

Ref: RCIIND/BSE/Result/Q2(2020-21)

November 12, 2020

To
BSE Limited
Listing & Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

SCRIP CODE: 537254

Sub: Un-Audited Financial Result (Standalone & Consolidated) for the 2nd Quarter and Half year ended September 30, 2020.

Dear Sir/Ma'am,

Pursuant to the provision of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, if any, we would like to inform you that the Standalone & Consolidated Un-Audited Financial Result for the 2nd Quarter and Half Year ended September 30, 2020 shall considered and disseminated on November 12, 2020. Consequent to same, we enclosed, interim of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the followings:

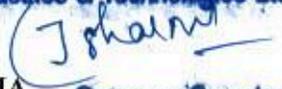
1. Standalone and Consolidated Unaudited Financial Result of the Company for the 2nd Quarter and Half Year ended September 30, 2020 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with Limited Review Report thereon.

In terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the results are also being published in the newspaper.

You are requested to take the above information on record.

Yours faithfully,

FOR RCI INDUSTRIES & TECHNOLOGIES LIMITED


JYOTI SHARMA *Company Secretary*
COMPANY SECRETARY
M. No.: A55135

Encl: a/a

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
 FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020**

(Amount in Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a. Revenue from Operations	2,246.08	838.05	8,719.53	3,084.13	25,006.07	38,882.65
	b. Other Income	4.21	57.05	345.18	61.26	411.84	1,707.53
	Total Income	2,250.29	895.10	9,064.71	3,145.39	25,417.91	40,590.18
2	Expenses						
	a. Cost of Material Consumed	1,786.37	272.31	7,780.48	2,058.67	20,485.95	34,354.46
	b. Purchase of stock-in-trade	-	38.89	932.54	38.89	1,919.16	4,689.93
	c. Change in inventories of finished goods, work-in-progress and stock-in-trade	739.10	650.91	1,727.28	1,390.01	2,319.26	5,047.24
	d. Employee Benefits Expenses	151.56	123.53	271.46	275.09	564.57	983.86
	e. Finance Costs	0.24	0.28	444.15	0.52	1,001.97	1,587.05
	f. Depreciation and Amortisation Expenses	331.55	320.74	357.01	652.29	676.51	1,323.09
	g. Other Expenses	332.78	118.80	503.75	451.58	1,066.26	3,212.56
	Total Expenses	3,341.60	1,525.45	12,016.67	4,867.05	28,033.68	51,198.18
3	Profit/(Loss) before tax, exceptional item and prior period items	(1,091.31)	(630.35)	(2,951.96)	(1,721.66)	(2,615.77)	(10,608.00)
4	Exceptional item	-	-	-	-	1,667.73	2,078.09
5	Prior period items	-	-	1,636.32	-	1,636.32	1,636.32
6	Profit/(Loss) before tax	(1,091.31)	(630.35)	(4,588.29)	(1,721.66)	(5,919.83)	(14,322.42)
7	Tax expense						
	a. Current Tax	-	-	-	-	-	-
	b. Deferred Tax	(37.30)	(27.74)	67.31	(65.03)	45.94	(74.75)
	Total tax expense	(37.30)	(27.74)	67.31	(65.03)	45.94	(74.75)
8	Profit/(Loss) after tax	(1,054.01)	(602.61)	(4,655.59)	(1,656.62)	(5,965.77)	(14,247.67)
9	Other Comprehensive Income	1.86	1.86	1.21	3.72	2.41	7.45
10	Total Comprehensive Income / (Loss)	(1,052.15)	(600.75)	(4,654.39)	(1,652.90)	(5,963.36)	(14,240.22)
11	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,567.64	1,567.64	1,567.64	1,567.64	1,567.64	1,567.64
12	Earnings Per Share (Face value of Rs. 10/- each)						
	Basic (in Rs.) (not annualised)	(6.72)	(3.84)	(29.70)	(10.57)	(38.06)	(90.89)
	Diluted (in Rs.) (not annualised)	(6.72)	(3.84)	(29.70)	(10.57)	(38.06)	(90.89)

STATEMENT OF ASSETS AND LIABILITIES

		As at	
		30.09.20	31.03.20
		(Unaudited)	(Audited)
1	ASSETS		
	Non-current assets		
a	Property, plant and equipment	8,045.29	8,513.88
b	Capital work-in-progress	1,218.94	946.77
c	Intangible Assets	3.80	17.07
d	Intangible Assets under Development	-	-
e	Financial Assets		
i	Investments	1,652.38	1,652.38
ii	Loans	162.74	146.96

	iii	Other non-current assets	743.45	1,101.67
Total Non - Current Assets			11,826.59	12,378.74
2 Current assets				
a	Inventories		3,185.59	4,940.88
b	Financial Assets			
	i	Investments	-	-
	ii	Trade receivables	14,312.86	16,870.66
	iii	Cash and cash equivalents	121.05	137.85
	iv	Other bank balances	73.92	73.92
	v	Loans	171.48	174.77
	vi	Other financial assets	92.48	92.48
c	Other current assets		2,003.64	2,240.98
Total Current Assets			19,961.02	24,531.54
Total Assets			31,787.62	36,910.28
EQUITY AND LIABILITIES				
1 Equity				
a	Equity share capital		1,567.64	1,567.64
b	Instruments entirely equity innature (Compulsorily Convertible Debentures)		-	-
c	Other equity		858.66	2,511.56
Total equity			2,426.30	4,079.20
LIABILITIES				
2 Non-current liabilities				
a	Financial Liabilities			
	i	Borrowings	296.51	695.21
b	Provisions		113.87	96.16
c	Deferred tax liabilities (net)		12.37	77.41
Total Non - Current Liabilities			422.76	868.77
3 Current liabilities				
a	Financial Liabilities			
	i	Borrowings	22,766.82	23,112.40
	ii	Trade payables	3,757.82	6,295.15
	iii	Other financial liabilities	321.76	337.33
b	Other current liabilities		465.06	559.40
c	Provisions		1.48	1.48
d	Current Tax Liabilities (net)		1,625.60	1,656.54
Total Current Liabilities			28,938.55	31,962.30
Total Equity and Liabilities			31,787.62	36,910.28

STATEMENT OF CASH FLOWS

	For the period ended	
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	(1,721.66)	(5,919.83)
Adjustments for:		
Depreciation	652.29	676.51
Finance Cost	0.52	1,001.97
Interest income	(61.26)	(340.90)
(Gain)/ Loss due to change in fair value of Investment	-	(0.61)
Actuarial Gain / (loss) on defined benefit plan	3.72	2.41
Other adjustment	-	-
Operating profit before working capital changes	(1,126.39)	(4,580.44)
Movements in working capital :		
(Increase)/ Decrease in Inventories	1,755.29	4,529.61
(Increase)/Decrease in Trade Receivables	2,556.90	3,238.96
(Increase)/Decrease in Loans	(11.58)	3.94

(Increase)/Decrease in Other Financial asset	-	-
(Increase)/Decrease in Other asset	595.56	812.09
Increase/(Decrease) in Trade Payables	(2,537.33)	(1,184.62)
Increase/(Decrease) in Other Financial Liabilities	(15.56)	(156.23)
Increase/(Decrease) in Other current Liabilities	(94.34)	(64.94)
Increase/(Decrease) in Provisions	17.72	7.99
Cash generated from operations	1,140.27	2,606.36
Income tax Refund/ (paid) during the year	(30.94)	(11.59)
Net cash from operating activities (A)	1,109.33	2,594.77
B. Cash flow from Investing activities		
Purchase of Fixed assets	(442.59)	(911.29)
(Increase)/Decrease in investment in fixed deposit	-	755.53
Interest received	61.26	368.89
Net cash from investing activities (B)	(381.32)	213.14
C. Cash flow from Financing activities		
Increase / (Decrease) in borrowings	(744.28)	(1,776.25)
Finance cost paid	(0.52)	(1,001.97)
Net cash from financing activities (C)	(744.80)	(2,778.22)
Net Increase In cash and cash equivalents (A+B+C)	(16.79)	29.68
Cash and cash equivalents at the beginning of the period	137.85	132.23
Cash and cash equivalents at the end of the Period	121.05	161.91

Notes:-

- The above financial results for the quarter and half year ended September 30, 2020 have been reviewed by Audit committee and approved by the Board of Directors in their respective meetings held on November 12, 2020.
- The Company activity during the quarter revolves around manufacturing and trading of all kind of metals and metal products. Considering the nature of Company's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirement of Ind AS 108 - "Operating Segments"
- During the year ended March 31, 2020, All the lenders to Company has declared the account as non performing asset (NPA) due to non payment of interest due and borrowed amount.
- The Company is in discussion with lenders for restructuring of debt and no provision for interest expense has been made in books of accounts. The total amount of interest not provided in books of accounts till 30.09.2020 is Rs. 24 crores approx. (Including interest for previous year ended March 31, 2020 for Rs. 10.46 crores).
- Company faces a material uncertainty related to Going Concern because of heavy losses incurred during previous year and current period. Further, the net worth of the Company has been fully eroded (after considering the interest expenses not provided for in books of accounts as discussed in point no. 4 above). These conditions indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is confident of reviving the Company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared assuming that the Company will continue as a going concern
- The financial result has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- Figures for the previous periods have been re-grouped/ rearranged/ restated wherever necessary to make them comparable with those of the current period.

Place: New Delhi
Date: November 12, 2020

For RCI Industries & Technologies Ltd.
For RCI INDUSTRIES & TECHNOLOGIES LTD.


Managing Director

Rajeev Gupta
Managing Director
DIN - 00503196



H -1/208, Garg Tower, Netaji Subhash Place, Pitampura, New Delhi -110034

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
RCI INDUSTRIES & TECHNOLOGIES LIMITED**

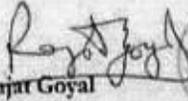
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of RCI INDUSTRIES & TECHNOLOGIES LIMITED ('the Company') for the quarter and six months ended September 30, 2020 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation')
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Basis for qualified conclusions
 - a. *Company borrowings were declared as non performing asset (NPA) during the previous year ended March 31 2020. Due to this, we have not been provided with any document confirming balances, as at September 30, 2020, for certain loans granted by financial institutions, BG Invocation liability towards banks, bill discounting liability towards banks, certain current accounts and fixed deposits held by the Company. In the absence of such document we cannot comment on the accuracy and completeness of these balances. The amount of these borrowings, current account balances and fixed deposits as per financial statement as at September 30, 2020 is Rs. 81.60 crores, Rs. 2.21 Lacs and Rs. 73.64 Lacs respectively.*
 - b. *The Company has not recognized interest expenses in its financial statement on its outstanding borrowings. The total amount of such interest expenses is Rs. 13.54 crores approx. for six months ended September 30, 2020 and Rs. 24 crores approx. for the period April 01, 2019 to September 30, 2020 (These are an approximate amounts without considering the penal interest provisions and the amount cannot be confirmed with bank levy of interest as many banks have stopped charging interest in their statement and for certain borrowings confirmation of interest amount is not available). Accordingly, loss after tax and other comprehensive loss for the six months ended September 30, 2020 is lower by Rs. 13.54 crores and retained earnings as at September 30, 2020 are higher by Rs. 24 crores.*
 - c. *Company faces a material uncertainty related to Going Concern because of heavy losses incurred during previous year and current period. Further, the net worth of the Company has been fully eroded (after considering the interest expenses not provided for in books of accounts). These conditions indicate the existence of a material uncertainty*



that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is confident of reviving the Company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared assuming that the Company will continue as a going concern

5. Based on our review conducted as above, *except for the effects/possible effects of the matters specified in Para 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in term of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KRA & Co.
Chartered Accountants
(Firm Registration No.020266N)


Rajat Goyal
Partner

Membership No.: 503150

UDIN: 20503150AABQG6761

Place: New Delhi

Date: November 12, 2020

RCI INDUSTRIES & TECHNOLOGIES LTD.

 Regd. Office : Unit No. 421, 4th Floor, Pearl Omaxe Tower,
 Netaji Subhash Place, Pitampura, New Delhi - 110034

CIN: L74900DL1992PLC047055

Website: www.rciind.com **Email:** compliance@rciind.com **Tel:** 91-11-27372194 **Fax:** 91-11-27371334

**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
 FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020**

(Amount in Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a. Revenue from Operations	2,448.84	838.05	8,788.08	3,286.89	30,753.86	45,683.10
	b. Other Income	7.79	62.19	364.24	69.98	436.24	1,726.63
	Total Income	2,456.63	900.24	9,152.32	3,356.87	31,190.10	47,409.73
2	Expenses						
	a. Cost of Material Consumed	1,786.37	272.31	7,780.48	2,058.67	20,485.95	34,354.46
	b. Purchase of stock-in-trade	210.56	38.89	998.67	249.44	7,608.43	11,214.68
	c. Change in inventories of finished goods, work-in-progress and stock-in-trade	739.10	650.91	1,727.28	1,390.01	2,319.26	5,047.24
	d. Employee Benefits Expenses	156.75	123.53	266.94	280.27	564.79	1,017.38
	e. Finance Costs	0.87	0.71	446.10	1.57	1,004.57	1,590.38
	f. Depreciation and Amortisation Expenses	338.78	320.74	379.14	659.51	719.26	1,337.16
	g. Other Expenses	1,572.95	1,161.41	518.84	2,734.36	1,083.15	5,843.60
	Total Expenses	4,805.36	2,568.48	12,117.45	7,373.85	33,785.43	60,404.90
3	Profit/(Loss) before tax, exceptional item and prior period items	(2,348.73)	(1,668.24)	(2,965.13)	(4,016.98)	(2,595.33)	(12,995.17)
4	Exceptional item	-	-	-	-	1,667.73	2,078.09
5	Prior period items	-	-	1,636.32	-	1,636.32	1,636.32
6	Profit/(Loss) before tax	(2,348.73)	(1,668.24)	(4,601.45)	(4,016.98)	(5,899.39)	(16,709.58)
7	Tax expense						
	a. Current Tax	-	-	-	-	-	-
	b. Deferred Tax	(37.30)	(27.74)	67.31	(65.03)	45.94	(74.53)
	Total tax expense	(37.30)	(27.74)	67.31	(65.03)	45.94	(74.53)
8	Profit/(Loss) after tax attributable to owners of the parent	(2,311.43)	(1,640.51)	(4,668.76)	(3,951.94)	(5,945.33)	(16,635.05)
9	Other Comprehensive Income	(178.95)	14.22	224.53	(164.73)	182.46	791.88
10	Total Comprehensive Income/(Loss) attributable to owners of the parent	(2,490.38)	(1,626.28)	(4,444.23)	(4,116.67)	(5,762.87)	(15,843.17)
11	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,567.64	1,567.64	1,567.64	1,567.64	1,567.64	1,567.64
12	Earnings Per Share (Face value of Rs. 10/- each)						
	Basic (in Rs.) (not annualised)	(14.74)	(10.46)	(29.78)	(25.21)	(37.93)	(106.12)
	Diluted (in Rs.) (not annualised)	(14.74)	(10.46)	(29.78)	(25.21)	(37.93)	(106.12)

STATEMENT OF ASSETS AND LIABILITIES

		As at	
		30.09.20	31.03.20
		(Unaudited)	(Audited)
1	ASSETS		
	Non-current assets		
	a Property, plant and equipment	8,508.69	8,996.00
	b Intangible Assets	3.80	17.07
	c Capital work-in-progress	1,218.94	946.77
	d Intangible Assets under Development	-	-
	e Financial Assets		
	i Investments	1,186.16	1,186.16
	ii Loans	162.74	146.96
	iii Other non-current assets	743.45	1,101.67
	Total Non - Current Assets	11,823.78	12,394.63
2	Current assets		
	a Inventories	3,185.59	4,940.88
	b Financial Assets		
	i Investments	-	-

	ii	Trade receivables	18,535.30	24,072.75
	iii	Cash and cash equivalents	196.26	180.05
	iv	Other bank balances	73.92	73.92
	v	Loans	195.15	199.03
	vi	Other financial assets	92.48	92.48
c		Current Tax Assets (net)		-
d		Other current assets	2,004.19	2,241.51
		Total Current Assets	24,282.90	31,800.61
		Total Assets	36,106.68	44,195.24
		EQUITY AND LIABILITIES		
1		Equity		
	a	Equity share capital	1,567.64	1,567.64
	b	Instruments entirely equity innature (Compulsorily Convertible Debentures)		-
	c	Other equity	5,177.72	9,294.39
		Total equity	6,745.36	10,862.03
		LIABILITIES		
2		Non-current liabilities		
	a	Financial Liabilities		
	i	Borrowings	296.51	695.21
	b	Provisions	113.87	96.16
	c	Deferred tax liabilities (net)	12.37	77.41
	d	Other non-current liabilities	-	-
		Total Non - Current Liabilities	422.76	868.77
3		Current liabilities		
	a	Financial Liabilities		
	i	Borrowings	22,766.82	23,112.40
	ii	Trade payables	3,757.82	6,790.09
	iii	Other financial liabilities	321.76	344.52
	b	Other current liabilities	465.06	559.40
	c	Provisions	1.48	1.48
	d	Current Tax Liabilities (net)	1,625.60	1,656.54
		Total Current Liabilities	28,938.55	32,464.44
		Total Equity and Liabilities	36,106.68	44,195.24

STATEMENT OF CASH FLOWS

	For the period ended	
	30.09.2020	30.09.2019
	(Unaudited)	(Unaudited)
A. Cash flow from Operating activities		
Profit/ (Loss) before tax	(4,016.98)	(5,899.39)
Adjustments for:		
Depreciation	659.51	719.26
Finance Cost	1.57	1,004.57
Interest income	(61.26)	(340.90)
(Gain)/ Loss due to change in fair value of Investment	-	(0.61)
Actuarial Gain / (loss) on defined benefit plan	3.72	2.41
Movement in Foreign Currency Translation Reserve	(168.45)	180.05
Operating profit before working capital changes	(3,581.88)	(4,334.60)
Movements in working capital :		
(Increase)/ Decrease in Inventories	1,755.29	4,529.61
(Increase)/Decrease in Trade Receivables	5,537.45	3,515.68
(Increase)/Decrease in Loans	(11.90)	(11.18)
(Increase)/Decrease in Other Financial asset	-	-
(Increase)/Decrease in Other asset	595.54	311.70
Increase/(Decrease) in Trade Payables	(3,032.27)	(1,185.05)
Increase/(Decrease) in Other Financial Liabilities	(22.76)	(153.61)
Increase/(Decrease) in Other current Liabilities	(94.34)	(65.10)
Increase/(Decrease) in Provisions	17.72	7.99
Cash generated from operations	1,162.85	2,615.44
Income tax Refund/ (paid) during the year	(30.94)	(11.65)
Net cash from operating activities (A)	1,131.91	2,603.79
B. Cash flow from Investing activities		
Purchase of Fixed assets	(431.11)	(919.95)
(Increase)/Decrease in investment in fixed deposit	-	755.53

Interest received	61.26	368.89
Net cash from investing activities (B)	(369.84)	204.48
C. Cash flow from Financing activities		
Increase / (Decrease) in borrowings	(744.28)	(1,766.64)
Finance cost paid	(1.57)	(1,004.57)
Net cash from financing activities (C)	(745.85)	(2,771.22)
Net increase in cash and cash equivalents (A+B+C)	16.22	37.05
Cash and cash equivalents at the beginning of the period	180.05	204.58
Cash and cash equivalents at the end of the Period	196.26	241.63

Notes:-

- 1 The above financial results for the quarter and half year ended September 30, 2020 have been reviewed by Audit committee and approved by the Board of Directors in their respective meetings held on November 12, 2020.
- 2 The Group's activity during the year revolves around manufacturing and trading of all kind of metals and metal products. Considering the nature of Group's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirement of Ind AS 108 - "Operating Segments"
- 3 During the year ended March 31, 2020, All the lenders to the Parent Company has declared the account as non performing asset (NPA) due to non payment of interest due and borrowed amount.
- 4 The Parent Company is in discussion with lenders for restructuring of debt and no provision for interest expense has been made in books of accounts. The total amount of interest not provided in books of accounts till 30.09.2020 is Rs. 24 crores approx. (Including interest for previous year ended March 31, 2020 for Rs. 10.46 crores).
- 5 Parent Company faces a material uncertainty related to Going Concern because of heavy losses incurred during previous year and current period. Further, the net worth of the Company has been fully eroded (after considering the interest expenses not provided for in books of accounts as discussed in point no. 4 above). These conditions indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is confident of reviving the Parent Company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared assuming that the Company will continue as a going concern.
- 6 The financial result has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- 7 Figures for the previous periods have been re-grouped/ rearranged/ restated wherever necessary to make them comparable with those of the current period.

Place: New Delhi

Date: November 12, 2020

For RCI Industries & Technologies Ltd.
For RCI INDUSTRIES & TECHNOLOGIES LTD.

Managing Director

Rajeev Gupta
Managing Director
DIN - 00503196



KRA & CO.

☎ 011 - 47082855
Fax: 011 - 47082855

Chartered Accountants

H -1/208, Garg Tower, Netaji Subhash Place, Pitampura, New Delhi -110034

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
RCI INDUSTRIES & TECHNOLOGIES LIMITED**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of RCI INDUSTRIES & TECHNOLOGIES LIMITED ('the Parent') and its subsidiaries (the Parent and its subsidiaries constitute "the Group") for the quarter and six months ended September 30, 2020 ('the Statement'), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation')
2. This Statement, which is the responsibility of the Parent's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

- i. RCI World Trade Link DMCC, Dubai

5. Basis for qualified conclusions

- a. *Parent Company borrowings were declared as non performing asset (NPA) during the previous year ended March 31 2020. Due to this, we have not been provided with any document confirming balances, as at September 30, 2020, for certain loans granted by financial institutions, BG Invocation liability towards banks, bill discounting liability towards banks, certain current accounts and fixed deposits held by the Company. In the absence of such document we cannot comment on the accuracy and completeness of these balances. The amount of these borrowings, current account balances and fixed deposits as per financial statement as at September 30, 2020 is Rs. 81.60 crores, Rs. 2.21 Lacs and Rs. 73.64 Lacs respectively.*

- b. *The Parent Company has not recognized interest expenses in its financial statement on its outstanding borrowings. The total amount of such interest expenses is Rs. 13.54 crores approx. for six month ended September 30, 2020 and Rs. 24 crores approx. for the period April 01, 2019 to September 30, 2020 (These are an approximate amounts without considering the penal interest provisions and the amount cannot be confirmed with bank levy of interest as many banks have stopped charging interest in their statement and for certain borrowings confirmation of interest amount is not available). Accordingly, loss after tax and other comprehensive loss for the six month ended*



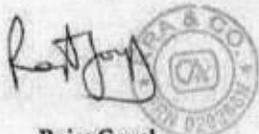
September 30, 2020 is lower by Rs. 13.54 crores and retained earnings as at September 30, 2020 are higher by Rs. 24 crores.

- e. Parent Company faces a material uncertainty related to Going Concern because of heavy losses incurred during previous year and current period. Further, the net worth of the Company has been fully eroded (after considering the interest expenses not provided for in books of accounts). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is confident of reviving the Company and is in discussion with Bank for restructuring of loan. Accordingly, the accompanying financial results have been prepared assuming that the Company will continue as a going concern
6. The consolidated unaudited financial results include the interim financial information of one subsidiary which has not been reviewed by their auditors, whose interim financial information reflects total assets of Rs. 47.85 crores as at September 30, 2020 and total revenue of Rs. 2.11 crores, total net loss after tax of Rs. 22.95 crores and total comprehensive loss of Rs. 24.63 crores for the six months ended September 30, 2020. This subsidiary has been consolidated based on its management certified accounts.

Our conclusion on the Statement is not modified in respect of the above matter.

7. Based on our review conducted and procedures performed as stated in paragraph 3 above, *except for the effects/possible effects of the matters specified in Para 5 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KRA & Co.
Chartered Accountants
(Firm Registration No.020266N)



Rajat Goyal
Partner
Membership No.: 503150
UDIN: 20503150AAABQH8940
Place: New Delhi
Date: November 12, 2020