



48TH ANNUAL
REPORT

2020-21

रिचर्डसन एण्ड क्रुड्दास (१९७२) लिमिटेड

(भारत सरकार का उपक्रम)

Richardson & Cruddas (1972) Limited

(A Govt. Of India Undertaking)



ENGLISH
EDITION



श्रीमती लक्ष्मी चन्द्रा
अध्यक्ष एवं प्रबंध निदेशक

Smt. Laxmi Chandra
Chairman & Managing Director



श्री आदित्य कुमार घोष
निदेशक

Shri Aditya Kumar Ghosh
Director



श्रीमती परवीन गुप्ता
निदेशक

Smt. Parveen Gupta
Director

48th ANNUAL REPORT

2020 - 2021

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BOARD OF DIRECTORS

A) Chairman & Managing Director

Smt. Laxmi Chandra : From 27/10/2020

B) Directors

Shri Aditya Kumar Ghosh : From 18.06.2021

Smt. Parveen Gupta : From 20/12/2017

Shri Ravindra Badaya : From 28/01/2020

Smt. Kaushlaya Parmar : From 21/02/2020

C) Executives

Shri Varun Kumar Shukla : General Manager (HO)

Shri. Sanjay Kumar Ojha : Chief Finance Officer (CFO)

Shri. D. S. Rao : Chief Manager

Mrs. Pooja G Shirodkar : Company Secretary & CPIO

D) Auditors

M/s. Jain & Jain : Statutory Auditors for FY 2020-21

E) Bankers

: State Bank of India, Byculla Branch

Registered Office:

Byculla Iron Works,

Sir. J. J. Road,

Byculla, Mumbai – 400008.

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the Members of Richardson & Cruddas (1972) Limited will be held on November 29, 2021 at 4 pm to consider following business as Ordinary Business through Video Conference due to COVID-19 pandemic situation.

1. To note the minutes of 47th Annual General Meeting for the year ended 2019-20 held on 16.12.2020
2. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021 along with the report of the Statutory Auditors and Comments of the CAG under section 143(6)(b) of the Companies Act, 2013 and the report of the Directors thereon and to consider and if thought fit to pass the following Resolution as an "Ordinary Resolution."
"RESOLVED that the audited Financial Statements of the Company for the Financial Year ended 31st March 2021 along with the reports of the Auditors and Directors thereon along with comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 be and are hereby approved and adopted."
3. To note the appointment of the Statutory Auditors Jain Chowdhary & Co. for the Financial Year ended 31st March 2022 as per the letter No. CA.V/COY/CENTRAL GOVT.RICHRD(1)/472 dated 19.08.2021 received from the CAG. To authorise Board of Directors to fix the remuneration of the Statutory Auditors for the FY 2021-22.

BY ORDER OF THE BOARD

Pooja G Shirodkar
Company Secretary & CPIO

Date: 17.11.2021

Place: Mumbai

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy (proxies) need not be member (s) of the Company.



RICHARDSON & CRUDDAS (1972) LIMITED

MUMBAI

PROXY FORM

1. Shri _____, S/O. Shri _____, _____ of M/s. Richardson & Cruddas (1972) Limited do hereby appoint Shri _____, _____ (or failing him) Shri _____ of _____ as my Proxy to attend and Vote for me and on my behalf at the 48th Annual General Meeting of the Company to be held on November 29, 2021 at 4.00 pm and at any adjournment thereof.

Signature: _____

Name : _____

Dated, this _____ day of _____ 2021

DIRECTORS' REPORT

The Shareholders

Richardson & Cruddas (1972) Limited

Gentlemen,

Your Directors have pleasure in presenting the 48th Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2021.

1. FINANCIAL PERFORMANCE:

The details of Company's financial performance are as hereunder:

Particulars	2020-21	2019-2020
	(₹. In Crores)	(₹. In Crores)
Gross Sales (Net of Excise Duty)	34.24	40.95
Depreciation	0.37	0.40
Interest	Nil	Nil
PBT	18.42	24.07
Net Profit/(Loss) after tax	13.41	29.47
Income		
Revenue from operations	20.92	26.82
Expenditure:		
Raw Material	0.00	0.05
Sub-Contracting Expenses	5.83	7.63
Change in Inventories of finished goods/stock	-	-
Employee benefits Expense	1.57	2.92
Other Expenses	4.70	5.76
Total Expenditure	12.09	16.37
Operating Profit	8.83	10.45
Add : Other Income	13.32	14.13
Less : Finance Cost	0	0
Depn.	0.37	0.40
Prior Period	(0.46)	(0.12)
Profit after Depn. & Interest	21.31	24.07
Prior Period & Extra Ordinary Items Adjustment	-2.89	-
Profit/(Loss) before Tax	18.42	24.07
Tax Expenses	5.01	(5.40)
Profit After Tax	13.41	29.47
Accumulated Profit/Loss	(363.43)	(376.83)

2. OPERATIONS:

Company is carrying its engineering and business activities of offering its premises on daily rental basis for various events/ functions/ meetings etc in accordance with the MoA and AoA. As both Byculla and Mulund properties of Company has been requisitioned by the MCGM for the quarantining and treatment of COVID-19 patients, it has impacted the Company's revenue in FY-20-21 & also in FY 2021-22.

Order position is getting affected due to stoppage of new order bookings by Chennai and Nagpur Units to comply with the cabinet decision dated 21.09.2016. Auction of scrap at Chennai Unit was held through MSTC in the month of October 2021.

Currently, company is having only 5 employees on the payroll as on 31.03.2021

3. DIVIDEND PAYMENT:

As both Byculla and Mulund properties of Company has been requisitioned by the MCGM for the quarantining and treatment of COVID-19 patients, it will major impact the future business of the Company. Accordingly, your directors decided to retain profit for contingencies and furtherance of business. Board does not recommend any dividend on the Equity Shares as also on 8% Redeemable Non-Cumulative Preference Shares during the Current Year.

4. IMPLEMENTAION OF CABINET DECISION DATED 21.09.2016

I. Update on IMG meeting

Company vide letter dated 02.02.21 has informed DHI since all state Govt departments have resumed operations, DHI may convene 7th IMG meeting. However, second wave of COVID-19 affected the country in the month of April-21 onwards due to which the 7th IMG could not proceed further. The next meeting will be convened once the situation normalizes.

II. Update on Byculla Land

- i) The Mumbai Collector issued order vide letter dated 29.03.2020 regarding requisitioning of R&C Byculla property for the purpose of quarantining COVID-19 patients under Epidemic Disease Act-1897.
- ii) Presently, the entire 13.41 acres of Byculla land except the R&C main building is under possession of State Government of Maharashtra. The sheds and the open area of the company are being utilized by the MCGM for erecting treatment facilities for COVID-19 patients
- iii) Presently, the premises within the R&C building are leased out to HPCL, Bank of India, State Bank of India and Syndicate Bank.

III. Update On Mulund Land

- i) MCGM issued orders vide letter dated 15.05.2020 regarding requisitioning of R&C Mulund property for the purpose of quarantining COVID-19 patients under Epidemic Disease Act-1897.
- ii) MCGM is utilizing the premises for the erection of 1000 bed COVID-19 Jumbo Hospital.
- iii) The MCGM has started the site work and presently the structures have been erected by MCGM in the open areas of the land.

iv) Status of Registration of two conveyance deeds

Company has obtained the original copies of the below mentioned conveyance deeds after completing the registration formalities. The same was pending since 1988.

Sr. No.	Conveyance Details	Stamp Duty	Registration Fee	Penalty
1.	SBBJ/1000/88	19,78,000/-	2680/-	1000/-
2.	PBBJ/2050/88	19,78,000/-	2680/-	1000/-

IV. Update On Chennai Unit

Company has completed the title clearance of the Chennai land by signing the sale deed of the 3.3 acres land at 69-D, TANSIDCO Industrial Estate, Ambattur, Chennai on 28.06.2019.

Company vide letter dated 25.05.2020 has informed Department of Heavy Industries, Government of India about completion of formalities relating to title deeds of the 3.3 acres of Chennai land and land asset. Accordingly, DHI being the administrative Ministry can proceed to dispose off the property.

Various buildings and structures are present on the captioned land. Auction of scrap at Chennai Unit was held through MSTC in the month of October 2021.

V. Update On Nagpur Unit

As per Union cabinet decision dated 21.09.2016, Nagpur unit is offered for strategic disinvestment. Nagpur scrap auction will be taken after the Chennai scrap is completed.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW AND OUTFLOW:

(A) Technology Absorption:

The Company has not undertaken any major technology up-gradation programme during the year.

(B) R&D And Quality:

Pursuant to Union Cabinet decision 2016, company is presently under restructuring and any R&D or quality initiative will be taken after restructuring process is concluded.

(C) Foreign Exchange Inflow & Outflow:

There is no foreign exchange inflow or outflow during the year.

(D) Energy:

Operations in your Company are not energy intensive. However, Energy Audit was done by the units of Company. Nevertheless all possible efforts are being made to reduce energy consumption and costs and the same have been under control.

6. HUMAN SOURCES:

Industrial Relations continued to be cordial during the year. The manpower strength was 5 at the end of March, 2021.

7. SCHEDULE CASTE/TRIBES/OBC EMPLOYEES/PHYSICALLY HANDICAPPED PERSONS:

The Government directives in respect of SC/ST/OBC/Physically Handicapped persons are being regularly followed and implemented.

8. PARTICULARS OF EMPLOYEES:

None of the employees have drawn remuneration required to be reported under Section 134 of the Companies Act 2013, read with Companies (Particulars of Employees) Rules, 1988 during the year.

9. ENVIRONMENT POLLUTION CONTROL:

Your Company is fully committed to preventing pollution and protecting environment. Efforts were continued during the year to promote afforestation in Mulund and Nagpur unit of the Company where sufficient vacant land is available for the purpose. The pollution control equipment installed in Nagpur Unit to safeguard health hazards arising out of galvanizing activities is functioning satisfactorily as per the standards set by Regulating Agency.

10. VIGILANCE CELL:

The Company has four manufacturing units, one each at Byculla, Mulund, Nagpur and Chennai. Shri Alok Ranjan has been appointed as Chief Vigilance Officer (CVO) of the Company.

11. USE OF HINDI:

The Official Language Implementation Committee of the Company continued its efforts for promoting use of Hindi Language in accordance with Annual Programme for implementation of official language issued for the year 2020-21 by the Deptt. of Official Language, Ministry of Home Affairs, to encourage employees for progressive use of Hindi in day-to-day official work.

12. BOARD OF DIRECTORS – APPOINTMENT AND CESSATION.

DHI vide their letter No. 4(8)/2010-PE IV (Part. II) dated 22.10.2020, has handed over additional charge for the post of Chairman & Managing Director, Richardson & Cruddas (1972) Limited (R&C) to Smt Laxmi Chandra, General Manager, BHEL, Mumbai. Smt Laxmi Chandra has taken over charge from Shri Avinash Kumar Vajpeyi w.e.f 27.10.2020

Shri Ravindra Badaya, Chartered Accountant vide DHI letter No. 4(7)/2008 - PE.IV dated 28.01.2020 has been appointed as part time non-official Director for a period of three years w.e.f. 28.01.2020

Shri Kaushalya Parmar, vide DHI letter No. 4(7)/2008-PE.IV dated 21.02.2020 has been appointed as part time non-official Director for a period of 3 years w.e.f. 21.02.2020.

DHI vide letter No. 7(3)/98-PE.IV dated 18.06.2021 has appointed Shri Aditya Kumar Ghosh, as Part-time official Director on the Board of the Company vice Shri Rama Kant Singh ex- Deputy Secretary, DHI, w.e.f 18.06.2021

NUMBER OF BOARD MEETINGS HELD AND DATES ON WHICH THE SAME WERE HELD

The Meetings of the Board are normally held at the Company's registered office at Byculla, Mumbai and are scheduled well in advance. Written notice of each Board meeting is sent to all the Directors. Due to Covid -19 pandemic situation, the Board could met three times during the year i.e on 04.08.2020, 20.10.2020 & 09.12.2020 Attendance of individual Directors at the Board Meetings and at the last Annual General Meeting is as follows:

Sr. No	Name of the Director	No. of Board Meetings Attended	Attendance at the AGM
1	Smt. Laxmi Chandra	1	Yes
2	Shri Avinash Kumar Vajpeyi	2	No
3	Shri Rama Kant Singh	3	Present
4	Shri Ravindra Badaya*	3	No
5	Smt. Parveen Gupta	1	No
5.	Smt. Kaushalya Parmar**	3	No

*Appointed vide DHI letter No. 4(7)/2008 - PE.IV dated 28.01.2020 has been appointed as part time non-official Director for a period of three years w.e.f. 28.01.2020

** Appointed vide DHI letter No. 4(7)/2008 - PE.IV dated 21.02.2020 has been appointed as part time non-official Director for a period of three years w.e.f. 21.02.2020

13. AUDIT COMMITTEE:

The Company has constituted an Audit Committee in its 245th Board meeting held on 03.09.2021 as per Companies Act 2013 and same has been reconstituted time to time due to change in directorship of the Company.

1. Terms of reference:

The terms of reference of the Audit Committee specified by the Board are in conformity with the requirements Section 177 of the Companies Act, 2013 and are as follows.

- i. Recommending to the Board about the appointment, reappointment and if required, the replacement/removal of the statutory auditors and fixation of the audit fees of the auditors to the extent applicable to Government Companies.
- ii. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and reliable.
- iii. Reviewing with the Management, the Annual financial statements before submission to the Board for approval with particular reference to:
 - (a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of various provisions of the Companies Act, 2013 and applicable rules and accounting standards
 - (b) Changes, if any in accounting policies, and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by the management.

- (d) Significant adjustments made in the financial statements arising out of audit findings.
- (e) Disclosure of any related party transactions.
- (f) Qualifications in the draft audit report.
- iv. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- v. Reviewing with the Management, performance of the Statutory and Internal Auditors, adequacy of the Internal controls and systems
- vi. Reviewing the adequacy of Internal audit functions including the structure of Internal Audit, its coverage and frequency.
- vii. Discussion with the Internal Auditors any significant findings and follow up thereon.
- viii. Reviewing and monitoring the auditors Independence and performance and the effectiveness of the audit processes employed.
- ix. To review and discuss the valuations of the undertakings or assets of the company, where necessary.
- x. Where applicable, to monitor the end use of funds raised through public offers and related matters
- xi. To discuss with Statutory Auditors/Internal Auditors the periodicity of Internal control systems and the nature and scope of audit as well as post audit discussion to ascertain areas of concern including observations of the Auditors.

2. Composition of Audit Committee, Names of Members and Chairman:

The present Audit Committee comprises of the following members of the Board.

Sr. No	Name of the Member	Designation of the Member in the Audit Committee
1	Shri Ravindra Badaya, Independent Director	Chairman of the Audit Committee
2	Smt. Kaushlaya Parmar, Independent Director	Member of the Audit Committee
3	Shri. Aditya Kumar Ghosh, Director	Member of the Audit Committee

14. Corporate Social Responsibility:

Detailed information on the Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Companies Act, 2013 is given in below:

1. Brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmers. With the vision and philosophy of the GoI & in accordance with the detail guidelines of DPE on the Corporate Social Responsibility (CSR) activities, the Company tries to identify sustainable projects which will benefit the society over long periods. A detailed CSR Policy was framed by the Company on 22.02.2020, with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

- (I) Introduction
- (II) Vision, Mission, Objective, Definition and Scope
- (III) CSR & Sustainability Policy Statement
- (IV) Structure
- (V) Budget and Allocation
- (VI) Implementation, Monitoring & Reporting

Composition of the CSR Committee: A Committee of the directors, titled 'Corporate Social Responsibility Committee', which was constituted by the Board at its meeting held on 22, February 2020 & due to change in Director ship of the Company the committee has been reconstituted by the Board in its Meeting held on 04, August 2020. Presently committee has following members:

- (I) Sh. R Badaya, Part time Non Official Director Chairman of the Committee,
- (II) Smt. Kaushalya Parmar , Member
- (III) Sh. Aditya Kumar Ghosh, Member
- (IV) Smt Laxmi Chandra, Member

2. Amount required to be spent for CSR activities – Rs 42.87 lacs (previous year Rs 51.83 lacs). Amount actually spent for CSR activities - NIL (previous year - Rs 52.20)
3. In case the Company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board Report. ---
Due to shortage of manpower company not able to spend CSR amount this year.
4. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

15. AUDITORS:

M/s **Jain and Jain LLP**, Chartered Accountants Mumbai has been appointed as Statutory Auditors of the Company for for the F.Y. 2020-21 as per CAG letter No. CA.V/COY/CENTRAL GOVT,RICHRD(1)/612 dated 20.08.2020

M/s **Jain Chowdhary & Co.** has been appointed as Statutory Auditors for the year ended 31st March 2022 vide their letter No.CA.V/COY/CENTRAL GOVT.RICHRD(1)/472 dated 19.08.2021.

The qualifications made by Statutory Auditors have been extensively reviewed by the Audit Committee and based on the recommendations of the Audit Committee, the same have been considered by the Board and corrective actions are being taken wherever necessary.

The comments of the Comptroller and Auditor General of India, under Section 139 of the Companies Act 2013 along with Review of Accounts by CAG are annexed to this report.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to director's Responsibility Statement, it is hereby confirmed:

- i. That the preparation of annual accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed with proper explanation.
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of the Company at the end of the financial year ended 31st March 2021 and of the profit and loss of the company for that period.
- iii. That the Directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts on a going concern basis.
- v. That the Directors had devised a proper system to ensure Compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) IN THE PRESCRIBED FORM

There are no contracts or arrangements with related parties under section 188(1) of the Companies Act, 2013 during the financial year.

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes that have occurred affecting the Financial Position of the company.

19. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Amount of ₹. 52.33 Lacs was spent towards "PM CARE FUND" as on 31.03.2020.

20. RISK MANAGEMENT POLICY

Board has reviewed risk management policy time to time as per requirement basis.

21. CHANGES IN SHARE CAPITAL

The Company has not issued any Equity Shares during the year under review.

22. CORPORATE GOVERNANCE

The report of corporate governance attached as Annexure 1.

23 DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2018-19.

24. ACKNOWLEDGEMENT:

The Directors wish to express their thanks to various departments of the Central and State Governments, particularly the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises for the co-operation extended by them. The Directors also express their gratitude to C&AG, Principal Director of Commercial Audit & Ex-officio Member, Statutory Auditors, Internal Auditors and the Bankers. The Directors are grateful to the valued customers for their continued patronage and support.

The Directors also wish to place on record their appreciation of the dedicated efforts put in by the employees at all levels.

For and on behalf of the Board of Directors

(Laxmi Chandra)

CHAIRMAN & MANAGING DIRECTOR,

Mumbai

Annexure I

CORPORATE GOVERNANCE

Corporate governance implies the method or measures taken to govern the Company in such a manner so as to ensure more accountability of Board of Directors towards the Shareholders and other stakeholders. It has been drawn up defining the role of Board of Directors, establishing directors accountability to the Shareholders, investors and interest group setting out guidelines effective and new quality of performance, changing the face of relation between the board and for executive officers Your Company is committed to adopting the best global practices of Corporate Governance The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long-term shareholders value and interest of its entire shareholders.

The Board of Directors of the company have developed and adopted Corporate Governance guidelines imposed by DPE guidelines for CPSE. The Board ensures that the company has necessary regulatory mechanism so that timely and accurate disclosure of information regarding the finance situation, performance, ownership and governance of the company is disclosed. As required by the Guidelines on Corporate Governance for Central Public-Sector Enterprises report on Corporate Governance is given below:

Richardson & Cruddas (1972) Limited philosophy on Corporate Governance endeavors to achieve highest levels transparency, integrity and equity, in all its operations The company believes that good Corporate Governance is essential for achieving long term corporate goals and enhancing stakeholder's value. The Company's business objective is to manufacture and market its products in such a way as create value that can be sustained over long term for all its stakeholders including shareholders employees, customers, Government, and the lenders.

Currently, pursuant to Union Cabinet decision dated 21.09.2016, Company is under restricting of operations.

BOARD OF DIRECTORS

Richardson & Cruddas (1972) Limited is an Central Government company under the Ministry of Heavy Industry. Its 100% shareholding is with Govt. of India. The Board consist of the following members:

1. Smt Laxmi Chandra, Chairman & Managing Director,
2. Shri. Aditya Kumar Ghosh, Director
3. Parveen Gupta, Director
4. Shri Ravindra Badaya, Independent Director
5. Smt Kaushalya Parmar, Independent Director

Due to COVID -19 pandemic situation, the Board could met three times during the year i.e. on 04.08.2020, 20.10.2020 & 09.12.2020

Attendance of Individual Directors at the Board Meetings is as follows:

Sr. No.	Name of the Director	No. of Board Meetings Attended
1	Smt Laxmi Chandra	1
2	Shri Avinash Kumar Vajpeyi	2
3	Shri Rama Kant Singh	3
4	Shri Ravindra Badaya	3
5	Smt. Parveen Gupta	1
6.	Smt. Kaushalya Parmar	3

DHI vide their letter No. 4(8)/2010-PE IV (Part. II) dated 22.10.2020, has handed over additional charge for the post of Chairman & Managing Director, Richardson & Cruddas (1972) Limited (R&C) to Smt Laxmi Chandra, General Manager, BHEL, Mumbai. Smt Laxmi Chandra has taken over charge from Shri Avinash Kumar Vajpeyi w.e.f 27.10.2020

Shri Ravindra Badaya, Chartered Accountant vide DHI letter No. 4(7)/2008 - PE.IV dated 28.01.2020 has been appointed as part time non-official Director for a period of three years w.e.f. 28.01.2020

Shri Kaushalya Parmar, vide DHI letter No. 4(7)/2008-PE.IV dated 21.02.2020 has been appointed as part time non-official Director for a period of 3 years w.e.f. 21.02.2020.

DHI vide letter No. 7(3)/98-PE.IV dated 18.06.2021 has appointed Shri Aditya Kumar Ghosh, as Part-time official Director on the Board of the Company vice Shri Rama Kant Singh ex- Deputy Secretary, DHI, w.e.f 18.06.2021

The Committee meetings are as follows:

1) Nomination & Remuneration Committee:

The committee consist of following members:

- 1) Smt Kaushalya Parmar, Independent Director Chairman
- 2) Shri Ravindra Badaya, Independent Director, Jaipur
- 3) Shri Aditya Kumar Ghosh, Member

2) Audit Committee:

The committee consist of following members:

- 1) Shri Ravindra Badaya - Independent Director Chairman
- 2) Shri Aditya Kumar Ghosh- Member
- 3) Smt Kaushalya Parmar - Member

3) Corporate & Social Responsibility Committee:

The committee consist of following members:

- 1) Shri Ravindra Badaya - Independent Director – Chairman
- 2) Smt Kaushalya Parmar - Independent Director - Member
- 3) Shri Aditya Kumar Ghosh – Member
- 4) Smt Laxmi Chandra- Member.

Certificate for Compliance with Corporate Governance Guidelines

DPE Guidelines, 2010 prescribes a certificate to be obtained from the Statutory Auditors or the Practising Company Secretary for corporate governance guidelines followed by the Company

The said certificate was obtained from the Practising Company Secretaries (PCS), Vasisht & Associates, Company Secretaries, having office at Delhi — 110092, for the Financial Year 2020-21, and is attached herewith as

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER
CORPORATE GOVERNANCE GUIDELINES OF DEPARTMENT OF PUBLIC ENTERPRISES (DPE), 2010**

To,

The Members of

Richardson & Cruddas (1972) Limited

Sir J.J Road, Byculla Mumbai, Mumbai City MH-400008 IN

In respect of the compliance of the conditions of Corporate Governance for the year ended March 31, 2021, by Richardson & Cruddas (1972) Limited, a Government Company under section 2(45) of the Companies Act, 2013 as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

In our opinion and to the best of our information and on the basis of our review and according to the information and explanation given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance in all material respects as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), except *with the requirement of minimum number of four meeting of its Board of Directors held during the financial year 2020-2021.*

It is further stated that the aforesaid opinion is based upon the submissions made by the Company with supporting documents and correspondence files and the secretarial and other statutory records maintained by the Company

For VASISHT & ASSOCIATES;
(Company Secretaries)

CS SHOBHIT VASISHT
UDIN: F011517C001590446
PR No: 844/2020
FCS No: 11517
C P No: 21476

Date: 29.11.2021

Place: New Delhi

Note:

- I. Due to restricted movement amid COVID-19 pandemic, we have examined the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2020-21

[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,

RICHARDSON AND CRUDDAS (1972) LIMITED

CIN: U28920MH1973GOI016389

Sir. J.J. Road, Byculla Mumbai City, Maharashtra 400008, India

I, Shobhit Vasisht, Proprietor of Vasisht & Associates, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RICHARDSON AND CRUDDAS (1972) LIMITED** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the 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, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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 thereunder; **(Not Applicable to the Company)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not Applicable to the Company)**
- (iv) The Foreign Exchange Management Act, 1999 and the rules made thereunder; **(Not Applicable to the Company)**
- (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; **(Not Applicable to the Company)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company)**
 - (c) The Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company)**
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company)**

- (e) The Securities and exchange board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; **(Not Applicable to the Company)**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments thereof regarding the Companies Act and dealing with client; **(Not Applicable to the Company)**
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; **(Not Applicable to the Company)**
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018; **(Not Applicable to the Company)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above except to the extent as mentioned below;

1. The Company has not complied with the requirement of minimum number of four meeting of its Board of Directors every year as required under Section 173 of the Companies Act, 2013;
2. The Company has not appointed Cost Auditor during the financial year 2020-2021 as required under Section 148 of the Companies Act, 2013;
3. The Company has not filled E-Form MGT-14 with the Registrar of Companies for the approval of Director Report and Financial Statement for the financial year 2019-2020 as required under Section 117(3) of the Companies Act, 2013. Further, the management of the Company ensures to file an application with Ministry of Corporate Affairs for condoning the delay in Filing E- Form MGT-14.
4. The Company has not filled E-form MGT-14 with the Registrar of Companies for passing all the resolutions as per General Circular No 14/2020 dated 08.04.2020, General Circular 17/2020 dated 13.04.2020 and General Circular No 20/2020 dated 05.05.2020 (Collectively referred to as "MCA Circulars") Further, the management of the Company ensures to file an application with Ministry of Corporate Affairs for condoning the delay in Filing E- Form MGT-14.
5. 8% Preference Shares aggregating to ₹. 2,326 Lakhs, issued during the financial year 1992-93 to the Government of India have not been redeemed till date, despite the lapse of a period of over twenty years from the time of issue. The terms and conditions for issue and redemption of these preference shares issued during 1992-1993 are yet to be finalized by the company with sole preference shareholder, Government of India. However, in pursuance to the Companies Act, 2013 Company engaged in setting up infrastructure project may issue for a period exceeding twenty years but not exceeding thirty years subject to the redemption of a minimum ten percent of such preference shares per year from the twenty first year onwards or earlier, on proportionate basis, at the option of the preference shareholders;
6. During the year, the Company has not made any provision for expenditure on CSR activities .and amount required to be spent for CSR activities i.e. Rs 42.87 lakhs has not been spent by the Company

I further report that:

The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items

before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously.

Dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance. As per the explanations given to me and the representations made by the Management and relied upon by me, there are 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.

During the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

For VASISHT & ASSOCIATES;

(Company Secretaries)

CS SHOBHIT VASISHT

UDIN: F011517C001574573

PR No: 844/2020

FCS No: 11517

C P No: 21476

Date: 29.11.2021

Place: New Delhi

Notes:

- i. This report is to be read with the letter of even date which is annexed as Annexure A and forms an integral part of this report.
- ii. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.



To,
The Members,
RICHARDSON AND CRUDDAS (1972) LIMITED
CIN: U28920MH1973GOI016389
Sir. J.J. Road, Byculla Mumbai City MH 400008, IN

This report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR VASISHT & ASSOCIATES;
(Company Secretaries)

CS SHOBHIT VASISHT
UDIN: F011517C001574573
PR No: 844/2020
Date: 29.11.2021
FCS No: 11517
CP No: 21476

Date: 29.11.2021
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RICHARDSON & CRUDDAS (1972) LIMITED,

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Richardson & Cruddas (1972) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, the profit and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion on the financial statements.

Emphasis of Matter

- Reference to the Note No.25 of the Notes to Accounts of the financial statements of the company, as requisition of properties located at Byculla and Mulund by MCGM due to COVID - 19, no engineering activities and rental of such properties for various events and meetings had been possible for FY 2020 – 2021 as well as will not be possible for FY 2021-22, and also pursuant to Union Cabinet decision dated 21st September, 2016 no new orders to be taken at Nagpur & Chennai. The revenue of company have been adversely affected and primary source of income for the company will be rental income generated by the leave & license of its Mumbai premises.*
- As per Company Master Data as available on MCA portal, the company has an old charge against Immovable property or any interest therein worth ₹ 14 lacs which was created on 30th November, 1972, according to the information and explanations given to us the company has no such charge pending. The company is in process to identify such charge, with respect to identification of immovable property, identification of lender & closure of such charge.*
- Reference to the Note No. 28 of the Notes to accounts of the financial statements of the company, there are balances due to/ from various parties and government authorities (including of Trade Receivables, Trade Payables, Deposits, Statutory Dues, Loans and Advances, Other Current Liabilities and TDS Receivable) which are subject to the*

confirmation and reconciliation. All these balances are outstanding for more than three years. Company has made provision in the earlier years for these payables (which are still continuing in the books) but it has not been written off in the books of accounts.

Also, it includes certain old outstanding balances with respect to capital work-in-progress, certain inventories, Long term loan and advances, debtors, creditors, other receivables and payables (including advances received and advances given), Other Current Liabilities for which the Company does not have full and complete particulars and records.

4. Reference to the Note No. 36 of the Notes to accounts of the financial statements of the company, there is a stock/WIP to the tune of ₹ 33.63 Lacs which are with the third party which has been shown in the other current assets in the financial statement. However, company has not provided physical verification certificate for the same. Also, inspection report has not been provided and third party confirmation letter has not been taken by the company. Company has created provision for the same in the earlier year (which are still continuing in the books) but it has not been written off in the books of accounts.
5. During our course of audit, the company has recorded certain receipts on account of maturity of Term Deposit and closure of Bank Account amounting to Rs,10,70,667/- which were not recorded in books of accounts of the earlier years and the same has been recognized in current year as Prior Period Item.
6. We draw your attention to Note No. 1(e)(v) of the financial statements of the company, wherein the value of scarp is stated as per the earlier year value and no adjustment is made on account of difference in net resalable value as on 31st March, 2021. Considering the financial position of the company, the total quantity vis-a vis its scarp value is not material in nature.
7. Reference to the Note No. 27(d) of the Notes to accounts of the financial statements of the company, the Company in respect of Mulund premises is not in receipt / confirmation of any compensation and in lieu of such uncertainty, no revenue has been recognized by the company for the year under consideration. The same will be recognized in the year in which, if any, received / confirmed.
8. The Company has violated the provisions contained in the section 173 of the Companies Act, 2013 in relation holding of Board meetings within the specified timeliness.

Our Opinion is not modified in respect of these matters.

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

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

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

If based on the work we have performed, we conclude that the other information is materially misstated then we are merely required to report that fact that a misstatement does exist. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

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

In preparing the Financial Statements, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of Internal 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, as applicable, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure A";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The provisions of section 197 of the Act does not apply to a Government Company as defined under clause 45 of section 2 of the Act as per notification G.S.R. 463(E) dated 5th June, 2015.

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 24
 - ii. We are informed that the Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of subsection (5) of section 143 of the Act, the compliances of which is set out in the "Annexure C"

For JAIN and JAIN LLP
Chartered Accountants
FRN: 103869W/ W100630

CA Manisha K. Parmar
Partner
Membership No.: 103823
UDIN: 21103823AAAAAQ4354

Place: Mumbai
Date: September 03, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) of 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Richardson & Cruddas (1972) Limited of even date)

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

We have audited the internal financial controls over financial reporting of Richardson & Cruddas (1972) Limited. ("the Company") as of 31st March, 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Opinion

In our opinion, 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 31st March, 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.

Other matters

According to Guidance note issued by the ICAI, Company has to prepare and adopt SOP Matrix for the policies and procedure which needs to be followed by the company. According to information and explanations given to us, all the transactions of the company have been approved by the appropriate authority and recorded by support staff. However, it is suggested to prepare such SOP Matrix for the policies and procedures.

For JAIN and JAIN LLP
Chartered Accountants
FRN: 103869W/ W100630

CA Manisha K. Parmar
Partner
Membership No.: 103823
UDIN: 21103823AAAAAQ4354

Place: Mumbai
Date: September 03, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 of 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Richardson & Cruddas (1972) Limited of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

i.

- a. *The Company has not maintained Fixed Asset register, however has maintained memorandum records which needs to be updated to show the full particulars, including quantitative details and situation of fixed assets.*
- b. *All the fixed assets have not been physically verified by the management during the year but we are informed by the management that there is a regular program of verification of assets over a period of three years. As per regular program, physical verification of assets was to be done in FY 2019 - 2020. The management has not been able to physically verify Fixed Assets in accordance with this program due to COVID – 19 pandemic situation. However, in absence of any physical verification report and in the absence of reconciliation referred to in clause (i)(a) above, we are unable to ascertain whether all the fixed assets as per the financial statement has been verified under this verification program.*
- c. *As per the information and explanation given to us, the title deeds of the immovable properties, as disclosed in the Fixed Assets Schedule to the financial statement, are held in the name of the company, except that the original title deed of the Ghatkopar flats are not available. Refer to Note No. 27(b) of the Notes to accounts of the financial statements of the company property situated at Mulund which is a lease property was encumbered by the lessors by various charges including the one created favoring Bank of Maharashtra which impeded the purchase process by the Company. The matter is sub judice in the court.*

ii.

- a. *In our opinion and according to the information and explanations given to us, physical verification of inventories has been not been conducted by the management due to COVID - 19 pandemic situation.*
- b. *In our opinion and according to the information and explanations given to us, as no physical verification is conducted we cannot comment on the procedures followed by the management for physical verification of inventory in relation to the size of the Company and the nature of the business.*
- c. *As no physical verification of inventory was conducted, no discrepancies were noticed and the same were not been accounted for in the books of accounts.*

iii.

According to the information and explanations given to us and on the basis of our examination of books of account, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clauses 3(iii)(a) and (iii)(b) and (iii)(c) of the said order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and the Company has not provided any guaranty or security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- vi. *According to the information and explanations given to us, the company is required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended prescribed by the Central Government under sub – section (1) of Section 148 of the Act. We are informed that the requisite cost records are not prepared.*
- vii.
- a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, Goods & Service Tax, cess and other material statutory dues, as applicable, have been regularly deposited to the appropriate authorities. However following qualifications has been identified:

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount relates
Profession Tax Act	Profession Tax – Chennai	5.47	Prior to 2010
Income Tax Act, 1961	Tax deducted from Employees – Chennai	0.60	Prior to 2010
Employees' State Insurance Act, 1948	ESI – Chennai	4.66	Prior to 2010
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	EPF – Chennai	20.06	Prior to 2010
Sales Tax Act	Sales Tax / Value Added Tax / Works Contract Tax – Chennai	3.89	Prior to September 2015

- b. According to the records of the company, as at 31st March, 2021 and as per the information & explanation given to us, the following are the particulars of the disputed dues on accounts of Income Tax, Goods & Service Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and VAT matters which have not been deposited :

Name of the Statute	Nature of Dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Works Contract Tax	Works Contract Tax – Nagpur	1.79	1986-1989	Mumbai Tribunal
Works Contract Tax	Works Contract Tax – Nagpur	0.44	1989-1990	Mumbai Tribunal
Bombay Sales Tax Act, 1959	Bombay Sales Tax – Nagpur	0.97	1990-1991	Mumbai Tribunal
Bombay Sales Tax Act, 1959 / Central Sales Tax Act, 1956	Bombay Sales Tax / Central Sales Tax – Nagpur	0.65	1993-1994	Mumbai Tribunal
Bombay Sales Tax Act, 1959 / Central Sales Tax Act, 1956	Bombay Sales Tax / Central Sales Tax – Nagpur	11.79	2000-2001	Mumbai Tribunal
Central Sales Tax Act, 1956	Central Sales Tax – Nagpur	8.14	1997-1998	Nagpur Appeal
Central Sales Tax Act, 1956	Central Sales Tax – Nagpur	62.96	2002-2003	Nagpur Appeal
Customs Act, 1962	Custom Duty – Byculla	285.00	Prior to 2010	Mumbai
Sales Tax Act	Sales Tax – Byculla	173.68	Prior to 2010	Mumbai
Central Excise Act, 1944	Excise Duty – Byculla	101.08	Prior to 2010	Mumbai
Income Tax Act, 1961	Income Tax	2.49	A.Y. 2009-2010	Income Tax Appellate Tribunal, Mumbai
Labour Law	Default in payment of contribution towards EPF – Mulund	152.37	-	-

- viii. In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- ix. To the best of our knowledge and belief and according to the information and explanation given to us, the Company has not raise moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. To the best of our knowledge and belief and according to the information and explanations give to us the Company is a Government company as defined under clause 45 of section 2 of the Act, as per notification G.S.R. 463(E) dated 5th June, 2015 the provisions of section 197 read with Schedule V to the Act are not applicable to a Government company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us by the management, the related party transactions, if any, are disclosed in the Financial Statements and are in compliance with the Companies Act, 2013.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For JAIN and JAIN LLP
Chartered Accountants
FRN: 103869W/ W100630

CA Manisha K. Parmar
Partner
Membership No.: 103823
UDIN: 21103823AAAAAQ44354

Place: Mumbai
Date: September 03, 2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

Directions under section 143 (5) of the Companies Act, 2013

We have examined the books of accounts of the Richardson & Cruddas (1972) Limited ("the Company") for the year ended March 31, 2021 and we are submitting our comments and answers to the questions asked in the directions issued by the Comptroller & Auditor General of India, according to the best of our information and explanations given to us by the management and us appears from the examination of the books of accounts and records produced before us by the WRO, which are as under:

S. No.	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system? If no, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	As per the information and explanation given to the examination of records on the check basis, the company has system in place to process all the accounting transaction through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per the information and explanation given to us and based on the examination of records, no loans were raised by the company during the year under audit.
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for /utilized as per its terms and conditions? List the cases of deviation.	As per the information and explanation given to us and the records produced before us, no funds are received/receivable for specific schemes from central/state during the year under review.

For JAIN and JAIN LLP
Chartered Accountants
FRN: 103869W/ W100630

CA Manisha K. Parmar
Partner
M. No.: 103823
UDIN: 21103823AAAAAQ44354

Place: Mumbai
Date: September 03, 2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RICHARDSON & CRUDDAS (1972) LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Richardson & Cruddas (1972) Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03 September 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Richardson & Cruddas (1972) Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(C. M. Sane)
Director General of Audit (Shipping), Mumbai

Place: Mumbai
Date: 27 October 2021

BALANCE SHEET AS AT 31/3/2021

Particulars	Note No.	(₹. in Lacs)	
		As at 31.03.2021	As at 31.03.2020
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	15,661.05	15,661.05
(b) Reserves and Surplus	3	7,135.71	5,794.89
(c) Money received against share warrants		-	-
Share application money pending allotment		-	-
Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long - term Liabilities	4	120.82	111.44
(d) Long-term Provisions	5	32.94	89.52
Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade Payables :-	6		
Total outstanding dues of micro enterprises and small enterprises		3.93	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,226.35	1,221.97
(c) Other current liabilities	7	1,739.23	1,885.22
(d) Short-term provisions	8	40.54	31.11
TOTAL		25,960.57	24,797.00
ASSETS			
Non-Current Assets			
(a) Property Plant and Equipment			
(i) Tangible assets	9	736.92	774.00
(ii) Intangible assets	9	0.01	0.04
(iii) Capital work-in-progress	9	-	-
(iv) Intangible assets under development	9	-	-
(b) Non-current assets		-	-
(c) Deferred tax assets (net)		37.87	539.86
(b) Long-term loans and advances		-	-
(c) Other non - current assets	10	153.33	2,758.06
Current Assets			
(a) Current investments		-	-
(b) Inventories	11	157.53	157.53
(c) Trade receivables	12	597.76	741.85
(d) Cash and cash equivalents	13	22,301.11	17,731.06
(e) Short-term loans and advances	14	1,137.21	1,290.22
(f) Other current assets	15	838.83	804.38
TOTAL		25,960.57	24,797.00

Significant Accounting Policies

1 A

The accompanying notes form an integral part of the Balance Sheet and should be read in conjunction therewith.

As per our Report of even date attached

For JAIN and JAIN LLP

For and on behalf of Board of Directors

Chartered Accountants

Firm Regd. No. 103869W/W100630

CA Manisha K Parmar

Partner

Membership No. 103823

Place : Mumbai

Date : 3rd September

UDIN: 21103823AAAAAQ4354

Shri Aditya Kumar Ghosh

Director

DIN : 09222808

Sanjay Kumar Ojha

Chief Financial Officer

Place : Mumbai

Smt Laxmi Chandra

Chairman & Managing Director

DIN : 08958761

Pooja G. Shirodkar

CS & CPIO

Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note No.	(₹. in Lacs)	
		For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Revenue from Operations			
(a) Sale of services	16	670.20	870.36
(b) Other operating revenue	17	1,421.70	1,812.06
Other income	18	1,332.15	1,412.99
Total Revenue		3,424.05	4,095.41
Expenses			
Direct Operating Expenses	19	710.28	873.22
Changes in inventories of finished goods, work in progress and stock in trade	20	-	-
Employees benefits expense	21	156.62	292.39
Finance costs		-	-
Depreciation and amortization expense	9	37.44	39.64
Other expenses	22	342.48	471.58
Total Expenses		1,246.82	1,676.83
Profit/(Loss) before extra ordinary items & prior period adjustment		2,177.22	2,418.58
Less : Prior period items		(46.21)	(11.79)
Less : Exceptional items		(289.03)	-
Profit/(Loss) before tax		1,841.98	2,406.79
Less : Tax expense	23	501.16	(539.86)
Profit/(Loss) for the year after tax		1,340.82	2,946.65

Earnings per equity share (Basic and Diluted)

₹ 100.55

₹ 172.01

Significant Accounting Policies

1 A

The accompanying notes form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

As per our Report of even date attached

For JAIN and JAIN LLP

Chartered Accountants

Firm Regd. No. 103869W/W100630

CA Manisha K Parmar

Partner

Membership No. 103823

Place : Mumbai

Date : 3rd September

UDIN: 21103823AAAAAQ4354

For and on behalf of Board of Directors

Shri Aditya Kumar Ghosh

Director

DIN : 09222808

Sanjay Kumar Ojha

Chief Financial Officer

Place : Mumbai

Smt Laxmi Chandra

Chairman & Managing Director

DIN : 08958761

Pooja G. Shirodkar

CS & CPIO

Cash Flow Statement for the year ended 31st March, 2021

PARTICULARS	₹. in Lacs	
	As on 31.03.2021	As on 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	1,841.98	2,406.80
Adjustment for		
Interest Income	(1,310.13)	(1,303.42)
Depreciation	37.44	39.65
Prior period Depreciation	-	4.24
	569.29	1,147.27
Operating profit before Working Capital Changes		
Adjustment for :		
(Increase)/Decrease in Long term Loans & advances	-	109.24
(Increase)/Decrease in Deferred Tax Assets	501.99	(539.86)
(Increase)/Decrease in Trade and Other Receivable	144.09	41.29
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Short term Loans & advances	153.01	(121.79)
(Increase)/Decrease in Other Current Assets	0.31	-
Increase/(Decrease) in Other Long Term Liabilities	9.38	(414.71)
Increase/(Decrease) in Trade Payable & Provisions	6.51	(328.68)
Increase/(Decrease) in Other current liabilities	(145.99)	(43,200.20)
Increase/(Decrease) in Long Term Provisions	(56.58)	24.29
Increase/(Decrease) in Short Term Provisions	9.43	12.00
Increase/(Decrease) in Deferred tax liabilities	-	(109.24)
Income Tax for the year	(501.16)	539.86
Increase/(Decrease) in General Reserves	-	43,478.39
	690.28	637.86
B CASH FLOW FROM INVESTING ACTIVITIES		
Increase in Deposit Accounts (Term Deposits for more than 3 months but less than 12 months)	(3,519.95)	(5,060.39)
(Increase)/Decrease in Other Non Current Assets	2,604.73	5,300.64
Interest on Term Deposits	1,310.13	1,303.42
(Increase)/Decrease in Interest Accrued on Bank FDR	(34.76)	(87.75)
(Purchase)/Sales of Fixed Assets (net)	(0.39)	(65.32)
<i>Net Cash used in Investing Activities : (B)</i>	359.76	1,390.60
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	-	-
<i>Net Cash flow from Financing Activities : (C)</i>	-	-
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	1,050.04	2,028.46
D CASH AND CASH EQUIVALENTS		
Opening Balance	5,051.80	3,023.34
Closing Balance	6,101.84	5,051.80
	1,050.04	2,028.46

PARTICULARS	(₹. in Lacs)	
	As on 31.03.2021	As on 31.03.2020

Note

Particulars	Amount	Amount
Total cash and cash equivalent as appearing in Balance Sheet as per Schedule III	22,301.11	17,731.06
Less : Other Bank Balances		
In Deposit Accounts (Term Deposits for more than 3 months but less than 12 months)	16,185.52	12,665.89
In Earmarked Accounts (Term Deposits for more than 3 months but less than 12 months)	13.73	13.36
	16,199.25	12,679.25
Cash and Cash equivalent as per AS - 3	6,101.86	5,051.81

Previous year figures have been regrouped / rearranged wherever necessary.

As per our Report of even date attached

For JAIN and JAIN LLP

Chartered Accountants

Firm Regd. No. 103869W/W100630

CA Manisha K Parmar

Partner

Membership No. 103823

Place : Mumbai

Date : 3rd September

UDIN: 21103823AAAAAQ4354

For and on behalf of Board of Directors

Shri Aditya Kumar Ghosh

Director

DIN : 09222808

Sanjay Kumar Ojha

Chief Financial Officer

Place : Mumbai

Smt Laxmi Chandra

Chairman & Managing Director

DIN : 08958761

Pooja G. Shirodkar

CS & CPIO

Notes forming part of the financial statements for the year ended March 31, 2021.

Note 1 : Company Information

Richardson & Cruddas (1972) Ltd is a government of India undertaking under the administrative control of DHI and has its registered office at Sir JJ road, Byculla Mumbai. The company is managed by Board of Directors nominated by the President of India. Company has four units located at Byculla, Mulund in Mumbai, Nagpur & Chennai. Company has been one the most successful Engineering Company which has completed prestigious projects such as steel structure of CSMT & Ghansoli Railway Station, LPG Bullets, Complete CNC Block for BHEL at Bhopal. Pursuant to Union Cabinet decision dated 06.10.2016, currently Company is under restructuring of operations.

Note 1 A: Significant Accounting Policies

a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013. The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates.

All assets and liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in Cash and Cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of Current – Non-Current classification of its Assets and Liabilities.

b) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation. All costs, including financing costs till commencement of commercial production, attributable to the PPE are capitalized. Interest on loans for PPE is capitalized upto the date of commissioning. Spares and tools purchased with the equipment are capitalized.

c) Depreciation

Depreciation on assets is provided on the straight-line method over the useful lives of assets as specified in Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during the period is proportionately charged.

d) **Impairment of Assets**

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

e) **Valuation of Inventories**

- i. Raw materials, components, stores and spare parts are measured at cost price on FIFO basis.
- ii. Work-in-progress is determined on the basis of lower of cost or future billing without considering the cost of completion and unaccepted escalation claims. Cost means cost incurred.
- iii. Finished goods is determined on the basis of lower of cost or net realizable value.
- iv. Loose tools is determined on net realizable value.
- v. Scrap is determined on net realizable value.

f) **Revenue Recognition**

- i. Sale of Materials: Sales are recognized on dispatch of materials. Sales includes sale of goods, services, scrap and excludes Goods and Services Tax. Sales under turn-key contracts are accounted on dispatch of materials and/or materials held under instruction of the customer.
- ii. Project Income: Project income is recognized to the extent of the works completed as certified by the Project Managers.
- iii. Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.
- iv. Price Escalation claims: On acceptance of the claims by the customers.
- v. Court Awards: On receipt basis.
- vi. Contract costs comprises cost directly related to contract and other costs attributable and allocable to the contract activity in the period they are incurred and any expected loss reasonably estimated or recognized.
- vii. Claims for escalation on extra jobs done on Sales Contracts, Exports, Subsidy, Duty Drawback, Insurance, Railway Refund of Excise duty/Custom duty/Sales tax, Goods and Service tax etc. are accounted on actual basis on acceptance.
- viii. Construction contracts: Revenue is recognized /determined when contract revenue can be measured reliably and it is probable that the economic benefits will flow to the Company according to the stage of completion, dispatch of material and completion certificate given by the concerned authorized person (Project Manager).
- ix. Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.
- x. Interest income is accrued at applicable interest rate.

g) **Goods and Service Tax**

Goods and Service Tax on goods manufactured is accounted at the time of removal of goods from the factory and in case of materials held on customer's account, on billing basis. Excess liability if any is accounted on completion of assessment.

h) **Income Tax/ Deferred Tax**

Income Tax expenses comprises current tax and deferred tax expenses. The deferred tax assets and liabilities are calculated by applying tax rates and tax laws that have been enacted at the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet, the carrying amount of deferred tax assets are reviewed to re-assess realization. If any change in income tax liability arise due to assessment in the same will be accounted in the year of completion of assessment.

i) **Foreign Currency Transactions**

- i. **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and the exchange rates that existed when the values were determined.
- iii. **Exchange Differences:** Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
- iv. There is no foreign exchange transaction during the year.

j) **Employee Retirement Benefits**

Company's contributions to Provident Fund and National Pension Scheme are charged to the Statement of Profit and Loss. Gratuity and Leave Encashment Benefit are charged to the Statement of Profit and Loss on the basis of actuarial valuation.

k) **Provisions and Contingent Liabilities**

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

l) **Earnings Per Share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20- Earnings Per Share.

2 SHARE CAPITAL

Particulars	(₹. In Lacs)	
	As at 31.03.2021	As at 31.03.2020
Authorised:		
14,00,000 (Previous year 14,00,000) Equity shares of Rs.1,000/- each	14,000.00	14,000.00
2,50,000 (Previous year 2,50,000) 8% Redeemable Non-cumulative Preference shares of Rs.1,000/- each.	2500.00	2500.00
	16,500.00	16,500.00
Issued, Subscribed and Paid-up:		
13,33,505 (Previous year 13,33,505) Equity shares of Rs.1,000/-each	13,335.05	13,335.05
2,32,600 (Previous year 232,600) 8% Redeemable Non-cumulative Preference shares of Rs.1,000/- each.	2,326.00	2,326.00
	15,661.05	15,661.05

Notes:

a) **Reconciliation of Equity Shares outstanding at the beginning and end of the year**

Particulars	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
	No. of Shares	₹. in Lacs	No. of Shares	₹. in Lacs
Shares outstanding at the beginning of the year	13,33,505	13,335.05	13,33,505	13,335.05
Shares issued during the year	-	-		
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	13,33,505	13,335.05	13,33,505.00	13,335.05

b) **Rights, Preferences and Restrictions attached to Shares**

The Company has only one class of equity shares having a par value of ₹.1,000/-. Each shareholder is entitled to one vote per share held. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has only one class of Redeemable Non-cumulative preference shares having a par value of Rs.1,000/-

c) **Shares held by the Holding / Ultimate Holding Company and / or its subsidiaries / associates**

The Company has no holding company or subsidiaries or associates of holding company.

d) **Details of shareholder holding more than 5% of equity shares in the Company**

Name of the Shareholder		As at 31.03.2021	As at 31.03.2020
President of India (no. of shares)		13,33,505	13,33,505
(percentage of holding)		100%	100%

e) **Details of shareholder holding more than 5% of preference shares in the Company**

Name of the Shareholder		As at 31.03.2021	As at 31.03.2020
President of India (no. of shares)		2,32,600	2,32,600
(percentage of holding)		100%	100%

f) **Aggregate number of Bonus Shares issued, shares issued for a consideration other than cash and shares bought back during the period of five years immediately preceding the previous year.**

In FY 1718, 10,17,752 shares of Rs.1000/- each was issued to President of India for a consideration other than cash by, conversion of loan into equity.

No shares have been bought back during the last 5 years.

g) **Unpaid Calls**

As per records of the Company, no calls remain unpaid by the Directors and Officers of the Company as on 31st March, 2021.

h) As per records of the Company, no shares have been forfeited by the Company during the year.

i) Terms of redemption of preference shares allotted during 1992-93 is yet to be finalised by the Government of India. (Refer Note No. 30)

		(₹. In Lacs)	
Particulars		As at 31.03.2021	As at 31.03.2020
3	RESERVES AND SURPLUS		
A	General Reserves		
	Balance as at the beginning of the year	43,478.39	-
	Add : Additions During the Year	-	43,478.39
		<u>43,478.39</u>	<u>43,478.39</u>
B	Surplus / (Deficit) in the Statement of Profit and Loss		
	Balance as at the beginning of the year	(37,683.50)	(40,630.16)
	Add : Profit/(Loss) for the year	1,340.82	2,946.66
		<u>(36,342.68)</u>	<u>(37,683.50)</u>
	Total A + B	<u>7,135.71</u>	<u>5,794.89</u>
4	OTHER LONG - TERM LIABILITIES		
	Security Deposits received	120.82	111.44
		<u>120.82</u>	<u>111.44</u>
5	LONG - TERM PROVISIONS		
	Provision for Gratuity	32.29	50.39
	Provision for Compensated Absences	0.65	39.13
		<u>32.94</u>	<u>89.52</u>
6	TRADE PAYABLES		
	Total outstanding dues of Micro and Small Enterprises	3.93	1.80
	Total outstanding dues of Creditors other than Micro and Small Enterprises	1,226.35	1,221.97
		<u>1,230.28</u>	<u>1,223.77</u>
7	OTHER CURRENT LIABILITIES		
	Interest on 12.50% Richardson & Cruddas Ltd., Bond holders	45.91	45.91
	Railway Siding Rent Payable	9.40	9.40
	Deposits from Contractors and Others	296.95	430.63
	Other Liabilities	902.45	781.90
	Other Payables		
	VAT, Service Tax and Works Contract Tax	15.30	15.30
	Tax deducted at Source (IT)	9.41	19.11
	Tax deducted at Source (GST)	2.95	2.07
	Goods and Services Tax	37.36	24.58
	Provident Fund and Other Employee deductions	2.58	35.51
	Salary and Reimbursements		
	Employees Benefits Payable	3.75	58.54
	Employees Benefits Payable (old)	24.96	24.96
	Advances from Customers	377.90	394.66
	Advance Rentals	10.31	42.65
		<u>1,739.23</u>	<u>1,885.22</u>
8	SHORT - TERM PROVISIONS		
	Provision for Gratuity	9.43	30.58
	Provision for Compensated Absences	31.11	0.53
		<u>40.54</u>	<u>31.11</u>

9 PROPERTY, PLANT AND EQUIPMENT		(₹. In Lacs)									
Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION					NET BLOCK		
	As at 01-04-2020	Additions	Deductions / Adjustments	As at 31-03-2021	Upto 01-04-2020	For the year	Deductions / Adjustments	Upto 31-03-2021	As at 31-03-2021	As at 01-04-2020	
(i) Tangible Assets											
1) Freehold Land / Leasehold Land (Refer Note No. 31)	155.10	-	-	155.10	7.89	-	-	7.89	147.21	147.21	
Leasehold Land at MIDC, Chiplun	1.19	-	-	1.19	1.19	-	-	1.19	-	-	
Leasehold Land at MIDC, Nagpur	0.99	-	-	0.99	0.99	-	-	0.99	-	-	
Freehold Land at T T B	0.65	-	-	0.65	-	-	-	-	0.65	0.65	
	157.93	-	-	157.93	10.07	-	-	10.07	147.86	147.86	
2) Buildings, Roads, Walls, Terrace, Water-supply, Drainages	1,027.71	-	-	1,027.71	571.44	15.34	-	586.78	440.93	456.27	
3) Railway Sidings	0.03	-	-	0.03	0.03	-	-	0.03	-	-	
4) Plant and Machinery Less : Provision for Impairment of Assets	1,482.41 (74.62)	-	-	1,482.41 (74.62)	1,415.63 (69.84)	2.47	-	1,418.10 (69.84)	64.31 (4.78)	66.78 (4.78)	
5) Furniture and Fixtures	144.35	-	-	144.35	81.41	9.88	-	91.29	53.06	62.94	
6) Vehicles	49.99	-	-	49.99	41.57	1.87	-	43.44	6.55	8.42	
7) Office and Miscellaneous Equipments	55.46	0.39	-	55.85	47.81	3.42	-	51.23	4.62	7.65	
8) Electrical Installations	34.45	-	-	34.45	9.82	3.27	-	13.09	21.36	24.63	
9) Data Processing Equipments	49.26	-	0.06	49.20	45.05	1.18	0.02	46.21	2.99	4.21	
Total Tangible Assets	2,926.97	0.39	0.06	2,927.30	2,152.99	37.42	0.02	2,190.39	736.90	773.98	
(ii) Intangible Assets											
1) Computer Software	0.17	-	-	0.17	0.13	0.03	-	0.16	0.01	0.04	
Total Intangible Assets	0.17	-	-	0.17	0.13	0.03	-	0.16	0.01	0.04	
TOTAL	2,927.14	0.39	0.06	2,927.47	2,153.12	37.45	0.02	2,190.55	736.91	774.02	
PREVIOUS YEAR	2,861.82	65.32	-	2,927.14	2,109.23	39.63	(4.24)	2,153.10	774.04	752.59	
(iii) Capital Work-in-Progress											
Less : Provision for Capital Work-in-Progress									414.46	414.46	
									414.46	414.46	
(iv) Intangible assets under development											
	-	-	-	-	-	-	-	-	-	-	

Notes:

- In absence of full particulars in regard to the cost of land and building to Richardson & Cruddas Ltd. (1972), it has not been possible to show separately the cost of freehold and leasehold land and building (pertains to Byculla & Mulund Unit).
- Building includes cost of shares in Co-operative societies - Rs. 0.13 Lacs.
- In respect of leasehold land at Mulund unit, the Company has exercised the option in 1975 to purchase the reversionary rights on payment of Rs. 18.50 Lacs. Accordingly, the conveyance has been completed in respect of the undivided share of two lessors out of the undivided share of four lessors of leasehold land. Accordingly, the same will be capitalised at the time of execution of the conveyance deed. The Company has filed a specific suit against two lessors who have sold their shares in the undivided leasehold land to a third party.

		(₹. In Lacs)	
Particulars		As at 31.03.2021	As at 31.03.2020
10	OTHER NON - CURRENT ASSETS		
	Term Deposits with original maturity more than 12 months from the Balance Sheet date		
	- In Deposit Accounts	153.33	2,757.56
	- In Earmarked Accounts	-	0.50
		153.33	2,758.06
11	INVENTORIES		
	(Valued at lower of cost or net realisable value)		
	Raw Materials and Components	27.22	27.22
	Work-in-Progress	110.00	110.00
	Finished Goods	7.24	7.24
	Loose Tools	0.11	0.11
	Scrap	12.96	12.96
		157.53	157.53
12	TRADE RECEIVABLES		
	Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.		
	Unsecured, Considered good	387.94	502.91
	Doubtful	4,777.25	4,779.10
		5,165.19	5,282.01
	Less : Provision for Doubtful Trade Receivables	4,777.25	4,779.10
		387.94	502.91
	Other Trade Receivables	209.82	238.94
		597.76	741.85
	Particulars of Trade Receivables:		
1)	Trade Receivables considered good for which the Company holds no security	597.76	741.85
2)	Trade Receivables considered doubtful and provided for	4,777.25	4,779.10
3)	Trade Receivables considered doubtful and not provided for	-	-
		5,375.01	5,520.95
13	CASH AND BANK BALANCES		
	Cash and Cash Equivalents		
	Cash on hand	0.51	0.32
	Balances with Banks		
	- In Current Accounts	99.29	79.48
	- In Deposit Accounts (Term Deposits for less than 3 months)	5,994.42	4,971.97
	- In Earmarked Accounts (Term Deposits for less than 3 months)	7.66	-
		6,101.88	5,051.77
	Other Bank Balances		
	- In Deposit Accounts (Term Deposits for more than 3 months but less than 12 months)	16,185.50	12,665.92
	- In Earmarked Accounts (Term Deposits for more than 3 months but less than 12 months)	13.73	13.36
		16,199.23	12,679.28
		22,301.11	17,731.05
14	SHORT - TERM LOANS AND ADVANCES		
(i)	Advances to suppliers		
	Unsecured, considered good	23.33	20.53
	Doubtful	833.98	834.04
	Less: Provision for doubtful advances	(833.98)	(834.04)
		23.33	20.53

		(₹. In Lacs)	
Particulars		As at 31.03.2021	As at 31.03.2020
(ii)	Advances to employees		
	Unsecured, considered good	4.22	0.54
	Doubtful	6.21	6.21
	Less: Provision for doubtful advances	(6.21)	(6.21)
		4.22	0.54
(iii)	Advances to sub-contractors		
	Unsecured, considered good	-	-
	Doubtful	10.60	10.60
	Less: Provision for doubtful advances	(10.60)	(10.60)
		-	-
(iv)	Advance to others		
	Unsecured, considered good	0.80	28.78
	Doubtful	13.95	13.95
	Less: Provision for doubtful advances	(13.95)	(13.95)
		0.80	28.78
(v)	Claims and other recoverables		
	Doubtful	56.16	56.16
	Less: Provision for doubtful claims	(56.16)	(56.16)
		-	-
(vi)	Deposits		
	Unsecured, considered good	52.43	56.30
	Doubtful	73.44	73.44
	Less: Provision for doubtful advances	(73.44)	(73.44)
		52.43	56.30
(vii)	Recoverable from Former Chairman and Managing Director		
	Unsecured, considered good	-	2.63
(viii)	Prepaid expenses	0.82	1.39
(ix)	Balances with Government authorities		
(a)	Excise Duty		
	Unsecured, considered good	1.00	1.00
	Doubtful	17.52	17.52
	Less: Provision for doubtful advances	(17.52)	(17.52)
		1.00	1.00
(b)	Service Tax		
	Unsecured, considered good	-	-
	Doubtful	18.15	18.15
	Less: Provision for doubtful advances	(18.15)	(18.15)
		-	-
(c)	Income Tax (Net of MAT provision)		
	Unsecured, considered good	992.46	1,138.74
	Doubtful	0.50	0.50
	Less: Provision for doubtful advances	(0.50)	(0.50)
		992.46	1,138.74
(d)	Goods and Services Tax		
	Unsecured, considered good	31.52	9.68
(e)	Sales tax		
	Unsecured, considered good	30.63	30.63
	Doubtful	12.54	12.54
	Less: Provision for doubtful advances	(12.54)	(12.54)
		30.63	30.63

		(₹. In Lacs)	
Particulars		As at 31.03.2021	As at 31.03.2020
(f)	Local Government Administrative Bodies		
	Unsecured, considered good	-	-
	Doubtful	120.00	120.00
	Less: Provision for doubtful advances	(120.00)	(120.00)
		-	-
		1,137.21	1,290.22
15	OTHER CURRENT ASSETS		
	Interest Accrued on Deposits		
	With Banks	838.83	804.07
	With Others	-	0.31
	Stock/ WIP with Third Party (Refer Note No. 35)	33.63	33.63
		872.46	838.01
	Less : Provision	33.63	33.63
		838.83	804.38
16	SALE OF SERVICES		
	Job Work executed	621.05	820.58
	Testing charges	49.15	49.78
		670.20	870.36
17	OTHER OPERATING REVENUE		
	Rental Income	1,421.70	1,812.06
		1,421.70	1,812.06
18	OTHER INCOME		
	Interest Income		
	From Bank	1,310.13	1,357.16
	On Income Tax Refund	13.06	7.17
	On Sales Tax Refund	-	3.46
	Deposits	0.68	1.48
	Provision no long required written back	1.91	20.14
	Miscellaneous Receipts	6.37	23.58
		1,332.15	1,412.99
19	DIRECT OPERATING EXPENSES		
	Sub Contracting Expenses	582.97	763.22
	Power & Fuel	100.87	75.32
	Consumption of stores & spares	0.25	5.43
	Repairs & Maintenance	-	-
	Plant & Machinery	19.33	22.25
	Other Direct Operating Expenses	6.86	7.01
		710.28	873.23
20	CHANGES IN INVENTORIES		
	CLOSING BALANCE		
	Finished goods	7.24	7.24
	Work-in-Progress	110.00	110.00
	Scrap and Loose Tools	13.07	13.07
	(A)	130.31	130.31
	OPENING BALANCE		
	Finished goods	7.24	7.24
	Work-in-Progress	110.00	110.00
	Scrap and Loose Tools	13.07	13.07
	(B)	130.31	130.31
	(B- A)	-	-

(₹. in Lacs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Compensated Absences	8.99	26.00
Bonus	1.23	0.28
Contribution to P.F, F.P.F., E.S.I.C.:	21.09	33.54
Employees' welfare and other amenities:		
Medical Reimbursement	2.92	7.66
Leave Travel Concession	-	-
Other Benefits	2.53	2.84
	156.62	292.39
22 OTHER EXPENSES		
A) ADMINISTRATION EXPENSES:		
Rates and Taxes	35.14	10.09
CSR Expenditure	-	52.20
Office Power	2.24	2.29
Insurance	0.40	0.40
Payment to Auditors (including branch auditors)		
- Audit Fees	2.00	2.00
- Tax Audit Fees	2.00	1.50
Printing and Stationary	2.36	4.02
Postage, Courier and Telephone	1.87	2.80
Travelling & Conveyance Expenses	9.66	24.40
Legal and Professional charges	82.10	87.83
Bank Charges	0.52	0.20
Security Expenses	143.46	124.12
Repairs and Maintenance		
- Flats	26.08	6.64
- Furniture and fixtures	-	1.92
- Admin Building	-	0.02
- Computer	0.01	-
- Other	19.03	49.13
Statutory Payments GST	0.60	-
Interest on late payment of Statutory dues	1.28	3.37
Directors Sitting Fees	2.40	0.49
Claims against company	-	70.00
Statutory Payments of Earlier Years	2.74	8.43
Other Expenses	8.59	19.47
C) SELLING EXPENSES		
Entertainment Expenses	-	0.26
	342.48	471.58
23 Tax Expenses :		
Current Tax	-	-
Deferred Tax	501.98	(539.86)
Tax of Earlier Years	(0.82)	-
	501.16	(539.86)

Notes forming part of the Financial Statements

24. Richardson and Cruddas (1972) Limited was incorporated under the Indian Companies Act, 1956 as a Government Company on 15th day of March, 1973. The Company took over assets and liabilities of Richardson and Cruddas Limited through an act of Parliament called Richardson & Cruddas Limited (Acquisition and Transfer of undertaking) Act, 1972 on 15th day of March, 1973 in the name of Richardson & Cruddas (1972) Limited.

	2020-21	2019-20
	(₹. In Lacs)	
A. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil
B. Contingent Liabilities in respect of		
Demands from Sales Tax Authorities disputed by the Company which are under appeal		260.43
Demands from Central Excise Authorities disputed by the Company which are under appeal		101.08
Demands from Custom Authorities disputed by the Company which are under appeal		285.00
Demands from Provident Fund Authorities disputed by the Company		152.37
Demands from Income Tax Authorities disputed by the Company which are under appeal		2.49
Claims against the Company not acknowledged as debt		3,326.96
Total		4,128.33

These contingent liabilities are exclusive of interest and penalty payable, if any, on the claim(s)/demand(s).

25. The financial statements are continued to be prepared on a 'going concern basis'. Due to requisition of both properties of Mulund and Byculla by MCGM, carrying out engineering activities will not be possible. Company's primary source of revenue will be the rental income generated by the leave and license of its Mumbai premises to various Govt. organizations.

Pursuant to Union Cabinet decision dated 21.09.16, Company has stopped booking new orders at Nagpur (except tower testing) and Chennai. Company is carrying its business activities of offering its premises on daily rental basis for various events/ functions/ meetings etc. in accordance with the MoA and AoA. As both Byculla and Mulund properties of Company has been requisitioned by the MCGM for the quarantining and treatment of COVID-19 patients, it have impacted revenue in FY 20-21 and will continue to impact the Company's revenue in FY-21-22.

As on March 31, 2021, the Company had cash and cash equivalents of ₹. 22,301.11 lacs (Previous Year ₹. 17,731.06 lacs). The Company has been successful in managing its business operations. Also, the Board of Directors consider that it is appropriate for the accounts to be prepared on a going concern basis.

26. In respect of paid up share capital as disclosed in Note No. 2, 8% Preference Share capital is ₹. 2,326 lacs (Previous Year ₹. 2,326 lacs) the terms and conditions for issue and redemption of these preference shares issued during 1992-93 are yet to be finalized by the Company with the sole preference shareholder - Government of India. However, in pursuance to the Companies Act 2013, Company engaged in setting up infrastructure project may issue shares for a period exceeding 20 years. In the absence of required information, the rate of dividend on these preference shares is considered at 8% per annum on non-cumulative basis as per past disclosure.

27. In respect of freehold and leasehold properties of the Company:

- The Company has 36.88 acres of land at Mulund comprising of 23.38 acres of freehold land and 13.50 acres of leasehold land. Out of freehold land 7.18 acres has been encroached by Municipal Corporation of Greater Mumbai (MCGM) and 3 acres by slum dwellers, aggregating to 10.18 acres.

MCGM was approached several times in the past to vacate the encroachment. MCGM vide letter dated August 13, 2008 conveyed the outcome of the decision of its "group leader meeting" that they cannot part with the land under their possession but if Government of Maharashtra agrees, the admissible FSI (Transfer of Development Right- TDR) of the land under their possession can be granted to the Company.

During the meeting held on September 3, 2009 at Udyog Bhavan, New Delhi, the Secretary, Dept. of Heavy Industry stated that the land encroached by MCGM and slum dweller falls within the purview of State Government and hence suggested to consider granting admissible FSI/TDR to the Company for the total land under encroachment. Additional Chief Secretary, Govt. of Maharashtra agreed to support the proposal and stated that it will be taken up with the Dept. of Urban Development and Housing Department to consider granting of admissible FSI/TDR for the 10.18 acres of land. Meanwhile, the Company has given formal request to the Commissioner, MCGM, Mumbai vide letter R&C/CMD/MCGM/09-10 dated January 19, 2010 for grant of admissible TDR/FSI to the Company for the total land under encroachment. Since then, there is no further progress in the matter.

- b. The immovable properties of Mulund Works of the Company include leasehold land admeasuring 54,632.56 sq.mtrs. The lease was for a specific period and during the currency of lease the Company had an option to exercise purchase of reversionary rights which the Company exercised in the stipulated time and completed conveyance of half of the property that stood in the name of other two lessors. However the other half of the lease property was encumbered by the lessors by various charges including the one created favouring Bank of Maharashtra which impeded the purchase process by the Company. Subsequently, the legal heirs of lessors and others deliberately to scuttle the process of sale wrongfully transferred the property to third party. The Company has filed suit for specific performance bearing No 3572 /2006 against the lessors and others in the Bombay High Court and the matter is subjudice.
- c. Original documents of title to freehold and leasehold properties are available with the Company except Flats of Ghatkoper. However during the financial year company has received Share Certificates pertaining to Ghatkopar Flats from the Managing Committee of the Avinash Housing Society. The Management has also obtained certified copy of Deed of Modification and Confirmation of Agreement for Sale dated September 18, 1982 pertaining to Ghatkopar Flats from the Registrar Office, Mumbai.
- d. MCGM issued orders vide letter dated 15.05.2020 regarding requisitioning of R&C Mulund property for the purpose of quarantining COVID-19 patients under Epidemic Disease Act-1897. MCGM is utilizing the premises for the erection of 1000 bed COVID-19 Jumbo Hospital. However the company is not in receipt / confirmation of any compensation and in lieu of such uncertainty, no revenue has been recognised by the company. The revenue will be recognised in the year in which, if any, received / confirmed.
- e. The Byculla Works of the Company are situated on leasehold land presently belonging to the Collector of Mumbai. The lease tenure has expired between 1974 to 2003. The Collector of Mumbai is in the process of revising its policy in respect of Government lands leased out and renewal of expired leases. The Collector of Mumbai has raised a demand of Rs.992.30 lacs which has been disputed by the Company. However, pending the final decision, the Company has deposited Rs.120 lacs with the Collector of Mumbai, which has been grouped under 'Long Term Loans and Advances' and it is fully provided for. The balance amount has been shown under contingent liability. Meanwhile, Collector, Mumbai sent a letter on July 8, 2013 to exercise an option from following two options:
 - I. Conversion of lease hold land into occupant class-2 by occupation right.
 - II. Renewal of lease for 30 years w.e.f. January 1, 2012 with revision of rental every 5 years at the prevailing market value as per ready reckoner.

The Company exercised an option for conversion of above land into occupant class-2. The application of the Company has since been rejected. The land at Byculla is under attachment by the Collector as per their letter dated October 7, 2016. Against the order of attachment, the Company has filed Writ Petition (No 633 of 2017) and the matter is sub judice at present.
- f. The Company has fixed assets on the leased premises at the Byculla and Mulund Works. The lease of the premises has expired and pending the final outcome of the Company's litigation/negotiations in respect of the same, no impairment is assessed on the fixed assets at the leased premises and depreciation on these assets is provided as per the Company's policy. In the opinion of the Company, relying on independent valuation report of July 2013, as the value of assets is more than the carrying value, no further impairment is deemed necessary in accordance with the Accounting Standard AS-28.
- g. The Mumbai Collector issued order vide letter dated 29.03.2020 regarding requisitioning of R&C Byculla property for the purpose of quarantining COVID-19 patients under Epidemic Disease Act-1897.

- h. MCGM issued further notice dated 07.04.2020 regarding requisitioning of the R&C property for the purpose of quarantining and treatment of COVID-19 patients.
- i. Presently, the entire 13.41 acres of Byculla land except the R&C main building is under possession of State Government of Maharashtra. The sheds and the open area of the company are being utilized by the MCGM for erecting treatment facilities for COVID-19 patients. The company has received compensation for the use of the premises by MCGM which is recognized as other operating revenue.
- j. Company is carrying its business activities of offering its premises on daily rental basis for various events/ functions/ meetings etc. in accordance with the MoA and AoA. As both Byculla and Mulund properties of Company has been requisitioned by the MCGM for the quarantining and treatment of COVID-19 patients, it have impacted revenue in FY 20-21 and will continue to impact the Company's revenue in FY-21-22.
28. Balances due to/from parties (including of Trade Receivables, Trade Payables, Deposits, Statutory Dues, Loans and Advances and TDS Receivable) are subject to confirmation and reconciliation, if any, from the parties. Claims receivable from Government authorities include refunds and amounts that may be available for future adjustment dependent on applicable audit, assessment, or evaluation.
Further, the Company does not have full and complete particulars and records relating to old outstanding balances with respect to capital work-in-progress, certain inventories, Long term loan and advances, debtors, creditors, other receivables and payables (including advances received and advances given), Other Current Liabilities and contingent liabilities/litigation claims. Provision has been made for debit balances that are considered doubtful of recovery in consistence with past practice. In respect of old sundry creditors and other liabilities, in the opinion of the management, status quo needs to be maintained.
29. Due to COVID-19 pandemic, the physical assets and inventories of all units could not be verified as on 31.03.2021. The necessary adjustments, if required, will be made when the accounts are reviewed, reconciled, and settled. The effect, thereof, if any, on the financial statements is not presently ascertainable.

30. Details of Foreign Currency Transactions

Particulars	March, 2021	March, 2020
	₹. In lacs	₹ In lacs
a) Earnings in Foreign Currency	-	-
b) Expenditure in Foreign Currency	-	-

31. Out of total suppliers, the Company has information available with it in respect of very few suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures regarding
- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
 - Interest paid during the year;
 - Amount of payment made to the supplier beyond the appointed day during accounting year;
 - Interest due and payable for the period of delay in making payment;
 - Interest accrued and unpaid at the end of the accounting year; and
 - Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

32. Employee Benefits :

- Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences etc., and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.
- Long Term Employee Benefits:
 - The Company has recognized the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident Fund and other Funds:

₹. In lacs

Particulars	Current Year	Previous Year
Provident Fund and other funds	21.09	33.54
	21.09	33.54

ii. Details of Gratuity Plan are as follows:

A. Amount recognized in the Balance Sheet

₹. In lacs

Particulars	Current Year	Previous Year
Present value of Defined Benefit Obligation	41.72	80.97
Net Liability recognized in the Balance Sheet and included under Provisions	41.72	80.97

B. Expenses recognized in the Statement of Profit and Loss

₹. In lacs

Particulars	Current Year	Previous Year
Current Service Cost	2.75	2.69
Interest on Defined Benefit Obligation	5.26	3.70
Net Actuarial Losses/(Gains) recognized in the Year	(4.86)	24.94
Total included in Employee Benefits Expense	3.15	31.33

C. Reconciliation of Benefit Obligation and Plan Assets for the period

₹. In lacs

Particulars	Current Year	Previous Year
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	80.97	56.99
Current Service Cost	2.75	2.69
Interest Cost	5.26	3.70
Actuarial Losses/(Gains)	(4.86)	24.94
Past Service Cost	0	0
Benefit paid	(42.40)	(7.36)
Closing Defined Benefit Obligation	41.72	80.97

D. Summary of Actuarial Assumptions

Discounted rate (per annum)	6.75%	6.50%
Salary Escalation Rate (Per annum)	7.50%	7.50%
Retirement Age	58 years	58 years
Mortality Rates	Indian Assured Lives (2012-14). Ultimate Mortality Rate	Indian Assured Lives (2012-14). Ultimate Mortality Rate
Withdrawal Rate	1%	1%

33. Basis for calculation of Basic and Diluted Earnings Per Share is as follows:

Particulars		Current Year	Previous Year
Net Profit/(Loss) after Tax	₹. in Lacs	1340.82	2932.32
Weighted Average No. of Equity Shares outstanding	Nos.	13,33,505	13,33,505
Basic and Diluted Earnings Per Share	(₹.)	100.55	219.90
Face Value Per Share	(₹)	1000	1000

34. As per Accounting Standard -18 on Related Party Disclosure issued by the Institute of Chartered Accountant of India, related party information as identified and certified by Management is as under :-

a) List of Related Parties :-

Key management personal (KMP)

Sr. No	Name of Related Party	Relationship
1	Mr Avinash Kumar Vajpeyi	CMD (till 27.10.2020)
2	Smt Laxmi Chandra	CMD (w.e.f 27.10.2020)
3	Mr. Sanjay Kumar Ojha	CFO

Transaction during the year with related parties:-

₹. In lacs			
Sr. No	Nature of Transaction	2020-21	2019-20
1	Remuneration		
	Mr Avinash Kumar Vajpeyi	Nil	Nil
	Smt Laxmi Chandra	Nil	Nil
	Mr. Sanjay Kumar Ojha	18.78	16.07

35. Stock / WIP with third party of Rs.33.63 lacs shown under head Other current Assets represents excess work done (only labour) for NBPPL, Mannavaram and provision was made for the same in earlier year.

36. Details of Deferred tax asset is as under: -

Particulars	(₹. In Lacs)	
	As on 31.03.2021	As on 31.03.2020
Tax Impact on Carry Forward of Unabsorbed Depreciation / Accumulated Income Tax Losses	80.18	569.64
Tax Impact on Difference between the carrying amount of Fixed assets as per Books of accounts and Income Tax	(60.81)	(60.14)
Tax impact on disallowance of Grauity as per Income Tax	10.50	20.38
Tax impact on disallowance of Leave Encashment as per Income Tax	7.99	9.98
	<u>37.87</u>	<u>539.86</u>

37. **Note on Disinvestment**

DHI vide letter no. 4(6)/2005-PE.IV dated 06.01.2018 conveyed that Union Cabinet in its meeting held on 21.09.2016 considered the cabinet note dated 09.09.2016 and gave in principle approval to offer units at Chennai and Nagpur for strategic disinvestment as per extant guidelines of NITI Aayog and Department of Investment and Public Asset Management (DIPAM)

Accordingly, the Management vide its letter dated 12.02.2018 has sought clarification from DHI whether:

- Nagpur and Chennai Units are to be offered for sale through the process of strategic disinvestment as envisaged in DIPAM guidelines or
 - The units are to be hived off by sale/disposal of movable and immovable assets including land.
- Clarification on the above is awaited from DHI.

38. Details of Earmarked Fixed Deposits are as under: -

Particulars	(₹. In Lacs)			
	Mumbai	Nagpur	Chennai	Total
Cash & Bank Balances				
Term Deposits for less than 3 months				
FD with Canara bank (Special Deposit FD 1975)	7.65			
Total	7.65	0.00	0.00	7.65

Particulars	Mumbai	Nagpur	Chennai	Total
Other Bank Balances – Term Deposits for more than 3 months but less than 12 months				
FD with SBI (against OD)	6.83			
FD with SBI (against Lien)			0.50	
FD with SBI (against Lien)			5.00	
FD with SBI (against Lien)			0.90	
FD with SBI (against Lien)			0.50	
Total	6.83	0.00	6.90	13.73
Grand Total	14.48	0.00	6.90	21.38

39. Details of major cased shows as claims not Acknowledged as Debts are as under: -

Name of the Party	Reasons	Amount (Rs.in Lacs)
Kirloskar Elect. Co.	Delayed Delivery/Performance (Demand notice received from party)	150.00
Central Railway	License fee for Railway, siding land (Demand notice received from party)	297.68
Collector of Mumbai	Lease Rent (net off Rs.120.00 Lacs Advance Paid) (Demand notice received from party)	872.30
Kaithal Sugar Mills Ltd, Haryana	For setting up 2500 TCD sugar plant. (Matter in High Court)	250.00
SBI - Employees PF Trust	Overdue Interest payment on Bonds (Less of Provision - Rs. 45.58 Lac) (Demand notice received from party)	217.64

40. **For Expenditure towards Corporate Social Responsibility**

Amount required to be spent for CSR activities – Rs. 42.87 lacs (previous year Rs.51.83 lacs)

Amount actually spent for CSR activities – Nil (previous year – Rs.52.20).

No provision has been made for CSR activities during the year under consideration and the same will be charged to Profit & Loss in the year in which the expenditure will be incurred.

41. The provisions of expenses are made at the end of the year on estimated basis however the tax deducted at source will be deducted as and when the actual bills are booked.

42. Non-agricultural tax levied by State Authorities in respect of Mulund premises for the period 1st August, 2006 to 31st July, 2020 of Rs.3,36,95,211/-. Out of the same, the company has made the payment of Rs 2,89,03,050/- and the same has been classified as Exceptional Item in profit and loss account as the intimation for payment and the quantification of demand liability, was received by the company under the year under consideration. The balance amount of Rs 47,92,161/- is shown as Contingent Liability. Further for the period August, 2020 to March, 2021, no provision has been made as the company has requested for exemption in lieu of the premises being used by MCGM.

43. Company does not have balance certificate of Bank account with State Bank of India, DIGBOI, Assam. Account is showing balance of Rs.0.20 lacs in books of accounts.

44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

As per our report of even date attached

For JAIN and JAIN LLP
Chartered Accountants
Firm Regd. No. 103869W/W100630
CA Manisha K Parmar
Partner
Membership No. 103823
Place : Mumbai
Date : 3rd September
UDIN: 21103823AAAAAQ4354

For and on behalf of Board of Directors

Shri Aditya Kumar Ghosh
Director
DIN : 09222808

Smt Laxmi Chandra
Chairman & Managing Director
DIN : 08958761

Sanjay Kumar Ojha
Chief Financial Officer

Pooja G. Shirodkar
CS & CPIO

Place : Mumbai
Date: 3rd September 2021

TEN YEAR DIGEST

Sr. No.	Particulars	Revised			Revised						
		2020-21	2019-20	2018-19	2017-18	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
1	Value of Production	670.20	870.36	1,261.82	1,699.95	2,075.67	2,021.90	5,316.37	6,270.34	7,118.91	7,331.31
2	Gross Sales	3,424.05	4,095.41	4,220.54	4,581.35	4,649.50	5,009.62	9,359.51	8,359.70	8,397.71	8,328.77
3	Cost of Sales	583.22	768.65	1,179.59	1,619.33	1,822.66	1,732.41	4,736.22	5,489.10	6,285.48	5,914.18
4	Gross Profit/(Loss) before Interest & Depreciation	1,879.42	2,446.45	2,418.34	1,685.29	1,596.97	2,184.69	2,990.75	1,959.82	1,339.51	1,573.69
5	Depreciation	37.44	39.65	40.2	39.49	77.73	80.74	251.63	61.33	64.65	69.28
6	Gross Profit/(Loss) before Interest	1841.98	2,406.80	2378.14	1,645.80	1,519.24	2,103.95	2,739.12	1,898.49	1,274.86	1,504.41
7	Interest :										
	a) Government	-	-	-	-	-	3,110.49	3,103.58	2,281.27	4,221.71	3,124.72
	b) Others	-	-	-	-	-	-	-	-	2.16	5.89
8	Profit Before Tax	1,841.98	2,406.80	2,378.14	1,645.80	1,519.24	(1,006.54)	(364.46)	(382.78)	(2,949.01)	(1,626.20)
9	Provision for Tax	501.16	-539.86	84.44	-	24.80	-	-	-	-	-
10	Profit After Tax	1,340.82	2,946.66	2,293.70	1,645.80	1,494.44	(1,006.54)	(364.46)	(382.78)	(2,949.01)	(1,626.20)
11	Gross Block	2,927.47	2,927.14	2,861.82	2,856.40	2,711.11	2,534.63	2,737.62	2,897.29	3,220.16	3,205.16
12	Net Block	736.91	774.04	752.62	787.40	665.06	516.22	557.11	719.89	757.90	807.55
13	Working Capital	22022.39	17584.93	(34,162.80)	(30,687.01)	(36,631.28)	12,047.62	9,932.99	7,108.36	5,174.92	4,074.24
14	Long Term Loans	0	0		-	-	52,658.68	49,555.27	46,451.86	44,170.59	39,954.04
15	Short Term Loans (Incl. Cash Credit)	0	0		-	-	-	-	-	-	-
16	Share Capital	15,661.05	15,661.05	15,661.05	15,661.05	15,661.05	5,483.53	5,483.53	5,483.53	5,483.53	5,483.53
17	Reserves	43,478.39	43,478.39				-	-	-	-	-
18	Capital Employed	22,759.30	18,358.97	(33,410.18)	(29,899.61)	(35,966.22)	12,563.84	10,490.10	7,828.25	5,932.82	4,881.79
19	Net Worth	22,796.76	21,455.94	(24,969.10)	(27,262.79)	(28,908.59)	(40,580.55)	(39,574.01)	(39,209.55)	(38,826.77)	(35,877.76)
20	Cumulative Loss	(36,342.68)	(37,683.50)	(40,630.15)	(42,923.84)	(44,569.64)	(46,064.08)	(45,057.54)	(44,693.08)	(44,310.30)	(41,361.29)
21	Value Added	86.98	26.39	9.27	25.62	186.97	220.25	519.80	639.40	676.86	1,229.38
22	Salaries, Wages & Benefits	156.62	292.38	158.25	122.95	153.25	118.49	110.79	143.22	155.97	209.26
23	Value Added Per employee	17.40	3.30	1.03	2.85	17.00	13.77	32.49	29.06	19.91	24.59
24	Contribution to Exchequer	501.16	(539.86)	84.44	13.71	100.32	28.64	93.23	59.74	160.57	130.57
25	Internal Resources Generation	-	-	-	-	-	-	-	-	-	-
26	Export Incl. Deemed exports	-	-	-	-	-	-	-	-	-	-
27	No. of Employees	5	8	9	9	11.00	16	16	22	34	50
28	Value Added Per Rupee of wages	0.56	0.09	0.06	0.21	1.22	1.86	4.69	4.46	4.34	5.87
29	Salary & Wages to Sales	21.86	14.01	26.67	37.26	30.34	42.28	84.48	58.37	53.84	39.80
30	Material consumption to Production	1.15	1.13	1.07	1.05	1.14	1.17	1.12	1.14	1.13	1.24
31	Inventoy to No.of days to Production	86	66	49	37	42	19	7	6	11	12
32	Sundry Debtors to No of days to Turnover	64	66	68	83	116	150	80	107	104	127



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