



# RICHA INDUSTRIES LIMITED

*Don't Just Build...Create*



CIN: L17115HR1993PLC032108

To

Date: 08/09/2021

The Manager

Department of Corporate Relationship

Bombay Stock Exchange Limited

25 P.J. Tower, Dalal Street

Mumbai- 400001

Name of the Company:- Richa Industries Limited

BSE Scrip Code: 532766

**Reg: - Annual Report for the Financial Year 2020-2021 and Notice of 27th Annual General Meeting**

Dear Sir,

Please find attached the Notice & Annual report for the Financial Year 2020-2021, 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

### 27<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 Seventh Annual General Meeting (AGM) of the members of Richa Industries Limited will be held on Thursday, September 30, 2021 at 02.30 P.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, 2021, 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, 2021, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Report of the Auditors thereon.

For Richa Industries Limited  
(Under CIRP)  
Sd/-  
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 30 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, 2020, circulated to Members is also available on the website of the Company [www.richa.in](http://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 27th 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\*\*](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- SEVENTH 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 [ncltricha@gmail.com](mailto:ncltricha@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 [ncltricha@gmail.com](mailto:ncltricha@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)

Sd/-

Arvind Kumar

Resolution Professional

Regn No: **IBBI/PA-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



**COMPANY INFORMATION**  
**CIN:-L17115HR1993PLC032108**

**Board of Directors\***

**Registered Office**

Dr. Sandeep Gupta	Managing Director (Suspended)	Plot No -29, DLF Industrial Area, Phase-II, Faridabad-121003
Mr. Lavesh Kansal	Director (Suspended)	
Mr. Arvind Kumar	Resolution Professional	

**(IBBI Registration No IBBI/IPA-001/IP-00178/2017-18/10357)**

**\*The powers of the Board of Directors were suspended vide Hon'ble NCLT Chandigarh order dated 21st December, 2018**

**For Director Details refer Director Report**

**Statutory Auditors**

M/s Sri Prakash & Co  
Chartered Accountants

**Textile Division**

VPO Kawnra, Old Faridabad to  
Kheri-Jasana Road, Near Lingayas  
Institute of Mgt &Tech.  
Faridabad- 121001  
Haryana

**Construction & Engineering  
Division**

8th Km Stone, Ramnagar Road  
NH-121, Kashipur,  
Udham Singh Nagar  
Uttrakhand- 244713

**Bankers**

Yes Bank  
Kotak Mahindra Bank Ltd

**Registrar & Transfer Agent**

**Link Intime India (P) Limited**

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



## 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. The statement of the management must be read in the light of the fact that the Committee of Creditor has passed a resolution to liquidate the Company.*

*Any reference to Director or Board of Directors, in this report shall be construed as Resolution Professional acting under the sec 17(1)(b) r.w. sec. 17(2)(e).*

### 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 today the most trusted name in the industry.

### Overview of the Economy

In March 2020, the World Health Organization declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from March 24, 2020. Subsequently, the nation-wide lockdown was lifted by the Government of India, but regional lockdowns continue to be implemented in areas with significant number of COVID-19 cases. These lockdowns have caused major disruptions in the supply chains and shrunk the economy considerably. The economy is expected to pick up growth pace in the third quarter of FY2021-22.

### Industry Overview

- **Textile Industry**

#### Opportunities & Challenges

The year 2020-21 has been the most challenging year in our lifetimes. What started as a promising year for our industry quickly turned into a difficult one. COVID-19 pandemic brought the entire world to a standstill, equitably affecting markets and supply chains globally. Consumer purchase of textile and apparel were hit badly due to the global lockdowns and economic recession.

The global apparel consumption is estimated to have shrunk by 22% in 2020. However, 2021 looks brighter given the onset of vaccination drives, growth in e-commerce sales of apparel, and resumption of global supply chains

### Risk & Concerns

The industry faced a complete shutdown for around 2-3 months, while a few manufacturers who dedicated their production systems for PPE manufacturing were permitted to function. However, most of the units operated at suboptimal utilization levels for next several months.

### Outlook

Richa 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**

The PEB plant of the Company is not functioning since January, 2019.

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

PEB industry has grown leaps & bounds over the last two decades and the industry consisting of top organized players is maturing to take it to the next level of growth trajectory. The industry is overcoming many challenges by continuous knowledge sharing across seminars, conference, industry forums, colleges and education curriculum, among others, to the target audience thereby increasing the popularity. A major challenge are prices of raw material – coils & plates which are highly volatile in nature.

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

The manufacturing unit of the company has remained shut since January, 2019 due to paucity of working capital finance.

### **Financial Performance**

The Company's Standalone turnover for the current financial year is Rs 35.06 crores as compared to Rs 42.61 crores in previous financial year. Loss before tax is Rs 46.19 Crore for the current financial year as compared to that of loss before tax for previous financial year of Rs 57.32 crores. Loss after tax for the current financial year stood at Rs 46.19 crores as compared to loss before tax Rs 57.32 crores in the previous financial year.

The Company consolidated turnover for the current financial year is Rs 35.06 crores as compared to Rs 42.61 crores in the previous financial year. Loss before tax is Rs 46.22 crores for current financial year as compared to that of previous financial year of loss before tax of Rs 57.27 crores. Loss after tax for the current financial year stood at Rs 46.24 as compared to loss after tax Rs 57.27 crores in the previous financial year.

The Basic and diluted Earnings per share computed in accordance with the Accounting Standard-20 issued by the Institute of Chartered Accountants of India was Rs -19.72 per share respectively as against Rs -24.46 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 control, which were earlier implemented through segregation of duties and responsibilities. The Resolution professional has however implemented controls to ensure protection and 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.

### **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"), which has been admitted 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, for liquidation before AA (Adjudicating Authority). Consequent to which, Mr. Arvind kumar has filed an application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

Date: 14.08.2021  
Place: Faridabad

For Richa Industries Limited  
(Under CIRP)

Arvind Kumar  
Resolution Professional

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

## 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 Seventh Annual Report of the Company together with the Audited financial statements of the Company for the year ended March 31, 2021

### INITIATION OF CORPORATE INSOLVENCY REOLUTION 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"), which has been admitted 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, for liquidation before AA (Adjudicating Authority). Consequent to which, Mr. Arvind Kumar has file an application for liquidation on 12<sup>th</sup> September 2019 which is pending for approval by AA.

Pursuant to the orders of the Hon'ble National Company Law Tribunal (NCLT ) Chandigarh, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Richa Industries Limited ("the company") under the provision of Insolvency and Bankruptcy Code, 2016 ("the code") with effect from 21.12.2018

In this connection. 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.

Since the Company is under CIRP as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional

- (a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;
- (b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;
- (c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;
- (d) the financial institutions maintaining accounts of the corporate debtor shall act on the instructions of the interim resolution professional in relation to such accounts and furnish all information relating to the corporate debtor available with them to the interim resolution professional.



## Financial Results

The Company's Financial Performance, for the year ended March 31, 2020 is summarized below:

Particulars	(Rs. In Crore)	
	Current Year 31.03.2021	Previous Year 31.03.2020
Total Revenue	35.20	42.91
Total Expenses	81.39	100.23
Profit/(Loss) before extraordinary items and tax	(46.19)	(57.31)
Extraordinary Items	-	-
PROFIT/ (LOSS) BEFORE TAX	(46.19)	(57.31)
Tax Expense	-	-
PROFIT/(LOSS) FOR THE YEAR	(46.19)	(57.31)

## Results of Operations and the state of Company affairs

The Company's Standalone turnover for the current financial year is Rs 35.06 crores as compared to Rs 42.61 crores in previous financial year . Loss before tax is Rs 46.19 Crore for the current financial year as compared to that of loss before tax for previous financial year of Rs 57.32 crores. Loss after tax for the current financial year stood at Rs 46.19 crores as compared to loss before tax Rs 57.32 crores in the previous financial year.

The Company consolidated turnover for the current financial year is Rs 35.06 crores as compared to Rs 42.61 crores in the previous financial year. Loss before tax is Rs 46.22 crores for current financial year as compared to that of previous financial year of loss before tax of Rs 57.27 crores. Loss after tax for the current financial year stood at Rs 46.24 as compared to loss after tax Rs 57.27 crores in the previous financial year.

The Basic and diluted Earnings per share computed in accordance with the Accounting Standard-20 issued by the Institute of Chartered Accountants of India was Rs -19.72 per share respectively as against Rs -24.46 per share during the previous year.

## Consolidated Financial Statements

As per regulation 33 of the Securities and Exchange Board of India ( Listing obligation and Disclosure Requirements ) Regulations, 2015 (hereinafter referred to as " Listing Regulations") and applicable provision of the Companies Act, 2016 read with the rules issued thereunder, the Consolidated financial statements of the Company for the financial year 2020-21 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 Auditor reports form parts of this Annual Report.

## Change In the Nature of Business

There is no change in the nature of the 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, 2021

## Share Capital

The paid up Equity Share Capital is Rs 23.43 Crore as on 31st March, 2021. The Company has not issued



equity shares with differential voting rights, sweat equity shares nor has it granted any stock option. There was 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 Report form an integral part of this report and gives a detailed review of the Company's Operation , performance and future outlook during the financial year 2020-21.

### **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 provision of Insolvency and Bankruptcy Code, 2016. 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.

### **Directors' Responsibility Statement**

To the Best of Knowledge and belief and according to the information and explanations obtained by them your Directors make the following statement 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, 2021, 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, 2021 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**

There is no KMP in the Company at the end of financial year 2020-21. The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP.

### **Declaration by Independent Directors**

The Company does not have any independent director during the year.

### **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**

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

### **Particulars of Loan, Guarantees or Investment by the Company**

During the period, the Company has not made any Loans, Guarantee or investment in terms of the provision of the Section 186 of the Companies Act, 2013.

### **Related Party Transactions**

There being no material related party transactions as defined in the Companies Act, 2013 read with Regulation 27 of the SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015 which may have potential conflict with the interest of your Company at Large. Hence, there is no detail to be disclosed in form AOC-2 in that regard.

### **Material changes and commitments**

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

#### **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)**

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 powers of board of Directors of the Company are vested in the Resolution Professional appointed by the Hon'ble Adjudicating Authority. The board of the Company is suspended and committees are not properly constituted.

The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP.

### **Holding and Subsidiaries**

M/s Richa Krishna Constructions Private Limited is the subsidiary of the company.



**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 regulator or Courts**

No such order has been passed by the regulator or any Court.

**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. 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 Bowler policy to report genuine concerns or grievances. The whistle Bowler 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 proposed to be 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 25th Annual General Meeting till the conclusion of 29th 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.

#### **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, Utrakhand.

#### **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 employee 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 2020-21 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, 2021.

### **APPRECIATION**

The Resolution Professional exercising the powers of 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)





  
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.)

**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, 2021 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 unit. Some of the initiatives taken during the financial year 2020-21 were as follows:

**Major Energy Conservation measures taken during the year 2020-21: NIL**

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

**(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): NIL**

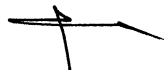


**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

(In Rs.)

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Earnings</b>	NIL	NIL
<b>Outgo</b>	NIL	NIL



**FORM NO. MGT-9****Annexure II****EXTRACT OF ANNUAL RETURN****As on Financial Year ended on 31.03.2021****(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 Noble Heights, 1st Floor, Plot NH 2,C-1 Block Lsc, Near Savitri Market, Janakpuri, New Delhi-110058

**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	64.53
2	Construction and engineering (PEB)	3410	35.47

**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 - 2020				Shareholding at the end of the year - 2021				% 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)	0	0	0	'0.00	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.	4858339	532	4858871	20.73	4829586	532	4830118	20.61	'-0.122
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3181208	0	3181208	13.57	3433144	0	3433144	14.65	1.0753
(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	3153	0	3153	0.0135	3153	0	3153	0.0135	0.000
	Hindu Undivided Family	493527	0	493527	2.10	534291	0	534291	2.28	0.174
	Non Resident Indians (Non Repat)	103883	0	103883	0.44	65496	0	65496	0.27	-0.1639
	Non Resident Indians (Repat)	261197	0	261197	1.114	155967	0	155967	0.66	-0.4491
	Clearing Member	291500	0	291500	1.244	294203	0	294203	1.255	0.0116
	Bodies Corporate	316232	0	316232	1.34	194299	0	194299	0.829	-0.5204
	Sub Total (B)(3)	9509039	532	9509571	'40.58	9510139	532	9510671	40.59	0.0047
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	9510139	532	9510671	'40.59	9510139	532	9510671	40.59	0.000
	Total (A)+(B)	23429468	532	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)	23429468	532	23430000	'100.000	23429468	532	23430000	100	0

## (ii) Shareholding of Promoters

Sr.	Shareholder Name	Shareholding at the Beginning of the Year -2020			Shareholding at the End of the Year -2021			
		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 (01.04.2020)	% of the total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative shares during the year 31.03.2021	% 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 Suspended Directors, Promoters and Holders of GDRs and ADRs)**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		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	125100	0.5339			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	RAJESH RANJAN	16284	0.0695			16284	0.0695
	Transfer			31 Dec 2020	561	16845	0.0719
	Transfer			05 Feb 2021	19406	36251	0.1547
	Transfer			12 Feb 2021	15000	51251	0.2187
	Transfer			26 Feb 2021	6000	57251	0.2443
	Transfer			12 Mar 2021	12000	69251	0.2956
	Transfer			19 Mar 2021	14700	83951	0.3583
	AT THE END OF THE YEAR					83951	0.3583
6	IMPACT LABS PVT LTD	82108	0.3504			82108	0.3504
	Transfer			06 Nov 2020	(10000)	72108	0.3078
	Transfer			18 Dec 2020	10000	82108	0.3504
	AT THE END OF THE YEAR					82108	0.3504
7	PRAHLAD PAWANKUMAR JAIN	0	0.0000			0	0.0000
	Transfer			31 Jul 2020	3982	3982	0.0170
	Transfer			07 Aug 2020	4811	8793	0.0375
	Transfer			14 Aug 2020	37335	46128	0.1969
	Transfer			21 Aug 2020	9486	55614	0.2374
	Transfer			15 Jan 2021	5000	60614	0.2587
	Transfer			22 Jan 2021	3802	64416	0.2749
	AT THE END OF THE YEAR					64416	0.2749
8	RAJIV R JAGDALE - HUF	53113	0.2267			53113	0.2267
	Transfer			08 Jan 2021	7000	60113	0.2566
	AT THE END OF THE YEAR					60113	0.2566
9	BINENDRA M	12994	0.0555			12994	0.0555
	Transfer			09 Oct 2020	950	13944	0.0595
	Transfer			16 Oct 2020	13000	26944	0.1150
	Transfer			13 Nov 2020	15000	41944	0.1790
	Transfer			26 Mar 2021	17000	58944	0.2516
	AT THE END OF THE YEAR					58944	0.2516
10	JAYDEEP PANDYA	20000	0.0854			20000	0.0854
	Transfer			31 Jul 2020	33563	53563	0.2286
	AT THE END OF THE YEAR					53563	0.2286
11	KUSUM WADHWA	53399	0.2279			53399	0.2279
	Transfer			06 Nov 2020	(3500)	49899	0.2130
	Transfer			18 Dec 2020	3500	53399	0.2279
	AT THE END OF THE YEAR					53399	0.2279
12	MANISHA JAJODIA	60000	0.2561			60000	0.2561
	Transfer			08 Jan 2021	(7751)	52249	0.2230
	Transfer			15 Jan 2021	(2249)	50000	0.2134
	AT THE END OF THE YEAR					50000	0.2134
13	BINU VARGHESE THOMAS MAMPILLY	65384	0.2791			65384	0.2791
	Transfer			31 Jul 2020	5156	70540	0.3011
	Transfer			22 Jan 2021	(13288)	57252	0.2444



	Transfer			12 Mar 2021	(9475)	47777	0.2039
	Transfer			19 Mar 2021	(35096)	12681	0.0541
	Transfer			26 Mar 2021	(12093)	588	0.0025
	Transfer			02 Apr 2021	(588)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	SMC GLOBAL SECURITIES LTD	56952	0.2431			56952	0.2431
	Transfer			10 Apr 2020	(20000)	36952	0.1577
	Transfer			05 Jun 2020	(17000)	19952	0.0852
	Transfer			12 Jun 2020	7098	27050	0.1155
	Transfer			19 Jun 2020	(598)	26452	0.1129
	Transfer			17 Jul 2020	(4000)	22452	0.0958
	Transfer			24 Jul 2020	(2000)	20452	0.0873
	Transfer			07 Aug 2020	500	20952	0.0894
	Transfer			14 Aug 2020	(1000)	19952	0.0852
	Transfer			09 Oct 2020	(17952)	2000	0.0085
	Transfer			18 Dec 2020	(1245)	755	0.0032
	Transfer			25 Dec 2020	(10)	745	0.0032
	Transfer			08 Jan 2021	(245)	500	0.0021
	Transfer			29 Jan 2021	150	650	0.0028
	Transfer			05 Feb 2021	(650)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
15	VIJAY SARDANA	56128	0.2396			56128	0.2396
	Transfer			05 Jun 2020	(7000)	49128	0.2097
	Transfer			12 Jun 2020	(9400)	39728	0.1696
	Transfer			19 Jun 2020	(9000)	30728	0.1311
	Transfer			26 Jun 2020	(5000)	25728	0.1098
	Transfer			24 Jul 2020	(4000)	21728	0.0927
	Transfer			14 Aug 2020	(5500)	16228	0.0693
	Transfer			21 Aug 2020	(3532)	12696	0.0542
	Transfer			28 Aug 2020	(2000)	10696	0.0457
	Transfer			11 Sep 2020	(1000)	9696	0.0414
	Transfer			25 Sep 2020	(5000)	4696	0.0200
	Transfer			30 Sep 2020	(665)	4031	0.0172
	Transfer			07 Oct 2020	(4031)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**V. Shareholding of Suspended 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

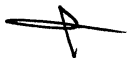
**V. INDEBTEDNESS**

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	296.08	15.40	-	311.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	296.08	15.40	-	311.48
<b>Change in Indebtedness during the financial year</b>				
* Addition		-		
* Reduction	-	-	-	-
Net Change		-	-	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	335.27	20.86	-	356.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	335.27	20.86	-	356.13

**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	
1	Gross Salary			





	(a) Salary as per provision contained in Section 17 (1) of the Income Tax Act, 1961 (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	-	-	-
Total (A)		-	-	-
Ceiling as per the Act				

**B. Remuneration to other Directors:**

Sr. No	Particulars of Remuneration			Total Amount (In Rs)
1	Independent Director			
	Sitting Fee for attending Board/Committee Meetings Commission Others, Please Specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors			
	Sitting Fee for attending Board/Committee Meetings Commission Others, Please Specify	-	-	-
	Total (2)	-	-	-
	Total Managerial Remuneration Total (B)=(1+2)	-	-	-

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Rs)
1	Gross Salary			
	(d) Salary as per provision contained in Section 17 (1) of the Income Tax Act, 1961	-	-	-
	(e) Value of Perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-	-
	(f) 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	-	-	-
Total (A)		-	-	-
Ceiling as per the Act				

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

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

**Form No-MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021**

[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 M/s **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 31<sup>st</sup> March 2021
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, 2021 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, 2021 according to the provisions of:

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





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.

- (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 confirm with the following laws applicable 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 Resolution Professional 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). Not applicable as Board was suspended
- (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.

*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. .

Application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed before the Honb'le NCLT Chandigarh Bench

Date: 03.09.2021  
Place: Faridabad

**For Arun Goel & Associates  
Company Secretaries**

**Arun Goel  
C.P. No 12508  
UDIN:- F009892C000894556**

**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.**

**Annexure I**

Major General Acts, Laws and Regulations as applicable to the Company

1. Factories Act, 1948
2. Direct and Indirect Tax Laws
3. Laws relating to Employees, Contract Labour, Child Labour, Wages, Gratuity, Provident Fund, Bonus, Compensation, Employees State Insurance etc.
4. Environment Protection Laws
5. Laws relating to prevention and control of Pollution
6. Indian Boilers Act, 1923
7. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
8. Laws relating to Trade Marks, Copyright, Design etc.



## 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/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.



## 2. Board of Directors (Suspended)

### 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, 2021

Name of the Director	Designation	DIN	Category	Shareholding in Company (No. of Shares)	Directorships in other Indian public companies (including Richa)	No. of Board Committees memberships held in all public companies (including Richa)	No. of Board Committees Chairmanships held in all public companies (including RIL)	Date of Changes among the director appointment/ Cessation
Dr. Sandeep Gupta	Managing Director	00035751	Executive Non-Independent	1152968	3	4	1	
Mr. Lavesh Kansal	Director	07481847	Executive	NIL	1	NIL	NIL	

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.

### Independent Directors

There are no independent directors on the board of the company during the FY 2020-21. Hence, Section 149 of the Companies Act, 2013 and regulation 16 (b) of the SEBI (Listing Obligation and Disclosure Requirements), 2015 is not applicable.

### Board Procedure

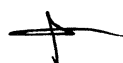
Due to initiation of Corporate Insolvency Resolution Process, the Powers of the Board of Directors & Committees are suspended pursuant to the provisions of IBC, 2016

### 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, 2015 and 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 powers of Board of Directors of the Company are suspended vide order dated December 18, 2018, passed by Hon'ble NCLT Bench, Chandigarh for initiation of Corporate Insolvency Resolution Process, the Powers of suspended Board of Directors of the Company are vested in Resolution Professional Mr Arvind



Kumar.

The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP

### Audit Committee

#### Composition

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

The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP. Therefore, company is not obliged to comply the Provision of the Companies Act 2013 and SEBI (LODR) Regulations in respect of the Composition of Committee.

#### Nomination & Remuneration Committee

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

The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP. Therefore, company is not obliged to comply the Provision of the Companies Act 2013 and SEBI (LODR) Regulations in respect of the Composition of Committee.

#### Remuneration Policy

#### Remuneration paid to the Directors (Suspended) during the year 2020-21:

##### (a) NON EXECUTIVE DIRECTOR

(In Rs.)

Name of the Director	No of shares held	Sitting Fees/Monthly fees	Commission	Total
-	-	-	-	-

##### (b) EXECUTIVE DIRECTORS

(In Rs.)

Name	Salary#	Perquisites	Provident Fund	Total
-	-	-	-	-

# excludes provision for gratuity and leave encashment.

#### Independent Director Meeting

There is no Independent Director on the board of the company. Moreover, the Company is under CIRP w.e.f 18.12.2018. Hence, there is no requirement of conducting independent director meeting for the period under review.

#### Stakeholders Relationship Committee

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

The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP. Therefore, company is not obliged to comply the Provision of the Companies Act 2013 and SEBI (LODR) Regulations in respect of the Composition of Committee.

#### Corporate Social Responsibility Committee



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

The regulation 15(2A) of SEBI (LODR) REGULATIONS, 2015 provides that the regulations regarding the composition of the board shall not be applicable to the company under CIRP. Therefore, company is not obliged to comply the Provision of the Companies Act 2013 and SEBI (LODR) Regulations in respect of the Composition of Committee.

#### 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
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
25 <sup>th</sup>	2018-2019	08th January, 2021	Plot No 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana	No Resolution was passed by the Shareholder of the Company
26 <sup>th</sup>	2019-2020	10th January, 2021	Plot No 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana	No Resolution was passed by the Shareholder of the Company

##### Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial year 2020-21.

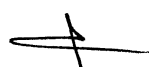
##### Postal Ballot

No Postal Ballot was conducted during the financial year 2020-2021

#### 5. Disclosure

- The company has not appointed women Director after 01.10.2018 as required by the Companies Act, 2013 and SEBI (LODR), 2015.
- There is no proper composition of the Board. Most of the senior employees and other staff have also resigned.
- 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.

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 2019-2020

Day: **Wednesday**  
 Date: **30th September, 2021**  
 Time: **02.30P.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, 2021

Sr. No	Particular	Tentative Dates
1	First Quarter Results	In or before Third week of June, 2021
2	Second Quarter & Half Yearly Results	In or before Third week of November, 2021
3	Third Quarter & Nine Months Results	In or before Third week of February, 2022
4	Fourth Quarter & Annual results	In or before Fifth week of May, 2022

### 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 2020-21 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 2020-21 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, 2020	0.49	0.35	33887.25	27500.79
May, 2020	0.36	0.34	32845.48	29968.45
June, 2020	0.42	0.34	35706.55	32348.10
July, 2020	0.80	0.44	38617.03	34927.20
August, 2020	0.91	0.82	40010.17	36911.23
September, 2020	0.92	0.82	39359.51	36945.98
October, 2020	0.88	0.70	41048.05	38410.20
November, 2020	0.79	0.55	44825.37	39334.92
December, 2020	0.59	0.48	47896.97	44118.10
January, 2021	0.87	0.46	50184.01	46160.46
February, 2021	0.88	0.73	52516.76	46433.65
March, 2021	0.75	0.59	51821.84	48236.35

### 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, rematerialisation 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

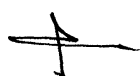
**Website** [www.linkintime.co.in](http://www.linkintime.co.in)

### 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, 2021

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>		
	1. Institutions		
	(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
	<b>Sub-Total (B) (1)</b>	<b>1100</b>	<b>0.00</b>
<b>2.</b>	<b>Non-Institution</b>		
	(a) Bodies Corporates		
	(b) Individuals		
	I. Individual shareholders holding nominal share capital up to Rs 1lakh	4830118	20.61
	II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3433144	14.65
	(c) NBFC registered with RBI	0.00	0.00
	(d) Foreign National	0.00	0.00
	(e) Hindu Undivided Family	534291	2.28
	(f) IEPF	3153	0.01
	(g) Non Resident Indian (non Repat)	65496	0.27
	(h) Non Resident Indian (Repat)	155967	0.66
	(i) Clearing Member	294203	1.255
	(j) Bodies Corporate	194299	0.82
	<b>Sub Total (B) (2)</b>	<b>9510671</b>	<b>40.59</b>
(B)	<b>Total Public Shareholding</b>	<b>9510671</b>	<b>40.59</b>
(C)	<b>Shares held by custodian and against with depository receiptshave been issued</b>	<b>0.00</b>	<b>0.00</b>
<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, 2021. 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:

Particulars	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, 2020	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	0	0	0	0





whom shares were transferred from suspense Account During the Year				
Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying as on March 31, 2021	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:

Textile Division	Construction & Engineering Division (PEB)
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, Utrakhand-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:** 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, 2021, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (here in refer to as "Consolidated Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Para 3(a) to 3(n) in the basis for qualified opinion, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Consolidated profit (or Loss) and Consolidated cash flows for the year ended on that date.

#### 3. Basis for Qualified Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the

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



**Branch Office :** **Delhi** : 105, J Extension, Luxmi Nagar, Delhi - 110112  
**Madhubani** : Ward No.1, Near Kharga Phulwari, Jaynagar, Madhuabani, Bihar-847226  
**Fatehabad** : Street No. 7, Ward No. 11, Tibba Colony Ratia, Fatehabad, Haryana-125051

Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

- a. Note 2 to the consolidated financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year, the Company has incurred a Net Loss of `46.20 Crore resulting into accumulated losses of `275.15 Crore and erosion of its Net worth as at March 31, 2021. The Company has obligations towards fund based borrowings aggregating to Rs. 260.68 Crore and operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.
- b. As discussed in Note 6, the Company has been unable to conclude with the Resolution Plan and also the liquidation process request has been submitted before Hon'ble NCLT which is pending as on the date of audit. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.
- c. In view of the significant losses which have been incurred by the company during the previous financial years, the carrying value of certain fixed assets needs to be tested for impairment. The management has not done the impairment testing and in absence of any information, we are unable to comment as to whether any provision for impairment is required or not
- d. Note 13 and Note 15 to the Consolidated financial statements, in connection with the existence of material uncertainties over the realisability of trade receivables and Security Deposit amount aggregating to `48.96' Crore included in financial and other assets which are past due subject to confirmation and reconciliation. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.



- e. Note 12 to the Consolidated financial statements, the Inventory valuing Rs. 6.85 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor and Fixed Assets valuing Rs. 92.48 Crore was neither Physical verification nor valued by us. The quantity and valuation as provided by Management/Resolution Professional has been accepted without any further verification / valuation. Any deviation in the same may affect the Financial Position and / or Financial Performance of the Company, to the extent.
- f. Note 3 to Note 7 to the Consolidated financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement.
- g. Note 15 to the Consolidated financial statements, in respect of balances available with statutory authorities and input credits aggregating to `19.80' Crore that are subject to reconciliation, filing of return and admission by the respective statutory authorities and, we are unable to comment on the same.
- h. Note 4 of notes to accounts to the Consolidated financial statements, the company has not made any provision for gratuity and leave encashment for the current Financial year and no actuarial valuation report has been taken, the impact on loss for the year on account of such previous provision is not ascertainable and relevant disclosures have not been given. This is not in compliance with AS-15 Employee Benefits.
- i. The GST returns i.e. GSTR-1, GSTR-3B, GSTR-2A are subject to reconciliation with books of accounts.
- j. The company is registered as Micro, Small and Medium Enterprise (MSME) on November,27 2020. So company has no applicability for the compliance of Indian Accounting Standards ('IND AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under.
- k. The company has not appointed Internal Auditor as required by section 138 of the Companies Act, 2013.



- l. The company has not deposited statutory liabilities with concerned Government authorities under various Acts between commencement of CIRP during the FY 2020-21. It has also not provided for interest/penalty/for such default.
- m. Note 7 & 7(a) to the Consolidated financial statements, in connection with the existence of material uncertainties over the balances of trade payables and other current liabilities amount aggregating to Rs. 65.23 Crore included in financial statements are subject to reconciliation.
- n. Company has given Corporate Guarantee of INR 24,176.25 Lakhs. The normal business operations of the said companies have been discontinued. The liabilities of these corporate guarantees, if invoked, have not been ascertained and the same is not provided for.

#### 4. Key Audit Matters

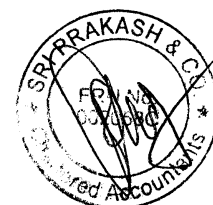
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our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

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

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



2	<p><b><i>Evaluation of uncertain tax positions</i></b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 7 to the Consolidated Financial Statements.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p> <p>Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p>
3	<p><b><i>Recoverability of Indirect tax receivables</i></b></p> <p>As at March 31, 2021, non-current assets in respect of withholding tax and others includes trade receivables, Income Tax recoverable which are past due subject to reconciliation.</p> <p>Refer Note 15 to the Consolidated Financial Statements</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets.</p>
4.	<p><b><i>Accuracy Evaluation of Inventory Positions</i></b></p> <p>Estimated effort is a critical estimate to determine liability for onerous obligations</p> <p>Refer Notes 12 to the Consolidated Financial Statements.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• We have evaluated the design of internal control relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</li> <li>• We have in respect Non-availability of Physical verification and market value of inventory of Raw Material, Work in progress and Finished</li> </ul>





		<p>goods etc. and in the absence of corroborative evidence, we unable to comment on the extent to which such balances are recoverable.</p> <ul style="list-style-type: none"> <li>Valuation obtained by the RP under I&amp;BC is confidential and cannot be shared except as per the provisions of the I&amp;B code 2016.</li> </ul>
5.	<p><b>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/IP is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

**6. Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated financial



statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## 7. Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are



therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

- a. Notes to the consolidated financial statements, in respect of Income tax notices received by the company from the Income Tax department and these cases are still under dispute.
- b. Notes to the consolidated financial statements, in respect of Notices received by the company under Various Labor acts.
- c. As per the insolvency and bankruptcy code. 2016 („insolvency code”), the RP receives, collect, and admit all the claim submitted by the creditor (Operational, Financial& Other), employee and workmen of the company and Govt. Authorities. Such claim can be submitted to the RP during the CIRP, till the approval of a resolution plan by COC. The impact of such admitted or rejected claims, if any, has not been considered in the preparation of the Consolidated Financial Statements.
- d. Attention is invited to Note No 6 of the Financial Statement wherein the management has stated that the Company was under CIRP Proceedings and on dated 01.07.2019, a Resolution plan was presented to COC which is subsequently rejected by COC on dated 03.09.2019. Further, The Company has communicated the rejection of Resolution Plan to Hon'ble NCLT on dated 03.09.2019 and also filed an application for liquidation of corporate debtor before Hon'ble NCLT on dated 12.09.2019. Since the CIRP Process, w.r.t. resolution plan, have been rejected by COC and liquidation request has also been submitted before Hon'ble NCLT, the management has created a provision for interest amounting to Rs. 64.33 crores on accrual basis till 31.03.2021 for the period for which interest was not charged by the bank on outstanding balance of loans.
- e. Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium enterprises Development Act 2006. The Financial Impact of this Non-Compliance, if any could not be determined

**9. Other Matters**

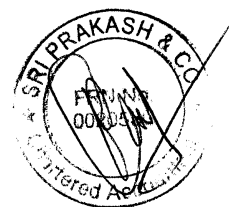
We did not audit the separate financial statements of subsidiary Company.

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

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



- a) We have sought and except for the effects/possible effects of the matters described under “Basis for qualified opinion” paragraph, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the effects/possible effects of matters described in the “Basis for qualified opinion” paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Statement of Consolidated Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, except for the effects/ possible effects of the matters described in the “Basis for qualified opinion” paragraph, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described under “Basis for Qualified Opinion” and “Emphasis of Matters” paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f) In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 (“the Code”), the powers of the board of directors have been suspended and be exercised by the resolution professional. Hence, written representation from directors has not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2020 from being appointed as a director in the terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the basis for Qualified Opinion paragraph;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company’s internal financial control over financial reporting.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:
  - I. The Company has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its Consolidated financial statements;



- II. Except for the effects/possible effects of matters described under basis of qualified opinion paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts;
- III. The company has not transferred amounts that were due to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;

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



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

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



**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: 9318536111, 8627855800  
Ph.: 01795-244678

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

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

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Richa Industries Limited ("the Holding Company or the Company"), and its subsidiary company (the Holding Company and its subsidiary together referred to as "the group") as at and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Richa Industries Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Branch Office : **Delhi** : 105, J Extension, Luxmi Nagar, Delhi - 110112  
**Madhubani** : Ward No.1, Near Kharga Phulwari, Jaynagar, Madhuabani, Bihar-847226  
**Fatehabad** : Street No. 7, Ward No. 11, Tibba Colony Ratia, Fatehabad, Haryana-125051



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Basis for Qualified Opinion**

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021:

The Company did not have appropriate internal financial controls over



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

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

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

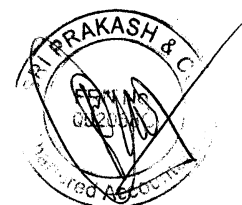
The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in Preparation and presentation of financial statement including the profit/loss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

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

#### **Qualified opinion**

In our opinion, except for the possible effects of material weaknesses described in "basis of qualified opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and Such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated financial statements of the Company for the year ended on March 31, 2021, and these material weaknesses have affected our opinion on the Consolidated



financial statements of the Company and we have issued a qualified opinion on the Consolidated financial statements.

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



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

**Date: 09-Aug-2021**

**Place: Baddi**

**UDIN: 21522295AAAAS3372**

**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



Part 1 STANDALONE BALANCE SHEET  
 RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

Balance Sheet as at 31st March , 2021

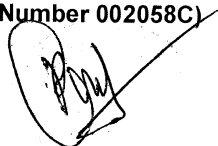
(Amount in ₹ )

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

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

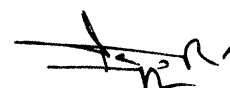
As per our report of even date attached  
 For Sri Prakash & Co  
 Chartered Accountants  
 (Firm Registration Number 002058C)

(CA Punit Kumar)  
 Partner  
 Membership No. 522295



For Richa Industries Limited

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



Place: Baddi  
 Date: 09/08/2021

RICHA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

PART II - STATEMENT OF STANDALONE PROFIT AND LOSS

For the Period Ended March 31, 2021

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

(Amount in ₹)

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

As per our report of even date attached

For Sri Prakash & Co

Chartered Accountants

(Firm Registration Number 002058C)

(CA Punit Kumar)

Partner

Membership No. 522295

Place: Baddi

Date: 09/08/2021

For Richa Industries Limited

Arvind Kumar

Resolution Professional

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

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

PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
<b>I) Share Capital</b>		
I) Authorised Share Capital		
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 dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders.
- (ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholding

(b) A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

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

(iv) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

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

2) Reserve and Surplus

(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

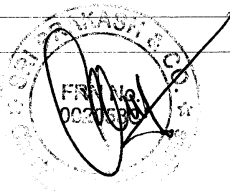
(b) Security Premium Reserve

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	-	-

PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
<b>(d) Surplus of Profit and Loss a/c</b>		
Balance at the beginning of the year	-2,53,56,33,598.25	-1,96,24,67,387.75
Deduction during the year	-46,19,36,255.01	-57,31,66,210.50
Less: Transfer to General reserves	-	-
Balance at the end of the year	-2,99,75,69,853.26	-2,53,56,33,598.25
<b>TOTAL (a+b+C+d)</b>	<b>-2,75,14,18,511.17</b>	<b>-2,28,94,82,256.16</b>
No Debentures Redemption Reserve is created for redemption of debentures as required by the Company		
<b>3) Long Term Borrowings</b>		
<b>(a) Secured loan</b>		
<b>(i) Term Loan</b>		
--From Banks	-	-
--From Others	-	-
Less : Current Maturities of Long-Term Debts*	-	-
<b>TOTAL (a)</b>	<b>-</b>	<b>-</b>
* All the Long term borrowing has been shown as short term borrowing due to the consequence of CIRP proceeding.		
<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	3,98,99,014.00	3,67,50,000.00
<b>TOTAL (b)</b>	<b>11,00,86,014.00</b>	<b>10,69,37,000.00</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>11,00,86,014.00</b>	<b>10,69,37,000.00</b>
<b>4) Other Long term Liabilities</b>		
<b>(a) Securities pending adjustment / refundable</b>		
<b>(b) Others</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>5) Long Term Provisions</b>		
<b>(a) Provision for employee benefit*</b>		
--Provision for Gratuity	91,11,437.00	89,57,134.00
--Provision for Leave Encashment	41,12,553.00	39,15,579.00
<b>(b) others</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>1,32,23,990.00</b>	<b>1,28,72,713.00</b>
* Refer notes for Disclosure pursuant to Accounting Standard-15 "Employee Benefits"		
<b>6) Short Term Borrowings</b>		
<b>Secured loan</b>		
<b>(a) Loans repayable on demand</b>		
--From Banks	2,36,73,84,511.48	2,28,46,70,804.00
--From Banks - Vehicle Loan	62,19,867.17	89,33,818.00
--Others	23,32,71,283.11	23,29,42,869.13
<b>(b) Provision for Interest on Loan</b>	<b>64,73,96,087.70</b>	<b>43,42,32,590.70</b>
<b>Un Secured loan</b>		
<b>(a) Loan from Sariga Construction Pvt Ltd.</b>	<b>1,09,31,556.00</b>	<b>93,71,244.00</b>



1



PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
(b) Loan From Lotus Textiles	5,25,36,603.00	3,76,54,137.00
(c) Loan From Krishana Auto Sales	3,50,00,000.00	-
<b>SUB TOTAL</b>	<b>3,35,27,39,908.46</b>	<b>3,00,78,05,462.83</b>

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

Name of Bank / Division of the Company	Balance as on March 31, 2021	Balance as on March 31, 2020	Rate of Interest (as per latest Sanction Letter available)	Repayment Schedule (as per latest Sanction Letter available)
Indian Overseas Bank / Textile Division	89,90,900.00	89,90,900.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 28 quarterly instalment, Commenced from 30.06.2011 : 12 Quarterly Instalments of ₹ 50 lac each, 8 Quarterly
Security : Equitable mortgage of Land and Building at VPO Kanwra, hypothecation of plant and machinery and other miscellaneous fixed assets purchased out of Term Loan.				
Indian Overseas Bank / Textile Division	3,46,32,022.32	3,46,32,022.32	MCLR (1 Year)+0.20%+3.90% = 12.65%	Repayable in 72 equal monthly instalment after initial moratorium period
Security: Primary - Hypothecation of Plant & Machinery set up for the Zero Liquid Discharge system and the new circular knitting machines.				
Indian Overseas Bank / Constructon & Engg Division	2,08,01,406.00	2,08,01,406.00	MCLR (1 Year)+0.20%+3.90% = 12.65% p.a.	Repayable in 72 monthly instalments of ₹ 30.00 Lac Commencing from July 2012.
Security : Primary-First Pari Passu charge on the Project Land, building and other Project assets with Corporation Bank; Secondary-Second Pari-Passu charge on Current Assets of the PEB Division of the Company. Collateral Security : Second Pari-Passu Charge on Current Assets of the PEB Division of the Company.				
Kotak Mahindra Bank Ltd.	10,02,935.00	10,02,935.00	9.80%	Repayable in 47 Months of EMI of 2 x ₹ 23,933.00 Each including interest
Security: Hypothecation of 2 Nos.Commercial Vehicles				
Jainsons Finlease Ltd	5,90,72,776.00	5,90,72,776.00	19% p.a.	Repayable in 36 Months of EMI of ₹18,32,801.00 Each including interest and Principal and ` 1,00,00,000.00 on 10-06-2000 and ` 1,00,00,000.00
Security: 1) Pledge of 36,45,280 shares of the company held by the Promoters / Promoters Company. 2) Personal Gurantee of Dr Sandeep Gupta (MD), Mr Sushil Gupta (Ex MD) & Mr Manish Gupta (Director)				
Period and amount of continuing default as on the balance sheet date				
Toyota Financial Services Ltd.	26,90,899.00	26,90,899.00	9.49%	Repayable in 60 Months of EMI of ₹ 39,900.00 (starting from 20-09-
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	10,10,53,479.00	10,10,53,479.00	13.05% (fixed) subject to gross up for withholding tax (currently at a rate of 10%) and a Review Fee of 2.70% pa subject to gross up of withholding tax (currently at a rate of 10%)	Repayable on April 08, 2020 : 50% of the Principal Amount and on June 12, 2020 : 50% of the Principal Amount
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 ` 263,32,894.00	2,46,96,744.13	2,46,96,744.13	10.5% pa	Repayable in 116 instalments of ` 355323.00 each starting

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

65,97,24,657.30

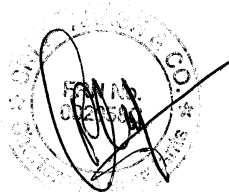
65,97,24,657.30

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

84,26,78,605.15

84,26,78,605.15

**Collateral Security :**



✓

(Amount in ₹)

RICHIA INDUSTRIES LIMITED [CIN : L17115HR1993PLC032108]

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

Figures as at  
31.03.2021Figures as at  
31.03.2020

## PARTICULARS

Textile Division : Working Capital facilities sanctioned for the textile division of the company will be secured by the Residential land & Building Plot No.1483, Sector-14, Faridabad [owned by Ms Shweta Gupta w/o Sh Sandeep Gupta, Managing Director of the Company and Mrs Geeta Devi, Mother of Sh Sandeep Gupta MD and Mr Manish Gupta Director of the Company], Land & Building at Plot No.659, Sector-16A, Faridabad [ owned by Richa Holding Limited, a promoter Company] , Land and Building at VPO Kanwara, Kheri jasana road, Faridabad [in the name of Company], EM of Plot-29 Near water tank DLF Industrial Phasae-II Faridabad [owned by Company], HN-387 Sector 1, IMT Maneser, Gurgaon [owned by Company] and WDV of plant and machinery and other Fixed assets. Plus Pledge of C & E Division : Working capital limits sanctioned for the PEB division of the company will be collaterally secured by the parri-pasu second charge on fixed assets of the Company held as primary security to Term Loans as enjoyed by

76,51,22,270.30

70,13,63,215.30

## Corporation Bank

## Prime Security :

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

## Collateral Security :

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

## Bank of India:

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

4,00,62,329.00

4,00,62,329.00

## Reliance Commercial Finance Ltd.

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

5206957

5206957

## Vehicle Loan - Corporation Bank

Corporation Bank

Security : Hypothecation of Mercedes Car

89,33,818.00

78,74,615.00

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

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

Corporate Guarantees		Amount Claimed
1	CNC Enterprises	6,00,00,000.00
2	SK Enterprises	6,00,00,000.00
3	Singal Enterprises	6,00,00,000.00
4	Catalyst Trusteeship Limited	9,68,64,658.00
5	Sariga Constructions Pvt. Ltd.	43,24,10,139.00
6	Sirsa Deposit and Advances Ltd.	80,83,50,000.00
7	A to Z Steel Corporation	90,00,00,000.00
Total		2,41,76,24,797.00

## 7) Trade Payables\*

42,55,21,388.83

33,42,46,606.29

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

42,55,21,388.83

33,42,46,606.29

## 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(a) Other Current Liabilities

(a) Bills payable (accepted under LC)

(b) Total outstanding dues of creditors other (other than micro enterprises due of creditor others)

Current Maturities of Long Term Debt\*\*

12,04,153.00

11,49,787.00

Creditors for capital goods

11,63,58,566.04

18,01,28,096.41

Creditors for expenses

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

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

\*\* Refer Note No. 3

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

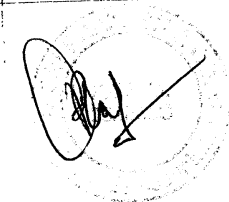
\* Provision for litigation / disputes represents claims against the Company that are expected to materialize in respect of matters in litigation.

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

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

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

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



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PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
<b>TOTAL</b>	<b>51,000.00</b>	<b>51,000.00</b>
<b>12) Inventories (Physically verified and certified by Management)</b>		
(a) Raw Materials	5,28,10,053.26	8,15,83,919.34
(b) Work in Progress	28,51,232.54	1,93,72,082.54
(c) Finished goods	70,41,748.20	70,41,748.20
(d) Stores & Spares	58,88,820.11	58,90,314.22
<b>TOTAL</b>	<b>6,85,91,854.11</b>	<b>11,38,88,064.30</b>
* The Inventory valuing Rs. 11.38 Crore comprises of raw material, stock of work in progress, semi finished goods including recovery stock and material at shop floor is subject to Physical verification and confirmation		
<b>13) Trade Receivables</b>	<b>3,40,63,475.59</b>	<b>3,40,63,475.59</b>
(a) Outstanding for period exceeding Six Months	32,43,49,562.12	41,60,43,486.94
(b) Others	-	-
Sub Classification of Trade Receivables		
(a) Secured, Considered Good;	48,66,35,114.56	45,01,06,962.53
(b) Unsecured Considered Good;	-	-
(c) Doubtful	48,66,35,114.56	45,01,06,962.53
<b>TOTAL</b>	<b>48,66,35,114.56</b>	<b>45,01,06,962.53</b>
<b>14) Cash and cash Equivalents</b>		
(a) Cash and cash Equivalents	67,08,773.26	86,43,769.26
(i) Balance with banks in Current Accounts	98,689.00	11,630.00
(ii) Cash In Hand	-	-
(b) Earmarked Balances with Banks	-	-
(i) HDFC Bank -Unclaimed Dividend FY 2009-10	32,621.50	32,621.50
(ii) Yes Bank -Unclaimed Dividend FY 2010 -11	34,848.00	34,848.00
(iii) Yes Bank -Unclaimed Dividend FY 2011 -12	57,457.00	57,457.00
(iv) Yes Bank -Unclaimed Dividend FY 2012 -13	-	-
(c) Balances with Banks to the extent held as margin money	-	-
(i) In Deposit accounts	-	-
--With Less or Equal to 12 Months Maturity	2,72,66,524.68	2,68,46,305.00
--With more than 12 Months Maturity	-	-
(ii) Interest Accrued but not Due	2,20,14,229.44	3,56,26,630.76
<b>TOTAL</b>	<b>2,20,14,229.44</b>	<b>3,56,26,630.76</b>
<b>15) Short Term Loans and Advances</b>		
Unsecured and Considered Good	2,21,187.78	3,37,378.00
(a) Loan & Imprest to employees	-	-
(b) TUFs Interest Subsidy Receivable	30,03,052.00	49,82,608.00
(c) Security Deposit	5,93,82,416.31	1,68,93,626.64
(d) Advance to Suppliers/Others	-	-
(e) Insurance Claim Receivable	10,42,179.06	15,11,723.00
(f) Prepaid Expenses	-	-
(g) Rent Receivable	-	-
(h) Loan to Richa Infrastructure Ltd.	-	-
(I) Balance with Customs/Central Excise and Income Tax Authorities	9,75,60,886.17	9,18,93,110.63
(i) Balance in CENVAT /Service tax account/Sale Tax / WCT/Entry Tax/GST	82,660.00	82,660.00
(ii) Income Tax Refundable (AY 2008-09, FY 2007-08)	2,22,810.00	2,22,810.00
(iii) Income Tax Refundable (AY 2011-12, FY 2010-11)	1,00,000.00	-
(v) Income Tax Refundable (AY 2014-15, FY 2013-14)	79,53,894.00	80,53,894.00
(v) Income Tax Refundable (AY 2016-17, FY 2015-16)	-	-

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

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

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

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

The amount shown in (c) above represent the best possible estimates arrived at on the basis of available information. Uncertainties and possible reimbursements are dependent on the outcome of different legal processes which have been invoked by the company or the claimants as the case may be and therefore cannot be estimated accurately .The company engages reputed professional advisor to protect its interests and has been advised that it has strong legal positions against such disputes.

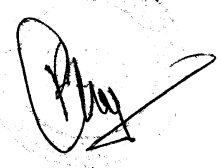
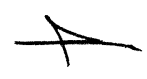
The Company has availed the EPCG license for import of capital goods. The redumption of all licenses is pending with DGFT, New Delhi

(ii) Commitments		
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid ;	-	-
(c) Other Commitments	-	-
28) the amount of dividends proposed to be distributed to Shareholders for the period	-	-
--related amount per share	-	-
The Company donot have any preference sharesholders		

29) In the opinion of the Board, all of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated

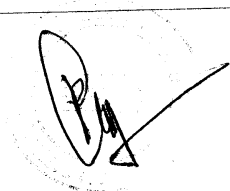
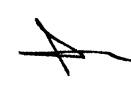
30) Related Party disclosures		
1 Relationships (Only those with whom transeactions have taken place)		
(a) Key Managerial Personnel		
(1) Sh Sushil Gupta (Chairman & Director)	(2) Sh Sandeep Gupta (MD)	(3) Sh Manish Gupta (President)
(4) Lavesh Kansal		
(b) Associates		
(1) Richa Building System Private Limited	(2) Richa Holdings Limited	(3) Richa Infrastructure Limited
(4) Richa Krishna Constructions Private Limited		
(c) Relatives of Key Managerial Personnel		
(1) Geeta Devi	(2) Garima Gupta	(3) Subhash Gupta

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

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

PARTICULARS	Figures as at 31.03.2021		Figures as at 31.03.2020	
	Referred in 32 -1(a) above	Referred in 32 -1(b) above	Referred in 32 -1(c) above	Referred in 32 -1(c) above
Sales				
Goods, material and service				
Purchase				
Goods, material and service				
Expenses				
Remmuneration				
Professional Fees				
Finances				
Loans and advances repaid (net of receipts)				
Outstandings				
Receivables				
Payable (Remmuneration)				
Loans & Advances payables		10,69,37,000.00		(10,69,37,000.00)
<b>3 Disclosures in respect of material transactions with related parties during the year (included in 2 above)</b>				
Expenses - Remmunerations				
-- Sh Sushil Gupta				
--Sh Sandeep Gupta				
--Sh Manish Gupta				
--Lavesh Kansal		0.00		
Professional Fees				
--Smt Garima Gupta				
Finances				
Loans and advances repaid (net of receipts)				
--Richa Holdings Limited				
--Richa Building System Private Limited				
Outstandings				
Receivables				
--Richa Infrastructure Limited				
Payable (Remmuneration)				
-- Sh Sushil Gupta				
--Sh Sandeep Gupta				



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

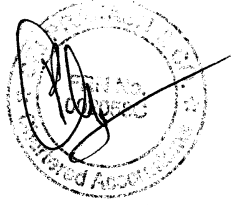
PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
--Sh Manish Gupta		
--Smt Geeta Devi		
Loans & Advances payables		
--Richa Holdings Limited	(3,67,50,000.00)	
--Richa Building System Private Limited	(7,01,87,000.00)	
Previous Year Figures in ( )		
<b>31) Disclosures pursuant to Accounting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

**33) Disclosures pursuant to Accounting Standard (AS) – 28 "Impairment of Assets"**

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

PARTICULARS	Figures as at 31.03.2021	Figures as at 31.03.2020
4) Disclosures pursuant to Accounting Standard (AS) – 19 "Leases"		

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



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