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	10,10,53,479.00	13.05% (fixed) subject to gross up for 2020 : 50% of the withholding tax (currently at a rate of June 12, 2020 : 50% of 10%) and a Review the Principal Amount 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 (currently at a rate of June 12, 2020 : 50% of 10%) and a Review the Principal Amount
HDB Financial Services Ltd - Loan against Property HN-406 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	2,46,96,744.13	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 72,86,97,180.40 61,73,09,145.54

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 92,43,88,951.83 58,87,81,505.55

**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-10A, Faridabad [ owned by Richa Holding Limited, a promoter Company], Land and Building at VPO Karwara, Kheri jasara 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 Company.

C & E Division : Working capital limits sanctioned for the PEB division of the company will be fully secured by the pari-passu second charge on fixed assets of the Company held as primary security to the loans as granted by the Company.



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<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].	60,64,99,986.30	52,71,35,986.35
<b>Collateral Security :</b> C & E Division : Working capital limits are secured by pari passu 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		48,51,624.11
<b>Reliance Commercial Finance Ltd.</b> Secured against Pari-passu charges with both bankers up to the extent of Rs 10 crore against current assets of two projects of the company named Bharat Electronics Ltd & Icon Intl Ltd.	4,00,62,329.00	4,21,58,708.00
<b>Sirsa Deposits and Advance Limited</b>	52,06,957.00	

<b>Vehicle Loan - Corporation Bank</b>		
Corporation Bank		
Security: Hypothecation of Mercedes Car	78,74,615.00	69,83,050.00

In respect of Holding Company 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 respect of Holding Company, 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. The details of amounts claimed by corporate guarantor are as follows:-

Sr. No.	Particulars	Amount Claimed (Rs.)
1	CNC Enterprises	5,00,00,000.00
2	SK Enterprises	6,00,00,000.00
3	Singal Enterprises	6,00,00,000.00
4	Catalyst Trusteeship Limited	9,68,61,658.00
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>2417624797.00</b>

6) Trade Payables *		
Amount due to various suppliers as at the end of the year	37,80,48,863.83	41,41,33,857.88
<b>TOTAL</b>	<b>37,80,48,863.83</b>	<b>41,41,33,857.88</b>

\* In respect of Holding Company, 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.

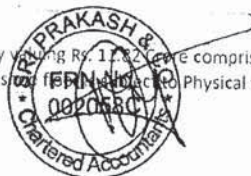
7) Other Current Liabilities		
(a) Bills payable (accepted under LC)		
(b) Total outstanding dues of creditors other (other than micro enterprises due of creditor others)		21,52,19,577.00
Creditors for capital goods	15,66,184.00	10,73,526.00
Creditors for expenses	7,50,93,893.05	10,65,12,098.06
Advances payment for which value has still to be given	5,06,95,006.55	1,37,65,445.35
Unclaimed Final Dividend for Earlier Years *	1,24,926.50	33,039.00
Securities/Retention payable	3,39,42,893.50	3,60,12,667.44
Sales tax payable / WCT Payable		14,37,619.90
TDS & TCS Payable	34,15,189.74	1,04,39,383.42
Service Tax Payable		
GST Payable	3,04,66,251.47	
Expenses payable	2,57,74,313.00	2,86,51,396.99
<b>TOTAL</b>	<b>22,10,78,657.81</b>	<b>41,31,44,753.16</b>

\* In respect of Holding Company, There are no amounts due for Investor 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.



PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>8) Short Term Provisions</b>		
<b>(a) Provision for employee benefits</b>		
(i) Payable PF, ESI & Welfare Fund	33,07,570.00	22,87,777.00
(ii) Insurance, Pension and similar staff benefits	7,36,538.00	7,36,538.00
<b>(b) Others</b>		
(i) Provision for Income Tax (AY 2017-18, FY 2016-17)		
(ii) Provision for Pending Litigation / Disputes *	1,74,80,079.20	1,74,80,079.20
<b>TOTAL</b>	<b>2,15,24,187.20</b>	<b>2,05,04,394.20</b>
* In respect of Holding Company, Provision for litigation / disputes represents claims against the Company that are expected to materialize in respect of matters in litigation.		
<b>9) Property, Plant and Equipments</b>		
<b>Tangible Assets @</b>		
(a) Land	18,99,00,132.04	18,99,00,132.04
(b) - Factory Buildings	34,88,36,923.52	37,09,50,988.20
- Other than Factory Buildings	6,03,04,220.49	6,13,30,806.12
(c) Plant and Equipment	48,23,20,502.40	54,08,38,610.17
(d) Furniture and Fixtures	33,32,033.26	44,18,203.15
(e) - Vehicles (Commercial)	34,52,451.40	40,49,706.78
- Vehicles (Other than Commercial)	1,20,84,644.81	1,69,09,581.57
(f) Office equipment	34,74,341.13	43,30,836.02
(g) Computer	11,18,185.05	14,05,840.90
(h) Fax/Telephone	17,200.05	21,150.19
(i) Capital WIP		3,00,000.00
<b>TOTAL</b>	<b>1,10,48,40,634.15</b>	<b>1,19,44,55,855.14</b>
<b>10) Intangible Assets @</b>		
(a) Computer Software	16,70,204.91	25,85,528.90
(b) Capital WIP		
<b>TOTAL</b>	<b>16,70,204.91</b>	<b>25,85,528.90</b>
@ Depreciation chart showing the workings are required by the Companies Act 2013 is attached		
<b>11) Non Current Investments</b>		
<b>(a) Investment in Equity Instruments</b>		
--In Subsidiaries Companies (Unquoted, and stated at Cost Price)		
51000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Krishna Constructions Private Limited		
--In Associates Companies (Unquoted, and stated at Cost Price)		
(PY 72000 Equity shares Face Value ₹ 10/- Each Fully Paidup of Richa Infrastructure Limited)		72,00,000.00
<b>(b) Others</b>		
Term Deposits	2,50,00,000.00	
<b>TOTAL</b>	<b>2,50,00,000.00</b>	<b>72,00,000.00</b>
In respect of Holding Company, During the financial year, the Company has sold 72000 shares to Mr. Subhash Gupta at a loss of Rs. 71.28 lakhs.		
<b>12) Inventories *</b>		
(a) Raw Materials	7,76,42,234.06	75,95,87,276.81
(b) Work in Progress	2,61,66,068.12	56,41,24,336.85
(c) Finished goods	76,09,402.00	3,30,35,898.76
(d) Stores & Spares	67,99,107.84	3,49,97,442.84
<b>TOTAL</b>	<b>11,82,16,812.02</b>	<b>1,39,17,44,955.26</b>

\* In respect of Holding Company, The Inventory Valuation comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at stock. Physical verification and confirmation



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>13) Trade Receivables</b>		
(a) Outstanding for period exceeding Six Months	26,62,23,807.22	32,71,00,236.46
(b) Others	19,86,83,673.84	13,23,55,318.27
Sub Classification of Trade Receivables		
(a) Secured, Considered Good;	-	5,48,03,046.00
(b) Unsecured Considered Good;	46,49,07,481.06	40,46,52,508.73
(c) Doubtful	-	-
<b>TOTAL</b>	<b>46,49,07,481.06</b>	<b>45,94,55,554.73</b>
<b>14) Cash and cash Equivalents</b>		
(a) Cash and cash Equivalents		
(i) Balance with banks in Current Accounts	1,15,43,658.77	30,46,082.59
(ii) Cash In Hand	1,64,842.43	31,26,487.43
(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	-	-
(iv) Yes Bank - Unclaimed Dividend FY 2012 -13	57,457.00	417.50
(c) Balances with Banks to the extent held as margin money		
(i) In Deposit accounts		
--With Less or Equal to 12 Months Maturity	1,26,06,401.00	6,62,27,869.00
--With more than 12 Months Maturity	1,26,93,327.00	95,26,738.00
(ii) Interest Accrued but not Due	19,57,587.50	46,77,809.98
<b>TOTAL</b>	<b>3,90,90,743.20</b>	<b>8,66,38,026.00</b>
<b>15) Short Term Loans and Advances</b>		
Unsecured and Considered Good		
(a) Loan & Imprest to employees	82,637.00	2,64,356.50
(b) TUFs Interest Subsidy Receivable	-	96,00,223.00
(c) Security Deposit *	29,68,897.00	63,93,637.00
(d) Advance to Suppliers/Others	5,24,46,953.83	2,92,96,949.91
(e) Insurance Claim Receivable	-	13,22,895.00
(f) Prepaid Expenses	14,19,767.22	23,07,752.34
(g) Loan to Richa Infrastructure Ltd.	-	60,26,769.00
(h) Balance with Customs/Central Excise and Income Tax Authorities		
(i) Balance In CENVAT /Service tax account/Sale Tax / WCT/Entry Tax/GST	8,32,21,922.00	8,60,15,139.85
(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	1,00,000.00
(v) Income Tax Refundable (AY 2016-17, FY 2015-16)	79,53,894.00	79,53,894.00
(vi) MAT Credit Entitlement (AY 2012-13, FY 2011-12)	18,34,488.00	2,01,29,661.66
(vii) MAT Credit Entitlement (AY 2013 -14, FY 2012-13)	10,15,424.00	10,98,181.00
(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	94,27,994.00
(x) TDS Receivable/Advance Tax (AY 2018-19, FY 2017-18)	1,58,93,363.00	1,44,58,376.00
(xi) TDS Receivable/Advance Tax (AY 2017-18, FY 2016-17)	1,82,34,319.23	1,82,12,808.23
(xii) TDS Receivable/Advance Tax (AY 2019-20, FY 2018-19)	2,15,84,101.00	-
<b>TOTAL</b>	<b>22,67,87,317.28</b>	<b>22,13,93,310.49</b>

\* In respect of Holding Company, The balances of Security Deposit are subject to reconciliation and confirmation.



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>16) Revenue from Operations</b>		
(a) Sale of products		
(i) Domestic sale	44,34,57,697.74	1,56,37,65,676.44
(ii) Export sale	-	-
(b) Sale of services	1,11,32,44,074.20	36,08,23,865.06
(c) Other operating revenues	-	-
<b>TOTAL</b>	<b>1,55,67,01,771.94</b>	<b>1,92,45,89,541.50</b>
Less: Excise Duty	-	-
<b>TOTAL</b>	<b>1,55,67,01,771.94</b>	<b>1,92,45,89,541.50</b>
<b>17) Other Income</b>		
(a) Interest Income		
(i) Interest Received on FDR	22,65,910.02	46,79,541.74
(ii) Interest received others	3,67,829.30	1,31,643.00
(b) Other non Operating Income		
(i) Unclaimed balances W/off & short & Excess	25,35,147.48	1,05,389.18
(ii) Rent Received	1,22,656.00	1,64,875.00
(iii) Advance Forfeited /Bad Debts Recoveries	43,42,795.70	-
(iv) Miscellaneous Receipts	5,15,300.00	-
<b>TOTAL</b>	<b>1,01,49,638.50</b>	<b>50,81,448.92</b>
<b>18) In case of manufacturing companies</b>		
Raw material consumed under broad heads		
Textile Unit		
(a) Dyes and Chemicals	8,21,69,679.84	9,62,40,424.03
(b) Fabrics	16,29,03,968.23	4,45,75,492.37
(c) Yarn	3,94,51,214.03	17,24,23,889.99
(d) Fuel	5,74,65,842.50	4,09,20,075.57
(e) Packing Material	30,09,212.00	39,98,157.00
Construction & Engineering Unit		
(f) HR Plates	30,78,10,185.77	57,12,83,940.40
(g) Structures	7,07,77,638.37	4,69,58,223.01
(h) Coils	11,97,56,124.59	27,23,45,534.02
(i) Accessories	6,15,12,685.54	20,38,84,158.93
(j) Stock Transfer	0.00	-
(j) Material Used in home consumption	-	-
(k) Civil construction expenses with material	41,40,62,463.68	18,27,30,573.34
(l) Solar Panel Modules & Structures	-	1,91,00,000.00
<b>TOTAL</b>	<b>1,31,89,19,014.55</b>	<b>1,65,44,60,468.66</b>
<b>19) Purchase of Stock in Trade</b>	-	<b>20,42,28,231.42</b>



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>20) INCREASE/DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES</b>		
<b>Closing Stock</b>		
Consumable Store	67,99,107.84	3,49,97,442.84
Finished Goods	76,09,402.00	3,30,35,898.76
Work in process	2,61,66,068.12	56,41,24,336.85
<b>TOTAL</b>	<b>4,05,74,577.96</b>	<b>63,21,57,678.45</b>
<b>Opening Stock</b>		
Consumable Store	3,49,97,442.84	1,95,12,319.35
Finished Goods	3,30,35,898.76	12,31,49,116.23
Work in process	56,41,24,336.85	81,86,03,615.21
<b>TOTAL</b>	<b>63,21,57,678.45</b>	<b>96,12,65,050.79</b>
<b>(-)INCREASE /DECREASE IN WIP/ FINISHED GOODS/CONSUMABLES</b>	<b>59,15,83,100.49</b>	<b>32,91,07,372.34</b>
<b>21) Employee benefits expenses</b>		
(a) Salaries and Wages & labour expenses	11,35,56,501.10	14,70,54,352.97
(b) Contribution to Provident and other funds	73,55,583.28	1,01,33,433.00
(c) Staff welfare expenses	18,49,018.97	30,06,312.01
(d) Employee Retirement & Other Benefits		
(i) Gratuity & Leave Encashment- Paid	18,06,816.18	75,99,222.00
(ii) Gratuity & Leave Encashment- Provision(Add/Reverses)	-	-45,90,137.00
(e) Directors Remuneration, including retirement benefits	52,30,796.00	75,37,412.00
<b>TOTAL</b>	<b>12,97,98,715.53</b>	<b>17,07,40,594.98</b>
<b>22) Finance Cost</b>		
(a) Interest expenses		
(i) to Banks on Working Capital Loans	29,44,30,733.11	23,33,55,114.27
(ii) to Banks on Term Loans	1,17,76,571.00	1,64,60,284.00
(Net of TUF Interest Subsidy ₹ 1418813 , Previous Year ₹ )		
(iii) on other accounts	4,55,16,214.63	3,73,35,340.12
(b) Other borrowing costs		
(i) Bank Charges	53,12,728.53	2,43,39,285.53
(c) Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	16,987.40	-1,17,204.23
<b>TOTAL</b>	<b>35,70,53,234.67</b>	<b>31,13,72,819.69</b>
<b>23) Depreciation and Amortisation Expense</b>	<b>9,25,38,711.72</b>	<b>9,06,01,149.30</b>
<b>24) OTHER COST</b>	<b>47,51,89,547.66</b>	<b>20,21,28,114.91</b>
<b>(A) MANUFACTURING EXPENSES</b>		
(a) Outside Job work/ Erection Charges	19,71,26,436.63	1,84,12,604.85
(b) Power and fuel	4,01,45,473.77	3,80,13,379.37
(c) Water & Sewerage Charges	1,71,425.00	63,844.00
(d) Consumption of stores and spare parts	1,85,56,258.94	2,08,47,558.74
(e) Repairs to Machinery & Hiring Charges	1,65,23,237.05	2,13,75,415.93
(f) Freight on Purchase	1,21,50,892.34	1,57,49,862.81
<b>TOTAL</b>	<b>28,46,73,723.73</b>	<b>11,44,62,665.70</b>



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>(B) ADMINISTRATIVE EXPENSES</b>		
(a) Auditors remuneration & Out of pocket Expenses	5,31,710.00	6,23,965.00
(b) Books & priodicals	420.00	6,851.00
(c) Charity & Donation	1,53,700.00	1,66,800.00
(d) Commission / Sitting fee to Non WTD	50,000.00	2,00,000.00
(e) Director Travelling & Conveyance	7,68,610.23	23,11,507.17
(f) Diwali Expenses	9,866.00	96,505.00
(g) Miscellaneous Expenses	70,284.00	2,13,015.67
(h) Insurance (Others)	37,21,901.93	56,02,790.55
(i) Insurance (on cars)	18,221.02	3,45,603.13
(j) Legal & Professional Charges	87,81,976.05	49,80,531.00
(k) Out of pocket Expense -Consultant	-	17,196.00
(l) AGM & Meeting Expenses	57,180.00	75,530.00
(m) Postage /Telegram/ Courier Expenses	1,39,821.35	7,97,045.64
(n) Printing & stationery Expenses	6,95,149.92	11,37,402.97
(o) Rates & Taxes, Excluding taxes on income	48,11,776.58	12,21,173.84
(p) Rent	3,82,184.92	5,40,006.61
(q) Repairs to Buildings	2,28,477.00	3,97,338.00
(r) Repair - Computer	7,29,116.69	21,11,548.64
(s) Running & Maintenance -Vehicle Commercial	15,30,198.00	19,31,547.00
(t) Running & Maintenance - Vehicle others	22,12,322.86	20,80,095.16
(u) Watch /Ward/Security	47,22,686.64	49,16,810.17
(v) Repair - Electricals	2,63,096.53	8,43,581.88
(w) Subscription & Membership Fee	2,01,375.00	3,51,825.00
(x) Telephone, Modem & Internet Expenses	10,57,375.91	13,96,669.63
(y) Testing & Designing Expenses	9,92,326.81	10,14,631.00
(z) Travelling & Conveyance Expenses	54,21,645.12	74,52,214.13
(z i) Office Maintenance Expenses	10,49,657.17	11,78,141.98
(zii) CSR Expenses	-	5,00,000.00
(ziii) NCD issue Expenses	4,56,00,000.00	33,68,500.00
<b>TOTAL</b>	<b>8,42,01,079.73</b>	<b>4,58,78,826.17</b>
<b>(C) SELLING &amp; DISTRIBUTION EXPENSES</b>		
(a) Sales Promotion Expenses	4,12,161.50	15,12,307.95
(b) Commission/ Discount on Sales	-	1,51,928.00
(c) Distribution Expenses/ Export sales clearing Expenses	14,19,845.43	68,58,052.25
(d) Advertisement / Tender fee & Exhibition Expenses	8,10,388.00	6,42,783.78
(e) Bad Debts written off	10,36,72,349.27	2,35,24,977.06
(f) L.D.Charges deducted	-	90,96,574.00
<b>TOTAL</b>	<b>10,63,14,744.20</b>	<b>4,17,86,623.04</b>



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>25) Extraordinary Items</b>		
(a) Loss on sale of fixed assets	15,27,094.66	-7,74,535.09
(b) Loss on inventory revaluation	34,46,44,847.56	-
(c) Loss on sale of investment	71,28,000.00	-
	<b>35,32,99,942.22</b>	<b>-7,74,535.09</b>
<b>26) EARNING PER SHARE &amp; DILUTED EARNING PER SHARE</b>		
(i) Net Profit after tax as per P & L Account	-1,76,80,89,904.60	-1,05,88,26,389.35
(ii) Weighted Average number of equity Shares used as denominator for calculating EPS	2,34,30,000.00	2,34,30,000.00
(iii) Net Profit attributable to shareholders	-1,76,80,89,904.60	-1,05,88,26,389.35
(iv) Diluted Earning Per Share(RS) (iii/ii)	-75.46	-45.19
(v) Profit before tax	-1,75,15,30,856.40	-1,03,37,42,295.97
(vi) Earning per share	-75.46	-45.19
(vii) Face Value per equity Share	10.00	10.00
<b>(a) Payment to the Auditor As</b>		
(a) Auditor	5,00,000.00	4,50,000.00
(b) for taxation matters	-	1,50,000.00
(c) for Company Law Matters	-	-
(d) for Other Services	-	-
(e) for Reimbursement of Expenses	6,710.00	23,965.00
<b>(b) Detail of items of exceptional and extraordinary nature</b>		
(a) Loss on sale of fixed assets	-15,27,094.66	-7,74,535.09
<b>(c) Amount of Expenditure incurred on Corporate Social Responsibility activities</b>	-	5,00,000.00
<b>27) Additional Information as required in Part-II of Schedule III</b>		
<b>(a) Value of Imports on C.I.F. Basis</b>		
I Raw Materials;	-	-
II Components and spare parts;	-	17,95,321.00
III Capital Goods	-	45,22,778.00
<b>(b) Expenditure in Foreign Currency</b>		
I Royalty	-	-
II Know-how	-	-
III Professional & Consultation fee		
--Software	-	4,40,088.00
IV Interest	-	-
V Other Matters		
--Foreign Travelling	-	21,61,481.00



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PARTICULARS	Figures as at 31.03.2019		Figures as at 31.03.2018	
	(Amount in ₹)	Consumption	(Amount in ₹)	% Consumption
(c) Total value of Imported / Indigenous raw materials, spare parts and components				
<b>Raw Materials</b>				
--Indigenous	-	-	1,62,70,93,486.83	98.35
--Imported	-	-	2,73,66,981.83	1.65
<b>TOTAL</b>	-	100.00	1,65,44,60,468.66	100.00
<b>Spare Parts and Components</b>				
--Indigenous	-	-	1,99,62,827.14	95.76
--Imported	-	-	8,84,731.60	4.24
<b>TOTAL</b>	-	100.00	2,08,47,558.74	100.00

(d) Amount remitted during the year in foreign currencies on account of dividends

- Total number of non-residents shareholders
- Total number of shares held by them on which dividend is due
- the year to which dividend relates

(e) Earnings in foreign exchange

- I Export of goods calculated on F.O.B Basis
- II Royalty, know-how, professional and consultation fee
- III Interest and dividend
- IV Other incomes (if any)

- 28) (a) Dividends from Subsidiary Companies \*
- (b) Provision for losses of Subsidiary Companies \*

29) Contingent Liabilities and Commitments (to the extent not provided for)

(i) Contingent Liabilities

- (a) Claims against the Company not acknowledged as debt

- (b) Guarantees

2,51,93,57,586.00 15,66,43,856.00

- (c) other money for which the company is contingently liable

- Disputed demands in respect of income tax etc

7,30,74,412.00 63,05,697.00

- Disputed demands in respect of Service Tax \*

1,32,01,385.00 1,32,01,385.00

\* In respect of Holding Company, 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

4,44,14,998.00 1,87,500.00

- Duty saved on EPCG licenses pending for redumption\*

5,54,90,323.40 5,54,90,323.40

\* In respect of Holding Company, 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.

- amount of Letter of Credits for which Bills are not accepted under LC

2517856

The Company donot 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 .

In respect of Holding Company, 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



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
30) the amount of dividends proposed to be distributed to Shareholders for the period --related amount per share The Company donot have any preference shareholders		
31) 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		
<b>32) Related Party disclosures</b>		
<b>1 Relationships (Only those with whom transeactions have taken place)</b>		
<b>(a) Key Managerial Personnel</b>		
(1) Sh Sushil Gupta (Chairman & Director)	(2) Sh Sandeep Gupta (MD)	(3) Sh Manish Gupta (President)
(4) Lavesh Kansal (Director)		
<b>(b) Associates</b>		
(1) Richa Building System Private Limited	(2) Richa Holdings Limited	(3) Richa Infrastructure Limited
(4) Richa Krishna Constructions Private Limited		
Richa Infrastructure Limited		
<b>(c) Relatives of Key Managerial Personnel</b>		
(1) Geeta Devi	(2) Garima Gupta	(3) Subhash Gupta
<b>2 Transactions carried out with related parties referred in 1 above, in ordinary course of business</b>		
Nature of Transaction	Related Parties	
	Referred in 32 -1(a) above	Referred in 32 -1(b) above
		Referred in 32 -1(c) above
<b>Sales</b>		
Goods, material and service		
<b>Purchase</b>		
Goods, material and service		
<b>Expenses</b>		
Remuneration	52,30,796.00	
	(73,06,616.00)	
Loss on Sale of Investment		7,12,80,000.00
		(0.00)
<b>Professional Fees</b>		
<b>Finances</b>		
Loans and advances repaid (net of receipts)		0.00
		(2,96,80,000.00)



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
Loans and advances Received (net of payments, if any)	6,00,000.00 (3,61,50,000.00)	
Loans and advances Granted (net of receipts, if any)	60,26,769.00 (60,26,769.00)	
Sale of Investment		72,000.00 (0.00)
Outstandings Receivables		
Payable (Remmuneration)	2,00,000.00 (3,57,485.00)	
Loans & Advances payables	10,69,37,000.00 (9,98,67,000.00)	
<b>3 Disclosures in respect of material transactions with related parties during the year (included in 2 above)</b>		
Sales		
Richa Infrastructure Limited		
Purchase		
Goods, material and service		
Expenses - Remmunerations		
-- Sh Sushil Gupta	(19,06,616.00)	
--Sh Sandeep Gupta	20,00,000.00 (25,00,000.00)	
--Sh Manish Gupta	24,00,000.00 (24,00,000.00)	
--Lavesh Kansal	8,30,796.00	
Professional Fees		
--Smt Garima Gupta		



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
Loss on Sale of Investment		
--Subhash Gupta		71,28,000.00
Finances		
Loans and advances repaid (net of receipts)		
--Richa Building System Private Limited	(2,96,80,000.00)	
Loans and advances Received (net of Payments)	6,00,000.00	
--Richa Holdings Limited	(3,61,50,000.00)	
Outstandings		
Receivables		
--Richa Infrastructure Limited	0.00	
Payable (Remuneration)	(60,26,769.00)	
-- Sh Sushil Gupta		
--Sh Sandeep Gupta	(1,94,690.00)	
--Sh Manish Gupta	2,00,000.00	
--Smt Geeta Devi	(1,62,695.00)	
Loans & Advances payables		
--Richa Holdings Limited	(3,67,50,000.00)	
--Richa Building System Private Limited	(3,61,50,000.00)	
Previous Year Figures in ( )	(7,01,87,000.00)	(7,01,87,000.00)
Investments		
--Richa Krishna Constructions Private Limited	51,000.00	
	(51,000.00)	



*[Handwritten signature]*

PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>33) Disclosures pursuant to Accounting Standard-15 - "Employee Benefits"</b>		
a) The Company has not made the provisions of Gratuity and Leave Encashment.		
<b>34) Disclosures pursuant to Accounting Standard (AS) – 17 "Segment Reporting"</b>		
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		
(ii) Sales to Domestic Market	1,55,67,01,771.94	1,92,45,89,541.50
Segment Reporting Chart		
<b>1 Segment Revenue</b>		
a) Textiles	40,52,18,846.24	66,55,19,957.27
b) Construction & Engineering	1,15,14,82,925.70	1,25,90,69,584.23
<b>Total Income From Operation</b>	<u>1,55,67,01,771.94</u>	<u>1,92,45,89,541.50</u>
Less: Inter Segment Revenue		
Sales/Income from Operation	1,55,67,01,771.94	1,92,45,89,541.50
<b>2 Segment Results</b>		
Profit before tax and interest from each segment		
a) Textiles	-23,11,47,640.24	7,27,27,200.17
b) Construction & Engineering	-81,00,30,039.27	-79,43,22,141.36
<b>Total</b>	<u>-1,04,11,77,679.51</u>	<u>-72,15,94,941.19</u>
Less: Inter Segment Revenue		
i) Interest	35,70,53,234.67	31,13,72,819.69
ii) Other unallocable expenditure net of unallocable income		
iii) exceptional Items		
<b>Total Profit before Tax</b>	<u>-1,39,82,30,914.18</u>	<u>-1,03,29,67,760.88</u>
<b>3 Capital Employed</b>		
(segment Assets Less Segment Liabilities)		
a) Textiles		40,36,86,226.11
b) Construction & Engineering	-1,06,81,28,949.11	25,17,38,482.13
<b>Total Capital Employed</b>	<u>-1,06,81,28,949.11</u>	<u>65,54,24,708.24</u>
<b>35) Disclosures pursuant to Accounting Standard (AS) – 28 "Impairment of Assets"</b>		
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.		



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PARTICULARS	Figures as at	Figures as at
	31.03.2019	31.03.2018
<b>36) Assets Pledged as Security</b>	<b>Year Ended</b>	
Particulars	31-Mar-19	31-Mar-18
<b>Current Assets</b>		
<b>Financial Assets (Floating Charge)</b>		
Trade Receivables	46,49,07,481.06	45,94,55,554.73
Cash & Cash Equivalents	3,90,90,743.20	8,66,38,026.00
<b>Non-Financial Assets (Floating Charge)</b>		
Inventories	11,82,16,812.02	1,39,17,44,955.26
Short Term Loans & Advances	22,67,87,317.28	22,13,93,310.49
<b>Total Current Assets Pledged as security</b>	<b>84,90,02,353.56</b>	<b>2,15,92,31,846.48</b>
<b>Non-Current Assets</b>		
Land	18,70,71,724.04	18,70,71,724.04
Building	40,91,41,144.01	43,22,81,794.32
Plant & Equipment	48,23,20,502.40	54,08,38,610.17
Furniture / Fitting & Equipments	33,32,033.26	44,18,203.15
Others	2,46,45,435.35	2,96,02,644.36
<b>Total Non-Current Assets pledged as security</b>	<b>1,10,65,10,839.06</b>	<b>1,19,42,12,976.04</b>
<b>Total Assets pledged as security</b>	<b>1,95,55,13,192.62</b>	<b>3,35,34,44,822.52</b>
<b>Detail of Other Securities, held by third parties or by promoters or their family members</b>		
(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)	
<b>37) Plant, Property / Equipments and Fixed Assets</b>		
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.		
<b>38) Revenue from Sales of Goods / Services &amp; Freight thereon</b>		
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.		
39)	In respect of Holding Company, 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	
42)	In respect of Holding Company, in the month of April 2018 Tata Bluscope Steel Limited, in its capacity of operational Creditor had filled petition under insolvency and Bankruptcy Code 2016 before The National Company Law Tribunal (NCLT) against Richa Industries Limited. The Case was admitted by Honb'l NCLT on 18-12-2018 and ordered for commencement of Corporate Insolvency Resolution Process (CIRP) with	
43)	In respect of Holding Company, Under the CIRP proceedings, the power of the Board were suspended with effect from 21 December 2018.	
44)	In respect of Holding Company, Honb'l 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	
45)	In respect of Holding Company, 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 of Interim Resolution Professional, M/s. SRI PRAKASH & CO. as the Resolution Professional.	



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- | PARTICULARS   | Figures as at<br>31.03.2019 | Figures as at<br>31.03.2018 |
|---|-----------------------------|-----------------------------|
| 46) In respect of Holding Company, 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 the going concern basis.   |                             |                             |
| 47) In respect of Holding Company, 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. |                             |                             |
| 48) In respect of Holding Company, 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 as per comment given in para 2.   |                             |                             |
| 49) In respect of Holding Company, The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.  |                             |                             |
| 50) In respect of Holding Company, The sundry Debtors and sundry Creditors balances and advances to suppliers are subject to reconciliation and confirmation from the parties.  |                             |                             |
| 51) In respect of Holding Company, The company has incurred losses of Rs 172.19 crore (PY Rs 105.88 Crore) during the current year and the company has net current liabilities of Rs 294.39 Crore (PY net current liabilities of Rs 270.80 Crore) as on 31.03.2019. Further the company's   |                             |                             |
| 52) In respect of Holding Company, During the CIRP process, the Financial Creditors, Statutory Authorities, Operational Creditors and Employees of the company has filed their claims to the IRP. However, the same is under consideration by Hon'ble NCLT.   |                             |                             |
| 53) Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure-1   |                             |                             |

54) 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	51%

55) 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	Amount (Rs. in Lakhs)	As % of consolidated profit & loss	Amount (Rs. in Lakhs)
	<b>Parent</b>				
1	Richa Industries Limited	98.73%	-15,272.83	-97.76%	-17,219.54
	<b>Subsidiary</b>				
1	Richa Krishna Constructions Private Limited	1.27%	-460.36	-2.61%	-461.36



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PARTICULARS	Figures as at 31.03.2019	Figures as at 31.03.2018
56) Minority Interest		

No.	Particulars	Amount ( In Rs.)
1	Name of Subsidiary	Richa Krishna Constructions
2	Share Capital	1,00,000.00
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

No.	Particulars	Amount ( In Rs.)
1	Name of Subsidiary	Richa Krishna Constructions
2	Reporting Currency	INR
3	Share Capital	1,00,000.00
4	Reserve & Surplus	-4,61,35,763.00
5	Total Assets	2,51,10,935.00
6	Total Liabilities	7,11,46,698.00
7	Investments	2,50,00,000.00

No.	Particulars	Amount ( In Rs.)
1	Name of Subsidiary	Richa Krishna Constructions
2	Turnover/Total Income	INR
3	Profit before taxation	-4,61,35,763.00
4	Provision for taxation/Deferred Tax	0.00
5	Profit after Taxation	-4,61,35,763.00
6	Proposed dividend	0.00
7	% of Shareholding	51.00%



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## Annexure-1

### Significant Accounting Policies followed by the Company

#### (a) Basis of preparation of Consolidated Financial Statements

These consolidated financial statements 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 Standalone financial statements.

